

PASSAIC COUNTY UTILITY AUTHORITY

PCUA

2011 ANNUAL AUDIT – CORRECTIVE ACTION PLAN

Finding :2011-1 Inadequate procedures for appropriately assessing and applying accounting principles.

Recommendation –The proper classification of expenditures should be carefully reviewed prior to entering into the check register.

Corrective Action – Management plans to review and connect it's procedures for assessment and applying accounting principles.

Implementation Date – ASAP

Finding :2011-2 Evidence of failure to perform tasks that are part of internal control, such as reconciliations not prepared or not timely prepared.

Recommendation – That transaction of the Authority bank accounts be properly recorded on a timely basis.

Corrective Action – Management recognizes the importance of properly recording transactions on a timely basis and is working to resolve this finding in the 2012 fiscal year.

Implementation Date-01/01/2012

Finding:2011-3 – The Authority has old receivable and account payable balances on their system that have not been reviewed for accuracy by managements.

Recommendation – The Authority should review all old accounts receivable and account payable balances.

Corrective Action – Management will review and correct old account receivables and account payable balances.

Implementation Date - ASAP

**RESOLUTION OF THE PASSAIC COUNTY UTILITIES
AUTHORITY APPROVING THE REQUIRED CORRECTIVE
ACTION PLAN PURSUANT TO THE DIRECTIVE OF THE
DIVISION OF LOCAL GOVERNMENT SERVICES, FOR THE
FISCAL YEAR 2011 AUDIT REPORT**

WHEREAS the Division of Local Government Services within the Department of Community Affairs, requires the Authority to file a "Corrective Action Plan", in substantially the form attached to this Resolution, outlining the actions to be taken by the Passaic County Utilities Authority relative to the findings and recommendations in the Authority's annual audit report: and

WHEREAS the "Corrective Action Plan" shall be prepared by the Authority, with assistance from other officials of the Authority and/or the County affected by the audit findings and recommendations; and

WHEREAS the Board of Commissioners of the Authority is required, by resolution, to approve the said "Corrective Action Plan"; and

WHEREAS the "Corrective Action Plan", as prepared by the Authority and approved by its governing body pursuant hereto, shall be placed on file and shall also be made available for public inspection on the Passaic County Website, listed under "The Department of Utility Authority".

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Passaic County Utilities Authority, that the Board hereby approves of the "Corrective Action Plan" for the Fiscal Year 2011

BE IT FURTHER RESOLVED, that all necessary Authority officers, personnel and professionals, be and hereby are directed and authorized to execute any and all documents as may be reasonably necessary to effectuate implementation and presentation of the said “Corrective Action Plan”, and to otherwise cooperate with all State, County and other entities to effectuate implementation thereof.

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately.

Moved by: Mrs. Kazan

Seconded by: Mr. Okun

RECORDED VOTE

<u>COMM’R.</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Basmouk	√			
Hanrahan	√			
Javier	√			
Kazan	√			
Marchese	√			
Okun	√			
Shah	√			
Qudah				√

June 17, 2014

PASSAIC COUNTY UTILITY AUTHORITY

PCUA

2012 ANNUAL AUDIT – CORRECTIVE ACTION PLAN

Finding: 2012-1 inadequate procedures for appropriately assessing and applying accounting principles.

Recommendation –The proper classification of expenditures should be carefully reviewed prior to entering into the check register.

Corrective Action – Management plans to review and connect it's procedures for assessment and applying accounting principles.

Implementation Date – ASAP

Finding :2012-2 Evidence of failure to perform tasks that are part of internal control, such as reconciliations not prepared or not timely prepared.

Recommendation – That transaction of the Authority bank accounts be properly recorded on a timely basis.

Corrective Action – Management recognizes the importance of properly recording transactions on a timely basis and is working to resolve this finding in the 2012 fiscal year.

Implementation Date-01/01/2012

Finding:2012-3 – The Authority has old receivable and account payable balances on their system that have not been reviewed for accuracy by managements.

Recommendation – The Authority should review all old accounts receivable and account payable balances.

Corrective Action – Management will review and correct old account receivables and account payable balances.

Implementation Date - ASAP

**RESOLUTION OF THE PASSAIC COUNTY UTILITIES
AUTHORITY APPROVING THE REQUIRED CORRECTIVE
ACTION PLAN PURSUANT TO THE DIRECTIVE OF THE
DIVISION OF LOCAL GOVERNMENT SERVICES, FOR THE
FISCAL YEAR 2012 AUDIT REPORT**

WHEREAS the Division of Local Government Services within the Department of Community Affairs, requires the Authority to file a "Corrective Action Plan", in substantially the form attached to this Resolution, outlining the actions to be taken by the Passaic County Utilities Authority relative to the findings and recommendations in the Authority's annual audit report: and

WHEREAS the "Corrective Action Plan" shall be prepared by the Authority, with assistance from other officials of the Authority and/or the County affected by the audit findings and recommendations; and

WHEREAS the Board of Commissioners of the Authority is required, by resolution, to approve the said "Corrective Action Plan"; and

WHEREAS the "Corrective Action Plan", as prepared by the Authority and approved by its governing body pursuant hereto, shall be placed on file and shall also be made available for public inspection on the Passaic County Website, listed under "The Department of Utility Authority".

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Passaic County Utilities Authority, that the Board hereby approves of the "Corrective Action Plan" for the Fiscal Year 2012

Audit Report submitted by the Authority to the State of New Jersey, in substantially the form appended to this Resolution.

BE IT FURTHER RESOLVED, that all necessary Authority officers, personnel and professionals, be and hereby are directed and authorized to execute any and all documents as may be reasonably necessary to effectuate implementation and presentation of the said “Corrective Action Plan”, and to otherwise cooperate with all State, County and other entities to effectuate implementation thereof.

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately.

Moved by: Mrs. Kazan

Seconded by: Mr. Okun

RECORDED VOTE

<u>COMM’R.</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Basmouk	√			
Hanrahan	√			
Javier	√			
Kazan	√			
Marchese	√			
Okun	√			
Shah	√			
Qudah				√

June 17, 2014

PASSAIC COUNTY UTILITY AUTHORITY

PCUA

2013 ANNUAL AUDIT – CORRECTIVE ACTION PLAN

Finding: 2013-1 inadequate procedures for appropriately assessing and applying accounting principles.

Recommendation –The proper classification of expenditures should be carefully reviewed prior to entering into the check register.

Corrective Action – Management plans to review and connect it’s procedures for assessment and applying accounting principles.

Implementation Date – ASAP

Finding :2013-2 Evidence of failure to perform tasks that are part of internal control, such as reconciliations not prepared or not timely prepared.

Recommendation – That transaction of the Authority bank accounts be properly recorded on a timely basis.

Corrective Action – Management recognizes the importance of properly recording transactions on a timely basis and is working to resolve this finding in the 2012 fiscal year.

Implementation Date-01/01/2012

Finding:2013-3 – The Authority has old receivable and account payable balances on their system that have not been reviewed for accuracy by managements.

Recommendation – The Authority should review all old accounts receivable and account payable balances.

Corrective Action – Management will review and correct old account receivables and account payable balances.

Implementation Date - ASAP

**RESOLUTION OF THE PASSAIC COUNTY UTILITIES
AUTHORITY APPROVING THE REQUIRED CORRECTIVE
ACTION PLAN PURSUANT TO THE DIRECTIVE OF THE
DIVISION OF LOCAL GOVERNMENT SERVICES, FOR THE
FISCAL YEAR 2013 AUDIT REPORT**

WHEREAS the Division of Local Government Services within the Department of Community Affairs, requires the Authority to file a "Corrective Action Plan", in substantially the form attached to this Resolution, outlining the actions to be taken by the Passaic County Utilities Authority relative to the findings and recommendations in the Authority's annual audit report: and

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NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Passaic County Utilities Authority, that the Board hereby approves of the "Corrective Action Plan" for the Fiscal Year 2013

Audit Report submitted by the Authority to the State of New Jersey, in substantially the form appended to this Resolution.

BE IT FURTHER RESOLVED, that all necessary Authority officers, personnel and professionals, be and hereby are directed and authorized to execute any and all documents as may be reasonably necessary to effectuate implementation and presentation of the said “Corrective Action Plan”, and to otherwise cooperate with all State, County and other entities to effectuate implementation thereof.

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June 17, 2014