

RESOLUTION OF THE TOWNSHIP OF IRVINGTON, NEW JERSEY

No. **DRF 25-0922-65**

Date of Adoption

SEPTEMBER 22ND, 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

BEASLEY

RESOLUTION OF THE TOWNSHIP OF IRVINGTON CORRECTIVE ACTION PLAN AUDIT REPORT YEAR: DECEMBER 31, 2023

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 governingbody of the Township of Irvington;

NOW THEREFORE BE IT RESOLVED, that the CY 2023 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

9/22/2025



TOWNSHIP OF IRVINGTON

Corrective Action Plan

Audit Report Year: December 31, 2023

1. Finding 2023-1: Condition:

The tax sale was not complete.

Recommendation:

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.

Corrective Action:

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."

Implementation Date: corrected 12/31/2024

2. Finding 2023-2: Condition:

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

Recommendation:

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

Corrective Action:

When necessary, the Tax Collector will meet with the Comptroller to ensure that all reports agree with one another.

Implementation Date: 01/01/2025

3. Finding 2023-3: 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.

Recommendation:

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

Corrective Action:

Refund disbursements will be processed through a standardized refund packet that includes taxpayer request, lien verification, signed PO, and if required, Council approval. Refund transactions will be logged in both the Tax Collector's ledger and Treasurer's GL simultaneously using the same batch date. The Treasurer will reconcile all refunds monthly and submit a variance report to the Tax Collector.

Implementation Date: 12/31/2024

4. Finding 2023-4: 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 the tax title lien report submitted for audit to be constantly changing, whereas the ending balance of the 2022 tax report was not the beginning balance of the 2023 tax report.

Recommendation:

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

Corrective Action:

The Tax Collector's Office will implement a policy that requires all adjustments to be posted using the discovery date. A mandatory Adjustments Log will record each correction, the reason, staff responsible, and date of discovery. The Tax Collector will review the Adjustments Log monthly and present monthly reports to the CFO. The vendor suggests using a balance adjustment opposed to using a payment adjustment. Use the current date for the adjustment batch (itself) and change the required date within the batch.

Implementation Date: 01/31/2025

5. Finding 2023-5: Condition:

During our audit it was noted that the transfer to Tax Title Liens on the 2023 Tax Account Status Report did not agree to the transfers on the Lien Account Status Report.

Recommendation:

That the transfer to the Tax Title Liens Tax Account Status Report be in agreement to the transfers on the Lien Account Status Report.

Corrective Action:

The Tax Collector will ensure all lien transfers are processed once through the lien module to update both reports automatically. The Tax collector and CFO began the implementation of the above corrective action April 1, 2023.

Implementation Date: 01/01/2024

6. Finding 2023-6: Condition:

A review of the 2023 Valuations of Properties, the Tax Collector's separate billings and collections,

and the detailed listings of Unpaid Taxes Receivable at December 31, 2023 indicated that: Some properties are still included in the Unpaid Taxes Receivable Report for prior years.

Recommendation:

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

Implementation Date: 07/05/2024

7. Finding 2023-7: Condition:

Several individuals' financial statements for a few properties were unavailable for audit review.

Recommendation:

That all payments in lieu of taxes (P.I.L.O.T.) financial statements be available for audit review.

Corrective Action:

The Tax Collector will establish a standardized filing and tracking system for all PILOT agreements and their supporting financial statements. All property owners subject to PILOT will be notified in writing of their obligation to submit annual financial statements in accordance with their financial agreements. The Tax Collector's Office will maintain a digital copy of each financial statement in a central archive accessible for CFO review and audit purposes. Any delinquent submissions will be escalated to the Business Administrator and Township Attorney for enforcement.

Implementation Date: 01/01/2025

8. Finding 2023-8: 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.

Recommendation:

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

Corrective Action:

Each department responsible for collecting State fees will submit reports to the Revenue and finance Department within five (5) business days of month-end. The Finance Office will verify collections against deposits and ensure timely remittance to the State within statutory deadlines. A checklist will be maintained and signed monthly by each Department Head.

Implementation Date: 01/01/2025

9. Finding 2023-9: 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.

Recommendation:

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

Corrective Action:

The CFO and Business Administrator will jointly review all outstanding balances due to the State of New Jersey. Balances deemed valid will be remitted immediately to the State. Balances determined to be improper or no longer enforceable will be documented and a resolution will be prepared for Council action to authorize cancellation. Supporting documentation will be retained for audit review.

Implementation Date: 08/31/25

10. Finding 2023-10: Condition:

Revenue collected by the Police Department 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 \$5,718.40.

Recommendation:

That revenue collected by the Police Department 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 be in agreement with the amount submitted to the State of New Jersey.

Corrective Action:

The Police Department will establish a daily deposit procedure requiring all receipts to be logged, reconciled, and transferred to the Tax Collector within 48 hours. Failure to comply will trigger an immediate report to the Police Chief and CFO. The Construction Code Office will reconcile all DCA fees quarterly and submit it to the finance Office before submission to the State to avoid future overpayments. Overpayments already made will be adjusted against future remittances where allowable.

Implementation Date: 01/01/2025

11. Finding 2023-11: 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, Planning/Zoning Department, Department of Public Works, Community Development and Planning Department, Recreation Department, Housing Department.

Recommendation:

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

Corrective Action:

All Departments will maintain standardized cash receipt books that will be submitted monthly to the finance department. The Finance Department will reconcile each department's reported collections against deposits and GL entries. Any variances will be investigated immediately by the finance department with a copy submitted to the Department head for correction. Training sessions will be held with Department Heads and staff to ensure uniform compliance with cash management and reporting procedures.

Implementation Date: 07/02/2025

12. Finding 2023-12: Condition:

A review of the Township's bank reconciliations revealed numerous outstanding checks that are over one year old.

Recommendation:

That outstanding checks over one year old be reviewed and a determination be made as to proper disposition.

Corrective Action:

The CFO's Office will prepare a listing of all outstanding checks older than one year and circulate it to the issuing departments for review. Checks that remain valid will be reissued; those deemed stale-dated will be cancelled and escheated to the State where required by law. A semi-annual outstanding check review will be implemented to prevent accumulation going forward.

Implementation Date: 06/30/2025

13. Finding 2023-13: Condition:

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

Recommendation:

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

Corrective Action:

The Comptroller will review all reconciling items monthly. Items older than 30 days will be flagged and investigated immediately. Recurring reconciling items will be tracked in a Reconciliation Log, and resolutions will be documented with supporting evidence. The Comptroller and CFO will review reconciliations before signing off each month.

Implementation Date: 02/01/2024

14. Finding 2023-14: Condition:

Cash reconciliations were not in agreement with General Ledger balances.

Recommendation:

That all cash reconciliations be in agreement with General Ledger balances.

Corrective Action:

The Finance Department will perform monthly reconciliation of all banks accounts to the General Ledger. Any differences will be researched and resolved before month-end of the month closing. All reconciliations will be made each month by fiancé staff and reviewed by the Comptroller who make any required adjustments before signing off along with the checklist.

Implementation Date: 01/01/2024

15. Finding 2023-15: Condition:

The Township maintains a computerized general ledger for all funds. As of December 31, 2023, 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.

When the internal operations do not allow management or employees to prevent or detect a misstatement of the financial statements on a timely basis, a control deficiency exists. Control deficiencies may either be a significant deficiency or a material weakness. By definition, a material weakness is a combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably.

Recommendation:

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 establish a monthly reconciliation process between the General Ledger and all subsidiary ledgers. The Finance Department will document reconciliation procedures in writing, and staff will be trained on the correct posting of cash receipts and disbursements. All reconciliations will be completed by the 15th of the following month and reviewed by the Comptroller and CFO. Quarterly internal audits will be conducted to verify accuracy and compliance, and material variances will be addressed within 30 days.

Implementation Date: 07/01/2025

16. Finding 2023-16: Condition:

The trial balances presented to us that we used to perform our audit did not reflect the true financial activity of the Township. Numerous balances needed adjustments, and we determined that the adjustments were material in nature and scope. Our audit reflects these adjustments.

Recommendation:

That greater care be utilized in the recording and presentation of financial activity to ensure that the most accurate data is recorded.

Corrective Action:

The CFO will implement enhanced review procedures for the preparation of trial balances, including cross-checking against source documents and subsidiary ledgers. Adjustments will be approved by both the Comptroller and CFO before posting. The Finance Office will adopt a monthly closing checklist to ensure that all accounts are reconciled and accurate before reports are generated. Staff will be retrained on GAAP and DLGS accounting standards to reduce the need for post-audit adjustments.

Implementation Date: 01/01/2025

17. Finding 2023-17: 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-17" and "A-35". As of December 31, 2023, there were grants receivable in the sum of \$12,425,301.11 and unexpended grant appropriations in the sum of \$14,659,668.55. In addition, the detail computer report for Grant Funds was not in agreement with the audited balances.

Recommendation:

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.

Corrective Action:

The CFO will reconcile the grant subsidiary ledger with the audited balances and master control accounts. Each grant will be reviewed with the responsible department to confirm eligibility, allowable expenditures, and status of drawdowns. Unrealized or inactive grants will be addressed by either closing them out or seeking extensions from the granting agency. Monthly reconciliations will be conducted by the Finance Department to ensure continued alignment between subsidiary records and master accounts.

Implementation Date: 12/31/2024

18. Finding 2023-18: Condition:

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

Recommendation:

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

Corrective Action:

The CFO and Purchasing Agent will jointly review all encumbrances over one year old. Departments will be required to confirm whether goods or services are still expected. Encumbrances that are no longer valid will be liquidated, and funds will be returned to the appropriate grant accounts. The CFO will also contact Edmunds to assist in removing the outdated encumbrances. A semi-annual review process will be instituted to prevent accumulation of outdated encumbrances.

Implementation Date: 07/01/2024

19. Finding 2023-19: Condition:

The Health Department issues Animal Control Licenses for one year to three years. Records are not maintained for Animal Control prepaid licenses and prepaid licenses applied.

Recommendation:

That records be maintained for Animal Control prepaid licenses and prepaid licenses applied.

Corrective Action:

The Health Department will implement a tracking system to account for prepaid animal licenses. This will include maintaining a subsidiary log showing the year of issuance, expiration date, and balance of prepaid amounts. Starting in 2025 the health department will return to only issuing one year licenses, which will eliminate the need for any prepaid tracking.

Implementation Date: 01/01/2025

20. Finding 2023-20: Condition:

Animal Control monthly reports were not submitted to the State of New Jersey in 2023.

Recommendation:

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

Corrective Action:

The Health Department staff member responsible for preparing and submitting monthly reports to the State of New Jersey will file all of the outstanding reports and all reports going forward will be submitted within statutory deadlines, with confirmation receipts retained for audit. The BA will review quarterly to ensure compliance.

Implementation Date: 01/01/2025

21. Finding 2023-21: Condition:

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

Recommendation:

That a detailed list for premiums on the tax sale and lien redemptions be maintained.

Corrective Action:

The Tax Collector's Office will maintain a detailed listing of all premiums received from tax sales

and lien redemptions. This list will include property information, purchaser details, amounts, and disposition of funds. The Tax Collector will reconcile the premium list monthly with the General Ledger Trust Account. The CFO will review the listing to ensure it is available for audit inspection.

Implementation Date: 12/31/2024

22. Finding 2023-22: Condition:

The Lien Redemption Account as of December 31, 2023 reflected a negative balance.

Recommendation:

That the Lien Redemption Account be reviewed as to the reason for the negative balance.

Corrective Action:

The Comptroller will perform a detailed review of the Lien Redemption Account to identify the cause of the negative balance. Any mispostings will be corrected, and reconciliation procedures will be strengthened. The monthly transfers will be transferred by the 10th for the following month.

Implementation Date: 07/01/2024

23. Finding 2023-23: Condition:

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

Recommendation:

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

Corrective Action:

The Police Department will prepare a monthly report of all off-duty employment receipts. This report will be reconciled against the Tax Collector's deposits and the Finance Department's General Ledger. The CFO will review the reconciliations quarterly to ensure compliance. Any discrepancies will be documented and corrected within 30 days of discovery.

Implementation Date: 01/01/2025

24. Finding 2023-24: Condition:

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

Recommendation:

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

Corrective Action:

The Police Department will update its cash book procedures to require detailed information for all receipts, including payer, purpose, and related job assignment. Unidentified receipts will be researched and resolved within 15 business days. The finance's Office will review the Off-Duty Police cash book quarterly to ensure accuracy and completeness.

Implementation Date: 01/01/2025

25. Finding 2023-25: Condition:

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

Recommendation:

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

Corrective Action:

The Police Department will create and maintain a detailed Schedule for Off-Duty Police employment. The schedule will include balances by vendor and outstanding obligations, balance of cost (labor, equip. and admin fees). This schedule will be submitted to the Finance's Office monthly and reviewed as part of the Township's financial detail reserve ledger. The reserve ledger will be made available for audit annually.

Implementation Date: 02/02/2025

26. Finding 2023-26: Condition:

Certain older accounts receivable, as reflected on the General Trust Fund balance sheet has remained open as of December 31, 2023, and is detailed as follows:

HUD Home Loans \$355,270.47
New Visions Community Development \$84,000.00
Crest New Construction \$6,823.87
455 South 21st Street \$38,380.00
Topaz Housing Development \$79,000.00
Topaz Management \$199,408.16
Phoenix Fox LLC \$60,000.00

Recommendation:

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

Corrective Action:

The Business Administrator, CFO and Township Attorney will perform a comprehensive review of all outstanding receivables listed. Each receivable will be researched for collectability by reviewing agreements, payment history, and legal status. Accounts determined to be uncollectable will be presented to Council for formal write-off by resolution. Active accounts will be pursued through collection efforts, including referral to legal counsel if necessary.

Implementation Date: 10/31/2025

27. Finding 2023-27: 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.

Recommendation:

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

Corrective Action:

The CFO and Community Development Director will meet with HUD officials to confirm the disallowed costs and determine repayment or corrective options. A repayment schedule will be established if required, and adjustments will be made to the Township's financial records. Internal controls will be enhanced to ensure compliance with HUD regulations for all future projects.

Implementation Date: 09/22/2025

28. Finding 2023-28: 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 back to 1979. These loans total \$68,325.28 and appear on Exhibit B-3.

Recommendation:

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:

The Township Attorney and CFO will jointly review all outstanding UDAG loans for legal collectability. Loans deemed collectible will be referred to legal counsel for enforcement. Loans determined uncollectible will be documented and presented to Council for formal cancellation.

Implementation Date: 10/31/2025

29. Finding 2023-29: Condition:

The drawdowns for the Community Development Block Grant were not in agreement with the client's grant expenditures.

Recommendation:

That drawdowns for the Community Development Block Grant be reconciled to the client's grant expenditures on a monthly basis.

Corrective Action:

The Community Development Department will reconcile all drawdowns to actual expenditures monthly. The CFO will review and sign off on reconciliations before submission of reimbursement requests. A standardized reconciliation form will be adopted and retained for audit purposes.

Implementation Date: 07/01/2024

30. Finding 2023-30: Condition:

A number of drawdowns for the Community Development Block Grant were requested for reimbursement prior to expenditure.

Recommendation:

That drawdowns for Community Development Block Grant should be requested for reimbursement after expenditure. The drawdown procedure for Community Development Block Grant should be reviewed and appropriate action taken.

Corrective Action:

The Community Development Director will revise its procedures to ensure drawdowns are only requested after expenditure is incurred. The CFO will monitor compliance and require supporting documentation for all reimbursement requests. Staff training will be conducted to reinforce compliance with HUD regulations regarding timing of drawdowns.

Implementation Date: 07/01/2024

31. Finding 2023-31: 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 six (6) ordinances over five years old that have a deficit in cash, detailed as follows:

MC-3401 Various Redevelopment Plan Activities \$150,000.00
MC-3450 Communication Radio System and Equipment \$56,063.33
MC-3480 Playground Improvements \$38,946.88
MC-3489 Refunding Bonds \$2,860,911.05
MC-3522 Various Capital Improvements \$44,004.86
MC-3581 40th Street Park Upgrades \$299,920.00

Total \$3,449,846.12

Recommendation:

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

Corrective Action:

The CFO will conduct a full review of all ordinances over five years old with cash deficits. For each ordinance, the CFO will determine whether the deficit should be funded through inclusion in the next bond ordinance or raised through the subsequent municipal budget. The CFO will prepare a corrective funding plan and present it to the Business Administrator and Governing Body for approval.

Implementation Date: 10/15/2025

32. Finding 2023-32: Condition:

The list of payroll deductions at December 31, 2023 were not in agreement with payments made in the year 2024 for the year 2023 liabilities.

Recommendation:

That the list of payroll deductions be reviewed and appropriate action be taken.

Corrective Action:

The Payroll Department will reconcile all year-end payroll deduction liabilities with payments made in the following year. A payroll liability reconciliation schedule will be prepared monthly to prevent mismatches. The finance staff will review the reconciliation and verify that all deductions are remitted in accordance with statutory deadlines.

Implementation Date: 03/01/2025

33. Finding 2023-33: Condition:

Supplemental Pension Reports for retroactive salary increases that extend beyond the current quarter were unavailable for audit review.

Recommendation:

That all Supplemental Pension Reports be available for audit review.

Corrective Action:

The Human Resources Department and Payroll Provider will jointly ensure that all supplemental pension reports are prepared and retained. Copies will be submitted to the finance's Office monthly and maintained electronically for audit review. The Certifying Officer will confirm compliance quarterly.

Implementation Date: 03/01/2025

34. Finding 2023-34: Condition:

During our review, one employee's salary detail was incorrect, which resulted in the pensionable salary on the Quarterly Pension Reports to be overstated.

Recommendation:

That the Employee's Pensionable Salary on the Quarterly Pension Reports be reviewed and appropriate action taken.

Corrective Action:

The Payroll Department will implement a two-step review process for salary detail entries. All pensionable salary calculations will be verified by HR and the CFO prior to submission of quarterly reports. Corrections for errors identified will be filed with the State immediately.

Implementation Date: 03/01/2025

35. Finding 2023-35: Condition:

During our review, two employees' termination dates did not agree with the date of the Township's final payroll obligation.

Recommendation:

That the employees' termination date be in agreement with the date of the Township's final payroll obligation.

Corrective Action:

The HR Department will verify employee termination dates and provide written confirmation to the Payroll Provider. The Payroll Department will cross-check termination dates with the Township's personnel records before processing final payroll. Discrepancies will be reported to the BA immediately for resolution.

Implementation Date: 01/01/2024

36. Finding 2023-36: Condition:

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

Recommendation:

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

Corrective Action:

The Payroll Department will reconcile all Form 941 filings to payroll registers quarterly. Any discrepancies will be corrected with amended filings. The CFO will review reconciliations and confirm compliance before submission to the IRS.

Implementation Date: 12/31/2024

37. Finding 2023-37: 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.

Recommendation:

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

Corrective Action:

The Payroll Department will reconcile NJ-927 filings to payroll registers quarterly. Any variances will be investigated and corrected promptly. The CFO will verify reconciliation accuracy before reports are filed with the State.

Implementation Date: 12/31/2024

38. Finding 2023-38: Condition:

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

Recommendation:

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

Corrective Action:

The Payroll Department will reconcile pension withholdings to State pension reports monthly. Discrepancies will be corrected immediately with the Division of Pensions. The Certifying Officer will ensure accuracy and compliance.

Implementation Date: 03/01/2025

39. Finding 2023-39: Condition:

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

Recommendation:

That the recalculated healthcare premiums be in agreement with employees' actual deductions.

Corrective Action:

The HR Department will perform quarterly reconciliations of healthcare premium deductions against carrier invoices. Any discrepancies will be adjusted retroactively. The CFO will monitor compliance and review reconciliations.

Implementation Date: 07/01/25

40. Finding 2023-40: Condition:

The Net Payroll Account as of December 31, 2023 reflected a negative balance.

Recommendation:

That the Net Payroll Account be reviewed as to the reason for the negative balance.

Corrective Action:

The CFO will conduct a full review of the Net Payroll Account to determine the cause of the negative balance. Misclassifications will be corrected and procedures will be implemented to ensure deposits and disbursements are properly timed. Monthly monitoring will prevent recurrence of negative balances. Any and all Manual checks will be reported to the comptroller before issuing of the checks to make sure funds are transferred timely.

Implementation Date: 12/31/2024

41. Finding 2023-41: Condition:

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

Recommendation:

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

Corrective Action:

The Payroll Department will maintain a detailed listing of all employees enrolled in the Flexible Spending Account program. This list will include employee contributions, disbursements, and balances. The CFO will review the listing quarterly and ensure it is available for audit inspection.

Implementation Date: 03/01/2025

42. Finding 2023-42: Condition:

The balance sheets of the various funds as of December 31, 2023 reflect Interfunds Receivable and Payable. Subsequent to year 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, misposting of cash receipts and lack of transferring budget revenue and/or appropriations from one fund to another.

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 all Interfund balances monthly. Transfers between funds will be corrected by journal entries to ensure that each fund reflects accurate revenues and expenditures. The Finance Department will prepare an Interfund Reconciliation Report quarterly, which will be reviewed by the Comptroller and CFO. Longstanding Interfund balances will be liquidated no later than year-end.

Implementation Date: 01/31/2025 on going.

43. Finding 2023-43: Condition:

Municipal Court certain 2023 year end balances were not in agreement with payments made in January 2024.

Recommendation:

That 2023 year end balances not in agreement with payments made in January 2024 be investigated for proper disposition.

Corrective Action:

The \$2,075.66 balance reflects cumulative overages and minor bank adjustments accrued over the years. In alignment with the auditors' recommendation, the Municipal Court will issue a check to the Township in the amount of \$2,075.66 by September 15, 2025. This action will

reconcile the account and bring the year-end balance up to date. Moving forward, there will be no outstanding balance.

Implementation Date: 09/15/2025

44. Finding 2023-44: Condition:

All tickets that have been assigned must be issued within six (6) months. The Tickets Assigned Not Issued Report indicated that two hundred ninety-three (293) tickets were not issued within six (6) months.

Recommendation:

That Tickets Assigned but Not Issued in excess of six (6) months be reviewed for proper disposition.

Corrective Action:

After a thorough review and consultation with the Police Director, new procedures were implemented effective May 2025 to address this concern and ensure timely reporting and accountability:

1. **Reduced Timeframe:** Officers now have a five-month window to take action regarding their ticket books—either by having them reassigned or submitting a dismissal request for ticket books that are lost, spoiled, incomplete, or otherwise unusable.
2. **Weekly Monitoring:** Officers are now provided with a weekly report of outstanding tickets. They have until the end of each month to notify the court of the status of any unissued tickets.
3. **Formal Dismissal Process:** In cases where ticket books are deemed lost, spoiled, incomplete, or otherwise unusable, officers must complete and submit a dismissal request form to the court, upon which those tickets will be officially voided and removed from the report.
4. **Reassignment Process:** If officers retain possession of their ticket book and wish to resume using it, they must notify the court so the ticket book can be reassigned to the officer in the system, restarting the six-month issuance period.
5. **Non-Compliance Protocol:** Any ticket books not addressed by the end of the five-month period will be reviewed by the court, and a formal request will be submitted to dismiss all unissued tickets still outstanding on the report.

These measures are designed to improve compliance, reduce the overall number of outstanding unissued tickets, and provide clearer oversight of ticket issuance practices. A reduction in the number of outstanding tickets on the report is expected, with noticeable improvements anticipated beginning in 2025.

Implementation Date: 05/01/2025

45. Finding 2023-45: Condition:

The Tickets Issued but Not Assigned Report indicated that sixty-five (65) tickets were issued but not assigned.

Recommendation:

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

Corrective Action:

To address this issue, The Court Administrator will be following corrective actions have been implemented, effective **May 2025**:

1. **Correct System Reassignment During Data Entry:** When code enforcement summonses involving parking statutes are received from the code enforcement department, the data entry clerk now immediately reassigns those summonses to the Automated Traffic System (ATS) at the time of entry, ensuring that these matters are routed appropriately for court processing.
2. **Retroactive Reassignment of Outstanding Cases:** All previously misclassified summonses remaining on the report have been tasked to the Deputy Court Administrator for the Code Enforcement department, who is responsible for reviewing and reassigning those matters to the correct system.
3. **Ongoing Monitoring and Compliance:** A report is generated and reviewed monthly to ensure continued compliance and to track the reduction of outstanding, misclassified summonses. A decrease in outstanding cases is expected to be reflected throughout the remainder of 2025.

Implementation Date: 05/02/2025

46. Finding 2023-46: Condition:

The General Account and the Bail Account cash receipts book reflected numerous clerical errors.

Recommendation:

That all revenue collected by the Municipal Court be recorded in the General Account and Bail Account cash receipts book and be in agreement with funds deposited in the bank.

Corrective Action:

Effective April 2025, a new process was established to ensure that any clerical errors identified during the monthly reconciliation are addressed and corrected immediately during that same reconciliation period. This change was made to prevent errors from remaining unresolved for extended periods.

Since implementing this process, we have observed a noticeable decrease in the number of clerical errors this year (2025) so far.

To further strengthen accountability and escalation procedures below are the next steps that will be taken:

- If a clerical error cannot be resolved at the department level, the Court Director will escalate the issue to the Municipal Division, particularly in cases requiring changes to the state's financial or case management systems.
- If the Municipal Division is unable to provide a resolution, the issue will be escalated to the Chief Financial Officer (CFO) for further review and resolution.

Court staff will be retrained on cash handling and record-keeping procedures. All receipts will be reconciled daily to deposits. The Court Administrator will review cash receipt books weekly, and the CFO will conduct quarterly oversight audits.

Implementation Date: 04/01/2025

47. Finding 2023-47: Condition:

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

Recommendation:

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

Corrective Action:

I will be gathering the balance for the end of the year of December 31 from the county by the end of September 2025. Once the information is obtained, I will inform the CFO if an adjustment has to be made to the town's general ledger as of January 1 to ensure that the township ending balance for POAA is in agreement with the court's records.

Implementation Date: 09/30/25

48. Finding 2023-48: Condition:

General Account payments are not made before the 15th of the following month.

Recommendation:

That month end liabilities be paid by the 15th of the following month.

Corrective Action:

The Court Administrator will establish a process to ensure payments are consistently made on or before the 15th of each month, the following corrective action was implemented effective April 2025:

- The Court Director is now responsible for ensuring that all monthly reconciliations and payments are completed by the 10th of each month.
- This 5-day buffer allows for additional review time and guarantees that payments are submitted well before the required deadline.

Implementation Date: 04/01/2025