




UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
INSPECTOR GENERAL

October 10, 2014

MEMORANDUM

SUBJECT: Project Notification:
Review of EPA's Compliance with the Special Appropriation Act Project
Management Plan
Project No. OA-FY14-0182

FROM: Janet Kasper, Director 
Contracts and Assistance Agreement Audits

TO: Ken Kopocis, Deputy Assistant Administrator
Office of Water

The U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) is beginning fieldwork on the EPA's compliance with its Special Appropriation Act Project (SAAP) policy since its implementation on October 1, 2011. The EPA implemented the policy based on OIG recommendations from Report No. 10-P-0081, *EPA Needs Procedures to Address Delayed Earmark Projects*, issued March 22, 2010. This new project is in our annual plan.

The OIG's objectives are to evaluate whether the EPA has implemented and complied with the policy, and whether the corrective actions have been effective in reducing the unobligated and unliquidated funds associated with Special Appropriation Act Project grants.

We would like to meet with you during the week of October 27, 2014, to discuss the purpose and objectives of our audit. We will contact the audit liaison to arrange a specific time and date for the meeting. During the meeting, we will answer any questions you have about the audit process, and we will discuss our methodology.

We plan to conduct our work at EPA headquarters and at several EPA regional offices. Once we begin the audit, we will select a sample of regional offices to conduct site visits. We will interview appropriate personnel about EPA policies and procedures for SAAP management and will examine supporting documentation. We will conduct this review using applicable generally accepted government auditing standards. The anticipated benefit of this project is improved reimbursable cost recovery.

Prior to the start of our review and our initial meeting, we request that you provide us the following information:

1. Access to the agency's SAAP database for the audit team.

2. List of SAAP coordinators.
3. Any policies, procedures or guidance on SAPP management.
4. Fiscal years 2012 and 2013 Annual Reports on the status of the SAAP program, including list of no progress grants.
5. Results of evaluations and regional reviews of grantee's progress since 2011.
6. List of earmarks in fiscal years 2012, 2013 and 2014 final budget or joint explanatory statements.
7. Status of unobligated and unliquidated funds since the implementation of SAAP management plan.
8. Reports that document grant activity from 2008 to the present for no progress grants, awarded grants, un-awarded grants and active grants.

We respectfully note that the OIG is authorized by the Inspector General Act of 1978 to have timely access to personnel and all materials necessary to complete its objectives. We will request your resolution if an agency employee or contractor refuses to provide requested records to the OIG, or otherwise fails to cooperate with the OIG. We may report unresolved access matters to the Administrator and include the incident in the Semiannual Report to Congress.

Should you or your staff have any questions, please contact me at (312) 886-3059 or kasper.janet@epa.gov; or Mary Anne Strasser, the Project Manager, at (303) 312-6972 or strasser.maryanne@epa.gov.

cc: Michael H. Shapiro, Principal Deputy Assistant Administrator, Office of Water
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