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

City Clerk File No. Res. 08-354

Agenda No. 10.Z.23

Approved: MAY 1 4 2008

TITLE:

RESOLUTION APPROVING THE CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDING JUNE 30, 2007.

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 fiscal year ending June 30, 2007 was presented to the governing body on March 6, 2008; 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, 2007 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 Maria CFO

APPROVED: B. O'Reilly
Business Administrator

APPROVED AS TO LEGAL FORM

Corporation Counsel

Certification Required ☐

Not Required ☐

APPROVED 7-0
5/14/08

RECORD OF COUNCIL VOTE ON FINAL PASSAGE											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	ABSENT			GAUGHAN	✓			BRENNAN	✓		
SPINELLO	✓			FULOP	✓			FLOOD	✓		
LIPSKI	✓			RICHARDSON	✓			VEGA, PRES.	ABSENT		

✓ 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., President of Council

Robert Byrne, City Clerk

CITY OF JERSEY CITY

HUDSON COUNTY

CORRECTIVE ACTION PLAN

FY 2007 ANNUAL AUDIT

COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2007

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Administration**
Division:	**Management & Budget**
Respondent:	**Donna Mauer**

Finding Number: **1 (page# 47)**

1. Description:

During the year ended June 30, 2007, the City had a forensic audit performed on its building department by an external accounting firm. The City suspected a shortfall over an indeterminable period of time and sought a forensic audit on the matter. The audit confirmed the City's suspicions and resulted in a material discrepancy over the eight periods investigated. Services for further forensic audit work were awarded subsequent to year end.

2. Analysis:

A special confidential report has been filed with the State as required by statute. The City should correct the internal control deficiencies which enabled such shortage to occur. In addition, the City should consider the results of the forensic audit and determine whether additional investigation is warranted.

3. Corrective Action:

The City's Internal Audit Division is currently working with the buildings department to correct the internal controls. The Jersey City Police Department has conducted an investigation and the Hudson County Prosecutors Office has been notified.

4. Implementation Date:

Ongoing

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**City Clerk & Council**
Division:	**City Clerk**
Respondent:	**Robert Byrne**

Finding Number: **2 (page# 47)**

1. Description:

During an analysis of the cash receipts of the City Clerk's Office, several instances were noted in which dual 'receipt summaries' were being completed by a clerk within the office, on of which was of lesser denomination and remitted to Treasury for deposit as compared to the other summary which would be internally approved.

2. Analysis:

A special confidential report has been filed with the State as required by statute. The City Clerk's office should correct the internal control deficiencies which enabled such shortage to occur.

3. Corrective Action:

The procedures for depositing daily cash have been changed to require the signature of a preparer, approval of supervisor and the Clerk before submission to Treasury. Treasury has also been advised not to accept deposits without the appropriate signatures.

4. Implementation Date:

Effective Immediately

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**City Clerk & Council**
Division:	**City Clerk**
Respondent:	**Robert Byrne**

Finding Number: **3 (page# 47)**

1. Description:

The City Clerk's Office was delinquent in filing Marriage License reports as required by the State of New Jersey and was correspondingly delinquent on marriage fee remittance to the State. Payments for three or four quarters for the year ended June 30, 2007 were delinquent.

2. Analysis:

The City Clerk's Office should file and remit the State's portion of marriage licences fees within a timely manner at the close of each quarter.

3. Corrective Action:

The dates for remittance of marriage license proceeds have been recorded so that the quarterly payments are made to the State of New Jersey on time.

4. Implementation Date:

Effective Immediately

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Health & Human Services**
Division:	**Health**
Respondent:	**Joseph Castagna**

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

1. Description:

The City's Animal Control Department was delinquent in filing Dog License reports as required by the New Jersey Department of Health and Senior Services for all months comprising the year ended June 30, 2007. In addition, the City does not segregate the State's portion of dog license fees from the municipal fees collected when posting to the general ledger.

2. Analysis:

The Animal Control Department should file all State Dog License reports, along with required payments, within a timely period after each month. The City should also post all monies due to the State in a general ledger account separate from the City's portion of dog fees.

3. Corrective Action:

All dog license reports will be filed along with the required payments, within a timely period following the close of each month. The Health Department will also post all monies due to the State in a separate general ledger account from where they post the City's portion of dog license fees. Also a new Clerk was hired to rectify this problem.

4. Implementation Date:

Immediately

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Health & Human Services**
Division:	**Health**
Respondent:	**Joseph Castagna**

Finding Number: **5 (page# 48)**

1. Description:

A review of the cash receipts records of the City's Health and Animal Control Departments revealed that the majority of receipts were not deposited within 48 hours as required by the State of New Jersey. Of samples selected for audit testing, 80% of Health Department receipts and 100% of Animal Control receipts did not meet the 48 hour deposit requirement.

2. Analysis:

The Health and Animal Control Departments should put forth an effort to make certain all receipts are deposited withing the 48 hour statutory limit.

3. Corrective Action:

The Health Department and Animal Control will put forth an assertive effort to make certain all receipts are deposited within the 48 hour statutory period. Also as stated in finding # 4 a employee was hired to oversee this process.

4. Implementation Date:

Immediately

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Health & Human Services**
Division:	**Health**
Respondent:	**Joseph Castagna**

Finding Number: **6 (page# 48)**

1. Description:

Analyzing and reconciling the City's Health Department cash receipts records to the records of Treasury and Accounts and Control proved difficult as no monthly or other periodic analyses were performed or maintained. The lack of a formal periodic receipt reconciliation adds additional risk to the Department and the City.

2. Analysis:

The City's Health Department should maintain periodic, preferably monthly, cash receipts records and reconcile them periodically as a preventive measure against mis-postings or other errors and even asset misappropriation.

3. Corrective Action:

With the help of the newly hired Clerk, the Health Department will maintain monthly cash receipts records. Also the Clerk will be responsible for reconciling the cash receipts records as a preventative measure against mis-postings or other errors, such as asset misappropriation.

4. Implementation Date:

Immediately

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Administration**
Division:	**Management & Budget**
Respondent:	**Donna Mauer**

Finding Number: **7 (page#48)**

1. Description:

The balance of the State and Federal Grants receivable account includes 17 grants with negative balances totaling $1,901,489. The balance of the State and Federal Grants appropriated reserves account include five grants with negative balances totaling $963,336. In addition, to the negative balances, both the State and Federal Grant receivable and appropriated reserve accounts have old grants recorded going back as far as 1988, that have been inactive for years.

2. Analysis:

The grants with negative balances for either receivables or appropriated reserves should be investigated for any potential mis-postings, interfunds or unbudgeted grants and adjusted accordingly. Any outdated grants should be reviewed for proper follow-up or disposition.

3. Corrective Action:

The receivable and reserve schedules are currently being reviewed and corrected. This project should be completed by the end of Fiscal Year 2008

4. Implementation Date:

Ongoing

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Finance**
Division:	**Accounts & Controls**
Respondent:	**Frank Rentas**

Finding Number: **8 (page# 48)**

1. Description:

The City's Trust Assessment Fund has had no activity for at least the previous four fiscal years.

2. Analysis:

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

3. Corrective Action:

This fund cannot be closed at this time since there may be a local improvement next year.

4. Implementation Date:

N/A

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Administration**
Division:	**Purchasing**
Respondent:	**Peter Folgado**

Finding Number: **9 (page# 48-49)**

1. Description:

P.L. 2004, c.57 requires all government contracting units in the State of New Jersey to obtain Business Registration Certificates for all vendors awarded contracts in excess of 15% of the entity's bid threshold. Audit sampling of the City's vouchers revealed several cases in which the City has not obtained Business Registration Certificates, or alternatively, did not obtain them until after purchase orders or payments were issued.

2. Analysis:

The City should make certain it obtains Business Registration Certificates for all vendors awarded contracts in excess of 15 % of its bid threshold, $3,150 in the City's case, and vendors expected to be utilized for a series of small purchases that in aggregate exceed $3,150 over the course of a fiscal year.

3. Corrective Action:

The Division of Purchasing is constantly communicating with the Division Directors and Fiscal Officers to stop any dealings with vendors or order any goods without a purchase requisition in place. Business Registration Certificates must be obtained prior to a purchase order being generated.

4. Implementation Date:

Ongoing

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Administration**
Division:	**Risk Management**
Respondent:	**Peter Soriero**

Finding Number: **10 (page# 49)**

1. Description:

N.J.A.C. 5:30-8.2 recommends surety bond coverage for chief financial officers and N.J.A.C. 5:30-8.3 provides for minimum surety bond coverage for municipal tax collectors. The City currently has no coverage for either official.

2. Analysis:

The City should obtain the proper surety bond coverage as outlined in N.J.A.C. 5:30-8.2 to 8.3 and reduce the potential risk associated with not obtaining the recommended and minimum levels of coverage.

3. Corrective Action:

Surety bond coverage has been provided for the Tax Collector and Chief Financial Officer.

4. Implementation Date:

Completed

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Finance**
Division:	**Accounts & Controls**
Respondent:	**Frank Rentas**

Finding Number: **11 (page# 49)**

1. Description:

The City was several months delinquent in completing the bank reconciliation for its tax collection credit card account.

2. Analysis:

Considering the volume and dollar amount of transactions in this account, the City should make certain this account is reconciled in a timely manner.

3. Corrective Action:

A employee from the Treasury Department was temporarily assigned to Accounts & Control to assist in the reconciling of tax collection credit card accounts.

4. Implementation Date:

March 3, 2008

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Administration**
Division:	**Municipal Court**
Respondent:	**Rebecca Mason**

Finding Number: **12 (page# 49)**

1. Description:

Testing of Municipal Court ATS/ACS reversals and dismissals revealed several dismissals 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:

Procedures are currently in place for reversed and or adjusted items. A form is to be completed by the cashier, approved by the supervisor and attached to the cashier journal for the day the reversal or adjustment was made. In the event a reversal/ adjustment was mad and the proper form was not completed and approved, the fiscal representative is to immediately notify in writing the court director and the manager of the department. However, based on this continued finding effective immediately all reversed/ adjusted items must be approved by the unit supervisor and forwarded to the assistant court director overseeing the cashier's department for final approval. After the assistant court director's final approval, a copy is to be forwarded to the court director's office for review. Also, as of February 2008, all summonses are filed in numerical order and all warrants are filed alphabetically. This allows for easy retrieval of summonses.

4. Implementation Date:

February 2008 and ongoing

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Administration**
Division:	**Municipal Court**
Respondent:	**Rebecca Mason**

Finding Number: **13 (page# 49)**

1. Description:

Testing of Municipal Court time payments noted many 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:

Time payment agreements will be completed and signed by both the defendant and the judge authorizing the installment. The original order will be attached to the complaint/summons and a copy will be provided to the defendant/violator. Assistance is also being sought from the Administrative Office of the Courts in defaulting electronic time-payments to individual printers located in each court room.

4. Implementation Date:

April 14, 2008

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Administration**
Division:	**Municipal Court**
Respondent:	**Rebecca Mason**

Finding Number: **14 (page# 50)**

1. Description:

The Municipal Court maintains an open bail listing, but there remains unreconciled items at year end.

2. Analysis:

The Municipal Court has put forth steps to maintain an open bail listing, as opposed to one previously not being maintained, however the listing should be reconciled monthly.

3. Corrective Action:

The court began maintaining a bail ledger during FY-2006. The court is in the process of migrating the existing TIPS data which will allow the court to maintain an electronic record keeping receipting system.

4. Implementation Date:

Effective Immediately

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Administration**
Division:	**Municipal Court**
Respondent:	**Rebecca Mason**

Finding Number: **15 (page# 50)**

1. Description:

Testing of Municipal Court ATS/ACS cash receipts and disbursements noted that several receipts and disbursements 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:

Daily Journals are printed on a daily basis. Receipts should not be attached to the tickets/complaints, they are to be given to the payor as per the Administrative Office of the Courts guidelines.

4. Implementation Date:

N/A

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Administration**
Division:	**Municipal Court**
Respondent:	**Rebecca Mason**

Finding Number: **16 (page# 50)**

1. Description:

Testing of Municipal Court TIPS bail receipts and disbursements noted many 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. Finally, one item was noted as being reported on the TIPS daily run, but not on the cash receipt report, and was deposited six days later.

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:

Daily journals will be printed on a daily basis. Also, receipts should not be attached to the ticket/complaints. Effective immediately all receipts will be given to the payor as per the Administrative Office of the Courts guidelines.

4. Implementation Date:

Effective Immediately

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Administration**
Division:	**Municipal Court**
Respondent:	**Rebecca Mason**

Finding Number: **17 (page# 50)**

1. Description:

The Municipal Court has tickets assigned but not issued over six months old.

2. Analysis:

The Municipal Court should establish ticket control procedures that require the remittance of all tickets assigned but not issued in excess of six months old.

3. Corrective Action:

As of March 2008, a new procedure was implemented regarding ticket control procedures. (See Attached).

4. Implementation Date:

March 2008

JERSEY CITY MUNICIPAL COURT
365 Summit Avenue
Jersey City, New Jersey 07306
(201) 209-6700

PROTOCOL TO BE FOLLOWED BY COURT STAFF WHEN REQUEST IS MADE BY POLICE FOR NEW TICKET BOOKS

1. First, understand that only court personnel are to be permitted inside the data entry room for ATS. Except for authorized court personnel, no one is to be permitted beyond any door that is marked "Secure Area – Court Personnel Only."

2. So there is no misunderstanding, the purpose of this protocol is threefold: (a) to insure total accountability with regard to all tickets assigned to police officers, (b) to limit to three the number of ticket books that may be assigned to an individual police officer and outstanding in ATS at any given time, and (c) to prohibit the assignment of new ticket books to a police officer if that officer has "tickets assigned but not issued" from three or more ticket books.

3. Blank ticket books are to be kept under lock and key at all times, and no one except as specifically designated by the Court Director is authorized to issue new ticket books to any police officer, whether a request is made in person, by FAX or otherwise.

4. When a request is made for new ticket books, the requesting officer must identify himself/herself by (a) full name and (b) badge number. Unless those two identifiers are provided, the request for new ticket books must be denied.

5. With the two identifiers in hand, the first thing that must be done is to check ATS and access Report TFC 0506, "Tickets Assigned but not Issued" as that report relates to the specific police officer.

6. If the report reveals that the police officer has any tickets outstanding from three or more ticket books that were assigned to him/her from July 1, 2007

going forward to the date of the request you are then processing, **then the officer is to be informed that a new ticket book or books cannot be issued to him/her unless and until those assigned but not issued ticket books have been reduced to two or less.**

You should print the screen(s) showing the ticket books that are outstanding and attach that printout to the pre-printed form that you will have available for that purpose. You should give or send one copy of the form with attached printout to the officer requesting the new ticket book, one copy of the form with attached printout is to be sent to the Chief of Police,[1] and one copy of the form with attached printout should be kept as the court's file copy for future reference, if necessary.

7. If, when you run the TFC 0506 Report, you determine that all tickets assigned to the requesting officer since July 1, 2007 have been issued and/or otherwise properly accounted for and reconciled in ATS (example: the officer has no tickets outstanding from three or more books issued to him/her from July 1, 2007 and thereafter to the present), **then and only then may you issue a new ticket book to that officer**. There is a limit of three ticket books outstanding per officer, and you should make sure that, when you give/send the new books to the officer, you enclose the pre-printed form letter that is available for this purpose.

   It is absolutely imperative that, before any new ticket books are distributed to any police officer, those tickets must be logged into the ATS system and specifically assigned to the requesting officer by name and badge number.

8. **NOTE CAREFULLY**: New ticket books are to be exchanged on a "book for book basis" only. In other words, before a new book is assigned and issued to an officer, he/she must turn in the complete book that is being replaced, accounting for all tickets in that book.

   THIS PROTOCOL MANDATES THAT NO POLICE OFFICER IS EVER TO HAVE MORE THAN THREE TICKET BOOKS ASSIGNED TO HIM/HER AT ANY ONE TIME.

MAURICE J. GALLIPOLI, A.J.S.C.

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[1] These forms should be "batched" and then sent to the Chief on a weekly basis, rather than sending them daily.

EXHIBIT C2

JERSEY CITY MUNICIPAL COURT
365 Summit Avenue
Jersey City, New Jersey 07306
(201) 209-6700

PLEASE BE ADVISED AS FOLLOWS

TO: Police Officer _____ Badge # _____

FROM: Jersey City Municipal Court, ATS/DATA Entry Office

DATE: _____, 2008.

You have requested the issuance of a new ticket book(s). The records of the Jersey City Municipal Court reflect that, as of July 1, 2007, you have not accounted for tickets from three or more ticket books previously issued to you from that date to the present. In that regard, attached please find a printout from the Automated Traffic System (ATS) entitled "Tickets Assigned But Not Issued By Officer," which shows your outstanding tickets.

Please be advised that we are unable to issue a new ticket book to you until the outstanding ticket books referenced above have been reduced to two or less books.

Please be guided accordingly.

MAURICE J. GALLIPOLI, A.J.S.C.

cc: Chief of Police, Jersey City Police Department

EXHIBIT C3

JERSEY CITY MUNICIPAL COURT
365 Summit Avenue
Jersey City, New Jersey 07306
(201) 209-6700

IMPORTANT – PLEASE NOTE

TO: Police Officer _____ Badge # _____

FROM: Jersey City Municipal Court

DATE: _____, 2008.

Pursuant to your request, enclosed please find new ticket book(s). If you requested more books than are now being assigned to you, please be advised that there is a "three book limit" on books being assigned to one officer at any given time.

Further be advised that new books will not be issued to you in the future unless and until you have accounted "**on a book by book basis**" for tickets previously assigned to you that have not been issued and/or accounted for and thus have not been reconciled with the court's records. For your information, all tickets assigned to you are logged into the court's ATS system and must be accounted for, **by you**, before new ticket books will be issued to you. Accordingly, you are advised that "sharing" tickets or ticket books with other officers is prohibited, and, if you do share, you do so at your peril, as it will be you and not the other officer who will need to account for all tickets/books issued to your badge number.

IMPORTANT: You should use a "new" ticket book completely, before you start writing from a second/third book. Ticket books will only be replaced "one for one," meaning a complete book must be turned in and accounted for before a replacement book will be issued.

Please be guided accordingly.

MAURICE J. GALLIPOLI, A.J.S.C.

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Administration**
Division:	**Management & Budget**
Respondent:	**Donna Mauer**

Finding Number: **18 (page#50-51)**

1. Description:

The Municipal Court does not actively pursue cases of 'jumped' bail. There are instances in which citizens, after posting a percentage of their bail, do not attend their scheduled court proceeding. The City is still entitled to the remaining bail, however it appears little, if any, effort is being made to recoup the remainder. Although no formal calculations of uncollected bail revenue have been made, the amount can be significant.

2. Analysis:

The City should perform an analysis of lost revenue due to 'jumped' bail and, if determined significant enough, the City should make a concerted effort to retrieve the uncollected bail funds. The City should coordinate efforts with the Municipal Court, whose responsibility it is to report 'jumped' bail to the County, and with the County of Hudson as intermediary, as it is the County's responsibility to maintain record. City personnel, probably through corporation counsel or its designee, should obtain this listing from the County as it is the City's sole responsibility to go after these funds. If lost revenues are determined significant enough, it may even be beneficial to the City to hire counsel specifically for this purpose.

3. Corrective Action:

The City will coordinate efforts with the Municipal Court to implement a procedure for pursuing "jumped" bail cases and to determine if there is any loss of revenue.

4. Implementation Date:

July 1, 2008

SECTION II
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2007

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Finance**
Respondent:	**Lakhram Basanta** **Adelle Tirona**

Finding Number: FS07-01 (page# 39)

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. This comment is repeated from the prior year.

3. Corrective Action:

The City is in the process of reviewing Unfunded Capital Authorizations and will either cancel or fund these projects. This project should be completed by the end of Fiscal Year 2009

4. Implementation Date:

Ongoing

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Administration**
Division:	**Purchasing**
Respondent:	**Peter Folgado**

Finding Number: FS07-02 (page #40)

1. Condition:

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

2. Recommendation:

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

3. Corrective Action:

The Division of Purchasing communicates regularly with Division Directors and Fiscal Officers requesting to eliminate any dealings with vendors until a purchase order is issued. Funds for goods and services must be encumbered first.

4. Implementation Date

Ongoing

Name of Municipality:	**CITY OF JERSEY CITY**
County:	**Hudson**
Audit Report Year:	**June 30, 2007**
Department:	**Administration**
Division:	**Management & Budget**
Respondent:	**Donna Mauer**

Finding Number: FS07-03 (page #41)

1. Condition:

The City's current fixed asset accounting system in non-functional and does not provide for any of the requirements per N.J.A.C. 5:30-5.6.

2. Recommendation:

The City must upgrade its fixed asset accounting system. The City should consider hiring a vendor to update and inventory all fixed assets on hand, then utilize the functions of its current accounting system to maintain an accurate record-keeping. A specific position or individual should be designated with the responsibility of maintaining an accurate accounting of fixed assets once the correct inventory is updated

3. Corrective Action:

The City is in the process of modifying the financial system to enforce capturing fixed asset data. An RFP is also being prepared to hire a vendor to do a physical inventory.

4. Implementation Date

Ongoing- Estimated completion by the end of FY 2009