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## Report Highlights

# Department of Environmental Quality

Audit Control # 80110053  
Financial Audit Services • July 2012

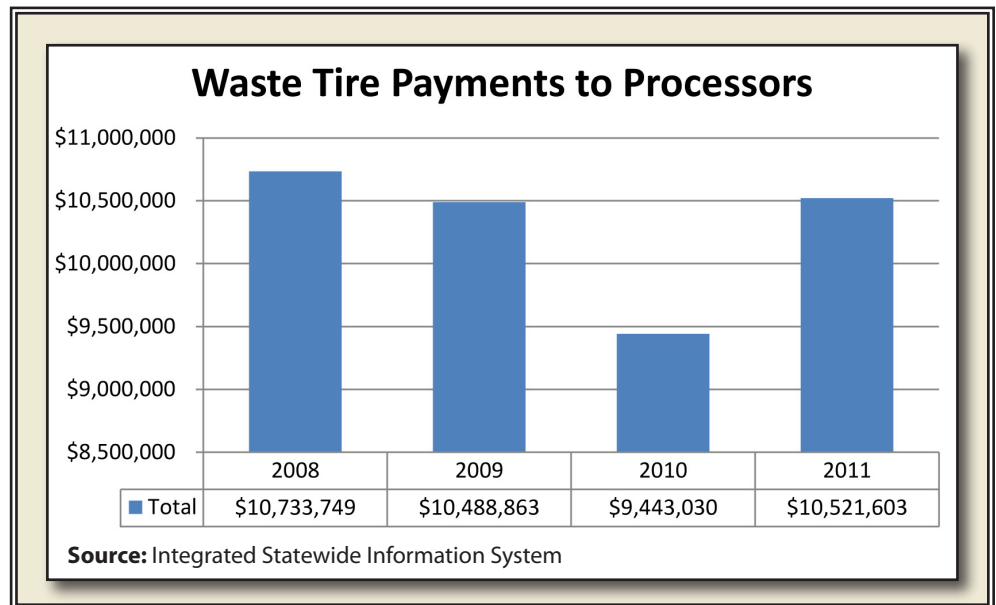
### Why We Conducted This Audit

As required by Louisiana Revised Statute 24:513, we conducted certain procedures at the Department of Environmental Quality (DEQ) for the period from July 1, 2009, through June 30, 2011.

### What We Found

#### Inadequate Controls Over the Waste Tire Management Program

DEQ allows its waste tire processors to use their own scales to weigh their waste tire shipments rather than require confirmation of the weights from a third party or the end user in administering its Waste Tire Management Program (WTMP). Because WTMP payments are based on supporting documentation submitted by the waste tire processors, those processors have an incentive and an opportunity to overstate the amount of processed material contained in payment requests submitted to DEQ. From July 1, 2009, to June 30, 2011, DEQ disbursed \$19.9 million in subsidies to five waste tire processors. Management concurred in part with the finding as detailed in its formal response.



#### Inadequate Controls Over Revenues

DEQ incorrectly excluded receivables outstanding for more than three years, resulting in an understatement of full accrual revenues and receivables totaling \$3,128,396. For the second consecutive engagement, management does not have adequate procedures in place to ensure all negative past due accounts receivable balances are resolved timely. DEQ was unable to support air maintenance fee billings totaling \$96,237. Management partially concurred with the finding as detailed in its formal response.

#### Inadequate Controls Over Time and Attendance Records

For the second consecutive engagement, we found exceptions related to supervisory approval and certification of payroll records. Management partially concurred with the finding as detailed in its formal response.

View the full report at [www.lla.la.gov](http://www.lla.la.gov).

For more information, contact **Tom Cole**, Director of Financial Audit Services, at 225-339-3800.