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Harrison Implements Recommendations Following 2014 OSC Audit

TRENTON – Harrison municipal officials have made significant progress in addressing the findings of the Office of the State Comptroller's (OSC) 2014 audit of the town's financial and operating practices. OSC's follow-up review found that Harrison has fully implemented ten of the 13 audit recommendations, including:

- Eliminating longevity pay for new hires
- Eliminating town payment of health insurance premiums after age 65 (or the age of Medicaid eligibility) for newly hired employees and their dependents
- Pro-rating an employee's payment for unused sick and vacation time during his/her final year of service
- Revising developer contracts to protect the town financially during construction delays and to allow the town to impose penalties on developers who do not meet project deadlines

Harrison officials were receptive to the recommendations made in the audit report and initiated cost-saving changes. For example, during the initial audit, auditors calculated that Harrison could have saved approximately \$5.8 million between 2009 and 2012 had it participated in the State Health Benefits Plan (SHBP) instead of using a private insurance carrier. As OSC noted in its 2014 report, Harrison elected to join the SHBP in 2013 even before OSC issued its final audit report.

"Taxpayers in Harrison are the beneficiaries of the operating and policy revisions made in response to our audit," State Comptroller Philip James Degnan said. "Progress has been made in many of the areas addressed in our report, leading to a significant amount of taxpayer money being saved."

The initial audit report identified other opportunities for savings, however, related to excessive benefits provided to existing employees, such as the more than \$900,000 spent for

health benefit coverage provided to surviving spouses and eligible dependents from 2009 to 2011. OSC urges town officials to continue their efforts with the goal of reaching full compliance with all of the recommendations in the report.

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