

RESOLUTION 2012 – 036

RESOLUTION APPROVING  
THE BORDENTOWN SEWERAGE AUTHORITY  
CORRECTIVE ACTION PLAN

WHEREAS, The Bordentown Sewerage Authority is required to prepare a Corrective Action Plan as part of its annual audit process that addresses all findings and recommendations contained in the annual audit report, and specifies the manner in which the findings and recommendations will be corrected; and

WHEREAS, the Corrective Action Plan is required to be submitted to the Division of Local Government Services and kept on file in the office of the Authority within sixty (60) days from the date that the audit is received by the Authority.

NOW, THEREFORE, BE IT RESOLVED by The Bordentown Sewerage Authority, this 16<sup>th</sup> day of April, 2012 as follows:

1. The Corrective Action Plan attached hereto is hereby adopted by the Authority.
2. A copy of the Corrective Action Plan shall be submitted to the Division of Local Government Services and kept on file in the office of the Authority, as required by law.

THE BORDENTOWN SEWERAGE AUTHORITY

By:   
Ronald L. Marino, Chairman

Attest:

  
Nancy Liberman, Secretary

## CORRECTIVE ACTION PLAN

AUDIT REPORT YEAR:  
DECEMBER 1, 2010 – NOVEMBER 30, 2011

APPROVED: April 16, 2012

The Bordentown Sewerage Authority hereby approves the following Corrective Action Plan for the audit year indicated above.

Finding:

Sound internal controls associated with hiring procedures require appropriate authorization.

Recommendation:

Employee compensation should be approved by the Board and indicated in the minute record.

Explanation and Corrective Action:

Employee compensation for new hires will be properly noted in the Minutes upon approval by the Board. After approval for new employee compensation has been given, a memo from the Executive Director will be provided to the Administrative Manager noting the new hire annual salary and/or hourly rate. The memo will be filed in the employee's personnel file.

Finding:

All computer systems should have established back-up procedures in place.

Recommendation:

Controls over access to hardware, software and data along with system and data back-up should be reviewed.

Explanation and Corrective Action:

All processes were reviewed prior to this finding as a result of the failed capital asset system. Proper back-up systems have been put into place.

Finding:

It is the policy of the Authority to review the budget semiannually and make budget transfers to avoid budgetary overexpenditures.

Recommendation:

Budget line items should never be overexpended.

Explanation and Corrective Action:

The anticipated transfer amount approved in November did not fully cover actual expenses charged against several line items resulting in a month-end over expenditure, however, there was no impact to the overall budget amount. There will be closer coordination between Accounts Payable and Administration to be certain we fully anticipate expenses.