



CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
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DEPUTY COMPTROLLER FOR
AUDIT

BUREAU OF AUDIT

June 27, 2016

By Electronic Mail

Sherry S. Chan
Chief Actuary
New York City Office of the Actuary
255 Greenwich Street, 9th Floor
New York, NY 10007

**Re: Letter Report on the New York City Office of the Actuary's Compliance with
Local Law 36 (Audit Number SZ16-112AL)**

Dear Ms. Chan:

This Letter Report concerns the New York City Comptroller's audit of the New York City Office of the Actuary's ("OA") compliance with Local Law 36, which governs waste prevention, reuse and recycling by City agencies. The objective of this audit was to determine if the OA is complying with the local law, which is intended to make City agencies, and ultimately the City as a whole, more sustainable through efforts that promote a clean environment, conserve natural resources and manage waste in a cost-effective manner. In addition, in the course of the audit, we noted efforts the OA made to follow recycling rules established by the New York City Department of Sanitation ("DSNY") pursuant to Local Law 36. Our audit of the OA is one in a series of audits we are conducting on the City's compliance with the local law.

Background

In 1989, New York City established Local Law 19, codified as Administrative Code §16-301, *et seq.*, to establish an overarching "policy of the city to promote the recovery of materials from the New York City solid waste stream for the purpose of recycling such materials and returning them to the economy." The law mandates recycling in New York City by residents, agencies, institutions and businesses, and includes a series of rules to guide implementation. Local Law 19 requires the City to establish environmental policies to conserve natural resources and manage waste in a sustainable and cost-effective manner.

In 2010, the City enacted Local Law 36, by which it amended the recycling provisions of Local Law 19 (Administrative Code §16-307) to require each City agency to develop a waste prevention, reuse and recycling plan and submit the plan to DSNY for approval by July 1, 2011. Local Law 36 also requires each agency to designate a lead recycling or sustainability

coordinator for the agency and, where the agency occupies more than one building, to designate an assistant coordinator for each building. By July 1, 2012, and in each year thereafter, the lead recycling coordinator for each agency is required to submit a report to the head of its agency and to DSNY “summarizing actions taken to implement the waste prevention, reuse, and recycling plan for the previous twelve-month reporting period, proposed actions to be taken to implement such plan, and updates or changes to any information included in such plan.”

In addition, Local Law 36 requires the DSNY Commissioner to adopt, amend and implement regulations governing recycling by City mayoral and non-mayoral agencies. DSNY is also responsible for consolidating the information contained in agency reports and including this information in the agency’s annual recycling report.

Findings and Recommendations

Our audit found that the OA was not fully compliant with Local Law 36. While the OA source separates its paper waste and has designated a lead recycling coordinator for its one location, the OA did not establish a waste prevention, reuse and recycling plan for its agency and did not submit its annual reports for Fiscal Years 2012 through 2015 to its agency head or to DSNY as required by Local Law 36. Our findings are outlined in the table entitled Compliance Summary below.

COMPLIANCE SUMMARY		
Local Law 36 Criteria	Compliance	Notes
Recycles designated materials	Yes	Generally complies.
Designated a lead recycling coordinator and assistant coordinators	Yes	OA has designated a lead recycling coordinator.
Established a waste prevention, reuse and recycling plan by July 1, 2011	No	OA has not established a waste prevention, reuse and recycling plan as required by Local Law 36.
Submits annual report to the agency head and DSNY Commissioner	No	OA did not submit annual reports for Fiscal Years 2012 through 2015 to its agency head and DSNY Commissioner.

In addition to these findings, we note that the OA has made certain efforts to address waste prevention, reuse and safe handling of hazardous waste beyond the requirements of the local law. Specifically, the OA's printers are duplex-capable (double sided) and most of its correspondences are either scanned or emailed to reduce any unnecessary printing. Further, the OA follows the City's E-Waste policy and utilizes a citywide contract for the disposal of its electronic waste. These measures have been taken in accordance with DSNY's additional rules enacted pursuant to Local Law 36.

We recommend that the OA create the waste prevention, reuse and recycling plan and submit the required annual reports to its agency head, the Chief Actuary, and DSNY by July 1st of each year as required by Local Law 36.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The scope period for this audit was July 1, 2011, the date Local Law 36 went into effect, through June 7, 2016, the last day of our fieldwork. Our methodology for this audit consisted of the following steps:

- We reviewed applicable laws, rules, policies and procedures to determine our criteria in accordance with Local Law 36, including Local Law 19, Local Law 36, DSNY's agency waste prevention, reuse and recycling plan template and DSNY's report submission form and implementation guidelines;
- We sent an electronic survey to the OA to determine if the agency met the key provisions of Local Law 36 reflected as the core criteria in the table below and analyzed the survey results and other additional materials provided by the OA;
- We requested the OA's waste prevention, reuse and recycling plan, list of coordinators, and the agency's annual reports for 2012 through 2015 and reviewed the submitted documentation; and
- We conducted an interview with the OA's recycling/sustainability coordinator to discuss the agency's recycling and waste prevention efforts and visited OA's facility to verify its compliance with Local Law 36.

Based on our understanding of the Local Law 36 requirements, we outlined all the criteria necessary for agencies to be in compliance. The table below outlines agencies' core

criteria required to achieve compliance under Local Law 36. A summary of these core criteria forms the basis for the compliance summary reported for each audited agency.

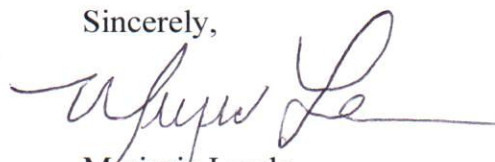
CORE CRITERIA	
Compliance	Detailed Criteria
Recycling	Agency source-separates recyclable materials
Coordination	Agency has a lead coordinator
	Agency has assistant coordinator(s) as applicable
WPRR Plan	Agency has a waste prevention, recycling and reuse plan
Report to Agency Head and DSNY Commissioner	Agency submitted 2012 report
	Agency submitted 2013 report
	Agency submitted 2014 report
	Agency submitted 2015 report

Because many agencies may have pursued initiatives beyond these core requirements, we recognized agencies' additional actions regarding recycling and sustainability. Our observations are based on the additional actions established by DSNY in its waste prevention, reuse and recycling plan implementation guidelines and other efforts taken by agencies.

The issues covered in this report were discussed with OA officials during and at the conclusion of this audit. On June 9, 2016, we submitted a draft letter report providing the OA with an opportunity to formally respond. The OA's response was received on June 24, 2016. In its written response, the OA agreed with the audit findings and stated, "As noted in the findings, the OA has followed the policy on the disposal of electronic waste and has made efforts to reduce paper waste agency-wide. The OA will establish a formal waste prevention, reuse and recycling plan and submit annual reports to the Chief Actuary and to the New York City Department of Sanitation Commissioner."

The full text of the OA's comments is included as an addendum to this report.

Sincerely,



Marjorie Landa

c: Susan M. Flaschenberg, Director of Administration, OA
Mindy Tarlow, Director, Mayor's Office of Operations
George Davis, III, Deputy Director, Mayor's Office of Operations



OFFICE OF THE ACTUARY

ADDENDUM

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SHERRY S. CHAN
CHIEF ACTUARY

June 24, 2016

Ms. Marjorie Landa
Deputy Comptroller for Audit
Bureau of Audit
New York City Office of the Comptroller
One Centre Street,
Room 1100
New York, NY 10007

Attn: Ms. Ernestine Rivers-Merritt

Re: Response to Draft Letter Report on the New York City Office of the Actuary's
Compliance with Local Law 36 (Audit Number SZ16-112AL)

Dear Ms. Landa:

I am responding on behalf of Ms. Sherry Chan, Chief Actuary, for the New York City Office of the Actuary.

I have reviewed the draft letter report on the Office of the Actuary's (OA) compliance with Local Law 36 (Audit Number SZ16-112AL).

As noted in the findings, the OA has followed the policy on the disposal of electronic waste and has made efforts to reduce paper waste agency-wide. The OA will establish a formal waste prevention, reuse and recycling plan and submit annual reports to the Chief Actuary and to the New York City Department of Sanitation Commissioner.

Thank you for giving us the opportunity to respond.

Sincerely,

A handwritten signature in black ink that reads "Susan Flaschenberg".

Susan Flaschenberg
Director of Administration

cc: Sherry Chan, NYC Office of the Actuary
Michael Samet, NYC Office of the Actuary
Keith Snow, NYC Office of the Actuary