

City of Hackensack

2024 Annual Audit

Corrective Action Plan

City of Hackensack

County of Bergen

Audit Report Year: 2024

October 20, 2025

Prepared by: James A. Mangin – Chief Financial Officer

1. Finding / Condition: (Repeat)

Significant progress was noted in this area; 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 2024 a total of 75 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, 2026

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 needs to be conducted by an outside firm to comply with this directive. This inventory will then be imported into the Edmunds Fixed Asset module and will be continuously updated through the purchase order / encumbrance system.

Implementation Date:

Dec. 31, 2026

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. Research needs to be done to see how it can be incorporated into the Edmunds tax collection system. The Excel spreadsheet will still be maintained as a check for errors.

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. Finding / Condition:

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 waiving the fee for certain Recreation programs for families without the means to pay for the registration. This process is currently overseen by the Office of the City Manager, but will be reviewed again for possible modification.

Implementation Date:

Already implemented

6. Finding / Condition:

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 by the City Manager to waive certain Recreation registration fees to families without the means to pay. This process will be reviewed for formal action by the Mayor and Council.

Implementation Date:

Dec. 31, 2025

7. Finding / Condition:

Interest was not accrued on utility debt.

Recommendation:

#7 That interest be accrued on utility fund debt

Explanation and Corrective Action:

The accrued interest from the 2024 Parking Utility serial bond was omitted from the 2024 Parking Utility Trial Balance on the Annual Financial Statement (AFS). The AFS was corrected and re-uploaded into FAST on October 14, 2024.

Implementation Date:

Already implemented