



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

ENVIRONMENTAL PROTECTION TRUST FUND COMMISSON

**Compliance Examination For the Two Years Ended:
June 30, 2010**

Release Date: February 24, 2011

Summary of Findings:

Total this audit:	1
Total last audit:	0
Repeated from last audit:	0

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 TRUST FUND COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010**

EXPENDITURE STATISTICS	2010	2009	2008
Total Expenditures.....	\$ 3,721,427	\$ 1,500,000	\$ 5,400,000
OPERATIONS TOTAL.....	\$ -	\$ -	\$ -
% of Total Expenditures.....	0.0%	0.0%	0.0%
AWARDS AND GRANTS.....	\$ 3,721,427	\$ 1,500,000	\$ 5,400,000
% of Total Expenditures.....	100.0%	10.0%	100.0%
Total Receipts.....	\$ 4,722,785	\$ 3,569,914	\$ 2,012,286

COMMISSION MEMBERS	
During Examination Period:	EPA - Douglas P. Scott, DNR - Marc Miller (2/5/09 to present) Sam Flood (7/1/08-1/16/09), PCB - G. Tanner Girard, AG - Lisa Madigan
Currently:	Douglas Scott, Marc Miller, G. Tanner Girard, Lisa Madigan

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE CONTROL OVER RECEIVABLES AND
COLLECTION**

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

During our review of 40 receivable accounts, we noted the following:

Receivable accounts were not established timely

- Seven (18%) receivable accounts tested were not established timely. The time elapsed from the due date to the set-up of receivables ranged from two to 964 days.
- Three (8%) receivable accounts tested totaling \$22,027 had no Memo to Establish the Accounts Receivable on file.

Demand letters were not sent

- For 20 (50%) receivable accounts tested totaling \$198,416, demand letters or follow up notices to the debtor were not sent when payments became past due beyond 30 days.

Referral letters were not sent to the Comptroller's Offset System or a private collection agency

- For 14 (35%) receivable accounts tested totaling \$170,669, referral letters were not sent to the Comptroller's Offset System when payments became 60-90 days past due.
- For 16 (40%) receivable accounts tested \$111,417, referral letters were not sent to a private collection agency when payments became 91-180 days past due.

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


- For 22 (55%) receivable accounts tested totaling \$97,291, requests for write-off were not sent to the Attorney General's Office when payments became past due beyond 365 days.
- Nine (23%) receivable accounts tested had demand or follow-up notices sent from one to 35 days after becoming past due. Three (8%) receivable accounts tested were referred to a private collection agency from 89 to 803 days late. Four (10%) receivable accounts tested were sent to the Attorney General's Office to be certified as uncollectible from 181 to 216 days late.

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 officials accepted our recommendation and stated the IEPA is currently reorganizing and consolidating the financial functions within the Agency. They further stated as part of this effort, the Agency is identifying additional staff resources and improved processes that include improved management, tracking, reporting, and overall control of Trust Fund Commission receivables to maximize collections and to ensure compliance with internal collection procedures.

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 financial statements



WILLIAM G. HOLLAND³
Auditor General

WGH:PH:pp

SPECIAL ASSISTANT AUDITORS

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