Department of State
Government Direction,
Management and Control

July 1, 1995 to August 31, 1997

Richard L. Fair
State Auditor
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

Enclosed is our report on the audit of the Department of State, Government Direction, Management and Control for the period July 1, 1995 to August 31, 1997.

If you would like a personal briefing, please call me at (609) 292-3700.

Thomas R. Meseroll
Technical Director
September 15, 1997
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>1</td>
</tr>
<tr>
<td>Objectives</td>
<td>1</td>
</tr>
<tr>
<td>Methodology</td>
<td>2</td>
</tr>
<tr>
<td>Conclusions</td>
<td>2</td>
</tr>
</tbody>
</table>
Department of State
Government Direction,
Management and Control

Scope
We have completed an audit of the Department of State, Government Direction, Management and Control for the period July 1, 1995 to August 31, 1997. Our audit included financial activities accounted for in the state’s General Fund.

Annual expenditures of the Department of State, Government Direction, Management and Control were approximately $5 million. The prime responsibility of the Department of State, Government Direction, Management and Control is oversight of programs and fiscal and human resource activities. The Martin Luther King, Jr. Commemorative Commission coordinates events with community groups and organizations throughout the state for the purpose of educating the citizens of New Jersey about the civil rights movement. The Division of Elections is responsible for the implementation of the National Voter Registration Act, canvassing of votes cast for candidates, constitutional amendments and other public questions. Revenues of the agency approximated $1.5 million annually. The major component of revenue was from microfilming services.

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 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 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 populations 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 recorded properly in the accounting systems. We also found that the agency has resolved the significant issues noted in our prior report.