EXECUTIVE SUMMARY

DEPARTMENT OF ENVIRONMENTAL PROTECTION
LAND USE MANAGEMENT AND SELECTED PROGRAMS
OF COMPLIANCE AND ENFORCEMENT

We found the financial transactions included in our testing were related to the programs, were reasonable, and were properly recorded in the accounting systems. We also found the federal grant expenditures were proper and were in compliance with the grant agreements. In making these determinations, we identified areas where improvements can be made to penalty collections and internal controls related to permit processing meriting management’s attention. Due to the impact of Superstorm Sandy on the operations of the Bureau of Tidelands Management, it was removed from the scope of our audit.

AUDIT HIGHLIGHTS

• We noted the need for improvement in the Coastal and Land Use Compliance and Enforcement unit’s collection process. The unit issues penalties against responsible parties for land use related environmental damages. The penalties require the responsible party to perform corrective action to remediate environmental damages and, in most cases, include a monetary penalty intended to deter future damaging activities. The unit has a $1 million outstanding penalty receivable balance and although the unit complies with the Department of the Treasury (Treasury) Circular Letter 13-11-OMB in its collection attempts and forwards uncollected balances to Treasury’s Division of Revenue and Enterprise Services, it does not place liens on the responsible parties’ properties. In addition, it does not assess additional penalties for failure to comply with the settlement agreement.

• The Division of Land Use Regulation (LUR) issues permits for projects taking place on specific state protected lands. LUR requires full payment prior to the issuance of a permit. Our review found internal control weaknesses involving deposits and the proper recording of receipts, inadequate segregation of duties, and the issuance of permits without properly recording the fee collection.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report, click here.