



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

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**ILLINOIS COMMERCE COMMISSION**

**COMPLIANCE EXAMINATION**  
**For the Two Years Ended: June 30, 2013**

**Release Date: March 25, 2014**

**Summary of Findings:**

<b>Total this audit:</b>	<b>4</b>
<b>Total last audit:</b>	<b>7</b>
<b>Repeated from last audit:</b>	<b>0</b>

**SYNOPSIS**

- The Commission did not exercise adequate controls over the administration of its accounts receivable.
- The Commission failed to timely file the annual report regarding the development of competitive retail natural gas markets in Illinois.

{Expenditures and Activity Measures are summarized on the reverse page.}

## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

### **NEED TO IMPROVE CONTROLS OVER ACCOUNTS RECEIVABLE**

The Commission did not have adequate controls over the administration of its accounts receivables.

The Commission did not document that it made adequate collection attempts on the accounts receivables tested. We noted the following:

#### **Accounts receivable not referred to the Offset System**

- The Commission failed to refer 4 of 10 (40%) accounts receivables tested, totaling \$5,904, to the Office of the Comptroller's Offset System.

#### **Accounts receivable not referred to the Debt Collection Bureau**

- The Commission failed to refer 10 of 10 (100%) accounts receivables tested, totaling \$20,354, to the Department of Revenue's Debt Collection Bureau.

#### **Accounts receivable not referred to the Attorney General**

- The Commission did not refer 8 of 10 (80%) accounts receivables tested, totaling \$19,329, to the Illinois Attorney General to be certified as uncollectible. (Finding 1, pages 10-11).

We recommended the Commission pursue all reasonable and appropriate procedures to collect on outstanding debts as required.

#### **Commission agrees with auditors**

Commission officials agreed with our finding and stated they will review their outstanding accounts receivables and refer the debts as needed. They also stated they have contacted the Department of Revenue's Debt Collection Bureau and are current with reporting requirements. Further, they stated they will contact the Attorney General's Office regarding the referral of debts to be certified as uncollectible.

### **UNTIMELY FILING OF ANNUAL NATURAL GAS MARKET REPORT**

The Commission did not timely file the annual report regarding the development of competitive retail natural gas markets in Illinois.

#### **Annual report on competitive retail natural gas markets not filed**

The Commission's Office of Retail Market Development did not file or make publically available the annual report regarding the development of competitive retail natural gas markets in Illinois by July 1, 2013. The report was not completed as of the end of fieldwork. (Finding 2, page 12)

We recommended the Commission ensure its annual report regarding the development of competitive retail natural gas markets in Illinois is filed timely and made public as required.

**Commission agrees with auditors**

Commission officials agreed with the finding and stated several factors led to a delay in the submission of a draft report from the Office of Retail Market Development (ORMD) to the Commission, among them was the timing of the report, which created a conflict with the ORMD's requirement to produce a report on the retail electric side pursuant to Section 20-110 of the Public Utilities Act (Act). In addition, the Commission stated they had active proceedings in front of them for most of 2013 that addressed the same issues the Commission would have been asked to make recommendations on in the report pursuant to Section 19-130 of the Act.

**OTHER FINDINGS**

The remaining findings pertained to controls over the Agency Fee Imposition Report and the untimely completion of monthly receipt reconciliations and are reportedly being given attention by the Commission. We will review the Commission's progress toward implementing the recommendation in our next examination.

**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.



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WILLIAM G. HOLLAND  
Auditor General

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**AUDITORS ASSIGNED**

The compliance examination was performed by the Office of the Auditor General's staff.