

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3817

STATE OF NEW JERSEY

DATED: JANUARY 6, 2022

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3817.

The bill establishes procedures to enforce internal controls of the New Jersey Racing Commission. The bill requires an annual audit to ensure those procedures are followed. The bill also requires the enforcement of internal control monitoring procedures to ensure that: (1) all licensees of the commission have their fingerprints taken and that all fingerprints are renewed in a timely manner and in accordance with all applicable State and federal laws; (2) all employees' access privileges to the New Jersey Racing Commission Licensing, Mutuels, and Breeders system are authorized and are commensurate with their job duties and classification; (3) all equine fatality reports are complete and submitted in a timely manner to the commission during the fiscal year; (4) all revenues are collected in a timely manner, properly recorded in the State accounting system, and accounted for in the New Jersey Racing Commission Licensing, Mutuels, and Breeders system; (5) all fines and fees imposed on licensees are collected and licensees who do not pay their fines are suspended; and (6) all interfund transactions between the New Jersey Racing Industry Special Fund and the General Fund are processed with the assistance of the Department of Treasury.

As reported by the committee, Senate Bill No. 3817 is identical to Assembly Bill No. 5484 (1R), as also reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services notes this bill is in response to the comments and recommendations contained in the State Auditor's Report regarding a July 1, 2016 to March 31, 2020 review of selected programs of the New Jersey Racing Commission in the Department of Law and Public Safety. The costs to the commission to address the deficiencies found in the State Auditor Report have been incurred and should not be attributed to this bill.

The costs of this bill include monitoring current procedures to enforce internal controls of the New Jersey Racing Commission and conducting an annual audit to ensure those procedures are followed regarding fingerprinting, information technology system controls, the

submission of equine fatality reports, the collection and accounting for revenues, and the collection of unpaid fines.

Unless the Executive Branch can explain otherwise, the monitoring and audit procedures required in this bill should be able to be accomplished within existing staffing levels and resources of the commission and the Department of Law and Public Safety. If not, that may explain why deficiencies in internal controls were found by the State Auditor.