

ASSEMBLY, No. 3416

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED OCTOBER 18, 2010

Sponsored by:

Assemblyman PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblyman FREDERICK SCALERA

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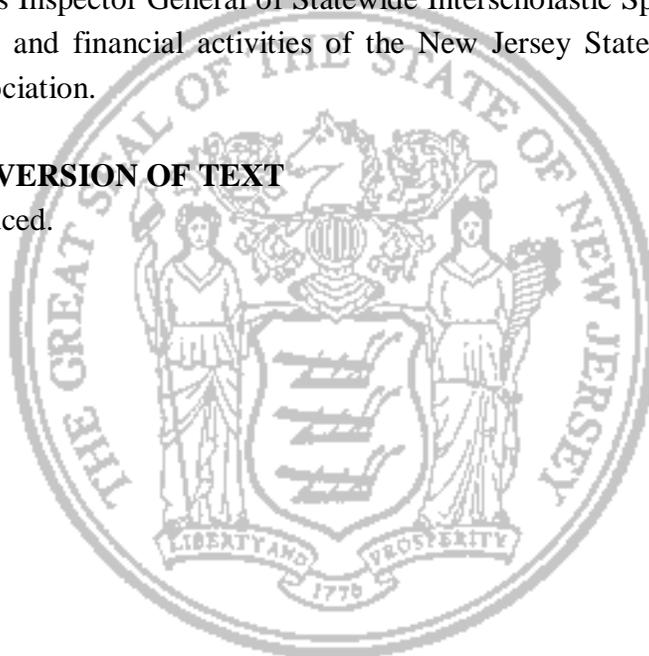
Assemblymen Ramos, McKeon and Assemblywoman N.Munoz

SYNOPSIS

Establishes Inspector General of Statewide Interscholastic Sports to monitor the operating and financial activities of the New Jersey State Interscholastic Athletic Association.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/19/2010)

1 AN ACT establishing the Office of the Inspector General of
2 Statewide Interscholastic Sports and supplementing chapter 11 of
3 Title 18A of the New Jersey Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. a. There is established the Office of the Inspector General of
9 Statewide Interscholastic Sports. The office shall be established in
10 the Executive Branch of the State government and for the purposes
11 of complying with the provisions of Article V, Section IV,
12 paragraph 1 of the New Jersey Constitution, the office shall be
13 allocated in, but not of, the Department of Education.
14 Notwithstanding this allocation, the office shall be independent of
15 any supervision or control by the Commissioner of Education, or
16 the department or by any division, board, office, or other officer
17 thereof. The department shall provide such stenographic, clerical
18 and other administrative assistants, and such professional staff, as
19 the office requires to carry out its work.

20 b. The Inspector General shall be appointed with the advice
21 and consent of the Senate, and shall serve at the pleasure of the
22 Governor during the Governor's term of office and until his
23 successor is appointed and qualified.

24 c. The Inspector General shall:

25 (1) monitor and audit the operating and financial activities of
26 the New Jersey State Interscholastic Athletic Association;

27 (2) in consultation with the executive committee of the
28 association, establish strong and effective financial controls, and
29 ensure adherence to those controls;

30 (3) ensure that the association's fiscal, accountability, and
31 governance standards reflect best practices in accordance with
32 guidelines established for the nonprofit sector;

33 (4) work with the association to develop a plan for the
34 downsizing of the executive committee to not more than 30
35 members. The plan shall ensure that the various sectors of the
36 association's membership are appropriately represented;

37 (5) work with the association to develop a code of ethics that
38 establishes appropriate conduct by the members of the executive
39 committee, and employees, event workers, and volunteers of the
40 association. The code of ethics shall be adopted within one year
41 following the effective date of this act; and

42 (6) prepare periodic public reports which detail the activities
43 taken to ensure strong and effective accountability and transparency
44 in the operations of the association. The reports shall be transmitted
45 to the Governor, the Legislature pursuant to section 2 of P.L.1991,
46 c.164 (C.52:14-19.1), and to the respective chairpersons of the
47 Senate Education Committee and the Assembly Education
48 Committee or their successor committees.

1 2. The New Jersey State Interscholastic Athletic Association
2 shall retain an independent outside auditor who is a certified public
3 accountant to conduct an annual audit of the association's financial
4 accounts in accordance with nationally recognized auditing and
5 accounting standards. The association shall not contract for the
6 services of an independent auditor for a period longer than five
7 consecutive years and shall retain the services of a different
8 independent auditor every five years.

9
10 3. The Executive Committee of the New Jersey State
11 Interscholastic Athletic Association shall establish an internal audit
12 committee. The internal audit committee shall work with the
13 independent auditor retained pursuant to section 2 of this act to
14 inform and advise the executive committee on the association's
15 financial position.

16 The chairperson of the committee shall possess, at a minimum,
17 professional experience in accounting and auditing.

18
19 4. The association shall ensure that a majority of the members
20 appointed to its finance committee shall have professional
21 experience in accounting or financial administration.

22
23 5. This act shall take effect immediately.

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STATEMENT

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28 In September of 2010, the State Commission of Investigation
29 (SCI) issued a report addressing the finances and operations of the
30 New Jersey State Interscholastic Athletic Association (NJSIAA).
31 The SCI report presented several recommendations designed to
32 address the NJSIAA's questionable and excessive expenditures and
33 its lack of internal controls. This bill implements a number of those
34 recommendations.

35 The bill establishes the Office of the Inspector General of
36 Statewide Interscholastic Sports. Under the bill, the Inspector
37 General will: monitor and audit the operating and financial
38 activities of the NJSIAA; establish strong and effective financial
39 controls, and ensure adherence to those controls; and ensure that the
40 association's fiscal, accountability, and governance standards
41 reflect best practices in accordance with guidelines established for
42 the nonprofit sector. Additionally, the Inspector General will work
43 with the association to develop a plan for the downsizing of the
44 executive committee to not more than 30 members, and to develop a
45 code of ethics that establishes appropriate conduct by the members
46 of the executive committee, and employees, event workers, and
47 volunteers of the association.

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1 The bill also requires the NJSIAA to retain an independent
2 outside auditor who is a certified public accountant to conduct an
3 annual audit of the association's financial accounts. The association
4 may not contract with an independent auditor for a period longer
5 than five consecutive years and must retain the services of a
6 different independent outside auditor every five years.