



Borough of Stanhope, Sussex County, New Jersey

77 Main Street, Stanhope, NJ 07874

Tel: 973-347-0159

Office of the chief Finance Officer and Tax Collector

April 25, 2024

Division of Local Government Services
CN 803
Trenton, New Jersey 08625

Corrective Action Plan for the Borough of Stanhope 2023 Annual Audit

Recommendation #1 – The Borough maintain an adequate segregation of duties, where possible, with respect to the recording and treasury functions.

Analysis - There are not enough personnel to distribute duties to satisfy the desired level of segregation.

Corrective Action - The position of Tax Collector and Chief Financial Officer is held by the same person, but procedures have been implemented to insure that one person is not doing all of the financial transactions. The Water & Sewer Collector receives and posts Tax Collector and Water & Sewer receipts and general fund receipts, and takes care of Water & Sewer billing including delinquent notices and reporting. The Finance Clerk prepares purchase orders, bills lists, prints checks for payment, does payroll, and deals with all accounts payable items. The Chief Financial Officer/Tax Collector does all monthly bank reconciliations, approves all purchases, prepares annual tax bills, Tax Collection reports, prepares payroll reports, and monitors deposits and disbursements for all accounts. The Chief Financial Officer will continue to explore opportunities to segregate functions amongst the limited staff.

Implementation Date - Ongoing

Recommendation #2 – The Borough continue to review and determine if appropriated grant balances and offsetting receivables should be canceled or expended. And the collection of receivables be pursued.

Analysis - It is recommended that the Borough continue to review and determine if appropriated grant balances, and offsetting receivables should be cancelled or expended. Certain New Jersey Department of Transportation receivables are still awaiting payment from the State of New Jersey.

Corrective Action – The Chief Financial Officer will continue to review and evaluate what action can be taken relative to grant balances and offsetting receivables. For the Grant Receivables, the Chief Financial Officer will work with the Borough Engineer to address these outstanding balances with the New Jersey Department of Transportation, to collect on these outstanding balances.

Implementation Date - Ongoing

Sincerely,

Angelica L. Sabatini, Chief Finance Officer