

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: *Allysa Miller, 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	ABSENT			BRENNAN	✓		
SPINELLO	✓			FULOP	✓			FLOOD	✓		
LIPSKI	ABSENT			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

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

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

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

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

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

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

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

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

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

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

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

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

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

