



National State Auditors Association

**State of New Jersey
Office of the State Auditor
Peer Review
OPINION REPORT
For the Period May 1, 2010
Through April 30, 2011**



National State Auditors Association

June 10, 2011

Mr. Stephen Eells
New Jersey State Auditor
New Jersey Office of the Auditor
125 South Warren Street
P.O. Box 067
Trenton, NJ 08625-0067

Dear Mr Eells:

We have reviewed the system of quality control of New Jersey Office of the State Auditor (the office) in effect for the period May 1, 2010 through April 30, 2011. 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 peer 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 engagements 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. The engagements selected represented a reasonable cross-section of the office's engagements conducted in accordance with government auditing standards. We believe that the procedures we performed provide a reasonable basis for our opinion.

Our review was based on selective tests; therefore it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. 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 New Jersey Office of the State Auditor in effect for the period May 1, 2010 through April 30, 2011 has been suitably designed and was complied with during the period to provide reasonable assurance of conforming with government auditing standards.

As is customary in a peer review, we have issued a letter under this date that sets forth comments that were not considered to be of sufficient significance to affect the opinion expressed in this report.

Tracey Moore, CPA, Team Leader
National State Auditors Association
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Neal Weatherspoon, CPA, CISSP, CISA, Concurring Reviewer
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