EXECUTIVE SUMMARY

DEPARTMENT OF THE TREASURY
DIVISION OF REVENUE AND ENTERPRISE SERVICES - OPERATIONS
July 1, 2013 to February 29, 2016

We found the financial transactions were related to the branches’ programs, were reasonable, and were recorded properly in the accounting systems. We also found the Division of Revenue and Enterprise Services (DORES) – Operations and the vendors were in compliance with the terms of the contracts tested. In making these determinations, we noted an opportunity to improve dishonored check collection procedures. In addition, the general controls over the Revenue Delinquent Invoice system were adequate except for logical access.

AUDIT HIGHLIGHTS

- The Registry and Collection Services branch of DORES is responsible for recording dishonored checks for the state and for collecting those checks, with the exception of checks issued to the Division of Taxation and the Motor Vehicle Commission. We found the branch does not have a standardized form for state agencies to report dishonored checks and it has no written policy regarding collection procedures. A standardized electronic file would ease the organization and collection of dishonored checks as the branch must now convert files that contain inconsistent columns of information into a useful form.

- The Revenue Delinquent Invoice (RDI) system, which manages outstanding debt owed to the State of New Jersey, lacks sufficient controls to prevent or detect unauthorized system access. Authorized RDI users with read-only access can authenticate themselves through the mainframe and then access RDI through another user’s privileged account by using the standard password assignment. The RDI system’s internal security has insufficient automated password controls. There is no requirement to change passwords at initial login, and passwords do not expire. After we brought this situation to management’s attention, they immediately required all privileged users to change their passwords.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click here.