

# Resolution of the City of Jersey City, N.J.

City Clerk File No. Res. 07-206

Agenda No. 10:Z.25

Approved: MAR 14 2007

TITLE:



## RESOLUTION APPROVING THE CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDING JUNE 30, 2006.

**COUNCIL**  
adoption of the following resolution:

**offered and moved**

**WHEREAS**, N.J.S.A. 40A:5-4 requires the governing body of every local unit to cause an annual audit of its books, accounts and financial transactions to be made and completed within six months after the close of its fiscal year; and,

**WHEREAS**, the audit for fiscal year ending June 30, 2006 was presented to the governing body on February 6, 2007; and,

**WHEREAS**, in accordance with OMB Circular A-133, 98-07, and Local Finance Notice CFO 97-16, all local government units must prepare and submit a Corrective Action Plan as part of the annual audit process; and,

**WHEREAS**, the Corrective Action Plan shall cover all findings and recommendations, including state, federal, and general or financial statement findings in the audit report; and,

**WHEREAS**, the Chief Financial Officer shall prepare said Corrective Action Plan with the assistance from other officials affected by the audit recommendations; and,

**WHEREAS**, the Corrective Action Plan must be approved by the governing body of the local unit and is to be submitted to the Division of Local Government Services no later than sixty days from the receipt of the audit report; and,

**NOW THEREFORE BE IT RESOLVED**, by the Municipal Council of the City of Jersey City that the Corrective Action Plan for fiscal year ended June 30, 2006 is hereby approved.

**BE IT FURTHER RESOLVED**, that a copy of the Corrective Action Plan will be placed on file in the Office of the City Clerk.

APPROVED: *Alissa Hunter, CFO*  
APPROVED: *Tom Corrado*  
Business Administrator

APPROVED AS TO LEGAL FORM  
*[Signature]*  
Corporation Counsel

Certification Required

Not Required  APPROVED **7-0**

RECORD OF COUNCIL VOTE ON FINAL PASSAGE											
3/14/07											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	<del>ABSENT</del>			BRENNAN	✓		
SPINELLO	✓			FULOP	✓			FLOOD	✓		
LIPSKI	<del>ABSENT</del>			RICHARDSON	✓			VEGA, PRES.	✓		

✓ Indicates Vote

N.V.-Not Voting (Abstain)

Adopted at a meeting of the Municipal Council of the City of Jersey City, N.J.

*Mariano Vega, Jr.*  
Mariano Vega, Jr., President of Council

*Robert Byrne*  
Robert Byrne, City Clerk

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# CITY OF JERSEY CITY

HUDSON COUNTY



## CORRECTIVE ACTION PLAN

FY 2006 ANNUAL AUDIT

**COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2006**

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Administration

**Division:** Municipal Court

**Respondent:** Rebecca Mason

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**Finding Number:** 1 (page# 55)

**1. Description:**

Municipal Court bank reconciliations were not performed in the manner as prescribed by the financial procedures manual issued by the State of New Jersey, Administrative Office of the Courts. As a result, adjustments were not properly classified or identified.

**2. Analysis:**

The Municipal Court should perform reconciliations in the manner prescribed by the State of New Jersey, Administrative Office of the Courts. All adjustments should be identified and properly classified on a monthly basis and any monies incorrectly transferred should be reconciled and redirected.

**3. Corrective Action:**

The Municipal Court will reconcile all accounts in the manner prescribed by the Administrative Office of the Courts. One employee has been assigned to complete this task. The computerized bank reconciliation portion of the general cashbook (parts 2 and 4) will be our official record.

**4. Implementation Date:**

July 2006

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Administration

**Division:** Municipal Court

**Respondent:** Rebecca Mason

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**Finding Number:** 2 (page# 55)

**1. Description:**

During a test of Municipal Court ATS/ACS reversals and dismissals, one reversal was noted as lacking supervisor approval. In addition, there were several instances in which documentation supporting ticket dismissal, as authorized by a judge, could not be located.

**2. Analysis:**

All documentation relating to reversals or adjustments should accompany cashiers' daily journals or monthly journal. Any adjustments performed by a supervisor should be approved and documented by a higher ranking official. In addition, dismissed tickets should be filed in a way consistent with easy retrieval.

**3. Corrective Action:**

All reversals should have supporting documents. Procedures are currently in place to ensure compliance. In addition, the filing system is under review and we are in the process of creating a master file as required by the Administrative Office of the Courts.

**4. Implementation Date:**

Ongoing

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Administration

**Division:** Municipal Court

**Respondent:** Rebecca Mason

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**Finding Number:** 3 (page#55)

**1. Description:**

During a test of time payments, there were several instances noted in which time payment installment orders were not provided or supported by proper authorization of a judge. In addition, no time payment orders selected resulted in a disbursement to the Parking Authority when paid in full.

**2. Analysis:**

The Municipal Court should make certain all time payment installment orders are accompanied by documentation providing a judge's authorization. In addition, the Municipal Court should review time payment orders paid in full to ensure properly calculated disbursements to the Parking Authority.

**3. Corrective Action:**

Every case that is in the "Tpay status" is not required to have a judges authorization, as there are cases that are payable at the violation bureau window without a required appearance before the court. To avoid this finding in the future the case status will now be entered as disp.

**4. Implementation Date:**

Immediately

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Administration

**Division:** Municipal Court

**Respondent:** Rebecca Mason

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**Finding Number:** 4 (page# 55)

**1. Description:**

The Municipal Court did not maintain an open bail listing.

**2. Analysis:**

The Municipal Court should maintain an outstanding open bail listing and reconcile the listing to the cash bail accounts.

**3. Corrective Action:**

The Municipal Court does maintain an open bail listing for the ATS/ACS bails on accounts. In addition, a manual ledger is maintained for all Tips bail on account.

**4. Implementation Date:**

July 2005

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Administration

**Division:** Municipal Court

**Respondent:** Rebecca Mason

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**Finding Number:** 5 (page# 56)

**1. Description:**

During a test of Municipal Court ATS/ACS fines cash disbursements, several transfers to the City Treasurer did not agree to the required transfers as reported on the ATS/ACS reports. Bail reinstatements were subtracted from the checks to the City for a total of \$25,182.

**2. Analysis:**

The Municipal Court ended the practice of wrongly deducting bail reinstatements from required transfers to the City Treasurer, however, the \$25,182 deducted in July, August, September, and October of 2005 should be disbursed to the City Treasurer.

**3. Corrective Action:**

The \$25,182 was disbursed to the City Treasurer. This was a procedural problem that should not reoccur.

**4. Implementation Date:**

Completed

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Administration

**Division:** Municipal Court

**Respondent:** Rebecca Mason

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**Finding Number:** 6 (page# 56)

**1. Description:**

During a test of Municipal Court ATS/ACS cash receipts, it was noted that several receipts did not have the sufficient supporting documentation available to ascertain whether receipts were properly recorded or authorized.

**2. Analysis:**

All supporting documentation relating to cash receipts should be maintained in accordance with guidelines established by the State of New Jersey, Administrative Office of the Courts.

**3. Corrective Action:**

All receipts will have a reference docket or summons number.

**4. Implementation Date:**

July 2006

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Administration

**Division:** Municipal Court

**Respondent:** Rebecca Mason

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**Finding Number:** 7 (page# 56)

**1. Description:**

During a test of Municipal Court ATS/ACS cash disbursements, it was noted that several disbursements did not have the sufficient supporting documentation available to ascertain whether disbursements were properly recorded or authorized.

**2. Analysis:**

All supporting documentation relating to cash disbursements should be maintained in accordance with guidelines established by the State of New Jersey, Administrative Office of the Courts.

**3. Corrective Action:**

All receipts/disbursements will have a reference docket or summons number

**4. Implementation Date:**

July 2006

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Administration

**Division:** Municipal Court

**Respondent:** Rebecca Mason

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**Finding Number:** 8 (page# 56)

**1. Description:**

During a test of Municipal Court ATS/ACS bail disbursements, it was noted that for several months numerous checks issued were not entered in the ATS/ACS system, or were not entered in a timely manner. In addition, reconciliations were being performed relative to daily deposits and were not taking into consideration 'after-the-daily-closing' adjustments that impacted the monthly cashbook.

**2. Analysis:**

The Municipal Court should make certain all checks issued are entered into the ATS/ACS system in a timely manner, and should identify any differences with the monthly cashbook totals.

**3. Corrective Action:**

Bail disbursements are currently being reconciled from 1997. One of our findings are that bails were returned or turned over to the City without being processed. As for ACS/ATS matters, as we find them they are being entered out of date.

**4. Implementation Date:**

July 30, 2007

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Administration

**Division:** Municipal Court

**Respondent:** Rebecca Mason

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**Finding Number:** 9 (page# 57)

**1. Description:**

While analyzing cash for the Municipal Court's Bank of America account, it was noted that interest earned during the year was not forwarded to the City Treasurer on a timely basis.

**2. Analysis:**

The Municipal Court should make certain that all interest earned during the year is forwarded to the City Treasurer as required. Subsequent to year end, the Court did forward all outstanding interest in July of 2006, and since then has forwarded interest on a monthly basis.

**3. Corrective Action:**

All interest earned was disbursed to the City Treasurer. This account is now closed (see finding# 10).

**4. Implementation Date:**

Completed

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Administration

**Division:** Municipal Court

**Respondent:** Rebecca Mason

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**Finding Number:** 10 (page# 57)

**1. Description:**

During a proof of the Municipal Court's cash accounts, it was noted one account consists of old unpaid refunds due to violators for overpayments of fines. The total of these accounts is approximately \$51,000.

**2. Analysis:**

The Municipal Court should make certain that any old operating accounts be reconciled and violators who are entitled to the refunds identified and reimbursed accordingly.

**3. Corrective Action:**

The Bank of America cash account was closed and the remaining funds were placed in a reserve account. The Municipal Court will reconcile the accounts and any overpayments will be identified and reimbursed from said reserve account.

**4. Implementation Date:**

Ongoing

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Administration

**Division:** Municipal Court

**Respondent:** Rebecca Mason

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**Finding Number:** 11 (page# 57)

**1. Description:**

During a test of Municipal Court TIPS bail receipts and disbursements, it was noted that several receipts and disbursements did not have the sufficient supporting documentation available to ascertain whether receipts and disbursements were properly recorded or authorized. In addition, bail recognition forms, while maintained, were not cross-referenced on either manual bail receipts or in the ATS/ACS system, and so were difficult to retrieve.

**2. Analysis:**

All supporting documentation relating to cash receipts and disbursements should be maintained in accordance with guidelines established by the State of New Jersey, Administrative Office of the Courts, and all receipts/ATS/ACS entries referring to a bail reconciliation form should be cross-referenced to the form.

**3. Corrective Action:**

All receipts and disbursements will reflect a summons number or complaint number for easy reference. All bail receipts will reflect a recognition number.

**4. Implementation Date:**

Immediately

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Health & Human Services

**Division:** Health/Animal Control

**Respondent:** Kevin Lyons

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**Finding Number:** 12 (page# 57)

**1. Description:**

The Animal Control Department did not file Dog License reports as required by the New Jersey Department of Health and Senior Services for the months of January, 2006 through June, 2006.

**2. Analysis:**

The Animal Control department should file all State Dog License reports, along with required payments, within a timely period after each month.

**3. Corrective Action:**

The Health Division for the City of Jersey City has filed all necessary State Dog License reports for the time in question and made said payment. The Division of Health will file all reports and process all payments to the State of New Jersey in a timely fashion at the end of each month.

**4. Implementation Date:**

March 1, 2007

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Health & Human Services

**Division:** Health

**Respondent:** Kevin Lyons

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**Finding Number:** 13 (page# 58)

**1. Description:**

The City does not post to separate accounts in the general ledger monies collected for the municipal portion of dog license fees and the portion of dog license fees due to the State of New Jersey. They are lumped into one account.

**2. Analysis:**

The City should maintain and update separate accounts for both the municipal and State portions of dog license fees collected.

**3. Corrective Action:**

In coordination with the Divisions of Budget, Accounts and Control, Information Technology and Health, collectively we will institute a new policy to create an account that will ensure proper collection and recording of said fees separate from the procedure currently in place. An additional component that should be factored in is the ability of Information Technology to create software that can itemize the fines and fees at the time of the transaction. This would facilitate the allocation and deposit of funds to various agencies immediately.

**4. Implementation Date:**

Immediately

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Health & Human Services

**Division:** Health

**Respondent:** Kevin Lyons

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**Finding Number:** 14 (page# 58)

**1. Description:**

During a review of the cash receipts records of the Health and Alcoholic Beverage Control Departments, several receipts were not deposited within 48 hours as required by the State of New Jersey.

**2. Analysis:**

The Health and Alcoholic Beverage Control Departments should put forth a more concerted effort to make certain all receipts are deposited within the 48 hour statutory limit.

**3. Corrective Action:**

The Health Division will train additional personnel to handle deposits and will make every effort to adhere to State law. Presently, one individual handles this function, additional staff will be trained to assist in this function. This new procedure should eliminate this citation.

**4. Implementation Date:**

March 1, 2007

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** June 30, 2006  
**Department:** Housing, Economic Development & Commerce  
**Division:** Commerce  
**Respondent:** Paul Barna

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**Finding Number:** 14 (page# 58)

**1. Description:**

During a review of the cash receipts records of the Health and Alcoholic Beverage Control Departments, several receipts were not deposited within 48 hours as required by the State of New Jersey.

**2. Analysis:**

The Health and Alcoholic Beverage Control Departments should put forth a more concerted effort to make certain all receipts are deposited within 48 hours statutory limit

**3. Corrective Action:**

After reviewing, it has been determined that this type of deficiency occurs as a result of a person to person transfer of an ABC License. A check is submitted with the State transfer application. the transfer packet is reviewed and scheduled for a hearing with the ABC Board. The process can take 4 to 12 weeks. The new procedure will be that no check will be accepted until the license transfer is approved or denied by the Jersey City ABC Board. This only effects person to person transfers.

**4. Implementation Date:**

Immediately

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Finance

**Division:** Accounts and Controls

**Respondent:** Mario Ratto

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**Finding Number:** 15 (page# 58)

**1. Description:**

The balance of the State and Federal Grants receivable account includes 23 grants with negative balances totaling \$6,427,815. Also, the balance of the State and Federal Grants appropriated reserves account include 12 grants with negative balances totaling \$1,314,483.

**2. Analysis:**

The grants with negative balances for either receivables or appropriated reserves should be investigated or any potential mis-postings, interfunds, or unbudgeted grants and adjusted accordingly.

**3. Corrective Action:**

These mis-postings to the receivable schedule were caused by funds that weren't identified when received by Treasury. The receivable schedule is currently being reviewed and corrected.

**4. Implementation Date:**

Ongoing

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Finance

**Division:** Accounts and Controls

**Respondent:** Mario Ratto

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**Finding Number:** 16 (page# 58)

**1. Description:**

Both States and Federal Grants receivable and appropriated reserve accounts have old grants recorded, going back as far as 1988, that have been inactive for years.

**2. Analysis:**

All old grants should be reviewed for proper follow-up or disposition. Going forward, all grants should be continuously monitored for inactivity and aging.

**3. Corrective Action:**

These accounts are currently being reviewed. As the accounts are identified they are being cancelled in the City's financial system.

**4. Implementation Date:**

Ongoing

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Finance

**Division:** Accounts and Controls

**Respondent:** Lakhram Basanta

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**Finding Number:** 17 (page# 58)

**1. Description:**

The Capital Fund has grants receivable consisting of 26 receivable items, 24 have had no collections in any of the previous six years. In addition, eight grants have negative receivable balances totaling \$520,386.

**2. Analysis:**

Capital grants receivable should be investigated and either pursued for collection or cancelled. In addition, all negative balances should be investigated and resolved.

**3. Corrective Action:**

An analysis of the grants receivable items in the capital fund is currently being done and will be handled accordingly.

**4. Implementation Date:**

Ongoing

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Finance

**Division:** Accounts and Controls

**Respondent:** Frank Rentas

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**Finding Number:** 18 (page# 59)

**1. Description:**

Analysis of Trust Funds of the City shows two funds, Trust Assessment and Debt Service Trust, have no activity for at least the previous two fiscal years.

**2. Analysis:**

The necessity of these funds should be reconsidered and a determination should be made whether either is legally or practically required.

**3. Corrective Action:**

Trust Assessments Fund: There has not been any Local Improvement Ordinance since 2004, Greene Street. There may be one next year. Debt Service Trust Fund: There has not been any coupon redemptions for a while. These two funds cannot be closed at this time. There may be a local improvements next year. The Debt Service fund still has a few issues outstanding.

**4. Implementation Date:**

N/A

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Finance

**Division:** Accounts and Controls

**Respondent:** Frank Rentas

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**Finding Number:** 19 (page# 59)

**1. Description:**

In a review of its Annual Financial Statement, the State of New Jersey, Division of Local Government Services, questioned whether several of the City's Trust Reserves were authorized. The State of New Jersey, Division of Local Governments Services, recommended the City review the Trust Reserves in question and undertake proper follow-up or disposition procedures.

**2. Analysis:**

The City should follow up on the recommendation of the Division of Local Government Services.

**3. Corrective Action:**

Currently under Comptroller's Office Review. After the review process those reserves that are deemed unauthorized will be addressed to be paid or cancelled.

**4. Implementation Date:**

April 30, 2007

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Finance

**Division:** Accounts and Controls

**Respondent:** Frank Rentas

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**Finding Number:** 20 (page# 59)

**1. Description:**

The City has advanced to, or borrowed, monies from various funds.

**2. Analysis:**

Interfund advances should be avoided, if possible, and be settled prior to the year-end.

**3. Corrective Action:**

Interfunds are required every so often to process Grants, interest and basic claims entries. We will continue to minimize the use of interfunds and close them out prior to year end.

**4. Implementation Date:**

ASAP

**SECTION II**  
**SCHEDULE OF FINANCIAL STATEMENT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

**Name of Municipality:** CITY OF JERSEY CITY

**County:** Hudson

**Audit Report Year:** June 30, 2006

**Department:** Finance

**Respondent:** Lakhram Basanta

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**Finding Number:** FS06-01 (page# 45)

**1. Condition:**

The City did not determine whether arbitrage exists in any of its debt issues five years or more in existence.

**2. Recommendation:**

The City should perform rebate calculations on all debt issues past their five year anniversaries to avoid potential interest and penalties.

**3. Corrective Action:**

The City has contracted a firm to perform rebate calculations to determine whether the City is in violation of arbitrage. This project should be completed by 6/30/07.

**4. Implementation Date:**

Ongoing

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** June 30, 2006  
**Department:** Finance  
**Respondent:** Lakhram Basanta  
Adelle Tirona

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**Finding Number:** FS06-02 (page# 46)

**1. Condition:**

Unfunded Deferred Charges to both Future Taxation and Water Rents exist for projects in excess of five years old.

**2. Recommendation:**

The City should follow up on any Unfunded Deferred Charges in excess of five years old, determine whether the corresponding projects are completed and provide funding for any projects completed.

**3. Corrective Action:**

The City is in the process of reviewing Unfunded Capital Authorizations and will either cancel or fund these projects. This project should be completed by end of FY 2008.

**4. Implementation Date:**

Ongoing

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** June 30, 2006  
**Department:** Administration  
**Respondent:** Peter Folgado

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**Finding Number:** FS06-03 (page# 47)

**1. Condition:**

A test of the City's voucher/disbursement system revealed many instances in which funds were not being properly encumbered. This was evidenced by purchase order dates falling after invoice dates for items with no long term contracts.

**2. Recommendation:**

The City must make certain funds are encumbered and certified by purchase order before goods are ordered or services rendered.

**3. Corrective Action:**

When funds are not properly encumbered, the Purchasing Division immediately notifies the Department of the violation. The City is aware of this problem and is working to educate all employees of the policy.

**4. Implementation Date:**

Ongoing

SECTION III  
SCHEDULE OF FEDERAL AWARDS  
AND  
STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2006

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** June 30, 2006  
**Department:** Housing, Economic Development & Commerce  
**Respondent:** Darice Toon

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**Finding Number:** 06-01 (page# 45)

**1. Condition:**

The City's Division of Community Development, HOME Division (the 'Division'), failed to perform ongoing inspections of rental units after completion to ensure compliance with the property standards of 24 CFR 92.251.

**2. Recommendation:**

The City should develop procedures to ensure that all projects meet all applicable requirements upon completion and are monitored to ensure compliance.

**3. Corrective Action:**

The Division is still upgrading their database to ensure better file management. With the upgrade, reports will be generated indicating inspection dates and logging the actual inspections.

**4. Implementation Date:**

Ongoing

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** June 30, 2006  
**Department:** Housing, Economic Development & Commerce  
Economic Development Corporation (EDC)  
**Respondent:** Clifford Adams

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**Finding Number:** 06-02 (page# 49)

**1. Condition:**

The City is relying on the Economic Development Corp. (EDC) to provide all required reports to the State. However, EDC is not reporting all grants as noted in that it did not report the UEZ Administration Grant to the State for the year under audit.

**2. Recommendation:**

The City must submit the required expenditure reports for the UEZ Administration Grant as required by its contract with the State of New Jersey.

**3. Corrective Action:**

EDC did generate this report. However, copies were not available in the City's files. EDC will submit a copy of the Schedule C expenditure report to the Division of Economic Development and the Division of Accounts and Controls.

**4. Implementation Date:**

Immediately

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** June 30, 2006  
**Department:** Housing, Economic Development & Commerce  
**Respondent:** Jose Arango

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**Finding Number:** 06-03 (page# 50)

**1. Condition:**

The City receives no information from its subrecipients regarding their monitoring of contractors and subcontractors for adherence to prevailing wage laws.

**2. Recommendation:**

The City must make sure they receive proper documentation from their subrecipients as proof they are monitoring for prevailing wage law compliance of contractors and subcontractors.

**3. Corrective Action:**

The Division of Economic Development will monitor the Economic Development Corp. (EDC) to make sure that they are properly adhering to the State compliance requirements regarding the prevailing wage law. EDC will also provide the Division of Economic Development with copies of the certified payrolls which are submitted.

**4. Implementation Date:**

Immediately