



New York State Office of Parks, Recreation and Historic Preservation

The Governor Nelson A. Rockefeller Empire State Plaza • Agency Building 1, Albany, New York 12238
www.nysparks.com

David A. Paterson
Governor

Carol Ash
Commissioner

March 31, 2010

Mr. Frank Houston
Audit Manager
Office of the State Comptroller
Division of State Government Accountability
123 William Street – 21st Floor
New York, NY 10038

Dear Mr. Houston:

The New York State Office of Parks, Recreation & Historic Preservation has reviewed the Office of the State Comptroller's final audit report 2008-S-148 entitled "*Environmental Protection Fund*" Enclosed please find the Agency's response to the final report.

As summarized by the attached, we generally concur with the recommendations made in the final audit and have already implemented many changes and improvements in procedures. The audit is generally positive and OPRHP understands there is always room for improvement. We thank the OSC team for their professionalism and their efforts on our behalf in conducting this review.

Thank you for the opportunity to respond to the report. If you have any questions regarding the Agency's response, please contact Brian D. Jackson of OPRHP's Office of Internal Audit at (518) 473-3390.

Sincerely,

Peter C. Finn
Deputy Commissioner for Finance and Administration

Enclosure

cc: Commissioner Ash
Tom Lukacs, Division of the Budget
Andy Beers
Erik Kulleseid
Mindy Scott
Brian Jackson

**New York State Office of Parks, Recreation & Historic Preservation
Response to the Office of the State Comptroller's Audit Report
Environmental Protection Fund
2008-S-148**

The Office of Parks, Recreation & Historic Preservation's (OPRHP) response to the Office of the State Comptroller's (OSC) final audit report number 2008-S-148, entitled "*Environmental Protection Fund*" is presented below. OPRHP has reviewed the findings and recommendations presented in the final audit report and our responses to the recommendations are noted in the following section.

Comments on Major Findings of the Audit

We generally concur with the recommendations made in the final audit and have already implemented many changes and improvements in procedures; including an amendment to contract C002832 between OPRHP and the Natural Heritage Trust (NHT). The amendment revises the budget and extends the terms of the contract from January 30, 2010 to December 31, 2011.

In addition, OPRHP has also identified several projects that meet the requirements and qualify for EPF Barns funding. These additional projects have an estimated total cost of nearly \$800,000. Any funds that remain will be returned to the State as a refund of EPF appropriations.

Response to Recommendations 1-6 (Pages 15 - 16)

The following section presents OPRHP's response to each recommendation contained in the final audit report.

- **Recommendation 1:** Release the \$58,032 that was never remitted to NHT for the Barns program and return it to the State as a refund of EPF appropriations.

Agency Response: Partially Agree. The \$58,032 in question will be combined with other available EPF funds and be used to fund Barns eligible projects.

- **Recommendation 2:** Recover the \$1,048,456 in Barns grant finds that NHT will not to fund payments to grantees and return it to the State as a refund of EPF appropriations.

Agency Response: Partially Agree. OPRHP will follow up on active grants and look to identify any funds that will not be required to be paid to close out existing grants. These funds will be available to fund Barns eligible projects.

Any funds that remain will be returned to the State as a refund of EPF appropriations.

- **Recommendation 3:** Monitor Barn Grant activity at NHT to ensure the remaining funds are spent timely. Follow up on the remaining active grants and recover any additional funds that NHT does not require to pay existing grantees and return these monies to the State as refunds of EPF appropriations.

Agency Response: *Partially Agree. OPRHP will follow up on active grants and look to identify any funds that are not required to be paid and make the funds available to fund Barns eligible projects. Any funds that remain will be returned to the State as a refund of EPF appropriations.*

- **Recommendation 4:** The recommendation to recover \$286,352 from NHT for ineligible administrative cost charges was deleted based upon the Office's September 18, 2009 contract amendment.

Agency Response: *Agree.*

- **Recommendation 5:** Improve Grant Award System security to enable management to monitor the completeness of the information and the accountability for any score changes.

Agency Response: *Agree. The Grant Award System database has been secured and all scores will be locked.*

- **Recommendation 6:** Communicate the importance of retaining documentation to support score changes to all staff in the process.

Agency Response: *Agree. OPRHP will increase efforts to document in writing the rationale used in assessing grant scores.*