

Office of Legislative Services

Memorandum



Office of the State Auditor

TO: The Honorable Members of the Senate and General Assembly
Albert Porroni, Executive Director, Office of Legislative Services

FROM: Richard L. Fair
State Auditor

DATE: October 5, 2000

SUBJECT: Summary of Reports Issued During Quarter Ending June 30, 2000

I am pleased to provide this memo highlighting the results of our audits issued during the quarter ending June 30, 2000. This information is provided to enhance our communications with members of the Legislature. A listing of reports issued is included as an addendum to this memo. You may access these reports by clicking the hypertext name.

We issued 13 reports during this quarter. Eleven audits focused on state agencies and school districts where we found that transactions were related to the agencies programs, were reasonable, and were recorded properly in the accounting system. In making this determination, we noted internal control and compliance findings which need to be addressed by management to strengthen and improve operations, or to safeguard resources. We also noted areas where operating costs could be reduced. Specific savings totaled \$1.3 million. A number of other findings were presented which could provide additional savings. The more significant cost savings items follow.

- Rescheduling custody officer schedules and moving shift overlap overtime to the least staffed shift could save \$600,000 annually at [Riverfront State Prison](#). This could be applied to all state correctional facilities, substantially increasing the savings.
- Modifying the contract for school bus drivers at the [City of Vineland Board of Education](#) to provide one hour for non-driving duties rather than two hours could save \$240,000 annually.
- The [Union City Board of Education](#) could save \$250,000 annually if it switched its health and prescription drug coverage to the New Jersey State Health Benefits Program. Improved review controls over the private insurer billings could save an additional \$90,000.

Another report issued related to the [City of Newark School District](#). The objectives of this review were to provide the Legislature with information about the cause and amount of the district's fiscal year 2000 budgetary deficit and possible need for supplemental state aid. We did not review expenditures or other financial transaction for propriety as the Department of Education and the district have retained other auditors for this purpose.

If you would like to discuss any of these reports further, please call me at (609) 292-3700.

TRM/emh

**OFFICE OF LEGISLATIVE SERVICES
OFFICE OF THE STATE AUDITOR
REPORTS ISSUED DURING THE QUARTER ENDING JUNE 30, 2000**

<u>NAME</u>	<u>AUDIT PERIOD</u>	<u>RELEASE DATE</u>
<u>City of Vineland Public Schools</u>	07/01/97 to 06/30/99	04/18/00
<u>City of East Orange Board of Education</u>	07/01/97 to 06/30/99	04/20/00
<u>Salem City Board of Education</u>	07/01/97 to 06/30/99	04/20/00
<u>Borough of Audubon Park Board of Education</u>	07/01/98 to 01/21/00	04/26/00
<u>State of New Jersey, Report on Compliance and Internal Control Related to our Audit of the State's Comprehensive Annual Financial Report</u>	Fiscal Year Ended 6/30/99	04/27/00
<u>City of Newark School District</u>	Fund Balance at 6/30/99	05/15/00
<u>Department of Corrections, Riverfront State Prison</u>	07/10/98 to 02/29/00	06/02/00
<u>Union City Board of Education</u>	07/01/97 to 03/10/00	06/02/00
<u>Department of Human Services, Division of Family Development, Electronic Benefits Transfer Computer Application</u>	11/22/99 to 04/14/00	06/06/00
<u>Commercial Township Board of Education</u>	07/01/98 to 02/17/00	06/07/00
<u>Department of Human Services, Division of Family Development, Administration</u>	07/01/98 to 05/15/00	06/09/00
<u>Department of Banking and Insurance</u>	07/01/98 to 05/18/00	06/12/00
<u>Department of Human Services, Division of Mental Health Services, Trenton Psychiatric Hospital</u>	07/01/98 to 04/19/00	06/21/00