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New Jersey State Legislature

OFFICE OF LEGISLATIVE SERVICES

OFFICE OF THE STATE AUDITOR

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ALBERT PORRONI

Executive Director
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MEMORANDUM

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: November 1, 2000

SUBJECT: Summary of Reports issued During Quarter Ending
September 30, 2000

I am pleased to provide this memo highlighting the results of our audits issued during the quarter ending September 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 11 reports during this quarter. These 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 \$1.4 million. A number of other findings were presented which could provide additional savings. The more significant cost savings items follow.

Summary of Reports Issued During Quarter
Ending 9/30/2000
November 1, 2000
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- The [Division of Property Management and Construction](#) could have saved \$478,000 if it evaluated the underutilization of state leased facilities.
- Rescheduling custody officer schedules and moving shift overlap to the least staffed shift could provide annual savings of \$420,000 at the [Adult Diagnostic and Treatment Center](#) and the [Juvenile Medium Security Center](#). When this is applied to all state correctional facilities, cost savings increase substantially. Effective July 1, 2000 shift overlap has been eliminated from the Senior Correction Officers' union contracts.
- Discontinuing the printing and mailing of Electronic Fund Transfer stub statements to retirees could save the pension funds at the [Division of Pensions and Benefits](#) as much as \$400,000 a year.

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

RLF/emh

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

<u>NAME</u>	<u>AUDIT PERIOD</u>	<u>RELEASE DATE</u>
<u>Juvenile Justice Commission</u> <u>Juvenile Medium Security Center</u>	07/01/98 to 06/07/00	07/10/00
<u>Department of Law and Public Safety</u> <u>Division of New Jersey</u> <u>Racing Commission</u>	07/01/98 to 05/31/00	07/18/00
<u>Department of the Treasury</u> <u>Division of Property Management and</u> <u>Construction</u>	07/01/98 to 04/14/00	07/18/00
<u>Department of Human Services</u> <u>Developmental Disabilities Council</u>	07/01/98 to 04/30/00	07/26/00
<u>Department of Human Services</u> <u>Division of Mental Health Services</u> <u>Ancora Psychiatric Hospital</u>	07/01/98 to 05/31/00	07/26/00
<u>Gloucester City Board of Education</u>	07/01/98 to 05/31/00	07/28/00
<u>Department of Human Services</u> <u>Division of Developmental Disabilities</u> <u>Administrative Support Services</u>	07/01/98 to 06/30/00	08/04/00
<u>Department of Corrections</u> <u>Adult Diagnostic and</u> <u>Treatment Center</u>	07/01/98 to 04/30/00	08/23/00
<u>Department of the Treasury</u> <u>Division of Pensions and Benefits</u> <u>Selected Pension Services</u>	07/01/98 to 05/31/00	08/23/00
<u>Department of Corrections</u> <u>Selected Programs</u>	07/01/98 to 05/31/00	09/11/00
<u>Pleasantville Board of Education</u>	07/01/98 to 06/30/00	09/26/00