STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL

Release Date: December 11, 2019

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST FUND COUNCIL

Compliance Examination For the Year Ended June 30, 2019

FINDINGS THIS AUDIT: 1				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	<u>Total</u>	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2007		-	19-01
Category 2:	0	0	0				
Category 3:	0	_1	_1				
TOTAL	0	1	1				
FINDINGS LAST AUDIT: 1							

SYNOPSIS

• (19-01) The Council has several members serving on expired terms as well as a vacancy.

OTHER MATTERS

- During Fiscal Year 2019, the Council's financial projections for the period of July 1, 2018, through the Fund's sunset date of January 1, 2020, indicated the Fund had program deficits of approximately \$16,283,310 based on program assumptions as of July 1, 2018.
- Public Act 101-0400 will abolish the Council on July 1, 2020, and transfer its powers, duties, rights, and responsibilities to the Environmental Protection Agency.

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.

{Expenditures Statistics are summarized on next page.}

STATE OF ILLINOIS DRYCLEANER ENVIRONMENTAL RESPONSE TRUST FUND COUNCIL COMPLIANCE EXAMINATION

For the Year Ended June 30, 2019

EXPENDITURE STATISTICS		2019		2018	
Total Expenditures	\$	2,095,941	\$	2,462,097	
OPERATIONS TOTAL	\$	2,095,941 100.0%	\$	2,462,097 100.0%	
Total Receipts	\$	431,615	\$	475,594	

COUNCIL CHAIR

During Examination Period: John Polak

Currently: John Polak

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

EXPIRED COUNCIL MEMBER APPOINTMENTS

The Drycleaner Environmental Response Trust Fund Council (Council) has several members serving on expired terms as well as a vacancy.

During testing, we noted Council member appointments or reappointments had not been made as required by the Drycleaner Environmental Response Trust Fund Act (Act) for four of the seven Council member positions (57%). The following chart depicts the amount of time passed as of June 30, 2019, after each noted Council member's term expired or became vacant:

Three expired terms and one vacancy were noted

Member #1	Vacant February 28, 2019	122 days
Member #2	Term Expired May 1, 2016	1,155 days
Member #3	Term Expired May 1, 2019	60 days
Member #4	Term Expired May 1, 2008	4,077 days

(Finding 1, page 7). This finding has been repeated since 2007.

We recommended the Council continue to work with the Governor's Office to obtain current Council member appointments as soon as possible.

Council management agrees

Council management stated the Council's members have applied for reappointment directly and online. Council management also noted Senate Bill 171 was signed by the Governor on August 16, 2019, which abolishes the Council on July 1, 2020.

OTHER MATTERS

Anticipated deficit of approximately \$16.28 million

During Fiscal Year 2019, the Council's financial projections for the period of July 1, 2018, through the Fund's sunset date of January 1, 2020, indicated the Fund had program deficits of approximately \$16,283,310 based on program assumptions as of July 1, 2018 (page 12).

Public Act 101-0400

- Senate Bill 171 passed both houses of the General Assembly on May 27, 2019. The bill was signed into law as Public Act 101-0400 by the Governor on August 16, 2019. This law will:
 - 1) transfer the Council's powers, duties, rights, and responsibilities to the Environmental Protection Agency as of July 1, 2020;
 - 2) limit administrative costs paid from the Fund;
 - 3) require the prioritization of expenditures from the Fund in accordance with rules to be adopted by the

- Pollution Control Board;
- 4) establish an additional administrative assessment fee;
- 5) establish criminal penalties for false statements;
- 6) abolish the Council on July 1, 2020;
- 7) prohibit the Council from extending the Administrator's contract beyond June 30, 2020; and,
- 8) extend the sunset date of the Fund to January 1, 2030. (page 12)

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Council for the year ended June 30, 2019, as required by the Illinois State Auditing Act. The accountants stated the Council complied, in all material respects, with the requirements described in the report.

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

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JANE CLARK
Division Director

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

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FRANK J. MAUTINO Auditor General

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