



**WISCONSIN LEGISLATIVE AUDIT BUREAU
AUDIT SUMMARY**

Report 01-19

November 2001

Petroleum Inspection Fee Revenue Obligations Program

The Petroleum Inspection Fee Revenue Obligations Program provides financing for payment of claims under the Wisconsin Petroleum Environmental Cleanup Fund Award (PECFA) program. As requested by the departments of Commerce and Administration, we performed an audit of the Revenue Obligations Program's Statement of Changes in Program Assets for the fiscal year ending June 30, 2001.

As necessary parts of the financial audit, we reviewed the program's control procedures, assessed the fair presentation of its financial statement and notes, and reviewed compliance with applicable laws and regulations. We were able to provide an unqualified auditor's report on the program's financial statement and notes, and we found no instances of material weaknesses in the internal control structure or material instances of noncompliance.

The State issued \$230 million in debt in fiscal year 1999-2000 and another \$20 million during our audit period. The debt proceeds, along with petroleum inspection fees in excess of debt service requirements, have allowed the Department of Commerce to reduce a backlog of unpaid PECFA claims from \$196 million as of January 1, 2000, to less than \$15 million as of June 30, 2001. However, as of June 30, 2001, the Department of Commerce had yet to review and approve approximately \$20 million in claimed costs, and it continues to receive new claims every month.

[full report, PDF file \(142KB\)](#)