



## State of New Jersey

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### **OSC Follow-up Audit Finds Some Improvement in the New Jersey Redevelopment Authority's Fiscal and Operating Practices**

TRENTON – The New Jersey Redevelopment Authority (“NJRA”) has made progress in strengthening the weak internal controls related to its loan underwriting process, which were outlined in the Office of the State Comptroller’s (“OSC”) 2014 audit report. OSC’s follow-up, released today, notes those areas of improvement but highlights the work that remains to be done to achieve full compliance with the 2014 recommendations.

Finding NJRA in “partial compliance” with the two recommendations in the 2014 audit report, OSC found that NJRA had improved the underwriting process and its document retention practices related to project files and had submitted the biennial strategy document required by statute. OSC concluded, however, those improvements were inconsistent across various projects completed during the follow-up time period and, in the case of the strategy document, it did not contain sufficient information to define the goals of each redevelopment project.

“State sponsored incentive programs can be effective tools for economic development or revitalization,” State Comptroller Philip James Degnan said. “These types of programs contain clear statutory requirements necessary to define the goals and to permit a thorough review of each project. We commend the NJRA for the progress that has been made and encourage the Authority to follow through on all aspects of the recommendations from our original audit report as soon as possible.”

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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