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FOR IMMEDIATE RELEASE:
June 26, 2018

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Newark Makes Progress in Revising Employee Compensation and Other Payroll Practices Following 2013 OSC Audit

TRENTON – Newark officials have taken actions to address weaknesses in the city’s payroll and timekeeping practices that were identified in a 2013 audit conducted by the Office of the State Comptroller (OSC), according to a follow-up review issued today. In addition, Newark, in coordination with the State Department of Community Affairs, reduced the expenses of the Office of the City Clerk and the City Council as the 2013 audit recommended.

The follow-up review found that Newark has either fully or partially implemented eight of the 11 recommendations contained in the 2013 audit report. These recommendations included reducing or eliminating supplemental payments to municipal employees and obtaining appropriate documentation before processing overtime payments, among other things. OSC auditors noted that some newly hired city employees will no longer be eligible for longevity payments over the course of their careers, under terms of two collective bargaining agreements.

Although the city made progress correcting many of the weaknesses identified in the audit, the review found that Newark officials have not taken action on developing written guidelines and policies and procedures regarding the types of expenditures the Office of the City Clerk and the City Council are permitted to make for public purposes.

“We’re encouraged by the progress made to date by Newark’s leadership and we expect additional action on the audit recommendations that have not been fully implemented,” State Comptroller Philip James Degnan said.

All OSC reports are available on the Office’s website, www.nj.gov/comptroller.

OSC is an independent state agency that conducts audits and investigations of government agencies throughout New Jersey. The Office also reviews certain government contracts and works to detect and prevent Medicaid Fraud. The Office strives to enhance the efficiency and transparency of government and to ensure that public funds are spent effectively and efficiently.

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