

APPENDIX "A"
Borough of Hamburg

Corrective Action Plan for the 2023 Audit Report

Finding #1:

The Borough does not maintain adequate segregation of duties with respect to the outside departments. The various departments of the Borough are responsible for the issuance and collection of permits, licenses and court fine and costs and recording of collections. The Tax/Utilities Collector is responsible for cash collections and the posting process.

Recommendation:

Adequate segregation of duties be maintained with respect to the outside departments.

Corrective Action:

The Borough will continue to examine the possibility of establishing a central cashier or additional hires responsible for collections in which cash is collected. The increased cost and related inconvenience for residents are not reasonable at this time, but will be monitored.

Implementation Date:

Ongoing

Finding #2:

There were excessive interfund activities as well as significant interfund balances, including prior year interfund balances, that were not cleared as of year end.

Recommendation:

Interfund activities are limited and interfund balances are liquidated in a timely manner.

Corrective Action:

All interfund balances will be liquidated prior to rolling over year-end.

Implementation Date:

Immediately

Finding #3:

A significant number of cash activities were posted as general journals and not to the cash receipts or disbursements journals and certain cash disbursements were posted in the receipts journal as negative cash receipts.

Recommendation:

Cash activities are properly recorded in the receipts and disbursement journals.

Corrective Action:

Cash activities will be posted to the appropriate cash receipt section. Cash disbursements will be posted to the appropriate cash disbursement section. Reversals will be done by debiting/crediting rather than using the reversal feature.

Implementation Date:

Immediately

Finding #4:

Bank reconciliations include prior year reconciling items between the different funds (i.e. wire in transit) still outstanding at year end due to rolling over the year in the finance software system prior to adjustments.

Recommendation:

Prior year reconciling items be liquidated and adjustments be made to resolve unidentified reconciling items.

Corrective Action:

Reconciling items and adjustments will be resolved prior to rolling over year-end.

Implementation Date:

Immediately

Finding #5:

There were instances where grant expenses were charged to unappropriated grant reserves, grant receipts were posted to appropriated grant reserves and expenses charged directly to capital reserves. Grant expenses were reclassified to the proper appropriated grant reserves, grant receipts to the proper grant receivable or unappropriated grant reserve account and capital expenses were reclassified to the proper ordinance.

Recommendation:

Grant expenses and receipts and capital expenses are posted to the proper account

Corrective Action:

While these situations were corrected, they were corrected after the initial occurrences. Grant appropriations will be checked to see whether a Chapter 159 was completed prior to expenditures. Ordinances will be in place prior to use of capital reserve use.

Implementation Date:

Immediately

A handwritten signature in blue ink that reads "Joseph Buzza". The signature is written in a cursive style with a long, sweeping underline.