



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION

Compliance Examination
 For the Two Years Ended June 30, 2020

Release Date: July 14, 2021

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2010		20-1	
Category 2:	0	1	1				
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	0	1	1				
FINDINGS LAST AUDIT: 2							

SYNOPSIS

- (20-01) The Commission did not have adequate controls over the administration of its accounts receivable.

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.

ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2020

EXPENDITURE STATISTICS	2020	2019	2018
Total Expenditures.....	\$ 3,000,000	\$ 1,400,000	\$ 3,000,000
AWARDS AND GRANTS.....	\$ 3,000,000	\$ 1,400,000	\$ 3,000,000
% of Total Expenditures.....	100%	100%	100%
Total Receipts.....	\$ 1,798,463	\$ 3,465,676	\$ 1,730,707

AGENCY DIRECTOR
During Examination Period: Environmental Protection Agency: Alec Messian (through 1/20/19), John J. Kim (effective 1/21/19) Department of Natural Resources: Wayne Rosenthal (through 3/3/19), Colleen Callahan (effective 3/4/19) Pollution Control Board: Katie Papdimiri (through 8/14/19); Barbara Flynn Currie (effective 8/15/19) Attorney General: Lisa Madigan (through 1/13/19), Kwame Raoul (effective 1/14/19) Currently: John J. Kim, Colleen Callahan, Barbara Flynn Currie, Kwame Raoul

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INADEQUATE CONTROLS OVER ACCOUNTS RECEIVABLE

The Environmental Protection Trust Fund Commission (Commission) did not have adequate controls over the administration of its accounts receivable. As of June 30, 2020, the Commission's accounts receivable balance was approximately \$20.6 million, of which approximately \$19.4 million had been due over one year. The Illinois Environmental Protection Agency (Agency) handles all financial activities for the Commission.

During testing, the auditors noted the following:

- Twenty of 40 (50%) accounts receivable tested, totaling \$272,249, were over one year past due and had not been referred to the Office of Comptroller's Offset System, the Department of Revenue's Debt Collection Bureau, or the Attorney General. In addition, two of 40 (5%) accounts receivable tested, totaling \$21,505, were over 90 days past due and the Commission had not sent notification letters to reaffirm the debt or referred the accounts to the Offset System. Further, for seven of 40 (18%) accounts receivable tested, totaling \$1,943,056, the Commission did not timely refer the accounts to the Offset System.
- One of 40 (3%) accounts receivable tested, totaling \$20,000 was not established timely. The time elapsed from the due date to the set-up of the receivable was 197 days. (Finding 1, pages 7-9) **This finding has been repeated since 2010.**

Receivable accounts not referred to the Offset System or to the Debt Collection Bureau

Account not established timely

We recommended the Commission pursue all reasonable and appropriate procedures to collect on outstanding debts as required by State laws and regulations. We also recommended the Commission ensure its accounts receivable balances are promptly recorded.

Commission agrees with auditors

Commission officials agreed with the recommendation.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Commission for the two years ended June 30, 2020, as required by the Illinois State Auditing Act. The accountants stated the Commission complied, in all material respects, with the requirements described in the report.

This 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

FJM:PH