SALEM COUNTY IMPROVEMENT AUTHORITY

Resolution # 2014- 10

RESOLUTION

May 8, 2014

Of The Salem County Improvement Authority
In The County Of Salem, State Of New Jersey

RESOLUTION ACCEPTING INTERNAL CORRECTIVE ACTION PLAN FOR 2013 AUDIT

WHEREAS, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, The Annual Report of Audit for the twelve month period ending December 31, 2013 has been filed by a Registered Municipal Accountant with the Authority, pursuant to N.J.S.A. 40A:5A-15, and a copy has been received by each member of the Governing Body, and

WHEREAS, all members of the Governing Body of the Salem County Improvement Authority have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated in the group affidavit, on May 8, 2014, and

WHEREAS, although there were no Findings and Recommendations, in accordance with internal SCIA Board policies, the Executive Director and Finance Officer have prepared the attached Corrective Action Plan for the 2013 Annual Audit, although not required, responding to the Schedule of Discussion and Observation;

NOW, THEREFORE BE IT RESOLVED, by the Governing Body of the Salem County Improvement Authority, that the attached Corrective Action Plan for the 2013 Audit is hereby accepted and will be placed on file in the Finance Office and shall be distributed to all affected SCIA staff.

ADOPTED at a regular meeting of the Salem County Improvement Authority held on May 8, 2014.

ATTEST:

Lew Schneider, Secretary

Robert E. Widdifield, Chairman

May 8, 2014

CERTIFICATION

I hereby certify the above to be a true copy of a resolution adopted by the Salem County Improvement Authority Board at their regular meeting held May 8, 2014.

Lew Schneider, Secretary
SALEM COUNTY IMPROVEMENT AUTHORITY
Annual Financial Audit CY December 31, 2013
Summary of Audit Findings
Internal Corrective Action Plan for Discussion & Observation

This document is prepared in response to an internal SCIA Board policy only. There is no statutory requirement for a correction action plan to be formulated and adopted as a result of Discussion and Observation items only.

Discussion and Observation No. 05-00: The sale of authority assets were not advertised in accordance with NJSA 40A:11-36(3).

Corrective Action: The sale of surplus equipment and materials, including those sold on the website govdeals.com will be publically advertised in accordance with statutory requirements.

Status: ONGOING-All SCIA management, supervisors and purchasing staff have been advised of this discussion item and advised to insure that all items listed for sale have a corresponding public notice regarding the sale of the asset prior to the materials being listed.

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Discussion and Observation No. 06-04: The accounts payable and encumbrance schedules contain several purchase order from previous years. The Authority is in the process of reviewing this schedule as to their legitimacy.

Corrective Action: Accounts payable will review all open purchase orders on a quarterly basis during the year and review the status of open purchase orders with each Division Head and the Executive Director. Purchase orders will be closed out during the year when work is complete. The Executive Director and Purchasing Agent will hold a purchasing refresher class for affected SCIA personnel during 2014 and will review this matter. No later than January 15, a year end (December 31), open purchase order listing will be reviewed and signed off by all Division Managers in order to close out all open purchase orders by Accounts Payable before the accounting system is rolled over into the new year.

Status: ONGOING- a few open purchase orders from prior to 12-31-2013 remain open and are under review by Accounts Payable and Finance.
Discussion and Observation No. 06-05: Two of forty disbursements tested were not recorded as being approved in the minute record.

Corrective Action: The two electronic funds transfers (EFT) for the SCIA prescription program were inadvertently omitted from the EFT spreadsheet as they were plan closure invoices which were paid after SCIA transitioned the Rx plan to the State Health Benefit Plan. Each month Human Resources, Accounts Payable and the Executive Director meet to review all EFT payments and manual checks prior to the bill list being presented to the Board for approval. Finance and Accounts Payable are evaluating the Edmunds System to determine if a Purchase Order for Payment listing rather than a Check Register would be a more comprehensive document for the Board’s purposes.

Status: ONGOING - All SCIA management, supervisors and finance staff have been advised of this discussion item. Accounts payable is preparing and reviewing the EFT and manual check list with appropriate staff members prior to running checks each month.

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Discussion and Observation No. 08-00: A resolution establishing Defined Contribution Retirement Program (DCRP) positions was not available for audit.

Corrective Action: Human Resources will prepare the DCRP Resolution establishing covered positions for Board approval

Status: ONGOING - The resolution is on the SCIA Board meeting agenda for May 8, 2014 for approval.

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Discussion and Observation No. TB-01c: In some instances miscellaneous revenue recorded in the revenue account status report were not properly identified.

Corrective Action: SCIA Staff will utilize the “Description” field in the Edmunds Accounting System when posting all cash receipts that will be categorized as Miscellaneous Revenue. The Fee Accountant and Executive Director will review this report periodically to insure descriptions are included for all line items.
Status: COMPLETE- All SCIA management, supervisors and finance staff have been advised of this discussion item. Descriptions for all Miscellaneous Revenue line items for 2014 have been entered into the system.

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Deborah Turner-Fox, Executive Director

Denise Nevico, Accountant

May 5, 2014