

BOROUGH OF RED BANK

COUNTY OF MONMOUTH

RESOLUTION NO. 12-154

**A RESOLUTION REGARDING THE BOROUGH OF RED BANK
REPORT OF AUDIT FOR THE YEAR ENDED DECEMBER 31, 2011 AND CORRECTIVE
ACTION PLAN REQUIRED BY FEDERAL OMB CIRCULAR REFERENCE NUMBER A-133**

Ms. Horgan 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, 2011 was prepared on or about June 4, 2010; 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 one (1) Recommendation in the audited report as listed below:

Condition. Our examination revealed bank reconciliations were not prepared timely in many instances. The payroll account was omitted from the Borough's unaudited financial statement because it was not completed at that time. We did receive the December, 2011 bank reconciliation for audit and made an adjusting journal entry to reflect the ending balance. We also noted the payroll bank reconciliation is prepared by the same employee that administers and prepares the payroll. Other bank reconciliations we examined had stale dated outstanding checks and various reconciling items reflected. Supplemental reconciliations were available only through February, 2012.

Recommendation #1: That all bank reconciliations be prepared timely and accurately and that the payroll account reconciliation be performed by the Chief Financial Officer.

Corrective Action: The bank reconciliations have all been prepared timely since February 2012. The payroll bank reconciliation will be prepared by the Chief Financial Officer or another staff member.

Implementation Date: Already implemented for the timely preparation and 8/1/12 for the payroll bank reconciliation.

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, 2011 prepared by David Kaplan, R.M.A., of the firm of DAK CPA, the Borough Auditors, entitled "Comprehensive Annual Financial Report of the Borough of Red Bank for the Fiscal Year Ending December 31, 2010" 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 Ms. Lewis and adopted on roll call by the following vote:

	Yes	No	Abstain	Absent
Ms. Lewis	(x)	()	()	()
Mr. Zipprich	()	()	()	(x)
Mr. DuPont	(x)	()	()	()
Ms. Horgan	(x)	()	()	()
Ms. Lee	()	()	()	(x)
Mr. Murphy	(x)	()	()	()

Dated: July 25, 2012