

BOROUGH OF RED BANK
COUNTY OF MONMOUTH
RESOLUTION NO. 16-188

A RESOLUTION REGARDING THE BOROUGH OF RED BANK
REPORT OF AUDIT FOR THE YEAR ENDED DECEMBER 31, 2015 AND CORRECTIVE ACTION PLAN
REQUIRED BY FEDERAL OMB CIRCULAR REFERENCE NUMBER A-133

Councilwoman Schwabenbauer offered the following resolution and moved its adoption:

WHEREAS, the New Jersey Department of Community Affairs, Division of Local Government Services, requires that all municipalities prepare and submit a Corrective Action Plan as part of their annual audit process; and

WHEREAS, the report of audit for the Borough of Red Bank for the year ended December 31, 2015 was prepared on or about June 17, 2016; and

WHEREAS, the governing body of the Borough of Red Bank approved this report of audit and has undertaken a Corrective Action Plan to cover the three (2) recommendations in the audited report as listed below:

Condition #1: During our testing of Water-Sewer cash receipts, we noticed that approximately 70 accounts are set-up in the Borough's accounting software with an incorrect billing rate, according to the Borough's billing structure. We also noted water and sewer connection fees revenues decreased significantly, due in part to several omitted billings.

Recommendation #1: We recommend that the Borough institute a stronger review process over the water-sewer billing process to ensure that the correct fees are being charged to each customer.

Corrective Action #1: The Water Sewer collection area have been able to identify all the inefficiencies of our present manual billing procedure, and recommended the implementation of an electronic metering system. Mayor and Council have voted on this Ordinance, and awarded a contract for the replacement of all meters to electronic metering and billing. The replacement process will be start soon during this summer of 2016. Also, new internal controls have been implemented to prevent incidents like this one from recurring. As far as the collection of connection fees, a procedure has been set up between the various departments for better communications in the collection effort of these fees.

Implementation Date: In progress

Condition #2: During our audit of the Municipal Court, we noted one instance where fees assessed by the judge were not entered correctly into the AOC system and the defendant was not appropriately charged for the violation.

Recommendation #2: We recommend that Municipal Court institute a stronger controls over the recording of assessed fees.

Corrective Action #2: Our Certified Court Administrator has implemented a procedure in which each ticket disposed of during the Court Session will be reviewed by court personnel prior to filing.

Implementation Date: In process

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Red Bank that the report of audit for the year ended December 31, 2015 prepared by David Kaplan, R.M.A., of the firm of Wiss & Company, LLC, the Borough Auditors, entitled "Comprehensive Annual Financial Report of the Borough of Red Bank for the Fiscal Year Ending December 31, 2015" has been previously accepted by the Borough of Red Bank and a Corrective Action Plan has been implemented to cover all findings and recommendations in the audit report and the appropriate steps have been taken as to these comments and recommendations as more particularly set forth above.

Seconded by Councilman Taylor and adopted on roll call by the following vote:

	Yes	No	Abstain	Absent
Councilwoman Burnham	(x)	()	()	()
Councilman Zipprich	()	()	()	(x)
Councilwoman Horgan	(x)	()	()	()
Councilwoman Schwabenbauer	(x)	()	()	()
Councilman Taylor	(x)	()	()	()
Councilman Whelan	(x)	()	()	()

Dated: July 13, 2016

I hereby certify the above to be a true copy of a resolution adopted by the Council of the Borough of Red Bank, in the County of Monmouth, at a meeting held on July 13, 2016.

Pamela Borghi, Municipal Clerk