



STATE OF ILLINOIS  
**OFFICE OF THE  
AUDITOR GENERAL**

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**ENVIRONMENTAL PROTECTION TRUST FUND COMMISSON**

**COMPLIANCE EXAMINATION  
For the Two Years Ended: June 30, 2012**

**Release Date: March 21, 2013**

**Summary of Findings:**

<b>Total this audit:</b>	<b>1</b>
<b>Total last audit:</b>	<b>1</b>
<b>Repeated from last audit:</b>	<b>1</b>

**SYNOPSIS**

- The Commission did not have adequate controls over its accounts receivables and collection.

{Expenditures and Activity Measures are summarized on the reverse page.}

**ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2012**

EXPENDITURE STATISTICS	2012	2011	2010
<b>Total Expenditures.....</b>	\$ 2,000,000	\$ 2,970,000	\$ 3,721,427
OPERATIONS TOTAL.....	\$ -	\$ -	\$ -
% of Total Expenditures.....	0.0%	0.0%	0.0%
AWARDS AND GRANTS	2,000,000	2,970,000	3,721,427
% of Total Expenditures.....	100.0%	100.0%	100.0%
<b>Total Receipts.....</b>	\$ 3,814,986	\$ 2,859,568	\$ 4,722,785

COMMISSION MEMBERS			
During Examination Period:	EPA - John Kim (effective 10/25/11), Lisa Bonnett (3/3/11-10/24/11), Douglas Scott (through 3/2/11) DNR - Marc Miller PCB - Thomas Holbrook (effective 11/28/11), G. Tanner Girard (7/1/10 - 10/27/11) AG - Lisa Madigan		
Currently:	John Kim, Marc Miller, Thomas Holbrook, Lisa Madigan		

**FINDINGS, CONCLUSIONS, AND**  
**RECOMMENDATIONS**

**NEED TO IMPROVE CONTROLS OVER ACCOUNTS RECEIVABLE**

The Commission did not have adequate controls over its accounts receivables and collection.

During our review of 34 receivable accounts, we noted the following:

**Receivable accounts were not established timely**

- Fifteen (44%) receivable accounts tested totaling \$232,293 were not established timely. The time elapsed from the due date to the set-up of receivables ranged from 1 to 1,070 days.

**Demand letters were not sent**

- Two (6%) receivable accounts tested totaling \$1,900 did not have a Memo to Establish the Accounts Receivable.
- Fifteen (44%) receivable accounts tested totaling \$238,334 did not have demand letters or follow up notices to the debtor when payments became past due.

**Referral letters were not sent to the Comptroller's Offset System**

- Twenty One (62%) receivable accounts tested totaling \$245,692 did not have referral letters to the Comptroller's Offset System when payments became 60-90 days past due.

**Requests for Account Receivables write-offs were not sent to the Attorney General's Office**

- Eighteen (53%) receivable accounts tested totaling \$244,822 did not have referral letters to a private collection agency when payments became 91-180 days past due.
- Seventeen (50%) receivable accounts tested totaling \$217,966 did not reflect any requests for write-offs being sent to the Attorney General's Office when payments became 365 days past due.
- Four (12%) receivable accounts tested showed that demand or follow-up notices were sent, however, they were sent 12 to 277 days after becoming past due. (Finding 1, pages 7-9)

We recommended the Commission continue its efforts in devoting sufficient resources to follow up on receivables, ensure proper internal reporting, and comply with internal collection procedures to maximize collection of receivables.

**Commission agreed with auditors**

Commission officials accepted our recommendation and stated the Agency is putting procedures in place to actively pursue all past due accounts. The Agency will utilize the Illinois Comptroller's Offset system in addition to the services of a private collection agency when applicable. When all collection avenues are exhausted, the Agency will be aggressive in submitting uncollectable accounts for write off.

**AUDITORS' OPINION**

We conducted a compliance examination of the Commission as required by the Illinois State Auditing Act. The Commission has no funds that require an audit leading to an opinion of the financial statements.



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WILLIAM G. HOLLAND  
Auditor General

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**SPECIAL ASSISTANT AUDITORS**

E.C. Ortiz & CO., LLP were our special assistant auditors.