



**New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor**

EXECUTIVE SUMMARY

**DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
July 1, 2013 to November 30, 2015**

We found the financial transactions included in our testing were related to the division's programs, were reasonable, and were recorded properly in the accounting systems. In making this determination, we noted an internal control weakness regarding escrow accounts meriting management's attention. We also found areas where operations could be improved for the Charitable Registration and Investigation Section, the New Jersey Prescription Monitoring Program, and the New Jersey Office of Weights and Measures.

AUDIT HIGHLIGHTS

- Most charity investigations are the result of consumer complaints. It is not standard procedure that either the Charitable Registration and Investigation Section or the Office of Consumer Protection analyzes the registered charity's financial data in its entirety for "red flags" that would justify an investigation of a charity. The public expects that the charitable donations are expended timely for its intended purpose. Contrary to the public's expectation, for the 5,897 charities reporting revenue during the five financial reporting years 2010 through 2014, we found 192 registered charities with no program expenses (monies spent on the activities for which the charity was founded) for two through four consecutive years. Total revenue and management expenses for these 192 charities were \$63.2 million and \$44.5 million, respectively. Management expenses (monies spent operating the organization such as salaries and office expenses) were 96 percent of total expenses for these charities.
- Available tools for the New Jersey Prescription Monitoring Program are not being fully utilized to aid in the prevention of prescription drug abuse. We found weaknesses over unsolicited reports, data sharing, timeliness of data, utilization of updated National Drug Codes, and staffing levels.
- Not all commercial weighing and measuring devices are inspected annually as required by New Jersey Statute. For the 2014 registration period, our analysis indicated only 173,000 of 209,000 (83 percent) devices were inspected by the counties and participating municipalities. The City of Newark has not inspected their 3,500 devices since 2004 and the City of Paterson has not inspected their 2,500 devices in over two years. The New Jersey Office of Weights and Measures did not assist in making these statutorily required inspections.
- We found three escrow accounts had accumulated \$2.2 million that should have been transferred to the state's General Fund. We brought this exception to management's attention, but the division only transferred \$131,000.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report, click [here](#).