The Honorable James E. McGreevey  
Governor of New Jersey  

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 Law and Public Safety, Office of Counter-Terrorism for the period July 1, 2002 to January 31, 2004. If you would like a personal briefing, please call me at (609) 292-3700.

April 6, 2004
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Scope

We have completed an audit of the Department of Law and Public Safety, Office of Counter-Terrorism (OCT) for the period July 1, 2002 to January 31, 2004. Our audit included expenditure activities accounted for in the state’s General Fund.

The OCT is the state’s primary agency responsible for combating terrorism. The office is a separate unit within the Department of Law and Public Safety and has all the powers conferred to the department, including the law enforcement powers conferred by the Criminal Justice Act. The OCT works closely and collaboratively with law enforcement agencies at the federal, state, county, and municipal levels. Total expenditures for the review period were $6.6 million.

Objectives

The objectives of our audit were to determine whether expenditure transactions were related to the OCT’s programs, were reasonable, and were recorded properly in the accounting systems.

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 OCT. Provisions that we considered significant were documented and compliance with those requirements was verified by interview, observation, and through our samples of expenditure transactions. We also read the budget message, reviewed financial trends,
and interviewed OCT personnel to obtain an understanding of the programs and the internal controls.

A nonstatistical sampling approach was used. Our samples of expenditure 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.

Conclusion

We found that the expenditure transactions included in our testing were related to OCT’s programs, were reasonable, and were recorded properly in the accounting systems.