

NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Office of Internal Audit
625 Broadway, 9th Floor, Albany, New York 12233-1060
www.dec.ny.gov

November 8, 2019

The Honorable Thomas P. DiNapoli
Comptroller
110 State Street, 15th Floor
Albany, NY 12236

Dear Honorable Thomas P. DiNapoli:

In accordance with the provisions of Section 170 of the Executive Law, the Department of Environmental Conservation (DEC) has taken, or will be taking, the following steps to implement the recommendations contained in the Office of the State Comptroller's audit report 2017-S-81, entitled *Report of Title V Operating Permit Program Revenues, Expenditures, and Changes in Fund Balance of the Eight Fiscal Years Ended March 31, 2017*.

Recommendation 1: Take steps to ensure that changes affecting the three systems used for permit fee billing are made to all of these systems.

DEC is seeking a procurement to analyze and redesign the Air Facilities System (AFS), which would include built-in communication capabilities. Our current business practice is to correct all three systems and use emails, which are copied into AFS, to record any changes. In addition, Division of Management and Budget Services' staff routinely enter communication notes in the Fiscal Management Information System.

Recommendation 2: Take steps to improve monitoring systems to ensure costs are appropriately charged to the Program.

DEC currently maintains a system that assigns a portion of monitoring costs to the Title V program based on time distribution system percentages. The percentages used in this process are based on the ratio of pollutants in the National Emission Inventory and have been approved by the United States Environmental Protection Agency (USEPA). On June 6, 2019 DEC submitted an updated plan to USEPA for approval with implementation beginning on October 1, 2019.

Recommendation 3: Comply with New York State's retention policy that requires agencies to keep records being used for audits until the audit is satisfied.

DEC implemented a financial documentation storage policy in FY 2017-18, which required the scanning of discretionary (F vouchers) and travel payments beginning April 1, 2017 and all other vouchers April 1, 2018.

Recommendation 4: Ensure that Title V reports are submitted to all required recipients by the September 30 deadline as mandate by Law.

DEC will continue to prepare Title V reports timely to allow for compliance with the deadline.

Recommendation 5: Work with relevant stakeholders to develop a strategy to bring the Program into self-sufficiency, in compliance with federal Clean Air Act.

DEC has implemented various changes to enhance the efficiency of the Title V program and will continue to explore whether additional efficiencies exist. In addition, DEC will continue to propose fee structure modifications with the goal of bringing the program into self-sufficiency.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew B. Fischler". The signature is fluid and cursive, with a long horizontal stroke at the end.

Andrew B. Fischler
Director, Office of Internal Audit