

RESOLUTION NO. 2025-332

RESOLUTION OF THE BOROUGH OF SEASIDE PARK, COUNTY OF OCEAN, STATE OF NEW JERSEY, APPROVING AND ACCEPTING THE CORRECTIVE ACTION PLAN OF THE CHIEF FINANCIAL OFFICER FOR THE 2024 ANNUAL REPORT OF AUDIT

WHEREAS, the 2024 audit contained comments and recommendations of the Borough Auditor concerning corrective action to be taken by the Borough of Seaside Park; and

WHEREAS, the Chief Financial Officer has developed a corrective action plan in response to the Auditor's comments and recommendations as contained in the 2024 audit; and

WHEREAS, a copy of said corrective action plan is attached hereto and made a part hereof as Schedule A; and

WHEREAS, the governing body wishes to acknowledge, accept, and implement the corrective action plan prepared by the Chief Financial Officer for the 2024 audit.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Borough Council of the Borough of Seaside Park, County of Ocean, State of New Jersey, as follows:

1. That the Mayor and Borough Council do hereby acknowledge, accept, and authorize the implementation of the corrective action plan prepared by the Chief Financial Officer in response to the Borough Auditor's comments and recommendations in the 2024 audit.
2. That a certified copy of this resolution, together with a copy of the corrective action plan, a copy of the audit, and a copy of the comments and recommendations of the Borough Auditor shall be submitted by the Borough Clerk to the Division of Local Government Services within ten (10) days of adoption of the within resolution.
3. That a certified copy of this resolution shall also be forwarded by the Borough Clerk to the Chief Financial Officer and the Borough Auditor.

CERTIFICATION

I, JENNA JANKOWSKI, RMC, do hereby certify that the foregoing is a true copy of a resolution adopted by the Governing Body of the Borough of Seaside Park at a meeting held on the 2nd day of October 2025.


JENNA JANKOWSKI, RMC, Borough Clerk
Borough of Seaside Park

Schedule A

Finding 2024-001:

Condition:

The general ledger was not timely maintained in the Borough’s financial reporting system.

Recommendation:

That internal control policies and procedures should be developed to properly maintain a timely and accurate general ledger system.

Explanation and Corrective Action:

The books of original entry—cash receipts, cash disbursements, payroll and general journals—were not timely, nor accurately, maintained directly affecting the ending status of the general ledger; bank reconciliations did not occur monthly, causing discrepancies to go unrealized and uncorrected; and funds—all operating, capital, grant, and trust accounts—were not reviewed for accuracy.

Since appointment, the CFO has been making corrective entries to bring the financial reporting system up-to-date, and now that the 2024 Audit is complete, accurate ending balances as of December 31, 2024, are known and final adjusting entries can be made by the CFO.

Implementation of internal control policies and procedures have already begun, including, but not limited to, monthly cash receipt reports, provided by the Departments, so the CFO can verify revenue; monthly budget reports are reviewed by the CFO and Department Heads to ensure budget accounts are charged properly and the CFO, and Business Administrator, review every purchase order; the CFO reviews payroll before it is processed by the Payroll Clerk and all adjustments are immediately addressed. All grant, trust, and capital activity is monitored, and all-related postings occur in a timelier manner.

New internal control policies and procedures will continue to be implemented, and evolve based on the needs of the Council, Administration, Department Heads, and all Borough employees.

Implementation Date:

Implementation in progress.

Finding 2024-002

Condition:

The Borough’s Current, Grant, Trust, Utility Operating, and Utility Capital Funds reflect over expenditures.

Recommendation:

That the Borough raise the deferred charges in the respective funds.

Explanation and Corrective Action:

Over-expenditures occurred due to incorrectly budgeting for debt payments, making duplicate payments to a State Agency, not posting all capital activity, and not processing Chapter 159 Resolutions when additional grant funds were awarded.

The Borough raised all deferred charges in the 2025 Budget.

Schedule A (continued)

To combat future over-expending, from a general standpoint, the CFO and Department Heads review Budget Reports monthly and have an open line of communication to discuss all current and future expenses. For the specific over-expenditures that occurred, the CFO is responsible for reviewing debt schedules before and during the calendar year; reviewing all purchase orders before the Bill List is finalized and checks are issued; posting capital activity immediately; and practicing proper grant management.

The CFO has started analyzing the need for budget transfers with the associated Resolution set to be approved in November when State-Statute allows for funds to be reallocated; and the Borough Administrator has begun to schedule Budget Meetings with Department Heads to prepare for the 2026 Budget by discussing Department’s operational and capital needs and estimating the years’ upcoming costs.

Implementation Date:

August 21, 2025; upon readoption of the 2025 Operating Budget.

Finding 2024-003

Condition:

On December 31, 2024, the Bank Accounts were not accurately reconciled. And payroll agency liabilities were not properly tracked.

Recommendation:

That the Borough will accurately reconcile the bank accounts and begin to track agency liabilities.

Explanation and Correction Action:

Extended periods of time passed between the monthly bank reconciliations causing discrepancies to go unrealized and uncorrected.

While bringing the financial reporting system up-to-date, the CFO has completed bank reconciliations and started tracking payroll agency liabilities.

The CFO will continue to process bank reconciliations on a monthly basis, while reviewing revenue and appropriations monthly, payroll bi-weekly, and making all necessary general postings to up-keep the financial reporting system.

Implementation Date:

Implementation in progress.