

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

City Clerk File No. Res. 12-037  
 Agenda No. 10.B  
 Approved: \_\_\_\_\_  
 TITLE:



## RESOLUTION APPROVING THE CORRECTIVE ACTION PLAN FOR THE TRANSITION YEAR ENDING DECEMBER 31, 2010

**COUNCIL** offered and moved adoption  
 of the following resolution:

**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 transition year ending December 31, 2010 was presented to the governing body on November 22, 2011; and

**WHEREAS**, in accordance with OMB Circular A-133, 98-07, and Local Finance Notice CFO 97-16, all 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 transition year ended December 31, 2010 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: *Donna Madia*  
 APPROVED: *[Signature]*  
 Business Administrator

APPROVED AS TO LEGAL FORM  
*[Signature]*  
 Corporation Counsel  
 Certification Required   
 Not Required

**APPROVED**

RECORD OF COUNCIL VOTE ON FINAL PASSAGE											
				1/25/12							
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO				GAUGHAN				LAVARRO			
DONNELLY				FULOP				RICHARDSON			
LOPEZ				MASSEY				BRENNAN, PRES			

✓ Indicates Vote

N.V.-Not Voting (Abstain)

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

Peter M. Brennan, President of Council

Robert Byrne, City Clerk



**CITY OF JERSEY CITY**  
**Department of Administration**  
**Division of Management and Budget**

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**INTEROFFICE MEMORADUM**

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**DATE:** January 18, 2012

**TO:** Council President Brennan  
Members of the Municipal Council

**FROM:** Donna Mauer, Chief Financial Officer 

**SUBJECT:** TY 2010 Corrective Action Plan

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Enclosed you will find the City of Jersey City's Corrective Action Plan for TY 2010. This plan is in response to the TY 2010 audit findings.

If you have any questions, please do not hesitate to contact me at x5042.

Encls.

cc: Jack Kelly, Business Administrator  
Robert Byrne, City Clerk

**CITY OF JERSEY CITY**  
**HUDSON COUNTY**



**CORRECTIVE ACTION PLAN**  
**TY 2010 ANNUAL AUDIT**

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** TY 2010  
**Department:** Administration  
**Division:** Tax Collections  
**Respondent:** Serafina Sengco, Chief Auditor

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**Finding Number: 1 (Page 67)**

**1. Description**

A review of the PILOT office revealed overall deficiencies in controls that negatively impact the City's PILOT revenue collection cycle, resulting in delays of PILOT revenue collections and the potential underbilling of PILOT revenue amounts. Specifically, financial statements of parties in abatement agreements with the City were not always available for review and there were several instances of administration fees not properly charged.

**2. Analysis**

The City should obtain and retain all financial data necessary to comply with the PILOT agreements and to timely and accurately process the data for billing and revenue collection.

**3. Corrective Action**

Financial data has been updated and an employee has been assigned to manage records and files.

**4. Implementation Date**

Implemented

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** TY 2010  
**Department:** Recreation and HEDC  
**Division:** Recreation and Planning  
**Respondent:** Joseph Macchi, Director of Recreation  
Robert Cotter, Director of Planning

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**Finding Number:** 2 (Page 67)

**1. Description**

The Recreation Department and HEDC Planning Division are not depositing receipts within 48 hours as required by N.J.S.A 40A:5-15 of the Local Fiscal Affairs Law.

**2. Analysis**

The Recreation Department and HEDC Planning Division should deposit receipts in accordance with laws established by the Local Fiscal Affairs Law.

**3. Corrective Action**

The Recreation Department and HEDC Planning Division will ensure that all monies will be deposited within 48 hours.

**4. Implementation Date**

January 1, 2012

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** TY 2010  
**Department:** Recreation  
**Division:** Recreation  
**Respondent:** Joseph Macchi, Director

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**Finding Number:** 3 (Page 67)

**1. Description**

There are certain control deficiencies at the swimming pool run by the Recreation Department, including: member applications could not be located for testing members and non-members are not distinguished and therefore incorrect fees are potentially being charged.

**2. Analysis**

The Recreation Department should institute stronger controls to better monitor who is using the facilities and what fees should be charged.

**3. Corrective Action**

The Department of Recreation has instituted a detailed register regarding the daily use of the facility. All fees will be closely monitored. An ordinance has been submitted to the Law Department revising the fee schedule effective January 1, 2012.

**4. Implementation Date**

January 1, 2012

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** TY 2010  
**Department:** Health & Human Resources  
**Division:** Animal Control  
**Respondent:** Vera Smith, Health Officer

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**Finding Number:** 4 (Page 67)

**1. Description**

There were several instances in which the Animal Control Department did not submit timely reports for dog licenses and burial permits, respectively.

**2. Analysis**

The City should review all Trust Funds and reserves for necessity and proper authorization. Items that are no longer active should be properly closed in accordance with applicable agreements and statutes.

**3. Corrective Action**

A procedure was put in place to make certain all payments and reports are submitted to the State on time.

**4. Implementation Date**

December 1, 2011

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** TY 2010  
**Department:** Administration  
**Division:** Accounts & Control  
**Respondent:** Frank Rentas, Comptroller

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**Finding Number:** 5 (Page 67)

**1. Description**

There are several Trust Funds and reserves that appear to no longer be active but which remain on the books.

**2. Analysis**

The City should review all Trust Funds and reserves for necessity and proper authorization. Items that are no longer active should be properly closed in accordance with applicable agreements and statutes.

**3. Corrective Action**

These accounts will be cancelled and purged from the accounting system.

**4. Implementation Date**

Effective during Calendar Year 2011

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** TY 2010  
**Department:** Municipal Court  
**Division:** Municipal Court  
**Respondent:** Maria Pagan, Court Director

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**Finding Number:** 6 (Page 67)

**1. Description**

An analysis of Court ticket inventory indicated several officers' individual ticket inventories exceeded the minimum number of tickets allowed by the Court.

**2. Analysis**

The Court should review all individual ticket inventories to ensure that the number of tickets assigned to the officers do not exceed the minimum allowed by the Court.

**3. Corrective Action**

Protocol has been established for the staff of the Municipal Court when ticket books are being issued.

**4. Implementation Date**

Implemented

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** TY 2010  
**Department:** Municipal Court  
**Division:** Municipal Court  
**Respondent:** Maria Pagan, Court Director

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**Finding Number:** 7 (Page 68)

**1. Description**

The Court transitioned to a new computer program to process the TIPS receipts. No procedures were performed in the transition to ensure the data migrated fully and completely.

**2. Analysis**

The Court should reconcile the data in the new TIPS program to the old program to make certain all data migrated accurately.

**3. Corrective Action**

Data transitioned into the new system was migrated fully and completed. The problem was with the new system and how it accessed the old data. The Fiscal Office mirrored the system manually until the new system became stable and trustworthy through programming changes. The new TIPS system is functioning and requires no further action.

**4. Implementation Date**

Implemented

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** TY 2010  
**Department:** Administration  
**Division:** Risk Management  
**Respondent:** Peter Soreiro, Risk Manager

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**Finding Number:** 8 (Page 68)

**1. Description**

Surety bond coverage for the Court did not meet the requirements per N.J.A.C 5:30- 8.4(a).

**2. Analysis**

The Court should obtain the minimum surety bond coverage required by Statute.

**3. Corrective Action**

The proper surety bond coverage was obtained by the Risk Manager.

**4. Implementation Date**

Implemented

**SECTION II:  
SCHEDULE OF FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** TY 2010  
**Department:** Administration  
**Division:** Management & Budget  
**Respondent:** Donna Mauer, Chief Financial Officer

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**Finding FS TY10-01 (Page 62)**

**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.

**4. Implementation Date**

Ongoing

**Name of Municipality:** CITY OF JERSEY CITY  
**County:** Hudson  
**Audit Report Year:** TY 2010  
**Department:** Health & Human Services  
**Division:** Director's Office  
**Respondent:** Elizabeth Castillo, Fiscal Officer

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**Finding SA10-01 (Page 63)**

**1. Condition**

Several monthly and quarterly reports were not filed within the deadlines under the terms of the grant agreement.

**2. Recommendation**

All expenditure reports should be filed in a timely manner.

**3. Corrective Action**

Several monthly and quarterly reports were not filed within the deadlines under the terms of the grant agreement due to this office not being provided with the necessary information to produce the report. We have implemented a closer communication with the new administration at the Hudson County Office on Aging which will help avoid any delays in providing us any documentation needed.

**4. Implementation Date**

Implemented