



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION

Compliance Examination
 For the Two Years Ended June 30, 2014

Release Date: June 23, 2015

FINDINGS THIS AUDIT: 2	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2010		14-1	
Category 2:	1	1	2				
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	1	1	2				
FINDINGS LAST AUDIT: 1							

SYNOPSIS

- (14-1) The Commission failed to adequately establish and monitor its accounts receivable.
- (14-2) The Commission had inadequate controls over receipts.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).
Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.
Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Financial information is summarized on next page.}

**ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014**

EXPENDITURE STATISTICS	2014	2013	2012
Total Expenditures.....	\$ 1,900,000	\$ 3,800,000	\$ 2,000,000
AWARDS AND GRANTS.....	\$ 1,900,000	\$ 3,800,000	\$ 2,000,000
% of Total Expenditures.....	100%	100%	100%
Total Receipts.....	\$ 2,078,263	\$ 2,204,939	\$ 3,814,986

COMMISSION MEMBERS	
During Examination Period:	Environmental Protection Agency Lisa Bonnett (effective 3/18/13), John Kim (10/25/11 - 3/17/13) Department of Natural Services Wayne Rosenthal (effective 1/20/15), Marc Miller (through 1/16/15) Pollution Control Board Deanna Glosser (effective 9/13/13), Thomas Holbrook (10/28/11 - 6/30/13) Attorney General Lisa Madigan
Currently:	Lisa Bonnett, Wayne Rosenthal, Deanna Glosser, Lisa Madigan

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER RECEIVABLES
AND COLLECTION**

The Environmental Protection Trust Fund Commission (Commission) did not have adequate controls over the administration of its account receivables.

During our review of 25 receivable accounts, we noted the following:

Receivable accounts not established timely

- Seven (28%) receivable accounts tested, totaling \$485,800, were not established timely. The time elapsed from the due date to the set-up of receivables ranged from 7 to 107 days.

Receivable accounts not referred to Comptroller's Offset System or Debt Collection Bureau

- Eighteen (72%) receivable accounts tested, totaling \$1.452 million, were over 90 days past due and had not been referred to the Comptroller's Offset System or the Department of Revenue's Debt Collection Bureau. In addition, 13 of 25 (52%) accounts tested totaling \$3.803 million were over one year old and were not referred to the Attorney General for write off.

Incorrect account balances

- Four of 25 (16%) account balances tested had incorrect balances reported. The differences totaled from \$24 to \$10,000. (Finding 1, pages 8-9) **This finding was first reported in 2010.**

We recommended the Commission pursue all reasonable and appropriate procedures to collect on outstanding debts as required. We also recommended the Commission ensure its accounts receivable balances are correctly reported. We further recommended the Commission refer overdue accounts to the appropriate parties when required.

Commission agrees with auditors

Commission officials agreed with the recommendation and stated collection efforts for the Trust Fund Commission's accounts receivable balances had fallen behind during Fiscal Years 2013-2014. Several years ago, much of the Commission's current \$10.700 million accounts receivable balance was referred to the Comptroller's offset system for collection efforts and referred to the Attorney General's office for potential write-off (respectively, \$7.985 million and \$7.302 million) but further actions were not taken to follow-up on these referrals during Fiscal Years 2013-2014. In addition, the Commission agrees the TFC accounts receivable which became past due during Fiscal Years 2013-2014 were not referred to the Comptroller or the Attorney General in a timely manner. (*For the previous Commission response, see Digest Footnote # 1.*)

INADEQUATE CONTROLS OVER RECEIPTS

The Commission did not have adequate controls over receipts.

During our testing, we noted the following:

Receipts deposited late

- Five of 25 (20%) receipts tested, totaling \$176,853, were deposited from 2 to 22 days late.

Receipt dates not documented

- For 3 of 25 (12%) receipts tested, totaling \$93,200, the receipt date was not documented so we could not determine whether they were deposited timely. (Finding 2, page 10)

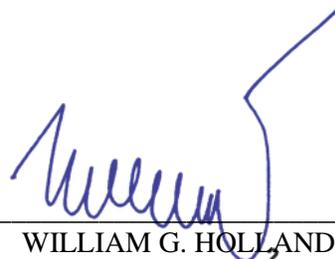
We recommended the Environmental Protection Agency ensure Commission receipts are deposited timely and the receipt date is documented.

Commission agrees with auditors

Commission officials agreed with the recommendation and stated they have strengthened its procedures to ensure deposits are made timely and the required information is recorded.

ACCOUNTANT'S OPINION

We conducted a compliance examination of the Commission for the two years ended June 30, 2014 as required by the Illinois State Auditing Act. The auditors stated the Commission complied, in all material respects, with the requirements in the report.



WILLIAM G. HOLLAND
Auditor General

WGH:PH

AUDITORS ASSIGNED

This examination was performed by the Office of the Auditor General's staff.

DIGEST FOOTNOTE

1 - INADEQUATE CONTROLS OVER RECEIVABLES AND COLLECTION

2012: Accepted. 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.