



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ENVIRONMENTAL PROTECTION AGENCY

State Compliance Examination
 For the Two Years Ended June 30, 2022

Release Date: July 20, 2023

FINDINGS THIS AUDIT: 18	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	2	2	2020	22-1	22-7, 22-13, 22-14, 22-16, 22-17	
Category 2:	5	11	16	2018	22-8	22-5, 22-6, 22-10	
Category 3:	0	0	0	2014		22-2, 22-3	
TOTAL	5	13	18	1994		22-4	
FINDINGS LAST AUDIT: 18							

SYNOPSIS

- (22-3) The Agency did not have adequate controls over the administration of its accounts receivable.
- (22-5) The Agency did not adequately administer and monitor its awards and grants programs.
- (22-12) The Agency, in cooperation with the Illinois Emergency Management Agency, failed to perform inspections on the release of radionuclides at nuclear power plants.

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.

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER ACCOUNTS
RECEIVABLE**

The Environmental Protection Agency (Agency) did not have adequate controls over the administration of its accounts receivable.

Excluding receivables from the Water Revolving Fund and the Environmental Protection Trust Fund, the Agency reported \$35.4 million in accounts receivable, of which \$12.3 million was over one year past due as of June 30, 2022.

\$12.3 million of receivables were over one year past due

During testing, the auditors noted the following:

Active collection efforts not taken during examination period for 13% receivables tested

- Five of 40 (13%) accounts receivable tested, amounting to \$268,372, were over 120 days to 13 years past due. The Agency had not made active collection efforts during the examination period or referred the accounts to the Comptroller's Offset System, the Department of Revenue's Debt Collection Bureau, or the Attorney General.

20% of receivables tested were placed in the Offset System 13-696 days after the due dates

- Eight of 40 (20%) accounts receivable tested, totaling \$27,134, were placed in the Comptroller's Offset System 13 to 696 days after the due dates.

No documentation of collection efforts for 15% of receivables tested

- For six of 40 (15%) accounts receivable totaling \$162,540, the Agency did not provide documentation to determine if the Agency pursued collection efforts. (Finding 3, pages 21-22) **This finding has been reported since 2014.**

We recommended the Agency pursue all reasonable and appropriate procedures to collect outstanding debts as required by Agency policies and State laws and regulations. We also recommended the Agency maintain records of accounts receivable and documentation of its collection efforts.

Agency agreed with auditors

Agency officials agreed with the finding and described corrective actions being taken.

**INADEQUATE CONTROLS OVER AWARDS AND
GRANTS**

The Agency did not adequately administer and monitor its awards and grants programs.

Over \$518 million spent for awards and grants annually

The Agency expended over \$533 million (72%) and \$518 million (69%) for awards and grants during Fiscal Year 2021

and Fiscal Year 2022, respectively. The auditors sampled five grant programs and noted:

18% of progress reports tested were submitted late

- Fifty-seven of 313 (18%) progress reports tested were submitted to the Agency one to 297 days late.
- Four of 313 (1%) progress reports tested did not have documentation of submission date by the grantee to the Agency; therefore, timeliness of submission could not be determined.

5% of progress reports tested lacked evidence of Agency review

- Sixteen of 313 (5%) progress reports tested did not have evidence of a review by Agency personnel.

23% of progress reports tested were reviewed 2 to 265 days after submission

- Seventy-two of 313 (23%) progress reports tested were reviewed by the Agency two to 265 days after the submission date by the grantee. (Finding 5, pages 28-29)
This finding has been reported since 2018.

We recommended the Agency strengthen its controls to ensure documentation is maintained and reviews of grantee's required reports are timely. In addition, we recommended the Agency ensure that grantees timely submit the progress reports to comply with the provisions of the grant agreements.

Agency agreed with finding

Agency officials agreed with the finding and responded with their planned corrective actions.

FAILURE TO PERFORM QUARTERLY INSPECTIONS ON THE RELEASE OF RADIONUCLIDES AT NUCLEAR POWER PLANTS

The Agency, in cooperation with the Illinois Emergency Management Agency, failed to perform inspections on the release of radionuclides at nuclear power plants.

Nuclear power plant not inspected as required

During our testing, we noted for one of eight (13%) quarterly inspections tested, the Agency did not inspect a nuclear power plant in Illinois during the second quarter of Fiscal Year 2021. (Finding 12, page 44)

We recommended the Agency ensure compliance with the provisions of the Act by performing the inspections of the release of radionuclides at nuclear power plants on a quarterly basis.

Agency agreed with finding

The Agency agreed with the finding and stated staff have conducted all required quarterly inspections of the Clinton Power Station since the missed inspection and they will ensure quarterly inspections will continue for all six nuclear power plants in the future.

OTHER FINDINGS

The remaining findings pertain to internal controls over assets, personnel, accounting transactions and records, information technology and statutory mandates. We will review the Agency's progress towards the implementation of our recommendations in our next compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Agency for the two years ended June 30, 2022, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2022-001 and 2022-008. Except for the noncompliance described in these findings, the accountants stated the Agency complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Roth & Company, LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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