

R-208-25

RESO RE: ACCEPTANCE OF CORRECTIVE ACTION PLAN / AUDIT REPORT FOR 2024

COUNCIL/ MAYOR	INTRODUCED	SECONDED	YES	NO	ABSTAIN	ABSENT
FITZHENRY						X
DECICCO			X			
KARCIC		X	X			
SHEEDY			X			
DEL RUSSO			X			
BOCCHINO	X		X			
PRONTI						
ON CONSENT AGENDA <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO						


WHEREAS, in accordance with Local Finance Notice #92-15, a Corrective action plan must be prepared as part of the annual audit; and

WHEREAS, the Chief Financial Officer of the Borough of North Arlington has prepared said plan which is attached hereto and made a part of the within resolution; and

WHEREAS, said report requires approval by the Governing Body;

NOW THEREFORE BE IT RESOLVED, that the corrective action plan as attached hereto be and the same is hereby accepted and approved by the Governing Body of the Borough of North Arlington, County of Bergen, State of New Jersey; and

BE IT FURTHER RESOLVED, that the Clerk be and she is hereby directed to send a certified copy of this resolution upon adoption to the Division with attachment and shall keep on file in the Clerk's Office, a copy of said plan which shall be available to the public.

APPROVED:   
Daniel H. Pronti, Mayor

ATTEST:   
Kathleen Moore, Borough Clerk

DATED: September 11, 2025

Borough of North Arlington  
Subject: 2024 Corrective Action Plan  
Date: September 5, 2025

**2024-1: FINDING-** Several reconciling items are reported on the monthly bank account reconciliations.

**RECOMMENDATION** – It is recommended that reconciling items reported on the monthly bank account reconciliation be reviewed and be appropriately cleared.

**EXPLANATION & CORRECTIVE ACTION** – Investigating old reconciling items on the Current and Trust Fund accounts is a time-consuming process. Three Funds reconciling items were completed in 2024 Confirmation of vendor payments from the bank took longer than expected. Investigation is complete and resolution to cancel old reconciling items will be prepared for the November Council meeting.

**IMPLEMENTATION DATE** – November 2025

**2024-2 & 3: FINDING-** No daily cash receipts ledger is currently being maintained by the Recreation Department, and documentation with respect to recreation activity was not able to be provided for audit. No general ledger is maintained for Recreation account or Payroll account.

**RECOMMENDATION** – It is recommended that a daily cash receipts ledger be maintained by the Recreation Department and be made available for audit. A general ledger be maintained for the Recreation Department and Payroll Trust Fund accounts.

**EXPLANATION & CORRECTIVE ACTION** – Seasonal and volunteer employees are difficult to train on recording of cash receipts. The CFO has provided the Recreation Department Director with a daily cash receipts ledger and will provide additional guidance for proper accounting of cash collections of the department. Activity records are also to be maintained and submitted to Finance Department. A general ledger will be established for the Payroll Trust Fund account.

**IMPLEMENTATION DATE** – January 2026

**2024-4: FINDING** – There is no detail listing for the premium tax sale balance of \$259,552 and the lien redemption account balance of \$97,302.

**RECOMMENDATION** – Borough develop and maintain a detail listing and the premiums on tax sales and lien redemption account balances.

**EXPLANATION & CORRECTIVE ACTION** – Tax sale premiums may have not been recorded as paid. The Tax Collector will perform a reconciliation on the lien redemption account and tax collection system. Relocating old tax records has taken longer than expected.

**IMPLEMENTATION DATE** – March 2026.

**2024-5: FINDING-** Police outside billing duty revealed that a billing/receivable ledger is not being maintained, only individual billing sheets are being maintained.

**RECOMMENDATION** – It is recommended that detail police outside duty billing/receivable ledger be maintained.

**EXPLANATION & CORRECTIVE ACTION** – Individual excel sheets have been maintained for several years. CFO will explore options with the new Police Chief to implement a more efficient billing/receivable ledger system. Edmund’s escrow platform or outsource work to third party collection company.

**IMPLEMENTATION DATE** – April 2026

**2024-6: FINDING-** There were unrecorded liabilities in the General Capital Fund of \$286,098.

**RECOMMENDATION** – It is recommended that the purchase orders are prepared and approved prior to the purchase of goods and services.

**EXPLANATION & CORRECTIVE ACTION** – Contracts that were approved at December council meeting were not received until after the year end roll process. Current finance platform does not permit to back date purchase orders. Finance department will coordinate with Clerks office to ensure all contracts approved by resolution be forwarded in a timely manner at year end.

**IMPLEMENTATION DATE** – November 2025