

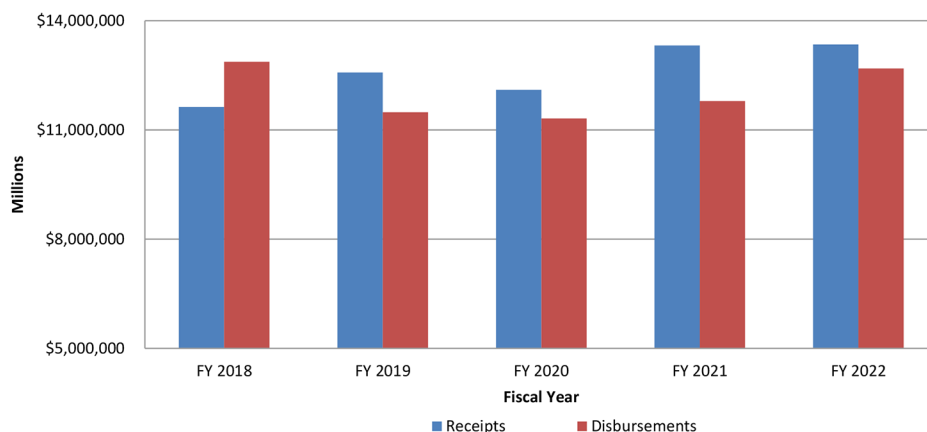
Why We Conducted This Work

We performed certain procedures at the Department of Environmental Quality (DEQ) to evaluate certain controls DEQ uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds for the period July 1, 2020, through June 30, 2022.

What We Found

- For the second consecutive engagement, DEQ did not have an effective internal audit function and did not fully adhere to the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing (IIA Standards) during fiscal years 2021 and 2022, increasing the risk that DEQ's internal control processes will not be effective or efficient.
- We determined that management has resolved the prior-report findings related to Inadequate Controls over the Waste Tire Management Program (WTMP) and Inadequate Controls over Fuel Cards.
- In an analysis of WTMP receipts and disbursements (see chart below), we noted that in four of the last five years, receipts collected for waste tires exceeded program disbursements. While program receipts remained about the same from fiscal year 2021 to fiscal year 2022, program disbursements increased because of an increase in processor requests for payment.

WTMP Receipts and Disbursements, by Fiscal Year (FY)



Source: Prepared by legislative auditor's staff using agency-generated reports