By TOM HESTER

Michael J. Scheiring, executive director of the Governor's commission that audited state government and recommended ways to save more than $1 billion, yesterday announced he is resigning effective Aug. 28.

Scheiring, of Lawrence Township, has been on loan to the commission from Thomas Edison State College, where he will return as vice president of administration. He has been with the Governor's Management Review Commission since it was formed by Gov. Jim Florio in March 1990.

Steven A. Clark of Scotch Plains, manager of cash management for NJ Transit and the commission's associate executive director, will replace Scheiring as acting executive director.

The commission has audited every department in the state government, completing 42 studies and offering more than 700 recommendations valued at over $1 billion in spending cuts and improved services, according to the Governor's office.

Florio and the Legislature used commission recommendations to reduce the 1991 and 1992 state budgets by $250 million, the Governor's Office said. The fiscal 1993 budget contains an additional $1.4 billion in commission-recommended savings, the office noted.

Scheiring gained the voluntary assistance of many of the nation's largest accounting and consulting firms to examine the government. Over 40 of the state's major corporations joined in the review at no cost to the state.

"I believe that I have had one of the most challenging jobs in state government for the last two years," Scheiring said. "The commission members, he added, "have demonstrated outstanding leadership; generated solid results that can provide a strategic direction for state government to achieve efficient and effective government."