

August 5, 2024

Mayor Jason F. Cilento
Members of the Borough Council
Borough of Dunellen
Dunellen, NJ 08812

Subject: 2023 AUDIT REPORT and CORRECTIVE ACTION PLAN

Dear Mayor Cilento, Ladies and Gentlemen:

The 2023 Audit for the Borough is complete and contains the following Findings (with repeat findings designated with *):

Finding 2023-01*

Several purchase orders were processed as confirming orders. This is where goods have been received or services have been rendered prior to the issuance of a purchase order.

Finding 2023-02*

(Court) Disbursements were not always made to the appropriate agencies on a timely basis as required by the Administrative Office of the Courts (AOC).

Finding 2023-03

Court Fines and Bail accounts contained errors in the reconciliation process.

Finding 2023-04

Police Department Receipts collected were not always turned over to the Treasurer within 48 hours per N.J.S.A. 40A:5-15.

Recommendations:

“That the practice of issuing confirming orders be discontinued.”

Corrective Action Plan

Our auditor advised all department heads of these repeat findings at a department head meeting held in August, 2023. Many of the confirming orders that were noted in this year’s audit were processed prior to that meeting date, suggesting that departments are beginning to understand the requirements to requisition goods prior to ordering them and - more importantly - following them. There has been ongoing discussion with Department heads on how to address ordering supplies and equipment while maintaining compliance with the law. The department heads were advised that estimates and “Blanket” purchase orders - for those vendors from whom frequent purchases are made – can and should be used. Continued compliance is expected beginning in the 3rd Qtr, 2024.

Recommendation(s):

“That all court disbursements be made to the appropriate agencies on a timely basis as required by the AOC” and “That better care be taken when preparing the Municipal Court General and Bail account bank reconciliations”.

Corrective Action Plan

At a meeting held in second quarter (July), 2024, our auditors, Judge and Administration met to discuss these two inter-related recommendations, where it was agreed that the Court Administrator would alert Borough Administration if there were any discrepancies with reconciliations, so that additional help could be provided. This, in turn, would allow disbursements to be made to the appropriate agencies on a timely basis.

The Judge revealed that only certified Court Administrators are allowed to access the reconciliation program that is facilitated by the AOC, foiling Administration's suggestion to train other Court staff in preparing the reconciliations.

Most recently (3rd Quarter, 2024), the Court Administrator has reported no issues with reconciliations.

Recommendation:

"That the Borough's Police Department remit all receipts collected to the Treasurer within 48 hours per N.J.S.A.40A:5-15."

Corrective Action Plan

Our auditor advised all department heads of the finding at a 3rd Qtr 2023 department head meeting and again at a department head meeting in July, 2024. It was reiterated that deposits should be made every Monday, Wednesday and Friday going forward, no matter the size of the deposit, which accommodates the 48-hour rule.

Should you have any questions regarding either the audit or my recommendations, please don't hesitate to contact me.

Please note that as elected officials, you are required to sign an affidavit that you have read – at minimum – the Comments and Recommendations section of the audit, which begins on page 48 of the audit. The affidavit will be available for you to sign at the August 5th meeting.

Sincerely,



Scott H. Olsen

cc: A. Miller
W. Swisher