Department of the Treasury
Office of Management and Budget
Electronic Funds Transfers

January 1, 1996 to April 30, 1996
# Department of the Treasury
Office of Management and Budget
Electronic Funds Transfers

## 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 Electronic Funds Transfers administered by the Office of Management and Budget, for the period January 1, 1996 to April 30, 1996. Our report is transmitted herewith.

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  
December 16, 1996
Department of the Treasury
Office of Management and Budget
Electronic Funds Transfers

Scope

We have completed an audit of the Electronic Funds Transfers administered by the Office of Management and Budget, for the period January 1, 1996 to April 30, 1996. Our audit included wire transfers and automated clearing house (ACH) payments.

Total funds transferred during the four month audit period were $26.1 billion. This amount includes cash account transfers of $22.8 billion, wire payment transfers of $919 million and ACH payments of $2.4 billion.

Objectives

The objectives of our audit were to determine whether Electronic Funds Transfers were authorized by management, safeguarded and recorded properly in the state's accounting system. We did not determine whether the transfers were related to agencies' programs or were reasonable.

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 circular letters promulgated by the State Comptroller and policies of the agency. Provisions we considered significant were documented and compliance with those requirements was verified by interview and observation and through our analytical processes and attribute samples. We also documented the existing regulatory and legal framework under which these activities operate and interviewed agency personnel to obtain an understanding of the software programs installed and
the related internal control structure. These controls included authorization; audit trail; data retention, backup and contingency; physical and logical access; and communication security.

A nonstatistical sampling approach was used. Our samples of electronic transactions were designed to provide conclusions about the adherence to internal control and compliance attributes. Sample items were judgmentally selected.

Conclusions

We found that the Electronic Funds Transfers were authorized by management, safeguarded, and recorded properly in the state’s accounting system.