



At a Glance

Why We Did This Review

The Food Quality Protection Act of 1996 requires that we perform an annual audit of the Pesticides Reregistration and Expedited Processing Fund (known as the FIFRA Fund) financial statements.

The U.S. Environmental Protection Agency (EPA) is responsible for reassessing the safety of older pesticide registrations against modern health and environmental testing standards. To expedite this reregistration process, Congress authorized the EPA to collect fees from pesticide manufacturers. The fees are deposited into the FIFRA Fund. Each year, the agency prepares financial statements that present financial information about the fund, along with information about the EPA's progress in reregistering pesticides.

This report addresses the following EPA goal or cross-agency strategy:

- *Embracing EPA as a high-performing organization.*

Send all inquiries to our public affairs office at (202) 566-2391 or visit www.epa.gov/oig.

The full report is at:
www.epa.gov/oig/reports/2015/20150710-15-1-0180.pdf

Fiscal Years 2013 and 2012 Financial Statements for the Pesticides Reregistration and Expedited Processing Fund

EPA Receives an Unmodified Opinion

We rendered an unmodified, or clean, opinion on the EPA's Pesticides Reregistration and Expedited Processing Fund financial statements for fiscal years 2013 and 2012, meaning they are fairly presented and free of material misstatement.

Internal Control Material Weakness Noted

We noted a material weakness in internal controls. The EPA could not initially produce accurate, timely and complete financial statements for the FIFRA Fund. The agency was not preparing a complete set of financial statements for fiscal year 2013 because of its view that such statements were not required. This delayed the preparation of the first complete set of fiscal year 2013 FIFRA financial statements until July 2014. Material errors in those statements and subsequent versions delayed the audit.

Compliance With Applicable Laws and Regulations

We did not identify any noncompliances that would result in a material misstatement to the audited financial statements.

Recommendations and Planned Corrective Actions

We recommend that the Chief Financial Officer evaluate its process for preparing FIFRA financial statements and make improvements for submission of accurate, timely and complete financial statements; and develop a systematic method to address all Office of Inspector General comments on the FIFRA financial statements.

The agency agreed with our findings and recommendations. The agency has developed a project plan with new controls and processes to ensure that the financial statement preparation for FIFRA is accurate and submitted timely. We have not confirmed that the new process is effective. The agency will also work with the Office of Inspector General to develop a more formal process for communicating corrections and changes in future FIFRA audits.