



Report Highlights

Department of Environmental Quality

DARYL G. PURPERA,
CPA, CFE

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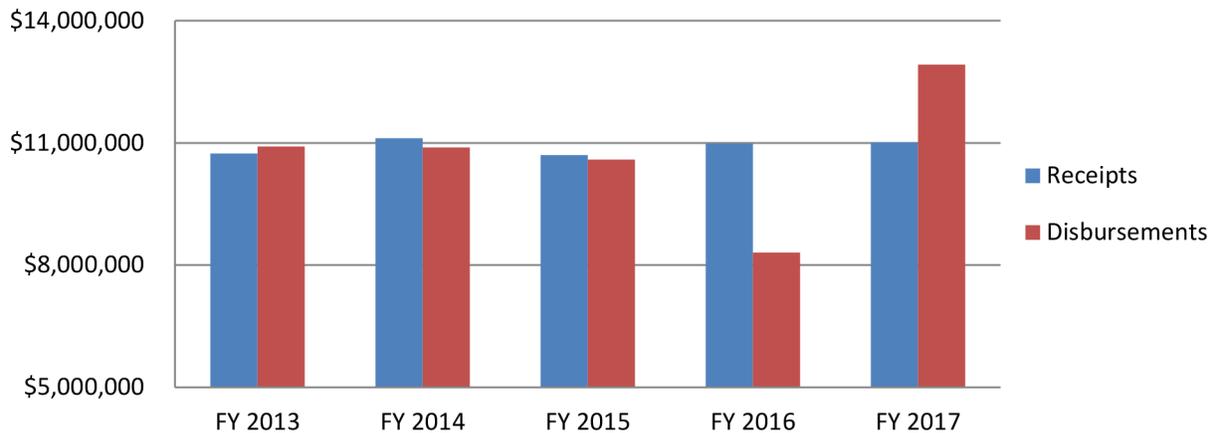
Why We Conducted This Work

We performed certain procedures at the Department of Environmental Quality (DEQ) to evaluate its accountability over public funds and compliance with state laws and regulations for the period July 1, 2016, through June 30, 2018.

What We Found

- For the sixth consecutive engagement, DEQ has not fully implemented effective monitoring procedures over the Waste Tire Management Program (WTMP) to ensure that waste tire data used to calculate subsidized payments to waste tire processors is reasonable. For the period July 1, 2007, through June 30, 2017, DEQ disbursed \$99.4 million in subsidies to six waste tire processors. We first reported weaknesses in controls over payments to WTMP processors in our engagement that covered fiscal years 2008 and 2009.
- We evaluated controls and transactions relating to Environmental Trust Fund fees, penalties and settlements, professional services contracts, and LaCarte purchasing card expenditures. We found that those controls provided reasonable assurance of accountability over public funds and compliance with applicable laws and regulations for the period examined.
- We compared the most current and prior-year financial activity. Fees collected for waste tires exceeded program disbursements in fiscal year 2016 since amounts payable to a processor were withheld due to litigation. However, a settlement resolved the litigation in fiscal year 2017 and the outstanding payments were made.

WTMP Receipts and Disbursements, by Fiscal Year (FY)



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

View the full report, including management's response, at www.la.gov.