

TO: Finance Committee, Tax Collection, Payroll, Finance Departments
FROM: Connie Carpenter, CFO
Re: Corrective Action 2022 Audit Findings
DATE: October 10, 2023

Prior year Findings Unresolved

Finance

1. Our audit revealed the balance reported in the Other Trust Fund for developer escrow deposits is not in agreement with the individual developer account balances per the subsidiary reports as of December 31, 2022. Additionally, old inactive and deficit balance of developer escrow deposits be reviewed and cleared of record.
2. The Affordable Housing Trust Fund revealed the annual financial report was not updated and available for audit.

Purchasing

1. Procedures over purchasing be reviewed and revised to ensure purchase orders are issued and encumbered when contract awards are approved, and expenditures are incurred during the year.

Current Year Findings

Finance

1. Reconciling items on all Borough bank accounts be reviewed for validity and invalid items be cleared of record.
2. Revised Water and Electric Utility usage rates be billed on their effective date in accordance with adopted Borough ordinances.

Purchase

1. Purchasing procedures be reviewed and revised to ensure purchase orders are available for audit and are issued and approved in accordance with existing Borough procedures and related procurement regulations.
2. State contract and Cooperative Purchasing Program contract award information be maintained on file and available for audit.

Corrective Action

Prior year

Finance

1. The deficit balance of developer escrow deposits has been worked out and cleared. Old inactive will continue to be reviewed. **Action Date:** In process
2. Research for location of information has been completed. The annual financial report for the Affordable Housing Trust Fund is in the process of being pulled and updated for completion of 2022 audit. **Action Date:** In process

Current Year Findings

Finance:

1. Bank accounts be reviewed and revised for validity and invalid items cleared of record monthly and signed off by CFO **Action Date:** Immediate
2. Water and Electric Utility usage rates have been billed on their effective date in accordance with the adopted Borough ordinances. **Action Date:** Implemented

Purchasing:

1. The purchase order procedure has been reconfirmed to all finance personnel so that purchase orders are to be encumbered when contract awards are approved with the availability of funds authorized by the CFO. **Action Date:** Implemented
2. All purchase orders claiming State Contract and/or Cooperative Purchasing maintain copy of State Contract document together with purchase order. **Action Date:** Immediate

Respectfully submitted.