

State of Illinois Pollution Control Board

COMPLIANCE EXAMINATION

**FOR THE TWO YEARS ENDED
JUNE 30, 2024**

**PERFORMED AS SPECIAL
ASSISTANT AUDITORS FOR THE
AUDITOR GENERAL,
STATE OF ILLINOIS**

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

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**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

BOARD OFFICIALS

Chief Fiscal Officer

Mr. Bruce Bennett

General Counsel

Ms. Marie Tipsord

BOARD OFFICER

Chair of the Board

Ms. Barbara Flynn Currie

The Pollution Control Board's primary administrative offices are located at:

2520 West Iles Avenue
Springfield, Illinois 62704

60 East Van Buren Street, Suite 630
Chicago, Illinois 60605



IPCB

Illinois Pollution Control Board

GOVERNOR

JB Pritzker



CHAIRMAN

Barbara Flynn Currie



MEMBERS

Michelle Gibson

Jennifer Van Wie

Michael Mankowski

Angela Tin



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MANAGEMENT ASSERTION LETTER

June 16, 2025

Roth & Company LLP
540 W. Madison Street, Suite 2450
Chicago, Illinois 60661

Roth & Company LLP:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Pollution Control Board (Board). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Board's compliance with the following specified requirements during the two-year period ended June 30, 2024. Based on this evaluation, we assert that during the years ended June 30, 2023 and June 30, 2024, the Board has materially complied with the specified requirements listed below.

- A. The Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

Yours truly,

State of Illinois, Pollution Control Board

SIGNED ORIGINAL ON FILE

Barbara Flynn Currie
Board Chair

SIGNED ORIGINAL ON FILE

Bruce Bennett
Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Marie Tipsord
General Counsel

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	2	2
Repeated Findings	2	0
Prior Recommendations Implemented or Not Repeated	0	0

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
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Current Findings

2024-001	7	2022/2022	Inadequate Controls over Personal Services	Significant Deficiency and Noncompliance
2024-002	9	2022/2022	Voucher Processing Weaknesses	Significant Deficiency and Noncompliance

EXIT CONFERENCE

The Board waived an exit conference in a correspondence from Marie Tipsord, General Counsel, on June 9, 2025. The responses to the recommendations were provided by Bruce Bennett, Chief Fiscal Officer, in a correspondence dated June 16, 2025.



INDEPENDENT ACCOUNTANTS' REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Board
State of Illinois, Pollution Control Board

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Pollution Control Board (Board) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2024. Management of the Board is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance based on our examination.

The specified requirements are:

- A. The Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

Illinois

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Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Board complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Board complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Board's compliance with the specified requirements.

In our opinion, the Board complied with the specified requirements during the two years ended June 30, 2024, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2024-001 and 2024-002.

The Board's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Board's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Board's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Board's compliance with the specified requirements and to test and report on the Board's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material



weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2024-001 and 2024-002 that we consider to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The Board's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Board's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
June 16, 2025



**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
SCHEDULE OF FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2024**

2024-001. **FINDING** (Inadequate Controls over Personal Services)

The Illinois Pollution Control Board (Board) failed to maintain adequate controls over personal services.

During testing, we noted the following:

- For two of eight (25%) employee files tested, the employer's section of the Form I-9 was not completed and signed by the authorized representative.

Federal Immigration Law (8 U.S.C. § 1324a) requires an employer to complete and maintain a Form I-9 to verify an individual's eligibility for employment in the United States. The employer is required to examine evidence of identity and employment authorization of each new employee no later than three business days after the employee's first day of employment. The employer is required to document the hire date, their signature, and date of review of the Form I-9.

The Board officials stated the failure to complete the employer's section of the Forms I-9 was due to the employees being transferred from another State agency.

- For four of eight (50%) employees tested, five requests for 9 hours of equivalent earned time and 13 hours of overtime were not timely approved by the supervisors. These requests were approved from one to four days after the overtime was worked or the request was submitted. In addition, for four of eight (50%) employees tested, 13 requests for 9.5 hours of equivalent earned time and 64 hours of overtime were submitted from one to ten days after the overtime was worked.

The Board's Personnel Manual requires overtime be approved in advance by the employee's supervisor.

Board officials stated employees usually contact their supervisor either verbally or by e-mail and outline the reasons for working the overtime, as well as the approximate length of time anticipated to work. Board officials indicated that they believed the final approval by the supervisor within the timekeeping system should be enough documentation and proof of internal control that they pre-approved the overtime, and that they believed the supervisor would not approve the final overtime in timekeeping if they and the staff did not agree to work overtime in advance. Board officials indicated that the supervisor has the ability in timekeeping to deny the overtime request if it was not agreed to be allowed at the time of the event.

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
SCHEDULE OF FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2024**

2024-001. **FINDING** (Inadequate Controls over Personal Services) - Continued

Board officials stated that the Board allows its professional staff and supervisors to make this functional decision to continue the flow of the Board's work. Board officials also indicated they believe that the Board's staff has the professional judgment to know not to work overtime unless the two parties have agreed to allow it.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance obligations and costs are in compliance with applicable law and expenditures are properly recorded and accounted for to maintain accountability over the State's resources.

Failure to properly complete the Forms I-9 is a violation of federal regulations. Failure to properly document approval of overtime requests in advance undermines accountability controls and increase the risk the Board will pay unnecessary personal service expenditures. (Finding Code No. 2024-001, 2022-001)

RECOMMENDATION

We recommend the Board strengthen its internal controls to ensure Forms I-9 are properly completed and overtime requests are timely submitted and properly approved in advance.

BOARD RESPONSE

The Board agrees to the finding. The Board's current process has all Forms I-9 for new hires being signed. The Board will address the overtime language in the Board's Personnel Manual.

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
SCHEDULE OF FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2024**

2024-002. **FINDING** (Voucher Processing Weaknesses)

The Illinois Pollution Control Board (Board) had weaknesses over its voucher processing function during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning System (ERP) operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Board to determine whether certain key attributes were properly entered by the Board's staff into the ERP. In order to determine the operating effectiveness of the Board's internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State's ERP System based on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

Our testing noted one of 140 (1%) attributes was not properly entered into the ERP System.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.30) requires the Board to maintain records which reflect the date goods were received and accepted, the date services were rendered, and the proper bill date. Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance expenditures are properly recorded and accounted for to maintain accountability over the State's resources.

Board officials stated the issue noted was due to staff error.

Failure to properly enter the key attributes into the State's ERP System when processing a voucher for payment hinders the reliability and usefulness of data extracted from the ERP System, which can result in improper interest calculations and expenditures. (Finding Code No. 2024-002, 2022-002)

RECOMMENDATION

We recommend the Board design and maintain internal controls to provide assurance its data entry of key attributes into the ERP System is complete and accurate.

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
SCHEDULE OF FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2024**

2024-002. **FINDING** (Voucher Processing Weaknesses) - Continued

BOARD RESPONSE

The Board agrees to the finding. The Board will ensure all voucher dates are properly reviewed before approval.