

RESOLUTION OF THE TOWNSHIP OF IRVINGTON, NEW JERSEY

No. **DRF 25-0224-10**

Date of Adoption **FEBRUARY 24, 2025**

APPROVED AS TO FORM AND LEGALITY ON THE BASIS OF FACTS SET FORTH BY

[Signature]
Legislative Research Officer

PRESENTED BY COUNCIL MEMBER

VICK

SECONDED BY

FREDERIC

RESOLUTION OF THE TOWNSHIP OF IRVINGTON CORRECTIVE ACTION PLAN AUDIT REPORT YEAR: DECEMBER 31, 2022

WHEREAS, in accordance with the requirements of the Single Audit Act and the regulations of the Division of Local Government Services, all municipalities are required to prepare and file a Corrective Action Plan; and

WHEREAS, this plan must be filed with the Division of Local Government Services in accordance with regulations established by the Division; and WHEREAS, such a plan was prepared by the Chief Financial Officer and reviewed by the members of the governing body of the Township of Irvington;

NOW THEREFORE BE IT RESOLVED, that the CY 2022 Corrective Action Plan, attached hereto, be approved by the governing body of the Township of Irvington and filed with the Division of Local Government Services.

RECORD OF COUNCIL VOTE

X = Indicates Vote N.V. = No Vote A.B. = Absent

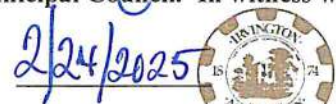
COUNCIL MEMBER	YES	NO	N.V.	A.B.	COUNCIL MEMBER	YES	NO	N.V.	A.B.
ANTILUS	X				VAUSS, JR.	X			
BROWN	X				VICK	X			
DR. FREDERIC, 2 ND VICE PRES.	X				BEASLEY, PRESIDENT	X			
DR. HUDLEY, 1 ST VICE PRES.	X								

PRESIDENT OF COUNCIL

I hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Municipal Council. In witness whereof I have hereunto set my hand and the Corporate Seal of the Township of Irvington.

MUNICIPAL CLERK

DATE



TOWNSHIP OF IRVINGTON
Corrective Action Plan
Audit Report Year: December 31, 2022

A) Tax Collector

Finding 2022-2: Condition:

The tax sale was not complete.

Finding 2022-3: Condition:

The cash collections per the Tax Collector did not agree with the General Ledger postings per the Treasurer's Office.

Finding 2022-4: Condition:

The cash disbursements for tax overpayment refunds per the Tax Collector did not agree with the General Ledger postings per the Treasurer's Office.

Finding 2022-5: Condition:

We found that some adjustments were posted to the Tax Collector's records for various clerical errors on the date the clerical errors previously occurred and were not recorded on the date discovered. This caused various tax reports submitted for audit to be constantly changing, whereas the ending balance of the 2021 tax reports were not the beginning balance of the 2022 tax reports.

Finding 2022-6: Condition:

During our audit it was noted that the transfer to Tax Title Liens on the 2022 Tax Account Status Report did not agree to the transfers on the Lien Account Status Report.

Recommendations:

That a complete tax sale be held.

That the Tax Office obtain the necessary documents to transfer all the deeded properties to Township-owned property.

That cash collections and cash disbursements per the Tax Collector be reconciled to the records per the Treasurer's Office monthly.

That the Tax Office dates all adjustments to the date of discovery and not the date when the clerical error occurred.

That the transfer to the Tax Title Liens Tax Account Status Report agree with the transfers on the Lien Account Status Report.

Corrective Action:

Finding 2022-2: Condition:

On 12/15/2022, an online tax sale was conducted and completed by Realauction. The tax sale was reconciled, verified, updated, closed/ completed and reported to the CFO and Business Administrator.

Tax sale was complete with "Exclude from Sale" listing noted with the reasons properties were not sold. Excluded items included bankruptcies, PILOT'S, properties with unresolved issues (Internal errors).

Per the Division of Local Government Services, "Since PILOTs are not a tax, they should not be included in the tax sale."

Finding 2022-3: Condition:

Tax Collector provides daily, monthly, and annual cash receipts to Finance for reconciliation.

Tax Collector will continue to meet with the Finance Department monthly to ensure that all reports agree with one another.

Finding 2022-4: Condition:

Tax Collector will use the adjustment batch date that the check was cut so that both reports will agree.

Finding 2022-5: Condition:

This is a constant issue with the tax records. Tax Collector's staff has been instructed to make all adjustments as of the date of discovery. However, the return check reversal process in Edmunds requires the user to select the payment from a "picklist" that the payment originally posted.

Edmunds has suggest using a balance adjustment as opposed to using a payment adjustment. Use the current date for the adjustment batch (itself) and change the required date within the batch. We will implement this change and determine if it corrects the discrepancy going forward.

Finding 2022-6: Condition:

Edmunds has suggested using a balance adjustment, opposed to using a payment adjustment. Use the current date for the adjustment batch itself and use the due date within the batch. We will implement this change and determine if it corrects the discrepancy going forward.

Implementation:

The Tax Collector and CFO began the implementation of the above corrective action April 1, 2023.

B) Payment in Lieu of Taxes (P.I.L.O.T.)

Finding 2022-7: Condition:

A review of the 2022 Valuations of Properties, the Tax Collector's separate billings and collections, and the detailed listings of Unpaid Taxes Receivable on December 31, 2022, indicated that: Several Properties were separately billed by the Tax Office and included in the 2022 Tax Levy.

Some properties are still included in the Unpaid Taxes Receivable Report for prior years.

Recommendations:

That the Tax Collector's Office review its accounting policies and procedures that allow for the accurate billing of the Payment in Lieu of Taxes (P.I.L.O.T.).

That the Delinquent Taxes Receivable Report be reviewed, and a determination made as to proper disposition of the properties classified as payment in lieu of taxes (P.I.L.O.T.).

Corrective Action:

This will occur when the properties are new PILOTS, which haven't yet been removed from ratable to exempt by the Tax Assessor. Said accounts must be manually adjusted in accordance with the financial agreement.

Implementation:

In July 2024, Tax Collector has set up the PILOT billing and payment module within the Edmunds software.

C) Revenue Collection Departments

The following exceptions were noted during our audit of [the](#) Township Revenue Departments:

Finding 2022-8: Condition:

A cash receipts book for the Housing Department was not available for audit.

Finding 2022-9: Condition:

Marriage License Fees, Burial Fees and DCA Training Fees were not submitted to the State of New Jersey on a timely basis and were not in agreement with the fees collected by the Departments.

Finding 2022-10: Condition:

Amounts Due to the State of New Jersey for Marriage and Burial Fees, as detailed on Exhibit B-8 herein, have remained unpaid for several years.

Finding 2022-11: Condition:

Funds collected through on-line system payments for Housing, Zoning, Fire and Health Departments were not recorded in their respective cash receipts books.
Revenue Collection Departments (Continued)

Finding 2022-12: Condition:

Comments with respect to the Construction Code Official are detailed as follows:

Permit fee logs, monthly reports and turnover slips were not in the agreement.

The 2022 Uniform Construction Code Report was not available for our review.

Finding 2022-13: Condition:

Revenue collected by the Building Department and Animal Control Officer was not turned over to the Tax Collector within 48 hours after receipt in accordance with provisions of N.J.S.A. 40A:5-15. DCA Training Fees paid to the State of New Jersey exceeded the fees collected as reflected on the records of the Construction Code Official by the sum of \$6,005.40, as follows:

Finding 2022-14: Condition:

The revenue collections for the departments were not in agreement with the Finance Department,

detailed as follows:

Construction Code Official Health Department License Department Police Department
Planning/Zoning Department of Public Works Neighborhood Services
Community Development and Planning Department

Finding 2022-15: Condition:

The Tax Assessor's and the Animal Control Officer's cash receipt books contained a number of posting errors and omissions.

Finding 2022-16: Condition:

The 2022 cash count of the Police Department indicated a change fund in the amount of \$20.00. A resolution approving the change fund was unavailable for audit review.

Recommendations:

That a cash receipts book for the Housing Department be maintained and available for audit.

That Marriage License Fees, Burial Fees and DCA Training Fees be remitted to the State of New Jersey on a timely basis and agree with the fees collected by the Departments.

That certain amounts Due to the State of New Jersey be reviewed for propriety and appropriate action taken as to payment or cancellation.

That funds collected through on-line system payments for all departments be recorded in their respective cash receipt books monthly.

That the Construction Permit Report Fee Logs, Monthly Reports and Turnover Slips be reconciled monthly.

That the Uniform Construction Code Report be made available for audit review.

That revenue collected by the Building Department and the Animal Control Officer be turned over to the Tax Collector within 48 hours after receipt in accordance with the provisions of N.J.S.A. 40A:5- 15.

That the DCA training fees received per the Department's cash receipts book agree with the amount submitted to the State of New Jersey.

That all Revenue Department revenue collections be reconciled to the Finance Department.

That the Tax Assessor's Department and the Animal Control Officer record all revenue collections in the cash receipts book and reconcile to the Tax Collector monthly.

That the resolution approving the Police Department change fund be available for audit review.

Corrective Action:

All departments will maintain a cash receipts book that will be turned over to the finance department each month for review and reconciliation to the records in the finance department.

All state fees will be paid to the state with 30 days upon completion of the applicable reports and or receipt of the invoice for all departments that have state fees.

The health department will review the amounts due to the state and will cancel or remit the fees as per the recommendations.

All departments will turn all funds received within 48 hours as per the law to the tax office for depositing.

The Police department will adhere to the approved resolution on file for the change fund.

All departments will provide to auditors any and all reports including cash books as request withing an timely basis.

Implementation:

Process Implemented February 2024

D) Cash Reconciliations:

Our review of cash reconciliations noted the following:

Finding 2022-17: Condition:

Cash reconciliations for the various accounts contained numerous reconciling items which were carried forward each month without change.

Finding 2022-18: Condition:

Cash reconciliations were not in agreement with General Ledger balances.

Finding 2022-19: Condition:

Bank reconciliations were not prepared on a monthly and timely basis.

Recommendations:

That the Township cash reconciliations and all reconciling items be verified.

That all cash reconciliations agree with General Ledger balances and be prepared on a monthly and timely basis.

Corrective Action:

All the bank accounts will be reconciled monthly to the general ledger accounts by the finance department staff and reviewed by the Comptroller and the CFO. All adjustments or reconciling items will be posted by the comptroller each month.

All reconciliations will be made each month by finance staff and reviewed and signed off by the comptroller along with the checklist.

Implementation:

The process has been implemented effective November 2023.

E) General Ledger

Finding 2022-20: Condition

The Township maintains a computerized general ledger for all funds. As of December 31, 2022, the general ledger did not agree with the various subsidiary ledgers. Cash receipts and disbursements, as posted, contained numerous errors and did not agree with the Collector's reports, department

turnovers or bank reconciliations.

Recommendations:

That General Ledgers be properly maintained for all funds and reconciled monthly to detailed subsidiary ledgers.

That consideration be given to documenting all procedures in the Finance Office to enhance the operations.

Corrective Action:

The CFO will post all of the beginning balances from the 2022 audit and will adjust or set up all the subsidiary ledgers required by law. The ledger will be maintain monthly going forward and reconciled.

The workflow for the finance department will be written and issued to the staff along with the proper training on the procedures and process.

Implementation:

The reconciliation of the general ledger began as April 2024. The workflows will be Witten by March 1, 2025

F) Grant Fund

Finding 2022-21: Condition:

During our review it was noted that certain Grant Funds have not been realized or have not been fully expended as reflected on Exhibits "A-18" and "A-37". As of December 31, 2022, there were grants receivable in the sum of \$13,075,088.49 and unexpended grant appropriations in the sum of \$18,107,316.04. In addition, the detailed computer report for Grant Funds was not in agreement with the audited balances.

Finding 2022-22: Condition:

There are Encumbered funds that are over one {1} year old that should be reviewed and properly liquidated.

Recommendations:

That the detailed computer report for Federal and State Grants be reconciled to master controls.

That certain Federal and State Grants be reviewed and appropriate action taken as to their disposition.

That all encumbered amounts in the detailed computer report for the Grant Funds be reviewed and property liquidated.

Corrective Action:

The CFO will review and make the necessary adjustment to the grant subsidiary ledger to reconcile to the master control ledger.

The CFO will review all grants and will request using department to confirm continues of the grant before canceling or closing out.

All encumbered accounts open in excess of six months will be cancelled or unencumbered by the Purchasing department or the CFO.

Implementation:

Implemented and completed by July 31, 2024

G) Animal Control Trust Fund

Finding 2022-23: Condition:

Animal Control monthly reports were not submitted to the State of New Jersey in 2022.

Recommendations:

That all Animal Control monthly reports be submitted to the State of New Jersey.

Corrective Action:

The health department will be submitting monthly reports to the State of New Jersey along with any payments that may be due.

Implementation:

The process began in June of 2024.

H) Other Deposits

Finding 2022-24: Condition:

Premium on tax sale and lien redemptions, reflected on Exhibit B-10 herein, do not have detailed supporting documentation.

Finding 2022-25: Condition:

A detailed list of the following deposits was not available for audit review:

Performance Bonds Security Deposits Recreation Activities Escrow Deposits
Street Opening Deposits

Recommendations:

That a detailed list for premiums on the tax sale and lien redemptions be maintained. That a detailed list for certain deposits be available for audit review.

Corrective Action:

The Tax office will maintain a detailed list of all open premiums and outside liens. This list will be made available for audit and reconcile to the general ledger.

Implementation:

Complete by September 30, 2024

I) Outside Employment of Off-Duty Police Officers

Our review of the records for the Outside Employment of Off-Duty Police Officers noted the following comments:

Records for Off-Duty Police Officers are maintained by the Irvington Police Department.

Finding 2022-26: Condition:

Collections received by the Police Department and transferred to the Township are not reconciled to the corresponding payroll expenditures.

Finding 2022-27: Condition:

According to Local Finance Notice #2000-14; entities requesting the services of police officers be required to submit payment based on estimates of the work to be done in advance of services rendered". During our review it was noted that several entities receive services prior to depositing money with the Township.

Finding 2022-28: Condition:

Cash receipts collected for Outside Employment of Off-Duty Police Officers were not in agreement with the records of the Finance Department.

Finding 2022-29: Condition:

The Outside Employment of Off-Duty Police Department cash book contained unidentified receipts.

Finding 2022-30: Condition:

A detailed list of Reserve for Outside Employment of Off-Duty Police Officers was not available for audit review.

Recommendations:

That collections for Off-Duty Police Fees be recorded to corresponding payroll expenditures.

That fees for Employment of Off-Duty Police Officers be collected by the Township before services are rendered in accordance with regulations of the Division of Local Government Services.

That Outside Employment of Police Officers collections be reconciled to the records of the Tax Collector monthly.

That the Outside Employment of Off-Duty Police Department cash book receipts be identified.

That a detailed list of Reserve for Outside Employment of Off-Duty Police Officers be available for audit review.

Corrective Action:

The Police department will provide and run the payroll by vendor report monthly to the comptroller, who will reconcile to the payroll and post to the general ledger.

The Police department will make sure all vendors pay for the required service in advance of start the job.

The monthly receipts collected report will be reconcile to the general ledger monthly by the finance department.

The detail subsidiary ledger by maintained and reviewed and available for audit.

Implementation:

The process has been implemented in February 2024, and the updated balance for the reserves will be completed by October 31, 2024.

J) Other Receivables

Finding 2022-31; Condition:

Certain older accounts receivable, as reflected on the General Trust Fund balance sheet has remained open as of December 31, 2022, in the amount of \$822,882.50:

Recommendation:

That certain other accounts receivable be reviewed, and a determination made as to proper disposition.

Corrective Action:

The BA and CFO will recommend that all of the outstanding Receivables over eight years be cancelled and written off as uncollectable.

Implementation:

To be completed by December 31, 2024.

K) Community Development Block Grant Trust Fund

Finding 2022-32: Condition:

A review by HUD officials of certain projects resulted in disallowed costs for six (6) projects. As a result, a receivable in the amount of \$467,612.03 has been established for the disallowed costs. Urban Development Action Grant (Recycled Loan Program):

Finding 2022-33: Condition:

An examination of the activity of the Urban Development Action Grant Loans receivable revealed thirty-three (33) loans currently open of which all are in default. There is one receivable that dates to 1979. These loans total \$68,325.28 and appear on Exhibit B-3.

Recommendations:

That the Township review the projects in the Community Development Block Grant Trust Fund for proper disposition.

That certain Urban Development Action Grants and the Community Development Block Grant Trust Loans be reviewed, and appropriate action taken as to collection or cancellation.

Corrective Action:

All of the projects of the HUD programs will be reviewed and verified with HUD and the necessary action will be taken to close any project that is inactive.

The CFO and the BA requested the township attorney to cancel all of the outstanding uncollectable receivables that have been outstanding for more than eight years.

Implementation:

Will be completed by December 31, 2024.

L) General Capital Fund

Finding 2022-34: Condition:

In accordance with regulations of the Local Finance Board, capital ordinances over five years old cannot finance expenditures from cash not provided from its own resources. As of the date of this

report, there are five (5) ordinances over five years old that has a deficit in cash:

Recommendation:

That the Unfunded Improvement Authorizations in the General Capital Fund be reviewed, and action taken to include them in the next bond sale or be raised in subsequent budgets.

Corrective Action:

Th CFO will review each of the improvement authorizations and will take the necessary action to cancel, adjust, or raised in the next budget or bond sale.

Implementation:

Will be completed by December 31, 2024.

M) Payroll

The Township of Irvington has contracted with a third-party payroll vendor to prepare the payroll and maintain certain payroll records. The vendor is required to pay deductions on behalf of the Township from funds transferred by the Township to the vendor's payroll account.

Comments with respect to the Net Payroll and Payroll Agency accounts are detailed as follows:

Finding 2022-35: Condition:

Payroll deposits were not in agreement with the payroll requirements monthly.

Finding 2022-36: Condition:

The amount on the Federal Form 941's for Federal Income Tax, Social Security 2nd Medicare did not agree to the payroll register.

Finding 2022-37: Condition:

The amount on the State of New Jersey Form NJ-927's for State Income Tax, State Unemployment Insurance, Disability Insurance and Family Leave Insurance did not agree with the payroll register.

Finding 2022-38: Condition:

The employee pension withholdings did not agree to the pension reports submitted to the State of New Jersey.

Finding 2022-39: Condition:

There is an unidentified balance in the Net Payroll Account and State Unemployment Insurance.

Finding 2022-40: Condition:

The recalculated healthcare premiums were not in agreement with employees' actual deductions.

Finding 2022-41: Condition:

The Flexible Spending Account as of December 31, 2022, reflected a negative balance.

Finding 2022-42: Condition:

A detailed list of the Flexible Spending Account was not available for audit review.

Recommendations:

That effort be made to identify the payroll deductions and appropriate action be taken.

That the amounts on Federal Form 941 and State of New Jersey Form NJ-927 be reconciled to the payroll registers.

That the employee pension withholdings agree with the pension reports submitted to the State of New Jersey for all employees.

That the unidentified balance in the Net Payroll Account be reviewed for proper disposition.

That the recalculated healthcare premium agrees with employees' actual deductions.

That the Flexible Spending Account be reviewed as to the reason for the negative balance.

That a detailed list of the Flexible Spending Account be available for audit review.

Corrective Action:

All payroll deposits will be made from the payroll registers submitted by the payroll provider.

All quarterly tax reports will be reconciled to the payroll reports submitted by the payroll provider and within 30 days after filing of such reports by the payroll supervisor and review by the CFO.

All pension deductions will be review for the corrected amounts by the payroll provider and the certifying officer of the pensions.

The CFO will review the balance n the net payroll account and will dispose of.

Human Resources will review and make the correction to the Health Benefits deductions correspond to the required law.

The Corrected balance will be transferred to the flexible spending account by the payroll department per the payroll deductions reports.

Human Resources will maintain a detailed list of all employees who are in the flexible spending plan and make them available for audit upon request.

Implementation:

All was implemented in May 2024.

N) Interfund

Finding 2022-43: Condition:

The balance sheets of the various funds as of December 31, 2022, reflect Interfunds Receivable and Payable. After the year's end, efforts should be undertaken to review and liquidate the interfunds that have occurred.

The cause of these interfunds relate to interest earned but not remitted to the corresponding fund, disbursements made by one fund on behalf of another fund, mis posting of cash receipts and lack of transferring budget revenue and/or appropriations from one fund to another.

Finding 2022-43: Condition:

In the case of the Current Fund, the effect of the Interfunds not being liquidated is a charge to operations (Fund Balance) and a decrease in surplus available. In other funds, the Interfunds do not represent charges to operations but should be liquidated regardless since each fund's cash requirements should stand on their own.

Recommendation:

That all Interfunds be liquidated on a current basis.

Corrective Action:

The CFO will review monthly all interfund and will liquidate the balance each month when possible.

Implementation:

During the review by the CFO process which began July 1, 2024.

O) Municipal Court

Comments with respect to the Municipal Court are as follows: Our test revealed the following exceptions:

Finding 2022-44: Condition:

Certain 2022-year end balances were not in agreement with payments made in January 2023, as detailed in the following schedule:

Finding 2022-45: Condition:

The resolution stated the Change Fund should be \$272.00. The 2022 Cash Count indicated the amount to be \$372.00.

Finding 2022-46: Condition:

Alf tickets that have been assigned must be issued within six (6) months. The Tickets Assigned Not Issued Report indicated that one (1) ticket was not issued within six (6) months.

Finding 2022-47: Condition:

The Tickets Issued but Not Assigned Report indicated that thirty-seven (37) tickets were issued but not assigned.

Finding 2022-48: Condition:

The General Account cash receipts book reflected numerous clerical errors.

Finding 2022-49: Condition:

Police Bail was not turned over to the Municipal Court within 48 hours of receipt.

Finding 2022-50: Condition:

The Township's ending balance for the Parking Offense Administrative Act does not agree with the Court's records.

Finding 2022-51: Condition:

The Police bail receipts were not issued in numerical order.

Finding 2022-52: Condition:

The Time Payment Report was not available for audit review.

Recommendations:

That 2022-year end balances not in agreement with payments made in January 2023 be investigated for proper disposition.

That the Municipal Court Change Fund be approved by resolution.

That Tickets Assigned but Not Issued more than six (6) months be reviewed for proper disposition.

That follow-up procedures be implemented for tickets whether issued or assigned.

That all revenue collected by the Municipal Court be recorded in the General Account Cash Book and agree with funds deposited in the bank.

That the Police Department turn over bail receipts to the Municipal Court within 48 hours of receipt.

That the Township's ending balance for Parking Offense Administration Act be reconciled to the Municipal Court's records.

That the Police bail receipts be issued in numerical order.

That the Time Payment Report be available for audit.

Corrective Action:

The Courts director will review and reconcile all year end balance for proper disposition and submitted to the CFO for review and adjustment as necessary.

The Courts will adhere to the change fund resolution on file and will turnover and excess funds to the finance department.

All assigned Tickets not issued in excess of six months must be returned to the courts before any new tickets is issued.

All tickets not issued after six months will be documented to it dispositions, return, void etc.

The Court director will prepare monthly reconciliation of the General account Cash Book to the bank account and forward a copy to the CFO for review.

The police department will turn over all bail receipts to the courts within the 48 hours for depositing along with all related information.

The court director will meet with the CFO to review and correct the POAA account balance as per the audited confirmed balance.

All records and reports be available to auditor when requested.

Implementation:

Completed July 1, 2024



TOWNSHIP OF IRVINGTON
OFFICE OF THE TOWNSHIP CLERK
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Shawna M. Supel, R.M.C.
Municipal Clerk

Shonta' D. Watson, R.M.C.
Assistant Municipal Clerk

February 25, 2025

Michael F. Rogers, Director
Division of Local Government Services
101 South Broad Street
Post Office Box 803
Trenton, N.J. 08625-0803

Dear Director Rogers:

Enclosed herewith please find a certified copy of a resolution ratifying the calendar year 2022 Corrective Action Plan which was duly adopted by the Municipal Council of the Township of Irvington on February 24, 2025.

Very truly yours,


Shawna M. Supel, R.M.C.
Municipal Clerk

enclosure (1)