



Board of Chosen Freeholders

Approved as to Form and Legality

Date Adopted

Committee

Salem County Counsel

March 7, 2019

Administrative

RESOLUTION ADOPTING A CORRECTIVE ACTION PLAN AUDIT OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE COUNTY OF SALEM

WHEREAS, N.J.S.A. Title 40A:5-4 et al requires that an annual audit be made of the books, accounts and financial transactions of every local unit in the State of New Jersey; and;

WHEREAS, audit of Federal Awards and State Financial Assistance for calendar year 2017 was conducted as required by the auditing firm of Mercadien PC; and

WHEREAS, the Board of Chosen Freeholders of the County of Salem desires to adopt a Corrective Action Plan as a result of the Schedule of Findings and Questioned Costs made by Mercadien PC in the audit document and to be submitted to the Director of the Division of Local Government Services.

NOW THEREFORE, BE IT RESOLVED by the Board of Chosen Freeholders of the County of Salem that hereby adopts the Corrective Action Plan prepared in response to the 2017 Schedule of Findings and Questioned Costs.

[Signature]

BENJAMIN J. LAURY, Freeholder Director Board of Chosen Freeholders

I hereby certify the foregoing to be a true resolution adopted by the Board of Chosen Freeholders of the County of Salem on March 7, 2019.

[Signature] STACY L PENNINGTON Clerk of the Board

RECORD OF VOTE

Table with 7 columns: FREEHOLDER, AYE, NAY, ABSTAIN, ABSENT, RESOLUTION MOVED, RESOLUTION SECONDED. Rows include G. Ostrum, Jr., C. Hassler, L. Ware, R.S. Griscom, B. Laury.

✓ Indicates Vote

Department Initials

COUNTY OF SALEM, STATE OF NEW JERSEY

1. Finding 2017-001

a. Condition

The County did not complete the schedules in a timely manner, thus was unable to file the audit with the federal clearinghouse in a timely manner.

b. Recommendation

The County should implement procedures to ensure the schedules are completed adequately and the audit is submitted to the federal clearinghouse in a timely manner.

c. Corrective Action

The County has updated financial reporting policies regarding the preparation of the Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance in order to complete the schedules timely.

d. Implementation Date

Immediately

e. Responsible Individual/Position

CFO

2. Finding 2017-002

a. Condition

The County did not maintain ongoing records of expenditures to subrecipients, thus was unable to include this expenditure information in the schedule of expenditures of federal awards.

b. Recommendation

The County should implement procedures to ensure subrecipients are appropriately identified and expenditures to these entities are tracked and reported accurately in order to ensure the Schedule of Expenditures of Federal Awards is properly completed.

c. Corrective Action

The County has updated financial reporting policies to include procedures to track subrecipient expenditures in order to properly include this information in the preparation of the Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance.

d. Implementation Date

Immediately

e. Responsible Individual/Position

CFO

3. Finding 2017-003

a. Condition

The County did not properly budget for and track expenditures of federal awards by CFDA number and cluster, as applicable, in the County's accounting system. Area Plan expenditures were reported on the schedule of expenditures of federal awards under CFDA number 93.045 instead of the proper breakdown between the various Area Plan programs and clusters under CFDA numbers 93.043, 93.044, 93.045, 93.052, 93.053, and 93.778. Similarly, State funded portions of Area Plan awards and expenditures were not separated from the Federally funded portions for reporting purposes. Programmatically, however, the County Health and Human Services department responsible for managing the Area Plan grant funds did track and spend funds in line with proper funding sources and requirements.

b. Recommendation

The County should implement procedures to ensure the schedules are completed adequately and the audit is submitted to the federal clearinghouse in a timely manner.

c. Corrective Action

The County has updated financial reporting policies to properly segregate the Area Plan and other grants into appropriate programmatic categories in the budget in order to properly track federal, state, and local grant awards and expenditures.

d. Implementation Date

Immediately

e. Responsible Individual/Position

CFO

4. Finding 2017-004

a. Condition

The County commingled Area Plan grant receipts and advanced funds with other County funds and grants.

b. Recommendation

The County should implement procedures to ensure receipts and advanced funds are appropriately identified and reported accurately.

c. Corrective Action

The County has updated financial reporting policies to properly track and report receipts by grant program. The County will also establish separate accounts for programs that receive advance funds in order to prevent commingling of program funds.

d. Implementation Date

Immediately

e. Responsible Individual/Position

CFO