



**Washington State Auditor**  
**Brian Sonntag**

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES**

To the Director and Management of the Department of Ecology:

We have performed the procedures described below, which were agreed to by the management of the Department of Ecology, solely to assist you in evaluating the Department's Air Operating Permit (AOP) program for state fiscal years 2006 and 2007. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or any other purpose.

**Agreed Upon Procedures**

In relation to the Department's Air Operating Permit (AOP) program:

**Procedure 1:** Determine how much AOP fee revenue was collected each fiscal year.

**Results:** The following AOP fee revenue was collected each fiscal year:

2006: \$1,530,321.76

2007: \$1,248,372.19

**Procedure 2:** Determine whether AOP fees were computed correctly.

**Results:** Based on review of program support, we determined that AOP fees were computed correctly for both years.

**Procedure 3:** Determine whether invoices were sent out in a timely manner.

**Results:** For both years we found that invoices were sent out in a timely manner.

**Procedure 4:** Determine whether billed fees were actually collected.

**Results:** Billed fees were collected for both years with the exception of delinquent fees in the amount of \$32,210.36 and \$63,167.29 in fiscal years 2006 and 2007 respectively.

We found that the department was not following internal policies and procedures relating to the collection of past due fees. See the attached detail.

**Procedure 5:** Determine how the Department accounted for AOP and D&O fee revenues.

**Results:** The Department accounts for its AOP and D&O fee revenues in the Air Operating Permit Account, Fund 219. Based on our testing, other revenues are not commingled within the fund.



**Procedure 6:** Determine how the Department accounted for AOP expenditures.

**Results:** The Department accounts for its AOP expenditures in Fund 219. AOP expenditures are not commingled with other expenses.

**Procedure 7:** Determine whether AOP fee revenues were used only for authorized activities.

**Results:** Based on testing performed, we determined that AOP fee revenue is used for authorized activities.

We were not engaged to and did not perform an examination, the objective of which would be to express an opinion on the Air Operating Permit Program of the Department. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Department of Ecology and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lynda L. Karseboom', with a long horizontal flourish extending to the right.

Lynda L. Karseboom, CGAP  
Audit Manager

April 14, 2008