

THE TOWNSHIP OF MIDDLETOWN

Township Hall, One King's Highway
Middletown, NJ 07748-2594



Organized December 14, 1667
"Pride In Middletown"

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August 31, 2007

TO: Director, Division of Local Government Services

SUBJECT: Corrective Action Plan – 2006 Audit Report

This Corrective Action Plan is submitted pursuant to Local Finance Notice #92-15, dated July 8, 1992. It is pointed out that the auditors, Ernst & Young "noted no matters involving the internal control over compliance and its operation that they consider to be material weaknesses".

Comments & Recommendations

Trust Fund Reserves

We noted several reserves for expenditures were established in the Trust Fund without corresponding riders in accordance with N.J.S.A. 40A: 4-39.

We suggest that all spending reserves be appropriately established by riders.

Analysis

Middletown Township lists several "dedications by rider" in its ledgers which are not documented at the Division of Local Government Services. In researching this comment we found that some of the riders have existed since prior to 1985, although our own documentation was also skimpy.

Corrective Action

The missing riders were addressed by adopting new riders by the Township Committee in resolutions numbered 07-191 to 07-195 on July 16, 2007, pursuant to N.J.S.A. 40A: 4-39.

Implementation Date

Accomplished