

Audit of
CFO



2010
BOROUGH OF DUMONT
RESOLUTION

MEMBERS	AYE	NAY	ABSTAIN	ABSENT
CARRICK	✓			
CASPARE	✓			
FREEMAN	✓			
MANNA	✓			
STYLLIANOU	✓			
ZAMECHANSKY	✓			
MAYOR McHALE				
TOTALS	6			

Resolution No. 248
Date: September 7, 2010
Page: 1 of 4
Subject: Corrective Action Plan-2009 Audit
Purpose: Approval
Account No. _____
Contract No. _____
Dollar Amount: _____
Prepared By: Terrie Giotis, CFO

Offered by: Zamechansky
Seconded by: Freeman

Certified as a true copy of a Resolution adopted by the Borough of Dumont on above date at a Regular Meeting by:

Susan Connelly

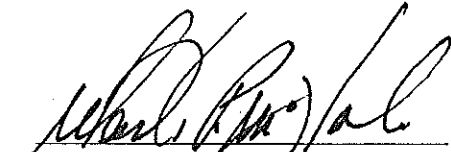
Susan Connelly, RMC, Borough Clerk
Borough of Dumont, Bergen County, New Jersey

APPROVAL OF CORRECTIVE ACTION PLAN-2009 AUDIT

WHEREAS, the Corrective Action Plan for the 2009 Audit of the Borough of Dumont was prepared by the CFO;

BE IT RESOLVED, the Governing Body has reviewed and approves of the attached Corrective Action Plan.

BE IT FURTHER RESOLVED, a copy shall be provided to Mark Pfeiffer at Division Local Government Services and the Borough Auditor.



Matthew P. McHale, Mayor

Borough of Dumont

Corrective Action Plan
2009 Audit

Finding # 1 - Internal Controls regarding the preparation of the Borough's General ledger be reviewed to ensure that the general ledgers are complete and reconciled with the subsidiary ledgers and records on a monthly basis.

Corrective Action: The Borough currently maintains the general ledgers on a cash basis. The Chief Financial Officer will work with the auditor's to post journal entries to record the revenue and appropriation budgets, tax levies, general capital ordinances and other non-cash entries required. Additionally, on a monthly basis the Chief Financial Officer will ensure that the general ledger balances are in agreement with the various subsidiary ledgers and records.

Effective: 09/30/10

Finding #2 - The encumbrance system be enhanced to ensure that material be ordered only after a purchase order has been executed.

Corrective Action: Various departments are entering requisitions into the Edmunds system, but they are being approved manually. There will be an approval via the Edmunds system when the procedures are established and approved the Department head, and if necessary the Borough Council liaison. The department heads have been reminded that requisitions must be made before the item is ordered. The finance department has issue a memorandum to this effect to all departments. We will no longer accept requisitions for items which are already purchased and received.

Effective 08/01/10

Finding # 3 - Internal Controls of the Recreation Commission financial activities be reviewed and enhanced.

Corrective Action: There are several deficiencies in the controls for the Recreation Department. The Borough Administrator, Chief Financial Officer and Borough Auditor have recently met with recreation department to advise them of the conditions. They will be systematically addressed as follows:

1. Receipts will be collected by the recreation department and forwarded to the Finance Department for deposit. A lock box will be available at Borough Hall for those individuals paying during non-business hours. The various coaches will no longer be required to collect monies.

2. Recreation forms will be forwarded to the recreation department when the sport is completed.
3. The Recreation Department will enter each receipts into the Edmunds system.
4. A general ledger and budget accounts have been established and two new accounts have been established, one trust account and one petty cash account. We are currently awaiting approval of the petty cash fund.
5. Checks will require two actual signatures and one stamped signature for all checks.
6. All purchases will be entered into the Edmunds System. We will require bids or quotes as required by state statute and the Borough's Administrative Policies.

Finding #4 – The General Capital grant receivable balances be reviewed and action taken to collect or clear of record.

The following balances remain open:

Ord. 1244 Reconstruction of DePew Street – III	15,347
Ord. 1268 Bridge Culvery	12,651
Ord. 1205 Rehabilitation of Sewer – Glen, Madison, Omaha and Armour	31,968
Ord. 1223 Rehabilitation of Sewer – Glen, Omaha and Bridge	86,592
Ord. 1234 Various Improvements	46,468

I have forwarded a resolution cancelling the above ordinances to the Borough Clerk for inclusion in the meeting of September 21.

Effective Date: 9/21/10

Finding #5 – The Borough review its procedures relating to developers escrow and ensure that procedures comply with New Jersey Statutes.

Corrective Action: The procedures for the Maintenance of Developers and Escrow have been reviewed and we have determined the following:

1. Currently, the deposits for Planning/Zoning Board applications require a deposit which is deposited into its own subaccount in the TDBank Developers and Escrow account and entered as such into the Edmunds system. The bank advises me that it provides account statements to each account at least quarterly.
2. Recently, the fees for escrow have been modified to cover all charges for that account.

3. Each invoice from a Borough professional is approved by the Planning/Zoning Board President.
4. Amounts are paid only if there is sufficient escrow in the account. In the past, fees collected have been insufficient to cover expenses. Revisions to the fee ordinance took effective in 2008.
5. When the account is to be closed, the secretary of the Planning/Zoning Board requires all professionals to sign an affidavit certifying that there are no outstanding invoices and if invoices are outstanding, submit copies of these invoices.
6. After receiving these statements, the secretary will issue a requisition signed by the Planning/Zoning Board President for moneys to be refunded. A purchase order issued and mailed to the applicant for signature. Upon receipt, the Finance department will issue a check when the bills list is prepared.

Finding #6 – Internal Controls regarding the recording of outstanding purchase orders be reviewed and enhanced.

Corrective Action: In 2009 a contract for a capital project we encumbered twice. This resulted when we reviewed the 2009 resolutions in December, 2009 and inadvertently encumbered one that had already been encumbered. Henceforth, when a contract is encumbered, we will indicate the resolution number on the purchase order. In this manner, we can easily determine if a contract has been encumbered more than once.

Finding #7 – The Borough review the payroll service provider contract and take action to ensure that it is in compliance with the Division of Local Government Services Local Finance Notice.

Corrective Action: Our payroll service provider, ADS, has forwarded the following information:

1. Their Current Corporate resolution
2. Copy of the SAS 70 report
3. Indication that they will use the Borough's mailing address for all IRS and State of New Jersey submissions.

I have forwarded this to our attorney and requested him to prepare a contract which we expect to present to the Borough Council at the August or September meeting.

Auditor
CFO
Shery
TJM



2010
BOROUGH OF DUMONT
RESOLUTION

MEMBERS	AYE	NAY	ABSTAIN	ABSENT
CARRICK	✓			
CASPARE	✓			
FREEMAN	✓			
MANNA	✓			
STYLJANOU	✓			
ZAMECHANSKY	✓			
MAYOR McHALE				
TOTALS	6			

Resolution No. 251
 Date: September 7, 2010
 Page: 1 of 2
 Subject: Bussell Court & Short Street Reconstruction
 Purpose: Award of Bid
 Account No. _____
 Contract No. _____
 Dollar Amount: \$195,812.50
 Prepared By: Susan Connelly, RMC

Offered by: Zamechansky
 Seconded by: Freeman

Certified as a true copy of a Resolution adopted by the Borough of Dumont on above date at a Regular Meeting by: Susan Connelly

Susan Connelly, RMC, Borough Clerk
Borough of Dumont, Bergen County, New Jersey

BUSSELL COURT & SHORT STREET RECONSTRUCTION AWARD OF BID

WHEREAS, the Borough of Dumont intends to contract for reconstruction of Bussell Court and Short Street in the Borough, and;

WHEREAS, bids were solicited and two bids were received by the Borough Clerk on August 31, 2010 for said project, and;

WHEREAS, D&L Paving, Nutley, New Jersey submitted a bid in the amount of Two Hundred Thirty Thousand Six Hundred Thirty Two Dollars (\$230,632.00); and

WHEREAS, AJM CONTRACTORS, INC., 300 Kuller Road, Clifton, New Jersey, has submitted the low responsive bid in the amount of One Hundred Ninety Five Thousand Eight Hundred Twelve and 50/100 (\$195,812.50) Dollars; and

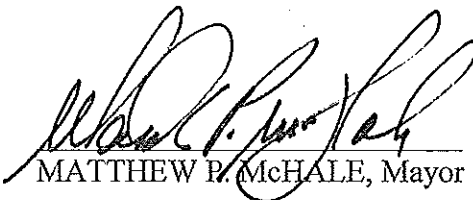
WHEREAS, it appears, as evidenced by the Chief Financial Officer's Certification, that funds are available in the Borough Capital budget or such other account as may be appropriate, in that amount, for the purpose of contracting for the specified improvements.

BE IT RESOLVED, by the Council of the Borough of Dumont, County of Bergen and State of New Jersey, that the contract for reconstruction of Bussell Court and Short Street be and hereby is awarded to AJM CONTRACTORS, INC., 300 Kuller Road, Clifton, New Jersey on its bid as set forth in paragraph 3 of One Hundred Ninety Five Thousand Eight Hundred Twelve and 50/100 (\$195,812.50) Dollars; and

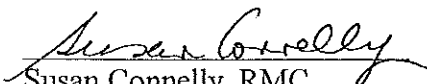
BE IT FURTHER RESOLVED, that the Mayor and Borough Clerk, be and hereby are authorized to execute a contract for the reconstruction of Bussell Court and Short Street, in a form and substance acceptable to the Borough Attorney, Borough Engineer and the Local Public Contracts Law NJSA 40A:11-1 et seq.; and

BE IT FURTHER RESOLVED, that a copy of this resolution shall be served upon the successful bidder within seven (7) days of the adoption hereof.

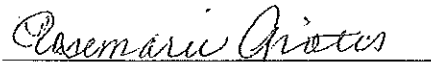
BOROUGH OF DUMONT

BY: 
MATTHEW P. McHALE, Mayor

ATTEST:


Susan Connelly, RMC
Borough Clerk

I hereby certify that funds for this project shall be provided from Bond Ordinance #1400 and Bond Ordinance #1401 and a Community Development Block Grant.


Rosemarie Giotis, CFO

Date: September 7, 2010