



At a Glance

Why We Did This Review

We developed this report based on observations made while preparing the recommended fiscal year 2012 management challenges and internal control weaknesses for the U.S. Chemical Safety and Hazard Investigation Board (CSB). Our objective for the review was to assess the current CSB audit follow-up process. CSB is an independent federal agency authorized by the Clean Air Act Amendments of 1990. The Office of Inspector General (OIG) of the U.S. Environmental Protection Agency serves as the Inspector General for CSB. The OIG's Office of the Chief of Staff is responsible for reviewing CSB's performance in taking agreed-to corrective actions on OIG recommendations.

This report addresses the following CSB Goal:

- *Preserve the public trust by maintaining and improving organizational excellence*

For further information, contact our Office of Congressional and Public Affairs at (202) 566-2391.

The full report is at:
www.epa.gov/oig/reports/2013/20130201-13-P-0128.pdf

Audit Follow-Up Process Needed for the U.S. Chemical Safety and Hazard Investigation Board

What We Found

CSB does not have a follow-up process to allow for prompt implementation of agreed-to OIG audit recommendations. CSB had unimplemented audit recommendations from an OIG fiscal year 2011 audit report for over a year past the agreed-to dates for implementation. Also, CSB's tracking system did not assist in the prompt resolution and implementation of audit recommendations. By not having a follow-up process, controls over promoting efficiency and effectiveness within CSB's operations are weakened.

Office of Management and Budget (OMB) Circular A-50, *Audit Follow-up*, states that "[a]gency heads are responsible for: (1) Designating a top management official to oversee audit follow-up, including resolution and corrective action and (2) Assuring that management officials throughout the agency understand the value of the audit process and are responsive to audit recommendations." In addition, "the audit follow-up official has personal responsibility for ensuring that (1) systems of audit follow-up, resolution, and corrective action are documented and in place, (2) timely responses are made to all audit reports, (3) disagreements are resolved, (4) corrective actions are actually taken, and (5) semiannual reports required by paragraph 8.a. (8) below are sent to the head of the agency."

OMB Circular A-123, *Management's Responsibility for Internal Control*, Section 5, states "Agency managers are responsible for taking timely and effective action to correct deficiencies.... Management should track progress to ensure timely and effective results.... Management has a responsibility to complete action, in a timely manner, on audit recommendations on which agreement with the IG has been reached."

Recommendation

We recommended that the CSB Chairperson develop and implement a follow-up system as required by OMB Circulars A-50 and A-123. CSB disagreed with our recommendation.