



Borough of Oakland
Bergen County, New Jersey

Resolution 21-297

Approval of the 2020 Annual Audit Corrective Action Plan

WHEREAS, the Borough of Oakland is in receipt of the Report of Audit for the period ending December 31, 2020; and

WHEREAS, the Mayor and Council of the Borough of Oakland formally accepted said audit on October 13, 2021; and

WHEREAS, it is necessary to develop and obtain Mayor and Council approval of an Audit Corrective Action Plan: and

WHEREAS, said plan must be approved and filed within sixty days of formal notice,

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Borough of Oakland, that the required Audit Corrective Action Plan, having been prepared and submitted by the Chief Financial Officer, is hereby approved and further that said plan document be placed on file and made available for public inspection in the Office of the Borough Clerk.

LINDA H. SCHWAGER, MAYOR

ATTEST:

Date Adopted: October 13, 2021

LISA M. DUNCAN, BOROUGH CLERK

	Motion	Second	Ayes	Nays	Abstain	Absent
Biale						
Kulmala						
Pignatelli						
Slasinski						
Talamini						
Van Eck						
Mayor Schwager						

Corrective Action Plan

FISCAL YEAR ENDING 12/31/2020 REPORT OF AUDIT

ITEM # 1 (PD Tickets)	Due Date: 11/30/21	Status: Open
ITEM # 2 (Deposits)	Due Date: 10/01/21	Status: Complete
ITEM # 3 (Capital Ordinance)	Due Date: 10/01/21	Status: Complete
ITEM # 4 (Water Capital Ordinance)	Due Date: 06/01/22	Status: Open
ITEM # 5 (Dedications by Rider)	Due Date: 12/31/21	Status: In Progress
ITEM # 6 (Salary Documentation)	Due Date: 1/31/22	Status: In Progress

ITEM # 1

- ▶ FINDING - "several tickets on the "Tickets Assigned but not issued" report at December 31, that were outstanding for over 6 months."
- ▶ RECOMMENDATION – "With respect to the Municipal Court the tickets assigned not issued that have been outstanding for over six months be recalled."
- ▶ CAUSE: The officers are mostly issuing E Tickets so some of the tickets books have not been used.
- ▶ RESOLUTION: Municipal Clerk will take inventory of the ticket books and re assign them as required.
- ▶ RESPONSIBLE: Court Administrator
- ▶ DUE DATE: 11/30/2021
- ▶ STATUS: Open

ITEM # 2

- ▶ FINDING
 - ▶ "Our audit noted that certain Water Operating and Sewer Operating receipts were not deposited in a timely manner."
- ▶ RECOMMENDATION – "All municipal receipts be deposited in a timely manner."
- ▶ CAUSE:
 - ▶ COVID 19 USPS mail handling processes caused a 24 hour delay between the time received by the Borough and the time when Water Department mail was delivered for processing.
 - ▶ COVID 19 on-site staffing model had Water Clerk working remotely every other day for 4 months delaying time between receipt, processing and deposit.
- ▶ RESOLUTION:
 - ▶ USPS mail is no longer being held 24 hours before processing.

- ▶ Staffing has returned to onsite 100% of the time
- ▶ RESPONSIBLE: Water Clerk
- ▶ DUE DATE: 10/01/2021
- ▶ STATUS: Complete

ITEM # 3

- ▶ FINDING - "the Borough approved a contract for the acquisition of a fire truck."
- ▶ RECOMMENDATION – "The Borough adopt a Capital Ordinance prior to entering into a contract."
- ▶ CAUSE: The past 6 Budgets contained an appropriation for a fire apparatus of \$200,000 that was placed in a fire apparatus reserve. The contract was charged against the reserve. The apparatus has not been received. No payment has been made.
- ▶ RESOLUTION: Adopt a Capital Ordinance funded by the Fire Apparatus Reserve.
- ▶ RESPONSIBLE: CFO
- ▶ DUE DATE: 10/01/2021
- ▶ STATUS: Complete

ITEM # 4

- ▶ FINDING
 - ▶ "Our audit revealed there are cash deficits for certain Water Utility Capital ordinances that are over 5 years old."
- ▶ RECOMMENDATION – "All deficits for Water Ordinances in excess of five years old be funded
- ▶ CAUSE:
 - ▶ The status of these aged ordinances were not communicated in transition from prior, prior CFO to prior CFO nor from prior Bond Counsel to current bond counsel.
- ▶ RESOLUTION:
 - ▶ Ordinances will be fully funded in the 2022 Water Utility Budget.
- ▶ RESPONSIBLE: Administrator
- ▶ DUE DATE: 06/01/2022
- ▶ STATUS: Open

ITEM # 5

- ▶ FINDING - "Audit revealed that certain other reserves in the Other Trust Fund do not have approved dedication by riders from the DLGS."

- ▶ RECOMMENDATION – “Dedications by Rider be obtained or balances disposed of for each of the other reserves in the Other Trust Fund”
- ▶ CAUSE: Several of the Trust funds are required by State Statute and have been in existence for over 15 years. 3 Trust Funds are for Current Year Dedicated Donations.
- ▶ RESOLUTION: Dedication by Riders will be processed for identified accounts and sent to the State. CFO will confirm that each rider is added to the States tracking system.
- ▶ RESPONSIBLE: CFO
- ▶ DUE DATE: 12/31/2021
- ▶ STATUS: In Progress. Riders have been sent to the State on 9/30/21

ITEM # 6

- ▶ FINDING - “Audit noted instances where an employee’s annual salary could not be verified to a Council resolution.”
- ▶ RECOMMENDATION – “The documentation supporting the respective employee salary be retained by the payroll department.”
- ▶ CAUSE: In addition to the Collective Bargaining Contracts and the annual salary resolution that establish the annual salary for each employee at the beginning of each year, salary changes that are processed during the year are communicated to the Payroll Clerk via email from the Borough Administrator. Copies of the contracts, salary resolution and emails are not always kept in individual payroll files.
- ▶ RESOLUTION: When changes are made to an individuals salary in the Boroughs payroll system, the Payroll Clerk will place a copy of the documentation supporting the change in the individuals payroll folder.
- ▶ RESPONSIBLE: Payroll Clerk
- ▶ DUE DATE: 1/31/2022
- ▶ STATUS: In Progress.