



NEW JERSEY LEGISLATURE
OFFICE OF LEGISLATIVE SERVICES
OFFICE OF THE STATE AUDITOR

EXECUTIVE SUMMARY

**DEPARTMENT OF ENVIRONMENTAL PROTECTION
RESILIENCE ENGINEERING AND CONSTRUCTION
BUREAU OF DAM SAFETY**

JULY 1, 2021 TO OCTOBER 31, 2024

We found the financial transactions included in our testing were related to the bureau's loan and construction programs, were reasonable, and were recorded properly in the accounting systems. Additionally, we found the department has adequate controls in place to ensure state-wide dam safety in compliance with statutory and internal requirements. In making these determinations, we noted certain issues meriting management's attention regarding inspections, enforcement efforts, and the recording and maintenance of dam records in the state's asset management system.

AUDIT HIGHLIGHTS

- Failure to ensure inspections are completed timely can result in a delay in identifying conditions that potentially impact public safety. We reviewed and analyzed inspection data for class I, II, and III dams as of April 2024 and found 642 of the 1,728 dams (37 percent) were overdue for inspection. Our analysis revealed 80 percent of class I and class II and only 19 percent of class III dams are up to date with inspection requirements.
- Each January the bureau sends out a mass notification to all owners with an overdue inspection. This notification provides the owners with an additional 90 days to submit inspection reports; however, at that point some inspections are overdue by almost one year. Notifying owners before the inspection due date rather than once a year could reduce the number of overdue inspections and potentially identify conditions impacting public safety earlier.
- The bureau does not consistently issue and enforce penalties as required by the standards. Consistently using formal enforcement actions could achieve timely compliance because owners would face penalties for each day violations continue. In addition to these penalties, a notice of violation could be recorded on the property deed as an additional enforcement tool.
- Department-owned infrastructure assets are not properly accounted for in the state's Land and Building Asset Management (LBAM) system. We found 22 dams were not recorded in the system. We were also unable to determine if any improvements needed to be recorded in the system because the bureau does not keep track of rehabilitation and maintenance costs. Additionally, five dams were deconstructed but not subsequently removed from the system.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click on the attached files.