



# State of New Jersey

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## **Plainfield Municipal Utilities Authority Improves Operating Procedures in Accordance with State Comptroller's Audit Findings**

TRENTON - A performance audit of the Plainfield Municipal Utilities Authority (PMUA) conducted by the Office of the State Comptroller (OSC) has resulted in improvement in PMUA's procurement processes, monitoring of indirect cost allocations, and personnel management.

The audit, covering a three-and-a-half year period, contains five specific recommendations for improving the operation of the PMUA. The PMUA, established in 1995, operates a sanitary sewer system and collects solid waste.

OSC auditors found that PMUA did not adhere to the Local Public Contracts Law (LPCL) and its own Purchasing Manual, in making certain purchases. Specifically, some purchases occurred before or without receipt of the required minimum number of bids. Auditors also found that PMUA did not properly monitor its purchases and failed to aggregate the individual multiple purchases for the same commodity and obtain quotations as required by LPCL.

"Proper bidding ensures that an agency is obtaining the best possible value when it is seeking a product or service. The efficient use of ratepayer or taxpayer funds is dependent on bids being properly solicited and awarded," State Comptroller Philip James Degnan said.

The audit also found PMUA was inadequately monitoring its indirect cost allocations and that it did not have adequate policies and procedures for the management of employee separations. The OSC audit makes recommendations to PMUA to improve its operating processes in

these areas. PMUA has accepted these recommendations and submitted a corrective action plan to OSC. As statutorily required, OSC will conduct a follow-up review of PMUA's corrective actions in the future.

OSC is an independent state agency that conducts audits and investigations of government agencies throughout New Jersey. The Office also reviews certain government contracts and works to detect and prevent Medicaid Fraud. The Office strives to enhance the efficiency and transparency of government and to ensure that public funds are spent effectively and efficiently.

Suspected government mismanagement or fraud can be reported to OSC by calling 1-855-OSC-TIPS (1-855-672-8477) or via email at [comptrollertips@osc.nj.gov](mailto:comptrollertips@osc.nj.gov).

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