



State of New Jersey

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

OFFICE OF THE STATE COMPTROLLER
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KEVIN D. WALSH
Acting State Comptroller

March 6, 2024

Via Electronic Mail and U.S. Mail

The Honorable Philip D. Murphy
Governor of New Jersey

The Honorable Nicholas P. Scutari
President of the Senate

The Honorable Craig J. Coughlin
Speaker of the Assembly

Dear Governor Murphy, Senate President Scutari, and Assembly Speaker Coughlin:

Pursuant to N.J.S.A. 52:15C-11(b), the Office of the State Comptroller (OSC) is submitting this letter to report that Irvington Township (Irvington or Township) has repeatedly failed to comply with a plan for corrective or remedial action. As discussed more fully below, in light of Irvington's continued failure to adhere to the law and to implement measures to responsibly manage taxpayer funds, OSC recommends that the Division of Local Government Services within the Department of Community Affairs appoint a state fiscal monitor and take any other action within the Division Director's discretion to ensure that Township officials satisfy their duties as custodians of public funds.

In reports issued in 2009 and 2011, OSC found that Irvington had inadequate policies and procedures for financial administration and reporting, with the governing body and key management failing to address known internal control deficiencies. Irvington also consistently delayed filing required financial information with the Department of Community Affairs. More than a decade later, OSC returned to Irvington to evaluate whether the Township has more recently acted responsibly in its handling of taxpayer funds, been transparent regarding the use of taxpayer funds and overall complied with relevant laws and policies. Yet again, OSC has found that the Township's finances were in disarray, and taxpayer funds were at risk as a result.

The Township has not implemented the corrective actions it previously committed to implement. OSC found that policies and procedures related to key aspects of financial administration and reporting remained insufficient. The Township still failed to ensure the accurate preparation, maintenance, and reconciliation of accounting records. Additionally, the governing body and management employees, such as the Business Administrator and Certified Financial Officer (CFO), failed to correct obvious problems in the Township's financial accounting systems, including nearly \$800,000 in "unidentified expenditures" identified in its 2019 audit that circumvented budgetary controls over spending designed to promote accountability and assist in the prevention and detection of fraud, waste, and abuse of taxpayer funds. This means that the Township expended taxpayer funds without the budgetary approval of the governing body.

The Township not only failed to comply with OSC's 2009 and 2011 recommendations; OSC also found it failed to address its own independent auditor's findings. Five consecutive independent audit reports, from 2017 through 2021, identified serious weaknesses in internal financial controls and reporting. While the Township made minor improvements, it has not resolved the deficiencies identified.

OSC found that the Township consistently failed to file required financial documents on a timely basis over the past five years. On average, the Township filed required reports 145 days, or approximately five months, late. The delayed filing of important financial information decreases transparency and limits oversight of the Township's finances.

OSC also identified a conflict of interest in which Irvington continues to rent office space from an LLC owned in part by the Township's CFO. In his official capacity, the CFO also executed certain documentation concerning (i.e., certification of funds) the Township's rental payments. OSC also discovered that the CFO's license has repeatedly lapsed.

In view of the Township's persistent failure to act as required by law and to protect and be transparent about taxpayer funds, even after OSC and the Township's own auditor identified deficiencies in its financial operations, and in view of the conflict of interest OSC has identified, I submit this letter pursuant to N.J.S.A. 52:15C-11(b). In order to protect taxpayer funds, and because numerous audits have failed to prompt appropriate action by the Township, I recommend that the Division of Local Government Services within the Department of Community Affairs appoint a state fiscal monitor and take any further action within the Division Director's discretion to ensure Irvington is taking appropriate steps to come into compliance with proposed corrective actions after nearly a decade of failing to do so.

OSC will also require Township officials to report to OSC every 90 days its progress in correcting the numerous deficiencies found in OSC's report.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin D. Walsh', written over a horizontal line.

Kevin D. Walsh
Acting State Comptroller

c:

Jacquelyn A. Suárez, Department of Community Affairs, Acting Commissioner

Michele Meade, Deputy Director, Department of Community Affairs, Division of Local
Government Services

Tina Zopicchi, Assistant Director, Financial Regulations, Department of Community Affairs,
Division of Local Government Services

Jorge Carmona, Bureau Chief, Department of Community Affairs, Division of Local Government
Services

Tony Vauss, Mayor, Irvington Township

Jamillah Z. Beasley, Council President, Irvington Township

Musa A. Malik, Business Administrator, Irvington Township