

SENATE, No. 3051

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED OCTOBER 15, 2018

Sponsored by:

Senator JOSEPH PENNACCHIO

District 26 (Essex, Morris and Passaic)

SYNOPSIS

Expands audit powers of State Auditor; requires online publication of certain materials; requires performance review audits of certain business incentive programs.

CURRENT VERSION OF TEXT

As introduced.



S3051 PENNACCHIO

2

1 AN ACT concerning the powers and duties of the State Auditor,
2 amending R.S.52:24-4, and supplementing Title 52 of the
3 Revised Statutes

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5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

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8 1. R.S.52:24-4 is amended to read as follows:

9 52:24-4. a. It shall be the duty of the State Auditor to conduct
10 post-audits of all transactions and accounts kept by or for all
11 departments, offices and agencies of the State Government, to
12 report to the Legislature or to any committee thereof and to the
13 Governor, and to the Executive Director of the Office of Legislative
14 Services, as provided by this chapter and as shall be required by
15 law, and to perform such other similar or related duties as shall,
16 from time to time, be required of **【him】** the State Auditor by law.

17 b. The State Auditor shall personally or by any of **【his】** the
18 State Auditor's duly authorized assistants, or by contract with
19 independent public accountant firms, examine and post-audit all the
20 accounts, reports and statements and make independent
21 verifications of all assets, liabilities, revenues and expenditures of
22 the State, its departments, institutions, boards, commissions,
23 officers, and any and all other State agencies, now in existence or
24 hereafter created, hereinafter in this chapter called "accounting
25 agencies."

26 c. The State Auditor shall conduct, at the direction of the
27 Legislative Services Commission or of the presiding officer of
28 either house of the Legislature or on the State Auditor's own
29 initiative, a performance review audit of any program of any
30 accounting agency, any independent authority, or any public entity
31 or grantee that receives State funds or funds from a political
32 subdivision of the State, in a manner that is consistent with the
33 Government Auditing Standards for performance audits utilized by
34 the United States Government Accountability Office or its
35 successor.

36 d. When the State Auditor conducts any audit or performance
37 review audit, the accounting agency, or authority, entity or grantee,
38 shall respond in writing to each item in the State Auditor's report
39 and the State Auditor, at an appropriate time determined by **【him】**
40 the State Auditor, shall conduct a post-audit review of the
41 accounting agency's, **【or】** authority's, entity's, or grantee's,
42 compliance with the State Auditor's recommendations.

43 e. The officers and employees of each accounting agency, **【or】**
44 authority, entity, or grantee, shall assist the State Auditor, when and
45 as required by **【him】** the State Auditor, and provide the State

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

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1 Auditor with prompt access to all records necessary for the State
2 Auditor to perform **【his】** the State Auditor's duties,
3 notwithstanding any statutory or regulatory requirements of
4 confidentiality with regard to the records, for the purpose of
5 carrying out the provisions of this chapter. The State Auditor shall
6 report the failure of any accounting agency, or authority, entity, or
7 grantee, to provide prompt access to any relevant record to the
8 presiding officer of each house of the Legislature. The State
9 Auditor shall not disclose a confidential record provided by an
10 accounting agency, or authority, entity, or grantee, except as may be
11 necessary for the State Auditor to fulfill **【his】** the State Auditor's
12 constitutional or statutory responsibilities. Working papers
13 prepared by the State Auditor shall be confidential and shall not be
14 considered government records under P.L.1963, c.73 (C.47:1A-
15 1 et seq.).

16 f. Notwithstanding any law to the contrary, post-audits and
17 performance review audits shall be conducted within the limits of
18 the resources and personnel available to the State Auditor. If
19 resources and personnel are insufficient to conduct all such required
20 post-audits and performance review audits, the State Auditor may
21 prioritize certain audits and forgo others upon notice to the
22 Governor and the presiding officer of each house of the Legislature.

23 g. The State Auditor shall prominently publish on the
24 homepage of the Legislature's Internet website, for a period of at
25 least 14 calendar days immediately following public release, each
26 report and the results of each audit and performance review audit
27 prepared by the State Auditor. The State Auditor shall also publish
28 each report and the results of each audit and performance review
29 audit prepared by the State Auditor on an Internet webpage
30 maintained by the State Auditor.

31 (cf: P.L.2006, c.82, s.1)

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33 2. (New section) a. In addition to the powers and duties of
34 the State Auditor described in R.S.52:24-4, at least once every two
35 years, the State Auditor shall, in a manner that is consistent with the
36 Government Auditing Standards for performance audits utilized by
37 the United States Government Accountability Office or its
38 successor, conduct a performance review audit encompassing a
39 review of each business assistance or incentive program
40 administered or provided by the New Jersey Economic
41 Development Authority, established pursuant section 4 of P.L.1974,
42 c.80 (C.34:1B-4), that provides monetary or financial assistance in
43 any form including, but not limited to, a grant, loan, loan guarantee,
44 tax credit, tax exemption, or other monetary or financial benefit
45 awarded to a person or entity to assist the person or entity in the
46 conduct or operation of any trade, occupation, profession, or
47 business, including, but not limited to, film and digital media
48 production businesses, in the State.

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1 b Within six months of completing a performance review audit
2 required pursuant to subsection a. of this section, the State Auditor
3 shall prepare a report on the findings of the performance review
4 audit. The State Auditor shall, pursuant to section 2 of
5 P.L.1991, c.164 (C.52:14-19.1), transmit a copy of the report to the
6 Legislature.

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8 3. This act shall take effect immediately.

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STATEMENT

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13 This bill relates to the powers and duties of the State Auditor.
14 Under the bill, the State Auditor is granted the authority to audit
15 certain entities that receive funds from political subdivisions of the
16 State and is required to conduct certain performance review audits.

17 The bill requires the State Auditor to prominently publish on the
18 Legislature's Internet homepage, for a period of at least 14 calendar
19 days, each report and the results of each audit and performance
20 review audit prepared by the State Auditor. The State Auditor is
21 also required to publish these documents on an Internet webpage
22 maintained by the State Auditor.

23 The bill requires the State Auditor to conduct a performance
24 review audit of New Jersey Economic Development Authority
25 (EDA) business assistance or incentive programs, at least once
26 every two years. The bill requires the State Auditor to transmit a
27 copy of the report to the Legislature. The bill specifies that
28 performance review audits are required to be conducted for any
29 program or incentive administered or provided by the EDA that
30 provides monetary or financial assistance in any form including, but
31 not limited to, a grant, loan, loan guarantee, tax credit, tax
32 exemption, or other monetary or financial benefit awarded to a
33 person or entity to assist the person or entity in the conduct or
34 operation of any trade, occupation, profession, or business,
35 including, but not limited to, film and digital media production
36 businesses, in the State.