



Report Highlights

Department of Environmental Quality

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Why We Conducted This Review

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, 2022, through June 30, 2024.

What We Found

- For the third 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, increasing the risk that DEQ's internal control processes will not be effective or efficient.
- DEQ did not have adequate controls to monitor the collection of penalties and settlements for the Hazardous Waste Site Cleanup Fund, which may result in uncollected or untimely collection of revenues.
- We evaluated selected controls relating to the Environmental Trust Dedicated Fund Account air quality and water resources annual fees and permits; Hazardous Waste Site Cleanup Fund penalties and settlements; internal audit; Motor Fuels delivery fee audit; LaGov user access; and payroll and personnel. Except as noted above, we found these controls provided reasonable assurance of accountability over public funds and compliance with applicable laws and regulations for the period examined.

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