



OFFICE OF THE STATE AUDITOR



DIANNE E. RAY, CPA
—
STATE AUDITOR

November 15, 2018

AUTOMOBILE INSPECTION AND READJUSTMENT (AIR) PROGRAM PERFORMANCE EVALUATION – STATUS REPORT

Members of the Legislative Audit Committee:

Attached is the status report from the Colorado Department of Public Health and Environment on the implementation of recommendations contained in the Office of the State Auditor's (OSA) November 2017 *Automobile Inspection and Readjustment (AIR) Program Performance Evaluation*.

OSA REVIEW OF DOCUMENTATION

As part of the status report process, we requested and received supporting documentation for each recommendation that the Department reported as having been partially implemented or implemented. Specifically, we reviewed the following documentation:

- The project scope description and current candidate/participant data for the Department's Diagnostic Trouble Codes & I/M240 Emissions Reduction Study. The study is currently ongoing and will be completed once 30 participant vehicles are identified and evaluated.
- The results of the Department's further assessment of OBD test results for vehicles that qualified for, but did not use, RapidScreen testing.
- The AIR Program's Calendar Year 2017 Annual Report

Based on our review, the supporting documentation substantiates the Department's reported implementation status.

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COLORADO
Department of Public
Health & Environment

Dedicated to protecting and improving the health and environment of the people of Colorado

October 3, 2018

Dianne E. Ray, CPA
State Auditor
Colorado Office of the State Auditor
1525 Sherman St., 7th Floor
Denver, CO 80203

Dear Auditor Ray:

In response to your request, we have prepared the attached status report on the implementation status of audit recommendations contained in the November 2017 Automobile Inspection and Readjustment Program Performance Evaluation. The status report provides a brief explanation of the actions taken by the Department of Public Health and Environment to implement each recommendation.

If you have any questions about this status report and the Department's efforts to implement the recommendations, please contact Karin McGowan at 303.692.3473 or karin.mcgowan@state.co.us.

Sincerely,

Karin McGowan
Interim Executive Director
Colorado Department of Public Health and Environment



AUDIT RECOMMENDATION STATUS REPORT

AUDIT NAME	Automobile Inspection and Readjustment Program 2017 Performance Evaluation
AUDIT NUMBER	1680P
AGENCY	Department of Public Health and Environment
DATE OF STATUS REPORT	8/20/2018

SECTION I: SUMMARY

REC. NUMBER	AGENCY'S RESPONSE	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION STATUS	CURRENT IMPLEMENTATION DATE
1a	Agree	July 2018	Partially Implemented	June 2019
1b	Agree	July 2018	Implemented	July 2018
1c	Agree	July 2018	Implemented	June 2018

SECTION II: NARRATIVE DETAIL

RECOMMENDATION 1A

The Colorado Department of Public Health and Environment (Department) should consider the following modifications with respect to the Automobile Inspection and Readjustment Program (AIR Program):

- a. Using on-board diagnostic (OBD) information for specific diagnostic trouble codes in conjunction with the IM240 test results when setting the emissions pass/fail standards for OBD-equipped vehicles that are more than 11 years old.

CURRENT IMPLEMENTATION STATUS	Partially Implemented	CURRENT IMPLEMENTATION DATE	June 2019
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AGENCY UPDATE

The Department initiated a pilot study to evaluate using specific diagnostic trouble codes in conjunction with IM240 test results for vehicles that are more than 11 years old. On May 29th, 2018, the Department began recruiting candidate vehicles from the emissions inspection lanes that met requirements consistent with those used by the contractor in establishing recommendation 1A. At the time of this status report, eleven vehicles have been procured. Those vehicles received a pre- and post-repair inspection consistent with the federal certification test procedure. The data collected from this study will provide the Department with a better understanding of the air quality benefits and the impact on program costs of implementing recommendation 1A. The Department will continue the study until at least 30 vehicles have been procured and evaluated.

RECOMMENDATION 1B

The Colorado Department of Public Health and Environment (Department) should consider the following modifications with respect to the Automobile Inspection and Readjustment Program (AIR Program):

- b. Identifying ways to reduce the number of vehicles that qualify for RapidScreen when the vehicle's malfunction indicator light (MIL) is illuminated.

CURRENT
IMPLEMENTATION
STATUS

Implemented

CURRENT
IMPLEMENTATION
DATE

July 2018

AGENCY UPDATE

The Department continues to work with the contracted consultant to evaluate further the impacts of reducing the number of vehicles that qualify for RapidScreen when the vehicle's MIL is illuminated. Based on more recent analyses, the contractor reported disproportionately small HC and NO_x emissions benefits for the 5% of vehicles that met RapidScreen requirements, yet had an illuminated MIL. The Department concluded that the RapidScreen program does an effective job identifying clean vehicles and should not be modified at this time as any changes would increase motorist inconvenience and vehicle repair costs for a minimal air quality benefit.

RECOMMENDATION 1C

The Colorado Department of Public Health and Environment (Department) should consider the following modifications with respect to the Automobile Inspection and Readjustment Program (AIR Program):

- c. Including an estimate of inconvenience costs in its calculations when reporting to the public about the AIR Program's overall cost-effectiveness.

CURRENT
IMPLEMENTATION
STATUS

Implemented

CURRENT
IMPLEMENTATION
DATE

June 2018

AGENCY UPDATE

The Department added vehicle owner inconvenience costs to the 2017 Automobile Inspection and Readjustment Program Annual Report. The Department used methodologies consistent with those used by the contracted consultant in the AIR Program evaluation. The same evaluation format will be utilized in future AIR program reports.