

**RESOLUTION 2015 – 040**

**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 20th day of April, 2015 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:

  
Stephen Monson, Secretary

## CORRECTIVE ACTION PLAN

AUDIT REPORT YEAR:  
DECEMBER 1, 2013 – NOVEMBER 30, 2014

APPROVED: April 20, 2015

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

### Finding 2014-1

#### Criteria:

Subsidiary ledgers should be routinely reconciled to the general ledger.

#### Condition:

The analysis of payroll withholding accounts does not agree with the general ledger cash balance amounting to \$4,873.00

#### Cause:

Unknown.

#### Effect:

The difference could potentially misstate the financial statements.

#### Recommendation:

The analysis of payroll cash should be completed and agreed to the control account.

#### Explanation and Corrective Action:

The withholding accounts were incorrectly adjusted by a software support representative when asked to correct a clerical error.

The subsidiary ledgers will be reconciled monthly when the cash account is reconciled.

### Finding 2014-2

#### Criteria:

Cash accounts must be reconciled to the general ledger control accounts.

#### Condition:

The connection fee cash account did not reconcile to the bank account by \$11,605.

#### Cause:

There were errors in transferring interest earning to the operating account.

#### Effect:

Cash balances were misstated by \$11,605.

#### Recommendation:

The connection fee cash account should be reconciled routinely.

#### Explanation and Corrective Action:

Some interest earnings were transferred out more than once.

The Administrative Manager will transfer interest earnings the same month the payment is received. At the time the cash account is reconciled, the general ledger control account will also be reconciled.