

**State of New Jersey
Office of the State Comptroller
External Peer Review
For the Period
June 1, 2015 through May 31, 2017**



PEER REVIEW REPORT
June 23, 2017

Mr. Philip James Degnan
New Jersey State Comptroller
20 West State Street
P.O. Box 024
Trenton, NJ 08625

Dear Mr. Degnan:

We have reviewed the system of quality control of the New Jersey Office of the State Comptroller (OSC) in effect for the period June 1, 2015 to May 31, 2017. A system of quality control encompasses OSC's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of OSC. Our responsibility is to express an opinion on the design of the system and OSC's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of OSC's system of quality control for engagements conducted in accordance with professional standards. In addition, we tested compliance with OSC's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of OSC's policies and procedures on the engagements completed during this period. These engagements were conducted in accordance with professional standards. We believe that the procedures we performed provide a reasonable basis for our opinion.

Our review was based on selective tests; therefore it would not necessarily disclose all design matters in the system of quality control or all compliance matters with the system. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control of the New Jersey Office of the State Comptroller in effect for the period June 1, 2015 to May 31, 2017 has been suitably designed and was complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. The New Jersey Office of the State Comptroller has received a peer review rating of *pass*.

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