Borough of Penns Grove
County of Salem
Audit Report Year-2024
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CORRECTIVE ACTION PLAN-2024

Borough of Penns Grove
Corrective Action Plan - 2024

Multiple Departments

Finding No. 2024-001

Condition

The following offices lacked separation of duties where there were no compensating controls: Animal Control Registrar, Municipal Clerk, Registrar of Vital Statistics and Housing Office.

Context

The same individual collects and deposits funds and maintains receipt records.
Funds were not always turned over to the CFO on a monthly basis.
Cash Receipts Ledgers / Pre-numbered receipts were not properly maintained.
Quarterly Marriage License State Reports were not filed timely.

Recommendation

That internal control policies and procedures be developed for proper separation of duties and/or compensating controls for the various outside offices.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan. Due to the limited staffing as the Borough is currently down an Administrator, Assistant to the Administrator/Floater, Deputy Clerk and part-time floater, the Governing Body is currently seeking to fill the positions.

Implementation Date: 2026

Clerk's Office

Finding No. 2024-002

Condition

The minutes were not properly maintained.

Context

Minutes were not properly bound or maintained in an acceptable loose-leaf type of book and paged numbered.

Recommendation

That the minutes are properly maintained in accordance with N.J.S.A. 40A:9-133.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan. Due to the limited staffing and multiple turnovers of the Deputy Clerk position, the Clerk had been prioritizing the Statutory Functions. The Governing Body is currently seeking to fill the position of Deputy Clerk.

Implementation Date: 2026

Finance Office

Finding No. 2024-003

Condition

A fixed asset ledger was not maintained for the year 2024.

Context

A fixed asset ledger was not provided for examination.

Recommendation

That a fixed asset ledger is maintained in accordance with the New Jersey Administrative Code section 5:30-5.6.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan. An outside Agency will be contracted for Fixed Asset Compliance.

Implementation Date: 2026

Finance/Administrator

Finding No. 2024-004

Condition

For the 2019, 2020, 2021, 2022 and 2023 Audit Reports, the Corrective Action Plan was not completed timely.

Context

Corrective Action Plan was not filed with the DLGS within 60 days after the receipt of the Audit Report per DLGS Local Finance Notice 2005-1.

Recommendation

That the Audit Report Corrective Action Plan is completed timely.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan. In 2021 the Borough hired its first Administrator. One of the responsibilities of the Administrator is the corrective actions plan. Since 2023, the Borough has been through three Administrators, two intern Administrators and is currently seeking a replacement.

Implementation Date: 2026

Deputy Clerk

Finding No. 2024-005

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Condition

Monthly Dog License Reports were not filed for any month in 2024, and Borough financial records do not reflect cash receipts from the issuance of Dog Licenses during 2024.

Context

Monthly Dog License Reports for any month in 2024, could not be provided for examination.

Recommendation

That Dog Licenses are issued, and Monthly Dog License Reports are completed and filed.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan. Due to the limited staffing and multiple turnovers of the Deputy Clerk Position there has not been continuity for the Dog Registrar Position. The Governing Body is currently seeking to fill the position of Deputy Clerk.

Implementation Date: 2026

Finding No. 2024-006

Finance Office

Condition

Purchase Orders did not always have proper approval signatures, evidence of quotes received when required, and supporting documentation attached to the purchase order.

Context

Chief Financial Officer/Assistant CFO and Department Head signatures were missing on some purchase orders sampled. Evidence of quotes received when required was not attached on some purchase orders sampled. Supporting documentation was not always attached to the purchase orders sampled.

Recommendation

That all purchase orders have proper approval signatures, evidence of quotes received when required, and supporting documentation attached to the purchase order.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan. The Assistant provided copies from the Software System which did not have the required signatures, as the assistant was going through the various files for the originals, which have the signatures, quotes and back up. The lack of staff contributed to this situation. The Governing Body is currently seeking to fill the positions of Finance Floater. Then a system will be implemented in which the Purchase Orders with signatures and all supporting documentation will be PDF into the Software System.

Implementation Date: 2026

Finding No. 2024-007

Tax Office

Condition

An analysis of the balances in the trust other fund's – reserve for tax title lien redemption is not properly maintained.

Context

Examination of disbursements records shows disbursements were only made in January, August and November, while receipts were conducted every month.

Recommendation

That the balances of the trust other fund's – reserve for the tax title liens redemption is analyzed and proper disposition.

Finding No. 2024-007

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan. Since August of 2024 the Full Time Tax Collector resigned. Currently the Borough is on its second Part-Time Tax Collector. This caused a disruption in the Tax Office as files had to be relocated due to reconstruction of various offices in 2025 and the move of the Tax Office.

Implementation Date: 2026

Finding No. 2024-008

Tax Office

Condition

N.J.S.A. 40A:5-15 requires receipts to be deposited within 48 hours of collection.

Context

Tax Cash Receipts had instances of non-compliance regarding depositing receipts within 48 hours of collection.

Recommendation

That all Tax Cash Receipts are deposited within 48 hours after collections per N.J.S.A. 40A:5-15.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan. Since August of 2024 the Full Time Tax Collector resigned. Currently the Borough is on its second Part-Time Tax Collector. This caused a disruption in the Tax Office as files had to be relocated due to reconstruction of various offices in 2025 and the move of the Tax Office.

Implementation Date: 2026

Finding No. 2024-009

Tax Office

Condition

All Tax Collectors bank accounts were not reconciled on a timely basis.

Context

Tax Cash Receipts had instances of non-compliance regarding depositing receipts within 48 hours of collection.

Recommendation

That all Tax Accounts be reconciled on a timely basis.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan. Since August of 2024 the Full Time Tax Collector resigned. Currently the Borough is on its second Part-Time Tax Collector. This caused a disruption in the Tax Office as files had to be relocated due to reconstruction of various offices in 2025 and the move of the Tax Office.

Implementation Date: 2026

Finding No. 2024-010

Finance Office

Condition

An analysis of the balances in the Reserve for Developers Escrow in the Trust Fund be properly Maintained on a monthly basis.

Context

An examination of the balances in the reserve for Developers Escrow in the Trust Fund were not provided for examination.

Recommendation

That an analysis of the balance in the Reserve for Developer's Escrow in the Trust Fund be properly maintained.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan. Due to staffing issues, and emergency building repairs which lead to offices being relocated, the proper posting was not completed in a timely manner. The Borough is seeking to hire its fourth Business Administrator and full fill other staffing needs. This is crucial in maintaining day-to-day activities and keeping up with tasks required.

Implementation Date: 2026

Finding No. 2024-011

Finance Office

Condition

N.J.A.C. 5:30-8.6 Managing and accounting for outside employment of off-duty law enforcement officers.

Context

$90,127.96 Payroll charges were posted to a non-budget account titled Due from Off Duty Policing and no cash receipts from vendors/subcontractors were to be received in 2024.

Recommendation

That the Borough of Penns Grove review the managing and accounting for outside employment of off-duty law enforcement officers.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan. The information for reimbursement was submitted to the representative of the Penns Grove Police Department. Due to various issues in the Police Department, a new Department Head was appointed in 2026 as well as a new Public Safety Director. Upon discussing Off-Duty Policing with the Public Safety Director a review was conducted, and new procedures were implemented for Off-Duty Policing reimbursement.

Implementation Date: 2026

Prior Year Audit Findings

Finding No. 2023-001

Condition

The following offices lacked separation of duties where there were no compensating controls: Animal Control Registrar, Municipal Clerk, Registrar of Vital Statistics and Housing Office.

Current Status

This condition remains unresolved and is current year finding 2024-001.

Planned Corrective Action

Compensating Controls will be implemented.

Condition

The minutes were not properly maintained.

Finding No. 2023-002

Current Status

This condition remains unresolved and is current year finding 2024-002.

Planned Corrective Action

The minutes will be completed and approved by the governing body.

Finding No. 2023-003

Condition

A fixed asset ledger was not maintained for the year 2022.

Current Status

This condition remains unresolved and is current year finding 2024-003.

Planned Corrective Action

Fixed asset ledger will be maintained.

Finding No. 2023-004

Condition

For the 2019, 2020 and 2020 Audit Reports, the Corrective Action Plan was not completed timely.

Current Status

This condition remains unresolved and is current year finding 2024-004.

Planned Corrective Action

Corrective Action Plan will be completed timely.

Finding No. 2023-005

Condition

Monthly Dog License Reports were not filed for any month in 2023. The Borough records do not reflect cash receipts from the issuance of Dog Licenses during 2023.

Current Status

This condition remains unresolved and is current year finding 2024-005.

Planned Corrective Action

Monthly Dog License Reports will be completed timely.

Finding No. 2023-006

Condition

Purchase Orders did not always have proper approval signature, evidence of quotes received when required, and supporting documentation attached to the purchase order.

Current Status

This condition remains unresolved and is current year finding 2024-006.

Planned Corrective Action

Purchase Orders will contain necessary signatures and documentation.