

2023 Rutgers Governmental Accounting & Auditing Update Conference

ADVANCING ACCOUNTABILITY AND TRANSPARENCY
THROUGHOUT NEW JERSEY GOVERNMENT

November 2023



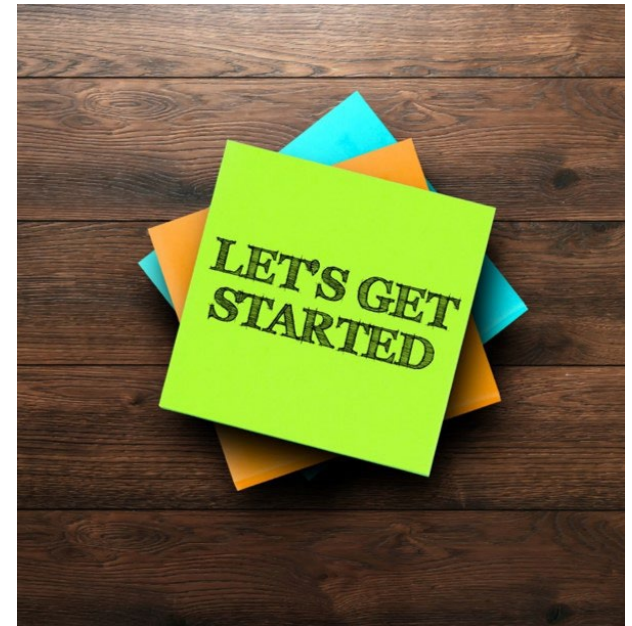
BRAIN TEASER

What is the car's
parking spot number?



PRESENTERS

- Christopher Jensen, Director
- Joseph Testori, Deputy Director



AGENDA

- OSC Overview
- Divisions
- Special Projects
- OSC Website



ABOUT OFFICE OF THE STATE COMPTROLLER

- Independent State Agency
- State Comptroller appointed by the Governor
- Established in 2008
- Works to advance transparency and accountability throughout New Jersey state government



ABOUT OSC

Expanded focus of office through Projects focused on oversight of federal recovery funds and policing.



OSC OVERSIGHT

Over 2,500 entities:

- Local governments, including municipalities, school districts, and counties
- State colleges and universities
- State agencies
- Independent state authorities



POLL # 1

AUDIT DIVISION

- Conduct performance audits
 - Assess effectiveness, efficiency, and economy
 - Internal control
 - Compliance
- Auditing standards (GAGAS)
- Follow-up reports
 - Statutory requirement to review corrective actions



AUDIT DIVISION: RECENT AUDITS

Recent Employee Benefit Audits: Township Rockaway and City of Brigantine

- \$4.5m unfunded pension liabilities
- \$3.3m wasteful spending
- \$1.6m cost saving opportunities
- \$500k in excessive leave accruals
- \$12m unspent or unencumbered taxpayer funds
- CBAs that did not comply with state law
- Procurement deficiencies



AUDIT DIVISION: RECENT FOLLOW-UPS

Recent Follow-up Reviews:

- Workers' Compensation Claim Management
- Buena Regional School District
- Purchase Card Practices



INVESTIGATION DIVISION

- Formed in 2010 after the Legislature consolidated the powers of the Office of the Inspector General under OSC
- Performs investigations, evaluations, inspections, and reviews for fraud, waste, and abuse in NJ government
 - Includes monitoring the performance of elected officials, public employees, and programs



INVESTIGATION DIVISION

Investigation Into New Jersey City University's Financial Emergency:

- Declining enrollment
- Improper budgeting
- The Board of Trustees failed to exercise proper oversight



INVESTIGATION DIVISION

- Investigation Into New Jersey City University's Financial Emergency:
- Legislation – Signed July 20, 2023
 - Significantly expands OSHE's powers:
 - CFO's of public universities now report directly to the BoT and President, not just President
 - On August 30, OSHE appointed a State Monitor to oversee NJCU's operations



MEDICAID FRAUD DIVISION

- Responsible for overseeing all elements of program integrity of a program that provides health care to more than 2.1 million New Jersey residents using more than \$15 billion of federal/state funds
- Investigates health care providers, recipients, and managed care organizations



THE WORK OF THE MEDICAID FRAUD DIVISION

Identify, investigate, audit, and work to prevent fraud, waste, and abuse in the NJ Medicaid program

Recover Medicaid overpayments from providers

Oversee the State's Third Party Liability vendor

Disqualify providers from participating in Medicaid and track disqualified providers on public database

Investigate ineligible beneficiaries who have received benefits and recover funds expended

Issue guidance to the Medicaid program to improve oversight and curb fraud, waste, and abuse

MEDICAID FRAUD DIVISION

Reports Issued:

- Healthcare Providers Agreed to Repay About \$8 Million in Improper Medicaid Payments
- New Jersey Mental Health Services Provider Improperly Received \$1.7 Million in Medicaid Funds
- Adult Daycare Providers Were Improperly Paid Nearly \$1 Million in Medicaid Funds



PROCUREMENT DIVISION

- Makes sure that taxpayer dollars are protected by ensuring that contracts are competitively bid and are held to high standards of fairness and transparency in order to avoid waste, cronyism, and corruption.
- Reviews contracts involving local governments, including municipalities, school districts, and counties, state colleges and universities, state agencies, and independent state authorities.
- Provides guidance to contracting units to ensure that the contracting process complies with applicable law, rules and regulations under strict statutory time limitations.



PROCUREMENT DIVISION: CONTRACT REVIEW THRESHOLDS AND TIMEFRAMES N.J.S.A. 52:15C-10, E.O. 125 AND E.O. 166

Contracts Valued at \$12.5 Million or more

- Submit to OSC at least 30 days prior to proposed advertisement date

COVID-19 Recovery Contracts \$150,000 or more

- Submit to OSC 10 business days prior to proposed advertisement date

Sandy Contracts

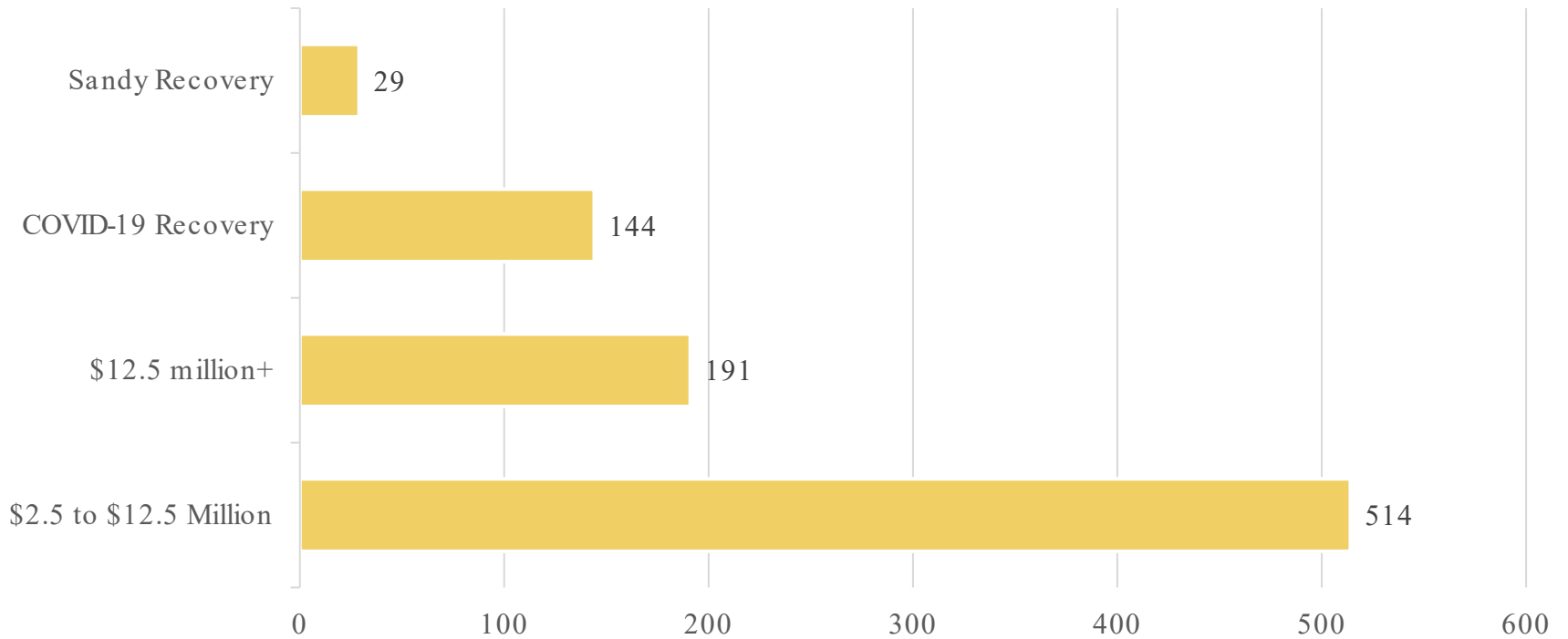
- Submit to OSC prior to advertisement

Contracts Valued at \$2.5 million but less than \$12.5 Million

- Submit to OSC 20 business days after award

THE WORK OF THE PROCUREMENT DIVISION

Contract Reviews FY 2023 by Threshold



LETTER TO GLOUCESTER COUNTY

- The Procurement Division received post-award review documents from Gloucester County in 2020
- The contract, valued at \$4,978,338, was for resurfacing and safety improvements for roads in the Townships of Washington and Deptford
- The Procurement Division found that the County improperly utilized the emergency exception to public bidding and advertising



COVID-19 COMPLIANCE AND OVERSIGHT PROJECT

- Special project that promotes accountability, transparency, and compliance in the spending of billions of COVID-19 federal recovery funds in New Jersey
- Combines authority under EO 166 and OSC's statutory authority to oversee public expenditures
 - Oversee state's contracted Integrity Oversight Monitors
 - Coordinate with state entities' Accountability Officers
 - Training, technical assistance, guidance, compliance alerts, and other resources
 - Support COVID-19 Taskforce
 - Special projects and targeted reviews

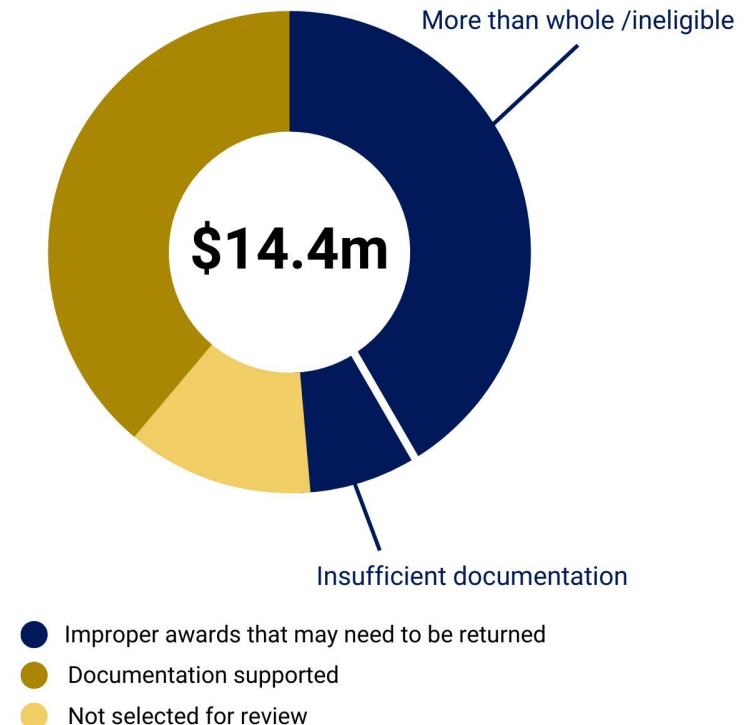


COVID-19 COMPLIANCE AND OVERSIGHT PROJECT

Recent Reports Issued:

- About \$7 Million in COVID-19 Funds Paid to N.J. Marine Fisheries May Be Improper, the Office of the State Comptroller Found
- The Department of Environmental Protection has begun to seek recoupment of overpayments

49% Of COVID-19 Funds Awarded to Fisheries May Need To Be Returned



COVID GUIDANCE FOR LOCAL GOVERNMENTS

Download all these resources at nj.gov/comptroller:

- Best Practices Guide
- Internal Control Checklist
- Risk Assessment Template

Sign up to receive local government alerts.
Email: covid.oversight@osc.nj.gov

COVID TIPS- WHAT WE'RE LOOKING FOR

- ✓ Fraud with public contracts that use COVID funds
- ✓ Waste of COVID funds
- ✓ Duplication of benefits
- ✓ Fraud from bad actors using inside information for their own benefit

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1-855-OSC-TIPS
Email us:
comptrollertips
@osc.nj.gov



POLL #2

POLICE ACCOUNTABILITY PROJECT

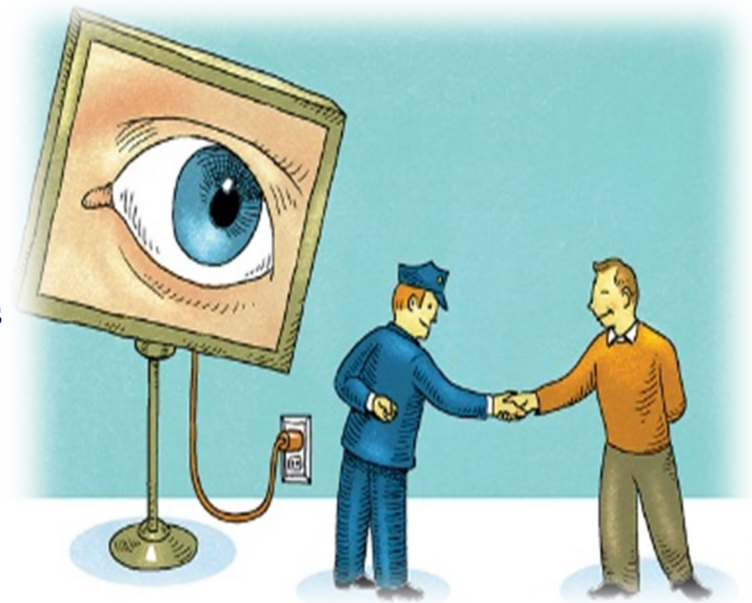
- OSC created the Police Accountability Project to promote transparency and accountability in State and local law enforcement agencies
- The Project's mission is to uncover systemic issues in policing that open the State up to civil liability, which results in increased costs to taxpayers
- The Project issues reports to the public on how taxpayer dollars are sued for policing in New Jersey



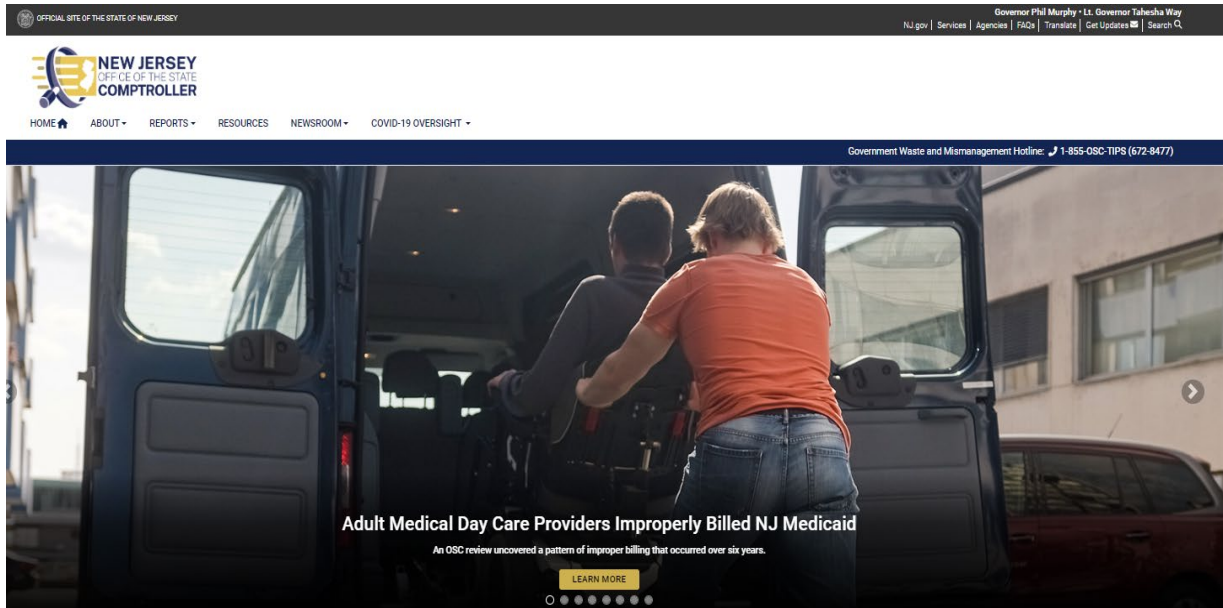
POLICE ACCOUNTABILITY PROJECT

Recent Reports Issued:

- Municipal Police Websites' Compliance With Internal Affairs Policies and Procedures
 - The project reviewed 100 police department websites and found that few met all of the requirements and best practices regarding public reporting of police misconduct
- DCF Changed its Practices to Limit Access to Child Welfare Services Without Notifying Stakeholders
 - The project found that the Department of Children and Families stopped assigning caseworkers to cases involving allegations of child sexual abuse



OSC WEBSITE



Visit our website

- Learn about Acting State Comptroller Kevin Walsh
- Read our reports
- Examine our resources
- Explore our careers page

OSC WEBSITE – WE ARE HIRING

Careers

At the Office of the State Comptroller, you can build a career with purpose and impact by helping making government more effective, transparent, and accountable. The Office of the State Comptroller is looking for people with diverse skills and experience. We strongly believe in fostering a safe, inclusive, and equitable workplace.

Our employment package includes top-tier healthcare and dental coverage, paid time off, and an environment that embraces work-life balance.

We also offer paid internships. Learn more [here](#).

Find out more about [our work](#). Explore our openings.

Executive Staff

- [Chief Data and Innovation Officer](#)
- [Director of IT](#)
- [Senior Counsel](#)

Investigations Division

- [Investigative Analyst](#)

Medicaid Fraud Division

- [Attorney - Special Investigations](#)
- [Auditor](#)

Procurement Division

- [Staff Attorney](#)

We are always looking for talented auditors, investigators, analysts, attorneys, IT specialists and other professionals. Don't see a role that's a great fit, but excited about the idea of working with us? Complete the [general interest application](#) and email your resume to careers@osc.nj.gov and we'll be in touch if the perfect role for you comes around.



[General Interest Application](#)



[Sign Up for OSC's Newsletter](#)



REPORTING FRAUD, WASTE, AND ABUSE

OSC's Tip Hotline is active -
and we keep tips
confidential.

Have a complaint?



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comptrollertips@osc.nj.gov



nj.gov/comptroller

KEEP IN TOUCH



Sign up for our news letter!

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RECAP

- N.J.S.A. 52:15C-1 et seq. - OSC authority and auditee cooperation
- Performance audits – effectiveness, economy, and efficiency
- Yellow Book – standards for audit process
- Communication and transparency
- Impact and implementation of recommendations
- Website resources and reports





POLL #3



QUESTIONS?