

CITY COUNCIL

The City of Orange Township, New Jersey

DATE August 6, 2025

NUMBER 329-2025

TITLE: **A RESOLUTION TO APPROVE THE CORRECTIVE ACTION PLAN FOR CALENDAR YEAR 2024.**

WHEREAS, the Division of Local Government Services has promulgated a regulation that each municipality shall prepare and submit a Corrective Action Plan that “shall cover all findings and recommendations in the audit report, including state, federal and general findings, as well as the status of all prior year findings and recommendations” and that the Governing Body shall approve the Corrective Action Plan; and

WHEREAS, the Chief Financial Officer, with assistance from other municipal officials as appropriate, is required to prepare a Corrective Action Plan in accordance with the State of New Jersey, Division of Local Government Services and the Single Audit Policy Circular OMBA_133; and

WHEREAS, the Plan shall cover all findings and recommendations in the Audit Report, including State, Federal and general findings and shall be approved by the governing body; and

WHEREAS, the members of the Governing Body have reviewed and approved the Corrective Action Plan submitted by the Chief Financial Officer.

NOW, THEREFORE, BE IT RESOLVED by the Municipal Council of the City of Orange Township that the Corrective Action Plan for Fiscal Year 2024 be accepted and approved.

Adopted: August 6, 2025

Trisha A. Scipio
Acting Deputy Clerk

Adrienne K. Wooten
Council President

City of Orange Township 0717
 Corrective Action Plan of Audit Findings 2024

#	Finding	Recommendation	Explanation & Corrective Action	Responsible Party	Implementation
Status of Grants					
1	Presently the Grant Fund, General Capital Fund and Utility Capital Fund include a large number of old grant receivables and reserves. There is also a reserve in the Grant Fund for an amount of \$580,543.48 which represents cancellations from prior years.	A review should be made of all grants to establish their availability and collectability. Funds should be expended, related receivables collected, or grants should be cancelled.	Departments charging expenditures against grants are required to provide the appropriate documentation to the finance department for purchase orders and Finance will request information regarding reimbursements. The Finance department will perform an analysis of old grant receivables and will attempt to collect where possible and will cancel where necessary. Staff in Finance has been reassigned to assist with Grant outreach and collection.	CFO Clements	Immediately
Interfunds					
2	The City had more than \$10. 872 million of interfund balances throughout the City's financial statements.	The City should perform timely reconciliations of its bank and general ledger accounts in order to minimize the amount of interfunds at the end of the year.	Reconciliations are being done timely and on a monthly basis. Interfunds are being liquidated to resolve this problem where and when possible.	CFO Clements	Immediately
Pilot Revenue					
3	During our audit of the City's PILOT (Payment in Lieu of Taxes) program, it was noted that the five percent portion due to the County was not turned over to the County during the year.	All PILOT agreements should be reviewed to ensure that the appropriate amount due to the County is remitted.	PILOT agreements and the developers' audited financial statements will be reviewed on a regular basis to determine the proper amounts to be billed and budgeted for the County's portion. The City of Orange began paying the 5% to the County in the 1st Quarter 2025.	BA Hartwyk & CFO Clements	March 31, 2025
Certification of Availability of Funds					
4	During our audit of the City's procurement process, we identified instances where the certification of availability of funds was not prepared prior to the passing of a resolution awarding a contract	The City should execute a certificate of availability of funds prior to the awarding of a contract	The City will review resolution approval procedures, reinforcing policy compliance among staff and council, and oversight mechanisms to ensure certifications are completed before resolutions are passed. This will ensure money is available in the budget, thus strengthening transparency and internal financial controls.	CFO Clements	Immediately

Accounts Receivable - Police Outside Services				
5	The City had \$394,000.00 receivable balance at year-end related to police outside services. Upon investigation, we noted that the balance has not changed in multiple years.	The City should investigate this balance and assess the collectability of amounts receivable. Collection efforts should be made for amounts deemed collectable	There has been a recent reduction in this balance over the years and there will be a detailed reconciliation of the balance to identify outstanding accounts, assess collectability, and determine if any portion requires a write-off.	CFO Clements July 23, 2025
Trust Funds				
6	The City does not have a file written approval from the director of the Division of Local Government Services permitting the expenditure of various trust funds as dedicated revenue	The City should review account balance and obtain written approval from the Director of the Division of Local Government Services for all funds expended as dedicated revenues and dterminations made as to future need and either be refunded, applied to revenue or cancelled by resolution.	There will be a comprehensive review of all trust funds to identify those requiring The Director of the Division of Local Government Services approval.The City will submit necessary legislation to the City Council and the DLGS to obtain formal written authorization. Additionally, internal controls will be enhanced to ensure all future trust fund transactions are supported by required approvals and are fully compliant.	CFO Clements August 6, 2025
Capital Ordinances With Cash Deficits In Excess of Five Years Old				
7	There exists ordinances in the City's General Capital Fund with cash deficits in excess of five years old.	That the City obtain the necessary funding for capital ordinances with cash deficit in excess of five years old.	We will perform a comprehensive review of all affected ordinances to assess the underlying causes and determine appropriate corrective actions, including issuing debt to increase cash balances or cancellation of unfunded balances.	CFO Clements July 23, 2025