City of Hackensack

2023 Annual Audit

Corrective Action Plan

City of Hackensack

County of Bergen
Audit Report Year: 2023 received February 26, 2025
February 28, 2025
Prepared by: James A. Mangin – Chief Financial Officer

1. **Finding / Condition:** **(Repeat)**

   Significant progress was noted in the review of aged developer escrow accounts. Remaining tasks include 1) comparison of Edmunds system trust ledgers to individual bank accounts; and 2) required cancellations by resolution and remittance to Current Fund.

   Recommendation:

   #1 (Repeat) That balances in dormant developer's escrows be cancelled by resolution and remitted to the Current Fund.

   Explanation and Corrective Action:

   During 2023 a total of 35 inactive, dormant escrow accounts with no balance were closed. These dormant bank accounts with no balance will continue to be closed. Once completed, dormant bank accounts with a balance will be researched and cancelled by resolution of the governing body and the funds remitted to the Current Fund.

   Implementation Date:

   Dec. 31, 2025

2. **Finding / Condition:** **(Repeat)**

   The fixed asset accounting and reporting system was not maintained in accordance with N.J.A.C. 5:30-5.6.

   Recommendation:

   #2 That the Fixed Asset accounting and reporting system be maintained in accordance with N.J.A.C. 5:30-5.6.

Explanation and Corrective Action:

A physical inventory of the City's fixed assets has not been conducted since before the Covid pandemic due to the exposure limitations implemented because of the pandemic. A full physical inventory of the City's fixed assets will be conducted. This inventory will be imported into the Edmunds Fixed Asset module and will be continuously updated through the purchase order / encumbrance system.

Implementation Date:

Dec. 31, 2025

3. **Finding / Condition:**

The special improvement district levy was not properly incorporated into the Edmunds tax collection system.

Recommendation:

#3 That the Tax Collector properly incorporate the special improvement district levy into the Edmunds tax collection system.

Explanation and Corrective Action:

The Tax Collector currently maintains the special improvement district tax levy on an Excel spreadsheet. It will be incorporated into the Edmunds tax collection system, but the Excel spreadsheet will still be maintained as a check for error.

Implementation Date:

Dec. 31, 2025

4. **Finding / Condition:**

Recreation fees were not established by local ordinance.

Recommendation:

#4 That all recreation fees be established by local ordinance.

Explanation and Corrective Action:

On March 19, 2024 the City adopted Ordinance #06-2024 which included the balance of previously non-codified Recreation fees.

Implementation Date:

Already implemented

5. **<u>Finding / Condition:</u>**

There were instances of fees being waived without authorization or existence of internal controls.

Recommendation:

#5 That internal controls be established for the waiver of recreation fees.

Explanation and Corrective Action:

In 2024 a system was developed for opening certain Recreation programs to families without the means to pay for the registration. The entire process is overseen by the Office of the City Manager.

Implementation Date:

Already implemented

6. **<u>Finding / Condition:</u>**

A formal policy for economic hardships was not implemented.

Recommendation:

#6 That the Mayor and Council adopt formal policies for waiving of Recreation fees due to economic hardship.

Explanation and Corrective Action:

In 2024 a system was developed for opening certain Recreation programs to families without the means to pay for the registration. The entire process is overseen by the Office of the City Manager

Implementation Date:

Already implemented