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Michael Sheinfield
Mayor

August 30, 2024

Residents of Hillsdale

As you likely know, a member of council was recently arrested out of state for allegedly engaging in financial crimes. That councilperson has resigned from council.

As mayor and council, we immediately reviewed our financial checks and balances to address concerns about whether our financial status was compromised in any way.

The Borough Chief Financial Officer was directed to perform a high-level overview of the controls in place for the Borough and Swimming Pool which prevent fraud or misuse of funds. **The public should know the following:**

- Check payments require department head, Administrator & QPA approval and must be compliant to public purchasing laws.
- Online banking transactions require a 2nd approval by either the Clerk or the Administrator.
- All bank statements are reconciled to the general ledger monthly by the deputy treasurer and reviewed by the CFO.
- Printing of checks and reconciling bank statements are done by (2) different employees.
- Administrator, Clerk and CFO are all engaged in approval, generation and review of payroll activities.
- **Elected officials and volunteers are not given access to the finance or banking systems.**

The Best Practices Inventory submitted by previous CFOs on behalf of the Borough for the past (5) years all record that these practices have been in place. Additionally, there have been no material findings included in any of the external audits conducted over that same period, and none of the findings/recommendations indicate that there is any fraud or embezzlement occurring in the Borough or with the Swimming Pool Utility.

The Borough's Chief Financial Officer and Independent Auditor will continue to review the municipal records, reports and accounts and will advise the Mayor and Council of their findings. We will provide updates to the public from the CFO, and/or Independent Auditor as we receive them.

Please contact me directly if you have questions or concerns not addressed in this update.

Respectfully,

Mayor Michael Sheinfield
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