Office of the State Auditor

Audit Report

Department of Law and Public Safety
Division of New Jersey Racing Commission

July 1, 1994 to March 31, 1996
State of New Jersey  
Department of Law and Public Safety  
Division of New Jersey Racing Commission  

Audit Report  

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The Honorable Christine Todd Whitman
    Governor of New Jersey

The Honorable Donald T. DiFrancesco
    President of the Senate

The Honorable Jack Collins
    Speaker of the General Assembly

Mr. Albert Porroni
    Executive Director
    Office of Legislative Services

We have completed an audit of the Division of New Jersey Racing Commission for the period July 1, 1994 to March 31, 1996.

We found that the financial transactions included in our testing were related to the agency's programs, were reasonable and were recorded properly in the state accounting system.

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.

Richard L. Fair
    State Auditor
    August 15, 1996
Department of Law and Public Safety
Division of New Jersey Racing Commission

Scope

We have completed an audit of the Department of Law and Public Safety, Division of New Jersey Racing Commission for the period July 1, 1994 to March 31, 1996. Our audit included financial activities accounted for in the state’s General Fund, The Casino Simulcasting Fund and The Simulcasting Special Fund.

Total expenditures of the agency during the 21 month audit period were $22.3 million. The prime responsibility of the Division of New Jersey Racing Commission is regulation of the state’s horse racing industry. Revenues of the agency totaled $26 million during our audit period. The major component of revenue was funds received from the tracks and casinos.

Objectives

The objectives of our audit were to determine whether financial transactions were related to the agency’s programs, were reasonable and were recorded properly in the state accounting systems. We also tested for resolution of significant issues noted in our prior report.

This audit was conducted pursuant to the State Auditor's responsibilities as set forth in Article VII, Section 1.6 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 and 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 control structure.
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 transactions were judgmentally selected.

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