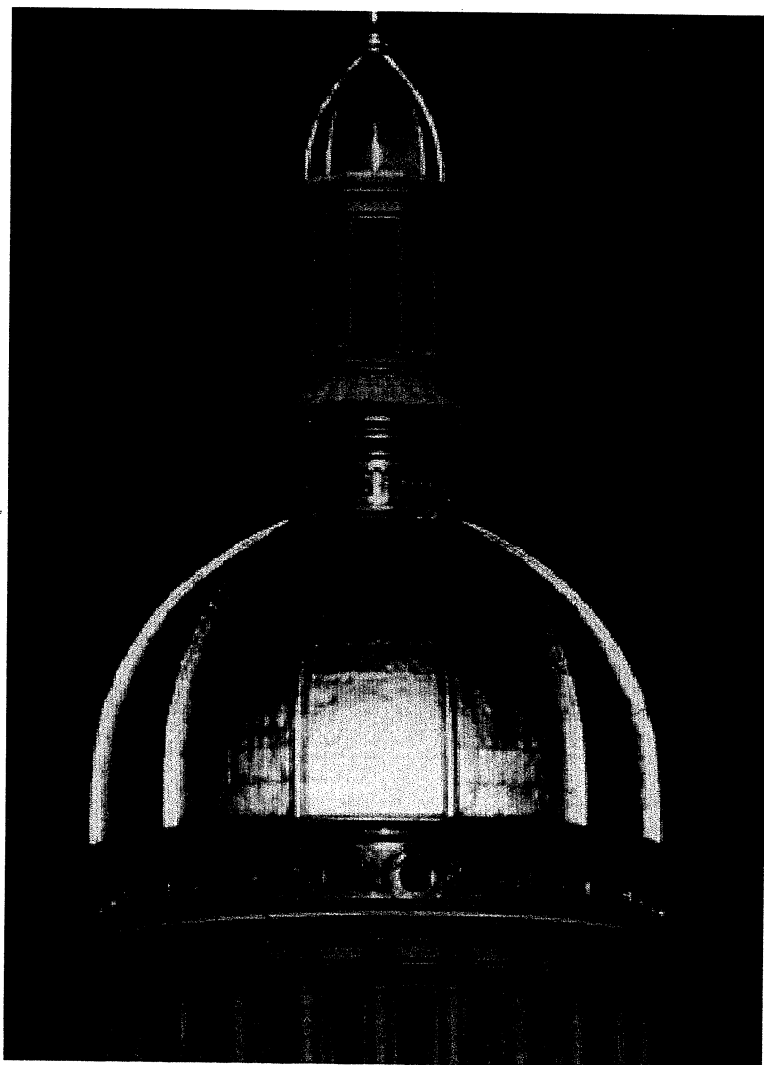

Annual Report of the New Jersey Office of Legislative Services Office of the State Auditor

For the Calendar Year Ended December 31,



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**Richard L. Fair
State Auditor**

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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

(609) 292-4625

The Honorable Members of the Senate and General Assembly

Mr. Albert Porroni, Executive Director
Office of Legislative Services

I am pleased to present to you the *Annual Report of the New Jersey Office of Legislative Services, Office of the State Auditor* for calendar year 2002. In conformance with our responsibilities to perform financial and compliance audits, all state agencies are audited periodically. During 2002, we issued 52 reports which identified \$17.3 million in potential cost savings. In addition, the state continues to save substantial dollars as a result of the resolution of issues previously reported by the Office of the State Auditor. If you or members of your staff would like additional information or a personal briefing, please contact me.

Our mission is to improve the accountability for public funds and to improve the operations of state government. We serve the public interest by providing members of the Legislature and other policymakers with unbiased accurate information and objective recommendations on how to best use public resources. In addition to fulfilling our audit mission, we have focused on maximizing the quality of our services and maintaining communication with the Legislature and the agencies that we audit. We are committed to providing high quality audit reports. You may be assured that we will continue our efforts to improve state government accountability to the Legislature through an effective and constructive audit process.

A handwritten signature in black ink, appearing to read 'Richard L. Fair'.

Richard L. Fair

State Auditor

January 31, 2003

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INTRODUCTION

BACKGROUND

The Office of the State Auditor, which is in the legislative branch of government, was originally established in 1934 pursuant to P.L. 1933, c.295. A number of statutory amendments dealing with the powers and duties of the State Auditor have been enacted in the ensuing years.

Currently, the Office of the State Auditor is within the Office of Legislative Services under the provisions of the Legislative Services Act.

The State Auditor is a constitutional officer, appointed by the Legislature for a term of five years and until his successor shall be appointed and qualified. On September 26, 1989, Mr. Richard L. Fair, CPA, was appointed State Auditor Designate and was confirmed by a joint session of the Legislature on March 15, 1990.

The organization of the office within the legislative branch permits the State Auditor to be independent of the executive and judicial branches of government. This independence is critical in terms of meeting professional standards and in providing fair and objective reviews and audits of governmental operations.

Under the provisions of Article VII, Section 1, Paragraph 6 of the State Constitution and N.J.S.A. 52:24-1 et seq., the Office of the State Auditor is required to conduct post-audits of all transactions and accounts kept by or for all departments, offices and agencies of state government; to report to the Legislature or to any committee thereof and to the Governor; and to the Executive Director of the Office of Legislative Services, as provided or required by law; and to perform such other similar or related duties as shall, from time to time, be required of him by law.

The State Auditor shall personally or by any of his authorized assistants or by contract with independent public accounting firms, examine and post-audit all accounts, reports and statements and make independent verification of all assets, liabilities, revenues and expenditures of the state, its departments, institutions, boards, commissions, officers, and any and all other state agencies now in existence or subsequently created.

In addition, at the request of the Legislature or the Legislative Services Commission, the State Auditor conducts studies on the operation of state and state-supported agencies with respect to their economy, internal management control, and compliance with applicable laws and regulations.

INTRODUCTION

MISSION

The State Auditor is an officer of the Legislature, independent of the other branches of state government. Through independent audits of records kept by or for any state agency, the auditor gives the Legislature assurance that funds appropriated are properly spent, assets of the state are safeguarded, management is complying with applicable laws and regulations, and the state's financial statements are fairly presented. The auditor also performs related duties as required by law or requested by the Legislature.

GOALS

To enhance accountability of state agencies to the Legislature, providing assurance that funds appropriated are properly spent, assets are safeguarded, and management is complying with applicable laws and regulations.

To verify the assets, liabilities, revenues, and expenditures of the state.

To assist public officials in meeting their responsibilities of maintaining effective controls, safeguarding resources, complying with laws and regulations, and capturing and reporting reliable data.

To report to the governor any and all instances of unlawful acts exposed in the course of audits.

To improve state government operations by recommending changes to increase the economy, efficiency, and effectiveness of government programs.

COST SAVINGS

During calendar year 2002 we identified \$17.3 million in new cost reductions or revenue enhancements. The schedule of cost savings is presented on page 3.

PROFESSIONAL STANDARDS

The Office of the State Auditor's audits are performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. These standards require that our operations be reviewed every three years. In 2002, the National State Auditors Association conducted a review of our system of quality control. The results of this review are presented on page 4.

**OFFICE OF LEGISLATIVE SERVICES
OFFICE OF THE STATE AUDITOR
SCHEDULE OF COST REDUCTIONS AND
REVENUE ENHANCEMENTS
REPORTS ISSUED DURING 2002**

<u>REPORT</u>	<u>COST REDUCTIONS</u> (In Thousands)
Department of Corrections	
Albert C. Wagner Youth Correctional Facility	\$ 93
Edna Mahan Correctional Facility for Women	70
Department of Education	
City of Salem Board of Education	590
Trenton Board of Education	667
Department of Transportation	
Maintenance and Operations	10,200
Department of the Treasury	
Centralized Payroll	1,800
Division of Pensions and Benefits, State Health Benefits Program	<u>3,927</u>
Total Cost Reductions and Revenue Enhancements	<u>\$17,347</u>

National State Auditors Association

June 28, 2002

Mr. Richard Fair
State Auditor
Office of Legislative Services
Office of the State Auditor
125 South Warren Street
P.O. Box 067
Trenton, New Jersey 08625-0067

Dear Mr. Fair:

We have reviewed the system of quality control of the State of New Jersey, Office of the State Auditor in effect for the period June 1, 2001 to May 31, 2002. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with government auditing standards. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system, and the office's compliance with the system based on our review. We conducted our review in accordance with the policies and procedures for external quality control reviews established by the National State Auditors Association (NSAA).

In performing our review, we obtained an understanding of the office's system of quality control for audits conducted in accordance with government auditing standards. In addition, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the office's policies and procedures on selected engagements. Because our review was based on selective tests, it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control of the State of New Jersey, Office of the State Auditor in effect for the period June 1, 2001 to May 31, 2002 has been suitably designed and was complied with during the period to provide reasonable assurance of conforming with government auditing standards.



Brad Blake, Team Leader
National State Auditors Association
External Quality Control Review Team



Kathleen O'Donnell, Concurring Reviewer
National State Auditors Association
External Quality Control Review Team

AUDIT REPORTS

TYPES OF AUDITS PERFORMED

Financial Audits

Financial audits are designed to provide reasonable assurance about whether the financial statements (or schedules) of an audited entity are fairly presented in conformity with generally accepted accounting principles. The primary annual financial audit conducted by the office is the opinion on the state's *Comprehensive Annual Financial Report* (CAFR), which is published by the Department of the Treasury. The CAFR engagement includes the audit of 188 funds and component units which had a total asset value of \$125 billion at June 30, 2002 based on full accrual accounting. Six other financial audits were issued in calendar year 2002.

Audits of Agencies

The objectives of this type of audit are to determine whether financial transactions are related to an agency's programs, are reasonable, and are recorded properly in the accounting systems. Where appropriate, these engagements may also provide economy and efficiency comments. Audits are selected using a risk-based approach. Larger departments are audited on a divisional, agency or program basis rather than department-wide because of their size and complexity. We performed 34 of these audits in calendar year 2002. These audits encompassed \$7.3 billion and \$6.4 billion of expenditures and revenues, respectively.

Information Technology Audits

The objectives of this type of audit are to determine whether the financial data relating to a particular computer system are reliable, valid, safeguarded and recorded properly. During calendar year 2002, we reported on a departmental computer application, a state data center, and the state's E-Government Services.

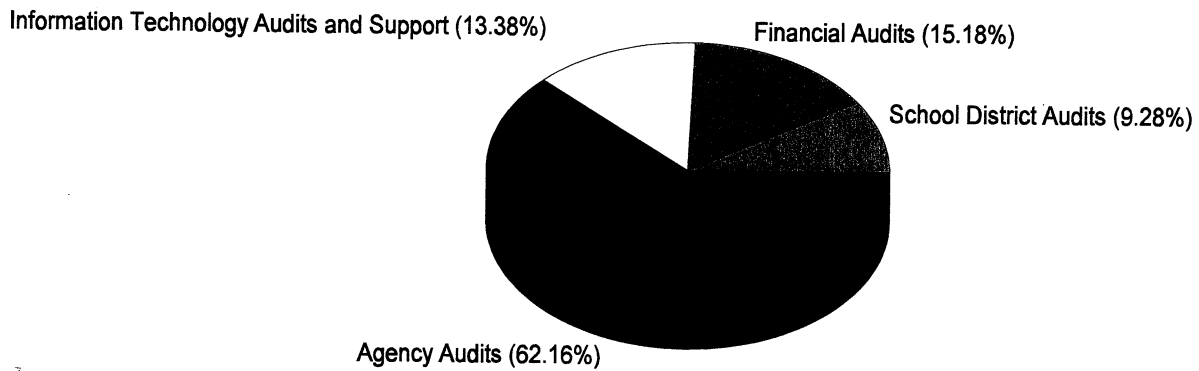
School District Audits

N.J.S.A. 18A:7F-6d authorizes the Office of the State Auditor to audit the accounts and financial transactions of any school district in which the state aid equals 80 percent or more of its net budget for the year. We audited 8 school districts in calendar year 2002. These audits encompassed \$570 million of expenditures.

AUDIT REPORTS

DISTRIBUTION OF AUDIT HOURS

The distribution of audit hours used in performing audits during calendar year 2002 is depicted on the following chart.



AUDIT REPORTS

HOW AND TO WHOM AUDIT REPORTS ARE ISSUED

The findings and recommendations in our reports are developed as a result of an independent objective audit and are intended to provide accountability to the legislature and recommendations for improvement of government operations. All reports issued are discussed with agency officials prior to finalizing the report. Modifications to the draft report are made if warranted. Agency comments to the final report are incorporated in the document. All issued reports of the Office of the State Auditor are public documents and since 1996 are available on the internet through the New Jersey Legislature's Home Page. Reports are statutorily required to be sent to:

- the Governor,
- the President of the Senate,
- the Speaker of the General Assembly, and
- the Executive Director of the Office of Legislative Services.

In addition, copies of the report are routinely sent to:

- the chairs of the pertinent Senate and General Assembly committees,
- the Executive Directors of partisan staff,
- the management of the audited entity,
- the State Treasurer, and
- the State Library.

Finally, reports are placed on the internet at:

<http://www.njleg.state.nj.us/legislativepub/auditreports.asp>

ORGANIZATION

HUMAN RESOURCES

The Office of the State Auditor is one of eight units within the Office of Legislative Services. The State Auditor's office is comprised of 80 professionals and six support staff. All auditors must have a bachelors degree in accounting or a related field and a minimum of 24 credit hours in accounting. Forty-five staff members (56 percent of the professional staff) possess professional certifications or advanced degrees.

The office provides a minimum of 40 continuing professional education credits annually and diversified work experience to enhance each individual's professional development. The audit staff attends professional development programs encompassing a myriad of accounting and auditing topics. In addition, staff members actively participated as officers, board members, and committee members of local, state, and national accounting and auditing organizations including the Association of Government Accountants, Institute of Internal Auditors, National State Auditors Association, and New York/New Jersey Intergovernmental Audit Forum. The office also participates in the national peer review program under the auspices of the National State Auditors Association.

AUDIT STAFF

The audit staff is the primary operating group of the office. They plan, conduct and control the audit engagements and prepare and edit the reports. The audit teams report the results of their work to the auditee on an ongoing basis and at the conclusion of the engagement by means of a written report. In an effort to develop expertise, field managers are assigned specific departments. This practice enhances the quality and efficiency of our audits, and ensures all programs are audited within a reasonable cycle. Information technology support is also provided by the field staff.

The office maintains seven active committees staffed by individuals in various titles to provide guidance in the areas of audit communication, planning, information technology, personnel, policy, statistical sampling and training. An intranet site is also maintained that contains staff information, budget and appropriation information, and commonly used accounting and auditing research and reference internet sites which the audit staff can access through their computers.

QUALITY ASSURANCE

The quality assurance staff is responsible for technical compliance and quality control, oversight of staff training, and research of technical issues. Quality assurance is achieved through reviews of working papers and reports to ensure adherence to professional standards. The quality assurance staff, through its research of accounting and auditing issues, also responds to surveys, questionnaires, and exposure drafts relating to proposed accounting and auditing standards.

ORGANIZATION

ADMINISTRATIVE STAFF

The administrative staff processes, files, and distributes all reports. This group is responsible for maintenance of audit working papers and the office library, purchasing and maintaining office supplies, and other general administrative functions.

**OFFICE OF THE STATE AUDITOR
STAFF ROSTER
As of December 31, 2002**

STATE AUDITOR

Richard L. Fair, CPA, CGFM
Evelyn T. Boyer, *Administrative Assistant*

ASSISTANT STATE AUDITOR

James Patterson, CIA
Jean Horner, *Secretary*

ASSISTANT STATE AUDITOR

Thomas R. Meseroll, CPA, CGFM
Deborah S. Tucker, *Secretary*

AUDIT MANAGERS

Robert J. Alu, CFE, CGFM
Franklin F. Bowker, MBA, CPA
Georgia Duval, CFE

Stephen Eells, CPA
Anthony J. Glebocki, CPA, CFE, CGFM
Richard Nicomini, CPA

Walter E. Sleccki, CGFM
Ronald E. Thompson, CIA
Jeannette Valentine, CFE, CGFM

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Ernest Barany, CPA
Paul R. Baron, CPA
Timothy D. Bush, CPA
Carol A. Combs, MS
Jerry A. DiColo, MBA, CPA
Helen Dublas

Joseph O. Ettenger, CFE
Frederick S. Hansen
Barbara Jennings, CPA, CGFM
David J. Kaschak, CPA, CGFM
William Kowalski, CISA
Robert J. Malone, MBA
Gregory Pica, CPA
William D. Robinson, CPA

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Susan M. Stradling, MS, CPA
John Termyna, CPA
Rose M. Todaro, CIA, CFE, CGFM,
CGAP
Thomas Troutman, CPA, CIA, CGFM
Edward J. Tyson
Robert D. Wills, CFE

AUDIT STAFF

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Edward A. Backer, CPA
Albert Bao, CPA
Harold Bauman
Patricia L. Birnie, CFE
Kenyona Booker
Christian J. Breza, MBA
Melissa Ciullo
John Coyle, CPA
Tanya Cuccia
Jeffrey DeCicco
George Derbaly, MS, CPA
Sean Duffy
Thomas M. Fenerty
Louis A. Finney, CFE

Robert F. Gatti, CPA
Kathleen Gorman
Richard Grahovac, CFE, CGFM
Vishal Jhaveri
Brian Klingele
Kenneth Kramli, CPA
Anna Lorenc
Linda Maher, CGFM
Frederick W. Marsh, MBA, CFE, CGFM
Kristen Menegus
Carrie L. Meyer-Still
Donna Mooney
Ann Moran
Cynthia Mount
Nadia Negro

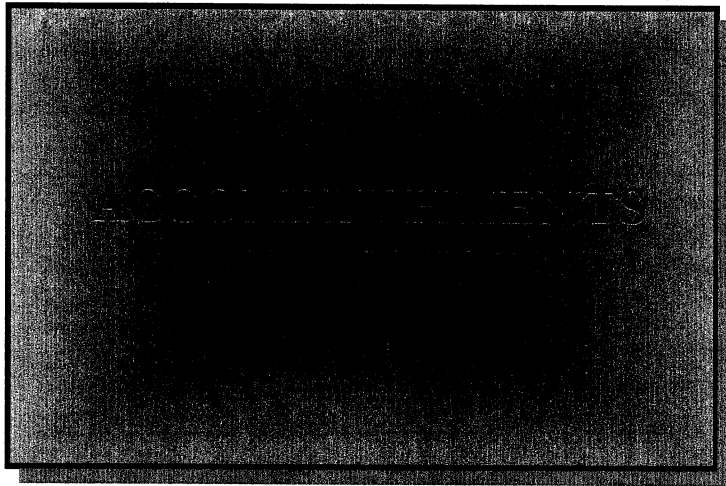
Walter E. Obando
Stacy O'Brien, MBA, CPA
Deborah A. Peachey, CPA
Jennifer L. Phipps-Kizer
Greta Pugh
Nikki M. Robinson
Neisha Sammy
Donna M. Shemansky
Brian Sherfese
Jess Kim So
Chris Soleau
Stephanie Titus
Nelson E. Valosen
Patrick Whalin
John C. Wouters, CISA
Peter Wozniak

ADMINISTRATIVE STAFF

Anthony Arena

Elizabeth H. Klingele

Camille E. Thomas-Day



ACCOMPLISHMENTS AND RESULTS

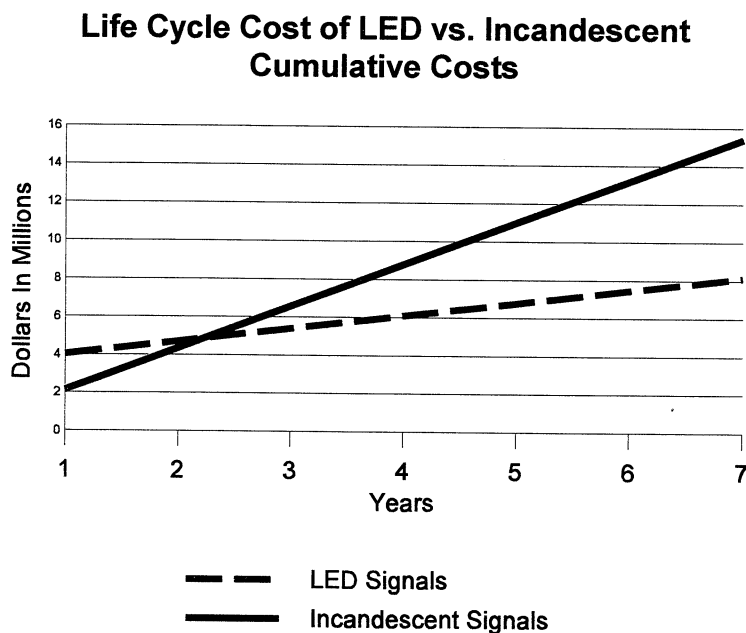
Summary

This section highlights five of the more significant audits issued during the past year which individually contained cost savings greater than \$100,000 and collectively totaled \$17.2 million. The Office also issued two reports with individual cost savings less than \$100,000 totaling \$163,000. Our reports also contain findings addressing areas of noncompliance with laws or regulations, weaknesses in internal controls, and economies and efficiencies to improve operations. All reports issued in calendar year 2002 are identified on a schedule on pages 21 to 23 and are available for review on our internet website.

Traffic Signals

The Department of Transportation is responsible for the repair and maintenance of 2700 traffic signal intersections. The burden of the utility costs for those signals are either paid for by the state or municipal government. Commencing in 1997, utility companies offered an incentive to their customers, through a cost sharing program, to convert these signals to a more energy efficient light bulb called a light-emitting diode (LED). A state statute, N.J.S.A. 27:1B-21.21, enacted in 2000 required the department to replace the existing incandescent light bulbs with the LED in anticipation of the operational energy savings over its life cycle.

As of the end of our audit field work, we found that the department completed LED installations at one-third of the intersections with no further plans to move forward through the end of calendar year 2002. Our analysis of the life cycle cost of LED (seven years) compared to the cost of incandescent bulbs for the remaining 1,800 intersections disclosed a potential cumulative cost savings of \$7.2 million once this conversion occurs. (See chart below).



Contracted Services for Snow Removal

The department is responsible for snow removal on 250 sections of roadway throughout the state. Vendors are hired to provide this service in certain circumstances. Those vendors are contracted either through a competitive advertised bid resulting in a three-year contract or through an annual waiver agreement (non competitive means). Sections not awarded during that first year of the contract are procured through advertised bid after that year. In this way, the department makes an effort to reduce the number of sections covered through the waiver agreements. Only 50 percent of the sections were awarded

competitively during that first year. Second year procurements increased contractual coverage to 75 percent. However, the increased efforts are still deemed untimely.

Agency personnel had not evaluated the per hour charges for the waiver agreement in the last five years. Our analysis found that the state is paying 16 percent higher per hour charge under the waiver agreements when compared to the average contract amount. Thus, it is costing the department an additional \$600,000 for services acquired in this manner over the one-year period.

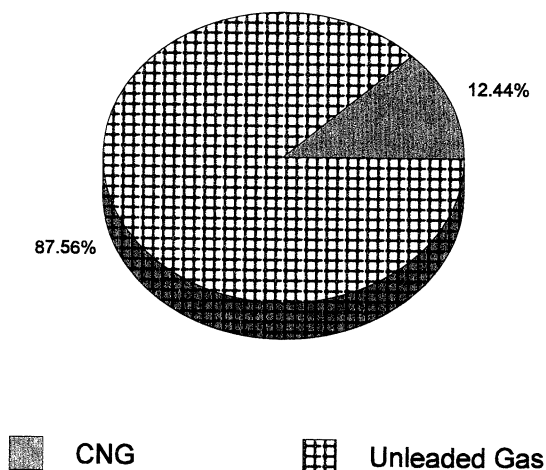
Alternative Fuel Program

The federal Energy Policy Act of 1992 (EPACT) and the Governor's Executive Order provide for the purchase of alternative fuel vehicles (AFVs). In New Jersey, strict compliance with federal regulations to purchase AFVs is mandated even though EPACT provides for other options. Consideration of other alternatives, such as using bio-diesel fuel at the department, could result in \$2.4 million in cost avoidance for the state.

New Jersey selected compressed natural gas (CNG) as its alternative fuel. Currently, there is only one functioning re-fueling station for its fleet, which is located at the department headquarters in Trenton. As such, limited use of CNG has occurred for the department's dual-fuel vehicles. As of October 2001, 38 percent of the department's dual-fuel vehicles had never been filled with CNG and instead operated exclusively on unleaded gasoline. As a result, the department incurred \$400,000 in incremental costs for vehicles being operated solely on gasoline from which it received no environmental benefit. This is due to a lack of infrastructure needed to fuel the vehicles.

The AFVs were designed to improve air quality in New Jersey. We found that the department is not accomplishing this objective in over 85 percent of the time AFVs are in use. (See following chart).

Lifetime Consumption of CNG for Dual Fuel Vehicles



In our audit report of the Alternative Fuel Program, dated October 2000, the Department of Treasury responded that the state developed a strategy to implement an appropriate infrastructure for fueling the AFVs. This involved the use of private sector AFV facilities and the installation of necessary improvements at facilities throughout the state. As of the end of our fieldwork, the department and other state agencies had not participated in the use of private sector facilities, nor have any improvements or installations been completed at the department facilities.

Dependent Eligibility

The Division of Pensions and Benefits does not monitor dependent marital status which led to ineligible claims being paid by reimbursable plans. Per N.J.S.A. 52:14-17.26, children of State Health Benefits Program subscribers are not eligible for health coverage when they marry. Our sample noted 13 percent of dependents between the age of 18 and 23 were covered even though other state records show a marriage record for them. Based on these results, we estimate 3,900 dependents in that age group were married and still actively covered by parents with either Traditional or NJ Plus plans. We further estimate there were 800 more instances of married dependents covered by reimbursable health maintenance organizations (HMO's).

We obtained claims records for the Traditional and NJ Plus plans and compared them to the married dependents from our sample. We estimate ineligible dependents incurred \$2.5 million annually in ineligible claims within the two plans.

Dual Coverage

The lack of internal controls has led to unnecessary expenditures. As part of our test of eligibility, we matched active participants per the State Health Information Processing System (SHIPS) to coverage files. We found 141 employees who are receiving coverage under two separate state or local employers. As a result, local employers are overpaying \$322,000 in annual premiums.

Additionally, if a retiree is rehired by a state or local government that participates in the State Health Benefits Program, they are entitled to be enrolled in another plan as an active employee. Currently 234 employees receive two sets of health benefits coverage, one paid by the retirement system and one through their active employment. Local employers, therefore, are paying \$660,000 annually in premiums for this type of dual coverage.

Furthermore, the state pays a monthly administrative cost to reimbursable plan administrators based on the number of enrollees in the plan. The program is paying excess administrative costs of \$107,500 annually for active and retired dual coverages. Also, state and local employers paid an extra \$147,000 a year in health benefit premiums for individuals with dual coverage who elect non-reimbursable type plans.

Duplicate Payments

The program administrator for the Traditional and NJ Plus plans made duplicate claim payments of \$190,000 over a 20 month period tested which were paid by the state. These overpayments were not detected by the program administrator, nor did the Division of Pensions and Benefits monitor the claim files for duplication. A strong system of internal control has safeguards to prevent paying twice for the same service. Absence of such controls increases the risk of errors not being detected.

Garnishment Fees

The state's centralized payroll system deducts court ordered garnishments from employees' wages and distributes the withheld funds to the appropriate authority within a week of collection. For performing this service, garnishment collection fees of five percent for regular garnishments, one dollar per child support payment, and one percent of the student loans owed to the New Jersey Higher Education Student Assistance Authority are allowed by statute. These fees have accumulated in the Employee Garnishment Account. The account increased by \$20,000 during fiscal year 2001, resulting in a balance at July 31, 2001 of \$1.8 million. These fees could be remitted to the General Fund and used to support general operations.

Medical Billings

The Trenton School District provides health, prescription and dental coverage for its full-time employees and their dependents through contracts with various private health insurance companies. The total annual costs of the medical and dental plans are \$14 million and \$1 million, respectively. Each company bills the district monthly for the costs of premiums and submits a list of employees enrolled in its plan. Our review of these insurance bills revealed that the district's review process is inadequate and that the district has been overpaying medical coverage for its employees. We compared the April 2001 monthly bills sent by the insurance carriers with the district's April payroll register and found 526 errors which resulted in a monthly overcharge to the district of \$48,000. If these mistakes were in effect for the entire year, the total potential overcharge to the district would be approximately \$575,000.

Listed below are the number and types of errors found on the April bills, with the amount of the monthly overbilling in parentheses.

Medical Plans:

- 52 subscribers were not on the district payroll (\$21,400) .
- 18 employees had dual coverage (\$5,700).
- 3 employees who had waived medical benefits had their premiums paid by the district (\$600).

Prescription Plans:

- 44 subscribers were not on the district payroll (\$5,300).
- 4 employees had dual coverage (\$400).

Dental Plans:

- 316 subscribers, including seven who were deceased, were not on the district payroll (\$11,300).
- 89 employees had dual coverage (\$2900).

Similar conditions were noted during our prior audit two years ago. Although the overbillings have decreased, the number and dollar amount of the exceptions are still significant. These errors occurred because management failed to implement adequate procedures to review the monthly billings.

Cobra Billings

The district makes medical, dental, and prescription coverage available for a limited amount of time to employees and their dependents who have terminated their employment with the district. The district pays the medical carriers for this coverage. These former employees are required to reimburse the district for the cost of their coverage by submitting monthly payments to Cobra Elect, the administrator of this program. Each month, Cobra Elect reimburses the district with the money it has collected.

We compared a list of active Cobra participants from Cobra Elect's Current Status Report to the April medical billings. Our review revealed that the district is paying for 69 individuals that Cobra Elect does not have included on its active files, for a monthly overbilling of \$7700. These overbillings occurred because the district does not reconcile monthly billings with the current status report.

Health Benefits

The Salem school district's health benefits contract expired on June 1, 2002. Health benefits is one of the negotiating points between labor and management and the negotiations have resulted in a delay in contracting for long-term health benefits. As of July 16, 2002, the district had not awarded a new contract. They are operating on a month-to-month basis under the prior contract terms. A review of the various health benefits plans revealed an annual savings of \$590,000 could be accomplished by changing to the State Health Benefits Program.

**OFFICE OF LEGISLATIVE SERVICES
OFFICE OF THE STATE AUDITOR
SCHEDULE OF REPORTS ISSUED DURING 2002**

<u>REPORT</u>	<u>TYPE OF FINDINGS</u>			
	<u>COMPLIANCE</u>	<u>CONTROLS</u>	<u>ECONOMY/ EFFICIENCY</u>	<u>NONE</u>
Casino Control Fund		OPINION ONLY		
Department of Corrections				
Albert C. Wagner Youth Correctional Facility		X	X	
Edna Mahan Correctional Facility for Women			X	
Northern State Prison				X
South Woods State Prison				X
Department of Education				
Asbury Park Board of Education		X	X	
Bridgeton Board of Education				X
City of Millville Board of Education				
Early Childhood Education Program		X	X	
City of Salem Board of Education		X	X	
City of Vineland Board of Education				
Early Childhood Education Program		X	X	
Elizabeth Board of Education		X		
Gloucester City Board of Education	X	X		
Trenton Board of Education	X	X	X	
Department of Environmental Protection				
Environmental Fee Fund Report	X			
Hazardous Discharge Funds				X
Department of Health and Senior Services				
Division of Senior Benefits and Utilization				
Management, Medical Services for the Aged		X	X	
Department of Human Services				
Children's System of Care Initiative	X	X		
Commission for the Blind and Visually Impaired	X	X		
Division of Developmental Disabilities:				
North Jersey Developmental Center	X	X	X	
Vineland Developmental Center		X	X	
Woodbine Developmental Center		X		
Division of Management and Budget and the				
Division of the Deaf and Hard of Hearing		X	X	
Division of Mental Health Services				
Senator Garrett W. Hagedorn Psychiatric Hospital				X

**OFFICE OF LEGISLATIVE SERVICES
OFFICE OF THE STATE AUDITOR
SCHEDULE OF REPORTS ISSUED DURING 2002**

<u>REPORT</u>	<u>TYPE OF FINDINGS</u>			
	<u>COMPLIANCE</u>	<u>CONTROLS</u>	<u>ECONOMY/ EFFICIENCY</u>	<u>NONE</u>
Department of Labor Economic Planning and Development Program				X
Department of Law and Public Safety Division of Civil Rights, Office of Highway Traffic Safety, Division of Alcoholic Beverage Control, New Jersey Racing Commission Division of Law Division of State Police		X	X	X
Department of Military and Veterans Affairs New Jersey Veterans Memorial Home at Paramus New Jersey Veterans Memorial Home at Vineland		X		X
Department of State New Jersey Public Broadcasting Authority and the Foundation for New Jersey Broadcasting	X	X	X	
Department of Transportation Maintenance and Operations New Jersey Transportation Trust Fund Authority Appropriations Transportation Systems Improvements	X	X	X	X X
Department of the Treasury Centralized Payroll Division of Pensions and Benefits State Health Benefits Program Division of Purchase and Property Special Programs Division of Taxation: Generic Tax System and the Taxation Unremitted Liability Inventory Plotting System Public Access Systems	X	X X X	X X	 X
Economic Development Authority Educational Facilities Construction and Financing Program, Temporary Classroom Units				X
Federal Drawdowns for the Temporary Assistance For Needy Families Program			X	

**OFFICE OF LEGISLATIVE SERVICES
OFFICE OF THE STATE AUDITOR
SCHEDULE OF REPORTS ISSUED DURING 2002**

<u>REPORT</u>	<u>TYPE OF FINDINGS</u>			
	<u>COMPLIANCE</u>	<u>CONTROLS</u>	<u>ECONOMY/ EFFICIENCY</u>	<u>NONE</u>
Judiciary				
Administrative Office of the Courts:				
Data Center				X
Superior Court of New Jersey:				
Essex Vicinage	X	X		
Hudson Vicinage	X	X		
Union Vicinage	X	X	X	
New Jersey Comprehensive Annual Financial Report		OPINION ONLY		
Office of Information Technology				
E-Government Services	X	X		
Pinelands Commission				
Fiscal Year 2000		SINGLE AUDIT REPORT		
Fiscal Year 2001		SINGLE AUDIT REPORT		
State Lottery Fund		OPINION ONLY		
State of New Jersey				
Division of Pensions and Benefits		OPINION ONLY		
Report on Compliance and Internal Control Related to Our Audit of the State's Comprehensive Annual Financial Report		X		
Wetlands Mitigation Bank	X	X	X	