



**New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor**

EXECUTIVE SUMMARY

SOUTH JERSEY PORT CORPORATION

January 1, 2015 to March 31, 2017

We found that the financial transactions included in our testing were related to the South Jersey Port Corporation (SJPC), were reasonable, and were recorded properly in the accounting systems. In making these determinations, we found improvements could be made in the competitive bidding process. We also observed that the Paulsboro Marine Terminal expansion was reasonable, and we determined the SJPC is operated and funded similarly to other ports on the eastern seaboard.

AUDIT HIGHLIGHTS

- During expenditure testing, we identified 4 of 32 tested vendors that had not been competitively bid for over ten years. The state issued the Department of the Treasury Circular Letter 16-02-DPP requiring that state agencies competitively bid for goods and services to ensure the best pricing. Failing to seek proper price competition for the SJPC's operations could lead to unnecessary overpayment for goods and services.
- The SJPC financed the construction of the Paulsboro Marine Terminal with the sale of \$177.7 million in bonds. The new port is estimated to bring up to 1.3 million tons of steel in its first year of operation and offers the opportunity to create permanent jobs in the region. On March 1, 2017, the first shipment of heavy steel slabs arrived at the terminal.

AUDITEE RESPONSE

The entity concurs with our finding and recommendation.

For the complete audit report or to print this Executive Summary, click [here](#).