Department of Labor
Economic Planning and Development Program

July 1, 2000 to November 30, 2001
The Honorable James E. McGreevey
Governor of New Jersey

The Honorable John O. Bennett
President of the Senate

The Honorable Richard J. Codey
President of the Senate

The Honorable Albio Sires
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

Enclosed is our report on the audit of the Department of Labor, Economic Planning and Development Program for the period July 1, 2000 to November 30, 2001. If you would like a personal briefing, please call me at (609) 292-3700.

January 23, 2002
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Department of Labor  
Economic Planning and Development Program

Scope

We have completed an audit of the Department of Labor, Economic Planning and Development Program for the period July 1, 2000 to November 30, 2001. Our audit included financial activities accounted for in the state’s General Fund and the State Disability Benefit Fund. The audit did not include revenues since revenues were included in a recently issued report.

Expenditures of the agency were $468 million in fiscal year 2001 and $119 million in fiscal year 2002 through November 30. The prime responsibilities of the Department of Labor, Economic Planning and Development Program are strategic planning and policy formulation, affirmative action and equal employment opportunity, training, program analysis and development, and financial administration.

Objectives

The objectives of our audit were to determine whether expenditure transactions were related to the agency's program, were reasonable, and were recorded properly in the accounting systems. We also tested for resolution of significant conditions noted in our prior report.

This audit was conducted pursuant to the State Auditor’s responsibilities as set forth in Article VII, Section 1, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

Methodology

Our audit was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.

In preparation for our testing, we studied legislation, administrative code, circular letters promulgated by the State Comptroller, and policies of the agency. Provisions that we considered significant were documented and compliance with
those requirements was verified by interview, observation, and through our samples of financial transactions. We also read the budget message, reviewed financial trends, and interviewed agency personnel to obtain an understanding of the programs and the internal controls.

A nonstatistical sampling approach was used. Our samples of financial transactions were designed to provide conclusions about the validity of transactions as well as internal control and compliance attributes. Sample populations were sorted and transactions were judgmentally selected for testing.

To ascertain the status of findings included in our prior report, we identified corrective action, if any, taken by the agency and walked through the system to determine if the corrective action was effective.

**Conclusions**

We found that the expenditure transactions included in our testing were related to the agency's programs, were reasonable, and were recorded properly in the accounting systems. We also found that the agency has resolved the significant issues noted in our prior report.