



# BOROUGH OF ROSELLE

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The Borough of Roselle is in receipt of and has reviewed the Office of the State Comptroller's report of January 3, 2024, entitled "Follow-Up Report – A Performance Audit of Selected Fiscal and Operating Practices of the Borough of Roselle." The Borough accepts the findings contained therein and has implemented or is in the process of implementing policies and procedures to address all included recommendations. Said recommendations are addressed in detail below.

**Recommendation 1:** Develop policies and procedures to verify the initial eligibility of employees for health insurance coverage or health benefit opt-out waiver payments. Appropriate controls are required to monitor the continued eligibility. Appropriate controls should also be instituted to identify and process terminations and coverage changes in a timely manner to prevent improper payments.

**Response:** Based on the advice of counsel, Borough officials believed, in good faith, that their weekly hours worked qualified them for eligibility to enroll in the State Health Benefits Program. In light of the recommendations made by the Office of the State Comptroller, all elected officials from the Borough of Roselle will opt out of the SHBP, and the Borough will bar future elected officials from receiving these benefits by implementing the necessary policies to effectuate that outcome.

**Recommendation 2:** Periodically, the Borough should conduct a cost-benefit analysis of its health insurance costs and evaluate the costs of participating in the State Health Benefits Program. This analysis should include a thorough review of the insurance broker's estimates and the reasonableness of such estimates compared to actual results.

**Response:** Implemented

**Recommendation 3:** Implement policies and procedures regarding the process for timely review of employee discipline matters, including an investigation and any referrals that are required. These policies should include the appropriate processes for consulting legal counsel and notifying the Borough Council.

**Response:** Implemented

**Recommendation 4:** Develop procedures and appropriate processes to ensure that all permanently assigned vehicles to Borough employees are assigned through written requests and approvals in accordance with the Borough's policy.

**Response:** The Borough has distributed and collected Borough Vehicle Assignment forms that identifies the assigned vehicle, the Department requesting the vehicle, and the employee assigned the vehicle. The form serves as a written request and approval of the vehicle's assignment.

**Recommendation 5:** Develop policies and procedures to require employees to account for their actual vehicle mileage, including details of all trips, such as the date, start and end time, trip location, purpose and actual mileage. The procedures should include comparisons of the employee mileage reports with the actual GPS reports to identify personal and commuting uses. Any unusual or inappropriate vehicle use should be documented and addressed appropriately, including through employee discipline.

**Response:** In addition to the Borough being found to have already partially implemented the policies included in this recommendation, the Borough will revise policies related to accounting of take-home vehicle mileage. Each individual assigned such vehicles will be required to report their mileage monthly, explaining all commuting mileage and miles logged at work, and discipline will be imposed for any non-work-related use of such vehicles.

**Recommendation 6:** Implement the process to assess taxable fringe benefits for Borough employees' personal and commutation use of the Borough-owned vehicles in accordance with its policy and pursuant to Internal Revenue Service Regulations.

**Response:** In addition to the Borough being found to have already partially implemented the policies included in this recommendation, each individual assigned a take-home vehicle is monitored by days in use and calculated at a rate of three dollars per day which is entered into their total payroll amount for taxation. This existing policy in conjunction with the proposed policies in response to "Recommendation 5" fully addresses this recommendation.

**Recommendation 7:** Develop policies and procedures that ensure procurement of and awarding of consulting service contracts complies with the Local Public Contracts Law.

**Response:** The Borough will take this under advisement and revise its purchasing manual to fully comply with the recommendation, as well as LPCL and PTP laws.

**Recommendation 8:** Develop policies and procedures that require consulting services to be documented with a formal written contract. The contracts should include a detailed scope of work and include all relevant terms defining the contract period, contract price and payment terms, reporting requirements that allow for verification of the performance, and outcomes as anticipated in the award of the contract. Payments for consulting services should be based on Borough policy and only after appropriate review and approval of whether services rendered meet the terms of the agreement.

**Response:** The Borough will take this under advisement and fully comply with all documentation requirements.

Submitted by,

T. Missy Balmir

A handwritten signature in blue ink, appearing to read 'T. Missy Balmir', with a long horizontal flourish extending to the right.

Borough of Roselle, Administrator