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

New Jersey Low Level Radioactive Waste Disposal Facility Siting Board

July 1, 1995 to June 30, 1996

Richard L. Fair
State Auditor
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The Honorable Christine Todd Whitman  
Governor of New Jersey

The Honorable Donald T. DiFrancesco  
President of the Senate

The Honorable Jack Collins  
Speaker of the General Assembly

Mr. Albert Porroni  
Executive Director  
Office of Legislative Services

Enclosed is our report on the audit of the New Jersey Low Level Radioactive Waste Disposal Facility Siting Board for the period July 1, 1995 to June 30, 1996.

If you would like a personal briefing, please call me at (609) 292-3700.

Richard L. Fair  
State Auditor  
May 14, 1997
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New Jersey Low Level Radioactive Waste Disposal Facility Siting Board

Scope

We have completed an audit of the New Jersey Low Level Radioactive Waste Disposal Facility Siting Board for the period July 1, 1995 to June 30, 1996. Our audit included financial activities accounted for in the state’s General Fund.

Total expenditures of the agency during the 12 month audit period were $1.4 million. The prime responsibility of the board is to site and oversee the development, operation, and closure of a disposal facility for low-level radioactive waste generated in New Jersey.

Objectives

The objectives of our audit were to determine whether financial transactions were related to the board’s programs, were reasonable and were recorded properly in the accounting systems.

This audit was conducted pursuant to N.J.S.A. 13:1E-196, which states that the State Auditor shall conduct an annual audit of the board’s activities pursuant to the State Auditor's responsibilities as set forth in Article VII, Section 1, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

Methodology

Our audit was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.

In preparation for our testing, we studied legislation, administrative code, circular letters promulgated by the State Comptroller, and policies of the agency. Provisions that we considered significant were documented and compliance with those requirements were verified by interview and observation and through our samples of financial transactions. We also read the budget message, reviewed financial trends, and interviewed agency personnel to obtain an understanding of the programs and the internal control structure.
A nonstatistical sampling approach was used. Our samples of financial transactions were designed to provide conclusions about the validity of transactions as well as internal control and compliance attributes. Large dollar transactions were selected. Other transactions were judgmentally selected.

**Conclusion**

We found that the financial transactions included in our testing were related to the agency's programs, were reasonable and were recorded properly in the accounting systems. In making this determination, we noted the board has not yet proposed a site.

**Site Requirement**

The board has not yet proposed a site for the regional low-level radioactive waste disposal facility.

N.J.S.A. 13:1E-187a (1) required the board to select a site within 18 months of enactment (December 22, 1987). In the ten years since its inception, the board has spent more than $6 million but has not yet located a viable site. On July 9, 1992, the board endorsed the development of a plan for a volunteer siting approach. On February 2, 1995 the board adopted the New Jersey's Voluntary Plan for Siting a Low Level Radioactive Waste Disposal Facility. Public discussions have been held as to the possible hosting of a disposal facility in 12 municipalities. The voluntary approach has not resulted in the selection of a site by the board. We believe that the board should continue the voluntary approach however, they should keep the Legislature informed as to continuing interest of municipalities in hosting a site and they should establish a policy to end the voluntary approach if interest from the municipalities is not forthcoming.
Total Expenditures $6.7 million

Expenditures (in thousands)

Fiscal Year

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DEPARTMENTAL RESPONSE

CERTIFIED MAIL NO. 144 583 244

May 5, 1997

Richard L. Fair
State Auditor
Office of Legislative Services
125 South Warren Street
CN-067
Trenton, New Jersey 08625

Dear Mr. Fair:

In response to the April 25th Confidential Draft Audit Report for the New Jersey Low-Level Radioactive Waste Disposal Facility Siting Board prepared by your office, I appreciate the draft conclusion that the Siting Board’s “financial transaction included in our testing were related to the agency’s programs, were reasonable and were recorded in the accounting system.”

I would like to respond to your concluding comment under the heading Site Requirement:

"We believe that the board should continue the voluntary approach, however, they should keep the Legislature informed as to continuing interest of municipalities in hosting a site and they should establish a policy to end the voluntary approach if interest from the municipalities is not forthcoming.

I want you to know that the Board already follows both of these recommendations. First, we do inform legislators not only when a municipality in their district is considering volunteering to host a disposal facility, but also whenever representatives of the Board are invited to speak at meetings in their district. In addition, in our most recent Annual Report to the Governor and Legislature, we listed the six municipalities that publicly considered volunteering during 1996.

We also concur with your second recommendation that the Board end the voluntary process if interest from municipalities is not forthcoming. While we deliberately chose not to pick specific deadlines for the voluntary siting process, the Siting Board and Advisory Committee are committed to continuing this process only so long as it makes sense. This Board already has a track record of changing direction when it appears headed down an unproductive path. That is exactly what we did when we abandoned the statewide screening process and designed the voluntary process several years ago. I assure you that we will not hesitate to promptly inform the Governor and Legislature should we reach a point where the voluntary siting process seems to hold equally little likelihood of success.

[Signature]

Paul E. Wyszkowski, P.E.
Chairman

[Signature]

John R. Weingart
Executive Director