

APPENDIX "A"
Borough of Hamburg

Corrective Action Plan for the 2025 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:

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

Recommendation:

Extra care should be taken to ensure that all receipts and disbursements are posted properly, with no negative cash receipts.

Corrective Action:

Cash activities will be posted will be posted to the appropriate cash receipt section. Cash disbursements will be posted to the appropriate cash disbursement section.

Finding #3:

Expenditures be monitored more closely to ensure that there are no budget over-expenditures.

Recommendation:

All effort will be made to review budget items to ensure there are no budget over-expenditures

Corrective Action:

All budget balances will be reviewed more regularly.

Implementation Date:

Immediately

Finding #4:

Extra care be taken to ensure that interfund balances between the various funds' balance sheets as well as outstanding wires in transit between the different bank accounts' bank reconciliation are reconciled on a monthly basis.

Recommendation:

Greater effort will be made to promptly reconcile items monthly and as well wires in transit between the different bank accounts

Corrective Action:

Reconciling items and adjustments will be resolved and corrected moving forward.

Implementation Date:

Immediately

Finding #5:

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

Recommendation:

Care and consideration will be given to post expenses to the proper account.

Corrective Action:

Grant receipts will be checked to see whether a Chapter 159 was completed. All prior receipts have been corrected.

Implementation Date:

Immediately

Joseph Brezina, CFO