



U.S. Environmental Protection Agency
OFFICE OF INSPECTOR GENERAL

ANNUAL PLAN

FISCAL YEAR 2015



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The Office of Inspector General Annual Plan is produced by the Office of Inspector General with input from the U.S. Environmental Protection Agency Administrator, Deputy Administrator, Assistant Administrators and Regional Administrators, as well as congressional stakeholders and the Office of Management and Budget.

This plan is available in hard copy from:

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Abbreviations

CSB	U.S. Chemical Safety and Hazard Investigation Board
EPA	U.S. Environmental Protection Agency
FY	Fiscal Year
OI	Office of Investigations
OIG	Office of Inspector General

Are you aware of fraud, waste or abuse in an EPA program?

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Message from the Inspector General

I am pleased to present the U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) Annual Plan for fiscal year (FY) 2015. This document describes how the OIG will achieve its statutory mission of promoting economy, efficiency, effectiveness and integrity relating to the programs and operations of the EPA and the U.S. Chemical Safety and Hazard Investigation Board (CSB). This plan reflects the priority work that the OIG believes is necessary to keep the Administrator and Congress fully informed about problems and deficiencies relating to the administration of agency programs and operations.



Arthur A. Elkins Jr.

This OIG Annual Plan identifies mandated and selected assignment topics continuing from FY 2014 and scheduled to start during FY 2015. Although this plan provides a framework for activities we intend to carry out in FY 2015, the OIG is often required to perform unanticipated work based on legislative mandates, congressional inquiries, hotline requests or governmentwide reviews.

Our plan is implemented through audits, evaluations, investigations and follow-up reviews in compliance with the Inspector General Act, the applicable professional standards of the Comptroller General of the United States, and the Quality Standards for Federal Offices of Inspector General of the Council of the Inspectors General on Integrity and Efficiency. Readers are encouraged to consult our website, www.epa.gov/oig, for the most current listing of recently issued reports relating to our implementation of the plan.

Primary sources of input for the assignments listed in this plan included risk assessments across agency programs and operations based upon prior OIG work, U.S. Government Accountability Office high-risk assessments, congressional interest, Office of Management and Budget priorities, agency vulnerability/internal control assessments under Office of Management and Budget Circular A-123 and the Federal Managers' Financial Integrity Act, and identification of key agency challenges and strategic planning priorities. Our current planning also reflects direct outreach and solicitation of topics and assignment suggestions from EPA's leadership and external stakeholders (see Appendix B). Other assignments are required or are self-initiated based upon our strategic themes, which are focused on providing the greatest value and risk reduction to the agency and the greatest benefit to public health.

We want to thank each member of the agency leadership, as well as external stakeholders and our staff, for their direct participation in this process. We look forward to continuing an open dialogue for receiving their ideas, suggestions and feedback. We welcome input into our planning process and feedback on the quality and value of OIG products and services from all customers, clients, stakeholders and the public via webcomments.oig@epa.gov.

A handwritten signature in black ink, appearing to read "Arthur A. Elkins Jr." with a stylized flourish at the end.

Arthur A. Elkins Jr.
Inspector General

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About the EPA Office of Inspector General

EPA Office of Inspector General

The Office of Inspector General (OIG) is an independent office of the U.S. Environmental Protection Agency (EPA) that detects and prevents fraud, waste and abuse to help the agency protect human health and the environment more efficiently and cost effectively.

The EPA OIG was created and is governed by the Inspector General Act of 1978 as amended (5 U.S.C. App. 3). The act established offices of Inspector General as independent and objective units to:

1. Conduct and supervise audits and investigations relating to the programs and operations of their agencies.
2. Review existing and proposed legislation and regulations relating to the programs and operations of their agencies.
3. Provide leadership and coordination, and recommend policies for activities designed to promote economy, efficiency and effectiveness, and to prevent and detect fraud and abuse.
4. Provide a means for keeping the head of the establishment and Congress fully and currently informed about problems and deficiencies, and the necessity for any progress of corrective actions.

EPA OIG staff members are physically located at headquarters in Washington, D.C.; at regional headquarters offices for all 10 EPA regions; and at other EPA locations including Research Triangle Park, North Carolina, and Cincinnati, Ohio.

In fiscal year (FY) 2004, Congress designated the EPA Inspector General to also serve as the Inspector General for the U.S. Chemical Safety and Hazard Investigation Board (CSB).

EPA's Mission

The EPA's mission is to protect human health and the environment. The OIG Strategic and Annual Plans are specifically designed to connect implementation of the Inspector General Act with the EPA's mission for the most economical, efficient and effective achievement of the EPA's performance goals. In Appendix A, we provide more details about our FY 2015 annual performance measures and targets.

Our audits and evaluations are designed to take into account the EPA's strategic goals and cross-agency fundamental strategies. Following is a table noting the goals and strategies and then a matrix noting the goals and strategies each project in our plan is designed to address.

EPA's FY 2014–2018 Strategic Goals and Cross-Agency Strategies	
EPA's Strategic Goals	
Addressing Climate Change and Improving Air Quality	<i>Reduce greenhouse gas emissions and develop adaptation strategies to address climate change, and protect and improve air quality.</i>
Protecting America's Waters	<i>Protect and restore waters to ensure that drinking water is safe and sustainably managed, and that aquatic ecosystems sustain fish, plants, wildlife, and other biota, as well as economic, recreational, and subsistence activities.</i>
Cleaning Up Communities and Advancing Sustainable Development	<i>Clean up communities, advance sustainable development, and protect disproportionately impacted low-income and minority communities. Prevent releases of harmful substances and clean up and restore contaminated areas.</i>
Ensuring the Safety of Chemicals and Preventing Pollution	<i>Reduce the risk and increase the safety of chemicals and prevent pollution at the source.</i>
Protecting Human Health and the Environment by Enforcing Laws and Assuring Compliance	<i>Protect human health and the environment through vigorous and targeted civil and criminal enforcement. Use Next Generation Compliance strategies and tools to improve compliance with environmental laws.</i>
EPA's Cross-Agency Fundamental Strategies	
Working Toward a Sustainable Future	
Working to Make a Visible Difference in Communities	
Launching a New Era of State, Tribal, Local, and International Partnerships	
Embracing EPA as a High-Performing Organization	

Matrix of Agency Goals and Strategies the OIG Plans to Address With Audits and Evaluations

OIG Project	Climate Change/ Air Quality	Protecting America's Waters	Cleaning Communities/ Sustainable Development	Safe Chemicals/ Preventing Pollution	Enforcing Laws/ Ensuring Compliance	Working Toward Sustainable Future	Making Difference in Communities	State, Tribal, Local and International Partnerships	Embracing EPA as High-Performing Organization
Contracts and Assistance Agreement Audits									
Charge Card Annual Report – Status of Recommendations									X
EPA Conferences: Maximizing Cost Efficiencies									X
EPA Use of Title 42 Hiring Authority					X	X			X
Grant Advanced Monitoring									X
Hotline – Help Desk Charging									X
Improper Payments – FY 2014									X
Oversight of Clean Water State Revolving Loan Funds		X						X	
Periodic Assessment of Purchase Card and Convenience Check Program									X
Pioneer Valley Commission			X			X	X	X	
EPA's Simplified Acquisitions									X
EPA's Working Capital Fund Background Investigations Services									X
OIG Purchase Card Transactions									X
Special Appropriation Act Project Audit Follow-up		X						X	X
Superfund Technical Assessment and Response Team (START) IV awarded to Tetra Tech Inc.			X		X	X	X		X
Travel Card Review									X
Efficiency Audits									
Controls for Travel of EPA Employees									X
EPA Investments in Information Technology Products and Services									X
EPA Transit Subsidy Program	X								X
EPA's Fleet Management			X				X		X
Management and Disposal of Underutilized Personal Property Stored in Warehouse Spaces			X				X		X
Oversight of Guam, American Samoa, Commonwealth of the Northern Mariana Islands and U.S. Virgin Islands		X	X		X	X	X	X	X
Positioning EPA for the Digital Age: Technological Changes Create Transformation Opportunities	X				X	X			X
Forensic Audits									
Brownfields Revolving Loan Fund Assistance Agreement Audits			X				X		
Congressional Request – EPA's Process Used to Determine and Track Employee Overtime Compensation									X
Congressional Request – Timekeeping Practices									X
Construction Grants Awarded to the District of Columbia Water and Sewer Authority		X			X			X	
FY 2015 Single Audit Program	X	X	X	X	X		X	X	
Oregon Health Authority – Labor Charging		X				X			
Pegasus Technical Services Inc. Contract			X			X			
Region 9 Request – Review of Selected Tribes in Nevada			X		X			X	
Region Request – Manchester Band of Pomo Indians					X			X	

OIG Project	Climate Change/ Air Quality	Protecting America's Waters	Cleaning Communities/ Sustainable Development	Safe Chemicals/ Preventing Pollution	Enforcing Laws/ Ensuring Compliance	Working Toward Sustainable Future	Making Difference in Communities	State, Tribal, Local and International Partnerships	Embracing EPA as High-Performing Organization
Financial Audits									
EPA's Accountable Property									X
EPA's Accounts Receivable Internal Controls									X
FY 2013 Financial Statements: Pesticide Registration Fund				X					
FY 2013 Financial Statements: Pesticides Reregistration and Expedited Processing Fund				X					
FY 2014 EPA Financial Statements									X
FY 2014 Financial Statements: Hazardous Waste Electronic Manifest System Fund					X				X
FY 2014 Financial Statements: Pesticide Registration Fund				X					
FY 2014 Financial Statements: Pesticides Reregistration and Expedited Processing Fund				X					
FY 2015 EPA Financial Statements									X
Oversight of Superfund State Contract for Remedial Activities			X		X		X		X
Independent Government Cost Estimates and Indirect Costs for EPA's Interagency Agreements									X
Working Capital Fund Cost Rates	X	X	X	X	X				X
Information Resources Management Audits									
EPA's Contractor Information Technology Systems									X
EPA's Leasing of Computer Equipment									X
EPA's System Development Activities for the Hazardous Waste Electronic Manifest System			X	X		X		X	X
EPA's Use of Electronic Reporting to Enhance Enforcement Activities					X				X
Data Quality Review of Self-Reported Information in EPA's XACTA System									X
Follow-Up on Significant Information Technology Security Findings									X
FY 2014 EPA Federal Information Security Management Act Audit									X
FY 2015 EPA Federal Information Security Management Act Audit									X
Status of Cloud-Computing Environments Within the Federal Government									X
Air Evaluations									
Use of Remote Sensing Data to Assess Contamination at Delisted Superfund Sites – Phase 2			X						
Selected Ambient Air Quality Monitoring Networks	X				X	X		X	
Enforcement Decree Compliance for Selected Clean Air Act Sources	X				X				
EPA Efforts to Incorporate Environmental Justice into Clean Air Act Inspections for Air Toxics	X		X		X		X		
EPA Region 2 Oversight of the Environmental Programs Operated by the U.S. Virgin Islands (collaborative effort with Water and Land Cleanup and Waste Management product lines)	X	X	X	X	X		X	X	X
Title V Annual Compliance Certifications	X							X	
Implementation of Benzene Fuel Content Standards	X								

OIG Project	Climate Change/ Air Quality	Protecting America's Waters	Cleaning Communities/ Sustainable Development	Safe Chemicals/ Preventing Pollution	Enforcing Laws/ Ensuring Compliance	Working Toward Sustainable Future	Making Difference in Communities	State, Tribal, Local and International Partnerships	Embracing EPA as High-Performing Organization
Assessment of EPA Efforts to Address Workload Imbalances in its Clean Air Act Risk Management Program					X		X		
EPA Oversight of Enforcement Actions for Selected Startup, Shutdown and Malfunction Events	X				X		X		
Effectiveness of Compliance Assurance Activities for Major and Synthetic Minor Clean Air Act Sources	X				X			X	
Water Evaluations									
Safe Drinking Water in Small Drinking Water Systems		X			X		X	X	
Municipal Sewer and Stormwater Systems: Consent Decree Progress and Challenges		X			X			X	X
EPA's Oversight of Hydraulic Fracturing		X		X					
EPA Region 2 Oversight of the Environmental Programs Operated by the U.S. Virgin Islands (collaborative effort with Air and Land Cleanup and Waste Management product lines)	X	X	X	X	X		X	X	X
Drinking Water State Revolving Fund		X						X	
BEACH ACT: Review of the Effectiveness of Identifying Contaminated Recreational Waters and Communicating Health Risks		X			X	X	X	X	
EPA Programs to Protect the Public from Mercury Contamination in Fish		X			X	X		X	
EPA Programs to Protect Drinking Water from Contamination Incidents		X						X	X
Clean Water State Revolving Fund Green Project Reserve Program		X				X	X		
Land Cleanup and Waste Management Evaluations									
EPA Oversight of the Import of Hazardous Waste			X	X	X			X	
Siting Renewable Energy on Potentially Contaminated Land and Mine Sites: Environmental, Health and Financial Risks			X						
Environmental Risks from Resource Conservation and Recovery Act Hazardous Waste Post-Closure Landfills			X	X				X	
EPA Region 2 Oversight of the Environmental Programs Operated by the U.S. Virgin Islands (collaborative effort with Air and Water product lines)	X	X	X	X	X		X	X	X
Optimization of Superfund-Financed Pump and Treat Systems			X			X	X	X	
EPA Progress on Meeting Resource Conservation and Recovery Act Statutory Mandate for Minimum Frequency of Inspections at Hazardous Waste Disposal Facilities			X		X	X	X	X	
Confirmation of EPA Time-Critical Removal Actions			X				X		
EPA Progress on Reducing Taxpayer Environmental Liabilities			X		X	X	X		X
Long-Term Risks from Short-Term Disposal of Debris from Natural Disasters	X		X		X	X	X		

OIG Project	Climate Change/ Air Quality	Protecting America's Waters	Cleaning Communities/ Sustainable Development	Safe Chemicals/ Preventing Pollution	Enforcing Laws/ Ensuring Compliance	Working Toward Sustainable Future	Making Difference in Communities	State, Tribal, Local and International Partnerships	Embracing EPA as High-Performing Organization
Toxics, Chemical Management and Pollution Prevention Evaluations									
National Pesticide Information Center Federal Insecticide, Fungicide and Rodenticide Act Programs Enforcement Referrals				X				X	
Adequacy of EPA's Oversight of State Federal Insecticide, Fungicide and Rodenticide Act Programs				X	X			X	
Pollution Prevention Grant Results and Measures		X	X	X		X			
Office of Pesticide Program's Genetically Engineered Corn Insect Resistance Management				X	X	X			
P2 Green Chemistry Challenge Program Results				X		X			
EPA Policies and Responsiveness to Public Petitions on Pesticide Issues				X					
EPA's Regional Negotiated Commitments with States for Federal Insecticide, Fungicide and Rodenticide Act Compliance Inspections				X	X				
Science, Research and Management Integrity Evaluations									
EPA's Assessment of Potential Mining Impacts in Bristol Bay, Alaska		X			X	X	X	X	
Equipment Utilization Within the Office of Research and Development	X	X	X	X					X
Region 6 Coastal Wetlands									X
Controls over Science to Achieve Results Grants for Research Misconduct									X
Office of Research and Development's Management of Reimbursable Funds for Research						X			X
EPA's Use of Other Federal Agencies, Universities and Foundations for Research	X	X	X	X		X			X
2015 Management Challenges and Internal Controls Weaknesses	X	X	X	X	X				X
Special Program Review Evaluations									
EPA's Progress Under Environmental Justice Plan 2014	X	X	X	X	X				
Follow-Up Report - EPA Inaction in Identifying Hazardous Waste Pharmaceuticals May Result in Unsafe Disposal		X		X	X		X		
Alternate Asbestos Control Method Follow On			X					X	
EPA's Antimicrobial Testing Program				X		X			X
Follow-Up Report – EPA Should Revise Outdated or Inconsistent EPA–State Clean Water Act Memorandums of Agreement		X			X			X	X
Follow-Up Report – Improvements Needed in EPA Training and Oversight for Risk Management Program Inspections	X	X	X	X	X		X		X
Workforce Restructuring Under Voluntary Early Retirement Authority/ Voluntary Separation Incentive Payment									X
Effectiveness of EPA's Environmental Education Activities	X	X	X	X	X		X		
EPA's Classification of National Security Information (Second Evaluation)									X
Totals	21	28	33	28	39	23	20	30	56

OIG's Strategic Plan Outline

Vision

Be the best in public service and oversight for a better environment tomorrow.

Mission

Promote economy, efficiency, effectiveness, and prevent and detect fraud, waste, and abuse through independent oversight of the programs and operations of the Environmental Protection Agency and Chemical Safety and Hazard Investigation Board.

Goals

1 Contribute to improved human health, safety and the environment

2 Contribute to improved EPA and CSB business practices and accountability

3 Be responsible stewards of taxpayer dollars

4 Be the best in public service

Objectives

- Influence programmatic and systemic changes and actions that contribute to improved human health, safety and environmental quality
- Add to and apply knowledge that contributes to reducing or eliminating environmental and infrastructure security risks and challenges
- Make recommendations to improve EPA and CSB programs

- Influence actions that improve operational efficiency and accountability, and achieve monetary savings
- Improve operational integrity and reduce risk of loss by detecting and preventing fraud, waste, abuse or breach of security
- Identify best practices, risks, weaknesses and monetary benefits to make recommendations for operational improvements

- Promote and maintain an accountable, results-oriented culture
- Ensure our products and services are timely, responsive, relevant, and provide value to our customers and stakeholders
- Align and apply our resources to maximize return on investment
- Ensure our processes and actions are cost effective and transparent

- Maintain the highest ethical standards
- Promote and maintain a diverse workforce that is valued, appreciated and respected
- Enhance constructive relationships and foster collaborative solutions
- Provide leadership, training and technology to develop an innovative and accomplished workforce

Identifying the Risks

As required by the Reports Consolidation Act of 2000, the OIG reviewed the major risks, challenges and planning priorities across the EPA and solicited first-hand input from agency leadership to identify and select OIG products and topics that would be of greatest benefit to the agency and the American public it serves. This section summarizes and applies the key FY 2014 agencywide risks, issues and management challenges that help guide the general direction and focus of OIG audits, evaluations and investigative work.

Top EPA Management Challenges—Reported by the OIG for FY 2014

1. **Oversight of Delegations to States:** Due to differences between state and federal policies, interpretations, strategies and priorities, the EPA needs to more consistently and effectively oversee its delegation of programs to the states, assuring that delegated programs are achieving their intended goals.
2. **Safe Reuse of Contaminated Sites:** The EPA's duty is to ensure that reused contaminated sites are safe for humans and the environment. The EPA must strengthen oversight of the long-term safety of sites, particularly within a regulatory structure in which non-EPA parties have key responsibilities, site risks change over time, and all sources of contamination may not be removed.
3. **EPA's Framework for Assessing and Managing Chemical Risks:** The EPA's effectiveness in assessing and managing chemical risks is limited by its authority to regulate chemicals under the Toxic Substances Control Act. Chemicals manufactured before 1976 were not required to develop and produce data on toxicity and exposure, which are needed to properly and fully assess potential risks.
4. **EPA Needs to Improve Its Workload Analysis to Accomplish Its Mission Efficiently and Effectively:** The EPA's human capital is an internal control weakness in part due to requirements released under the President's Management Agenda. The EPA has not developed analytical methods, and does not collect data needed to measure its workload and the corresponding workforce levels necessary to carry out that workload.
5. **Enhancing Information Technology Security to Combat Cyber Threats:** The EPA's information security challenges stem from four key areas: (1) risk management planning, (2) security information and event management tool implementation, (3) computer security incident response capability and network operation integration, and (4) computer security incident response capability relationship building.
6. **Improved Management Oversight to Combat Fraud and Abuse:** Recent events and activities indicate a possible "culture of complacency" among some supervisors at the EPA regarding time and attendance controls, employee computer usage, and real property management. EPA managers must emphasize and reemphasize the importance of compliance and ethical conduct throughout the agency and ensure it is embraced at every level.

EPA Internal Control Risks and Weaknesses Identified by the OIG for FY 2014

We identified the following EPA internal control weakness as part of our annual Federal Managers' Financial Integrity Act activities.

- EPA Needs Continued Improvement on Contract Management Internal Controls.

Risks, Priorities and Issues Identified by EPA Through OIG Stakeholder Outreach Interviews

The following information identifies cross-cutting risks, priorities and issues identified through outreach solicitations and meetings with EPA leadership. In Appendix B, we provide further details.

- Emergency Preparedness/Homeland Security.
- Better Collaboration/Coordination with States and Other Federal Agencies With Environmental Mission and Authority.
- Limitations of EPA Authority.
- Consistent and Reliable Data and Performance Measurement.
- Improving EPA Organizational Design and Coordination of Resources to Eliminate Duplication and Modernization of EPA.
- Monitoring of States, Grants Management, Compliance and Enforcement.
- Human Capital Management—Skill Gaps/Alignment With Functions and Workforce Restructuring.
- Better Use of Technology, Information and Research.
- EPA's Regulatory Process (Better and Faster Analysis of Costs, Science and Benefits).
- Planning and Priority Setting for Better Application of Resources.
- Hydraulic Fracturing, Water Infrastructure, Financing and Water Availability.
- Climate Change and Air Quality.
- Brownfields/Environmental Justice, Tribal Capacity.

Annual Plan Strategy

Annual planning is a dynamic process and requires adjustments throughout the year to meet priorities and to anticipate and respond to emerging issues with the resources available. The OIG examines the challenges, prior work, future priorities and customer input to develop and prioritize its FY 2015 work.

Making Choices—A Customer-Driven Process

OIG work that is not mandated is proposed, considered and selected through a rigorous process using the criteria listed below to develop a portfolio of assignments that represent the best possible return on investment in terms of monetary or public value. We conducted considerable outreach to agency leaders and stakeholders on environmental and management risks, challenges and opportunities. We conducted an assessment based upon previously identified risks and challenges. We invited our entire staff to formulate assignment suggestions from their knowledge of EPA operations and the consideration of stakeholder input and risks.

Criteria Considered in Identifying and Selecting Audit and Evaluation Assignments for FY 2015

Environmental/Human Health/Business Risks Addressed, Including:

- What is the known extent of the issue (e.g., sensitive or other populations impacted, area involved, and environmental justice)?
- What is the potential environmental or human health benefits (return on investment) to be derived and the reduction or prevention of environmental, human health or business risks?

Potential Risk of Fraud, Waste or Abuse:

- What resources and data, physical or cyber security equipment, and program integrity and violations of laws/regulations are involved?

Opportunity for Improved Business Systems/Accountability, Including:

- How does the project align with the EPA's strategic goals/objectives?
- What is the expected return on investment (for example, potential questioned costs, funds put to better use or other potential monetary benefits, improved decision-making, improved data quality/reliability, reduced vulnerabilities, and strengthened internal controls)?

EPA Dollar/Full-Time Equivalent Investment/Financial Impact (in relation to the EPA's overall resource level):

- What headquarters and regional resources are committed to the program, including full-time equivalents?
- What resources are used, including contracts, grants, state programs or other mechanisms, such as state funding, to accomplish the goals? How might this impact the program's implementation? What percentage of the program's funding is coming from state, other federal or private partnership resources?

Prior Audit/Evaluation Results:

- What are the conditions or changes since prior review by the EPA OIG, U.S. Government Accountability Office or other auditing body?
- What new information or indications of auditable issues are available?

Stakeholder/Public Interest:

- Is the topic of the project generating interest from Congress, the public and news organizations? What is the interest and why?
- Who are the expected users of the project's product? How would it be used?

The Plan: Continuing and New Assignments for FY 2015

Office of Audit

OIG audit work focuses on five areas, with emphasis on identifying opportunities for cost savings and reducing risk of resource loss. Funds awarded for assistance agreements and contracts account for approximately two-thirds of the EPA's budget. Producing timely and reliable financial statements remains a priority across the federal government. Equally important is the need to gather, protect and use financial and program performance information to improve the EPA's accountability and program operations. The Office of Audit's five product lines are:

- Contracts and Assistance Agreement Audits.
- Efficiency Audits.
- Forensic Audits.
- Financial Audits.
- Information Resources Management Audits.

Specific assignments are listed on the following pages and will emphasize:

- Testing for fraud in grants, contracts and operational activities.
- Cost savings resulting from audits of grantee and contractor claims.
- Continued improvements in assistance agreements and contract administration.
- The EPA's preparation of timely, informative financial statements.
- Identification of cost savings and potential cost recoveries, reduce risks and maximize results achieved from its environmental programs.
- Reviews of the EPA's internal controls, including its risk assessment processes and allocation/application of human resources.
- The EPA's integrity of data and system controls, as well as compliance with a variety of federal information security laws and requirements, to ensure system and data integrity.
- Environmental effect of weaknesses identified and improvements made from these audit projects.

Following are definitions of OIG carryover, discretionary and mandated assignments:

- **Carryover Assignments:** Assignments still in progress that started in a prior fiscal year.
- **Discretionary Assignments:** Assignments designed to identify and prioritize projects in areas of highest risk.
- **Mandated Assignments:** Assignments that the OIG is required to conduct by law or regulation.

Contracts and Assistance Agreement Audits

The Contracts and Assistance Agreement Audits product line is responsible for conducting performance audits of the EPA's management of contracts, grants, cooperative agreements and interagency agreements.

Point of Contact: Janet Kasper (312) 886-3059

Title	Primary Objective	Estimated/ Actual Start Date
Carryover		
Grant Advanced Monitoring	To determine whether EPA's advanced administrative monitoring system is effective at ensuring that grant recipient costs are allowable.	March 2014
Special Appropriation Act Project Audit Follow-up	To determine whether the corrective actions taken in response to the 2010 audit have been effective in reducing the unobligated and unliquidated funds associated with Special Appropriation Act Project grants.	March 2014
EPA Use of Title 42 Hiring Authority	To determine whether EPA is properly managing its Title 42 hiring authority.	March 2014
Pioneer Valley Commission	To determine whether funds were expended in accordance with federal regulations and environmental results were achieved in accordance with recipients' grant requirements.	March 2014
Hotline – Help Desk Charging	To determine whether the contractor is correctly charging EPA for costs associated with operation of the help desk.	April 2014
OIG Purchase Card Transactions	To examine OIG purchases to identify prohibited transactions.	April 2014
Superfund Technical Assessment and Response Team (START) IV awarded to Tetra Tech Inc.	To assess whether EPA is monitoring the contractor for compliance and contractor is billing costs in accordance with the contract terms and conditions.	August 2014
Discretionary		
EPA's Simplified Acquisitions	To determine whether EPA has sufficient controls over purchase orders to identify potentially illegal, improper and erroneous use of purchase orders; and purchase orders are used in accordance with applicable regulations and guidance, and were for allowable and necessary goods and services.	April 2015
EPA's Working Capital Fund Background Investigations Services	To determine whether the contractor is correctly charging the agency for background investigations in accordance with the contract terms and conditions, and EPA has adequate oversight controls in place to ensure that its contractor is meeting the contract requirements for background investigations.	September 2014

Title	Primary Objective	Estimated/ Actual Start Date
EPA Conferences: Maximizing Cost Efficiencies	To determine whether EPA has the internal controls over conferences to ensure expenses are appropriate, necessary, and managed in a manner that minimizes expenses to taxpayers and provides optimum use of resources.	September 2014
Oversight of Clean Water State Revolving Loan Funds	To determine whether EPA regions provide sufficient oversight of state Clean Water State Revolving Loan Fund programs and regions follow EPA guidance when providing oversight.	June 2015
Mandated		
Improper Payments – FY 2014	To assess compliance with the Improper Payments Elimination Act of 2002, as amended.	November 2014
Charge Card Annual Report – Status of Recommendations	To determine the status of EPA's implementation of recommendations related to charge cards and travel cards.	December 2014
Periodic Assessment of Purchase Card and Convenience Check Program	To conduct an annual assessment of EPA's purchase card and convenience check programs.	July 2015
Travel Card Review	To conduct periodic audits of travel card programs to analyze the risks of illegal, improper or erroneous use to travel purchases and payments.	April 2015

Efficiency Audits

The Efficiency Audits product line is responsible for identifying ways for EPA programs and operations to improve processes and realize cost savings, thus freeing resources for high priority environmental projects.

Point of Contact: Mike Davis (513) 487-2363

Title	Primary Objective	Estimated/ Actual Start Date
Carryover		
Oversight of Guam, American Samoa, Commonwealth of the Northern Mariana Islands and U.S. Virgin Islands	To examine whether EPA has controls and processes in place to ensure proper oversight of Guam, American Samoa, Commonwealth of the Northern Mariana Islands and U.S. Virgin Islands.	January 2014
EPA Investments in Information Technology Products and Services	To determine whether information technology investments in the EPA's Office of Environmental Information are efficiently and effectively managed to meet the agency's strategic goals and mission.	January 2014
Controls for Travel of EPA Employees	To determine the effectiveness of EPA oversight and controls for employees in travel status.	April 2013
Management and Disposal of Underutilized Personal Property Stored in Warehouse Spaces	To determine the extent to which the EPA's personal property stored in select warehouse spaces are effectively utilized, accounted for and disposed of by the EPA.	April 2013
EPA's Fleet Management	To determine whether the EPA's fleet program is in accordance with the federal fleet requirements for utilization and fuel energy conservation.	June 2013
Discretionary		
EPA Transit Subsidy Program	To evaluate the EPA's compliance with procedures for compensating employees with transit subsidy benefits.	October 2014
Positioning EPA for the Digital Age: Technological Changes Create Transformation Opportunities	To review the agency's current printing practices: Is the EPA using its publication dollars in the most effective way.	October 2014

Forensic Audits

The Forensic Audits product line is responsible for conducting financial audits of EPA assistance agreements and contracts to identify potentially fraudulent actions and determine the acceptability of costs claimed under specific financial instruments.

Point of Contact: Robert Adachi (415) 947-4537

Title	Primary Objective	Estimated/ Actual Start Date
Carryover		
Congressional Request – Timekeeping Practices	To address a Senator’s request concerning internal controls over EPA timekeeping practices.	October 2013
Region Request – Manchester Band of Pomo Indians	To determine the propriety of recent drawdowns made by the Manchester Band of Pomo Indians under EPA grants and whether the historical costs incurred are reasonable, allocable and allowable under federal regulations and the grant terms and conditions.	April 2014
Congressional Request – EPA’s Process Used to Determine and Track Employee Overtime Compensation	To determine whether EPA properly documents how overtime is distributed to employees.	May 2014
Pegasus Technical Services Inc. Contract	To determine whether the costs billed were reasonable, allocable and allowable.	December 2012
Region 9 Request - Review of Select Tribes in Nevada	To review EPA grants opened or closed within the past 3 years involving selected tribes in Nevada.	February 2014
Discretionary		
Brownfields Revolving Loan Fund Assistance Agreement Audits	To perform assistance agreement audits of selected Brownfields Revolving Loan Fund recipients to determine whether funds were expended in accordance with federal regulations and environmental results were achieved in accordance with recipients’ grant requirements.	January 2015
Construction Grants Awarded to the District of Columbia Water and Sewer Authority	To determine whether the costs claimed under the grants are reasonable, allocable and allowable and whether the objectives of the grant have been met.	March 2015
Mandated		
FY 2015 Single Audit Program	To review and process Single Audit reports that are prepared by Certified Public Accountant firms under the Single Audit Act.	January 2015
Oregon Health Authority – Labor Charging	To examine Oregon Health Authority’s labor charging practice.	February 2015

Financial Audits

The Financial Audits product line is responsible for rendering opinions on financial statements produced by the EPA, and also conducts performance audits of EPA financial matters for efficiency and effectiveness.

Point of Contact: Paul Curtis (202) 566-2523

Title	Primary Objective	Estimated/ Actual Start Date
Carryover		
FY 2013 Financial Statements: Pesticides Reregistration and Expedited Processing Fund	To render an opinion on the agency's statements, and determine compliance with laws and regulations.	February 2014
FY 2013 Financial Statements: Pesticide Registration Fund	To render an opinion on the agency's statements, and determine compliance with laws and regulations.	February 2014
Independent Government Cost Estimates and Indirect Costs for EPA's Interagency Agreements	To determine whether EPA promotes sound financial practices.	February 2014
EPA's Accounts Receivable Internal Controls	To determine whether EPA's accounts receivable internal controls function is effective and ensures the reliability of financial reports.	February 2013
FY 2014 EPA Financial Statements	To determine whether EPA's consolidated financial statements were fairly stated in all material respects.	April 2014
Discretionary		
Oversight of Superfund State Contract for Remedial Activities	To evaluate the control the agency exerts over the Superfund State Contract process and whether the agency is recovering its lawful costs from the states.	November 2014
Working Capital Fund Cost Rates	To determine whether the Working Capital Fund is operating as intended and is helping to reduce EPA's cost of doing business.	November 2014
EPA's Accountable Property	To determine whether EPA promotes sound fiduciary responsibilities by providing timely and accurate inventory information.	January 2015
Mandated		
FY 2014 Financial Statements: Pesticides Reregistration and Expedited Processing Fund	To render an opinion on the agency's statements, and determine compliance with laws and regulations.	March 2015
FY 2014 Financial Statements: Pesticide Registration Fund	To render an opinion on the agency's statements, and determine compliance with laws and regulations.	March 2015

Title	Primary Objective	Estimated/ Actual Start Date
FY 2014 Financial Statements: Hazardous Waste Electronic Manifest System Fund	To determine whether: (1) the financial statements were fairly presented in all material respects, (2) EPA's internal controls over financial reporting were in place, and (3) EPA management complied with applicable laws and regulations.	January 2015
FY 2015 EPA Financial Statements	To determine whether EPA's consolidated financial statements were fairly stated in all material respects.	April 2015

Information Resources Management Audits

The Information Resources Management Audits product line reviews the economy, efficiency and effectiveness of the agency’s investments in systems for achieving environmental goals and ensuring integrity of data used for decision making; and reviews strategies for setting priorities, developing plans to accomplish the priorities, and measuring performance.

Point of Contact: Rudolph Brevard (202) 566-0893

Title	Primary Objective	Estimated/ Actual Start Date
Carryover		
Follow-Up on Significant Information Technology Security Findings	To determine whether EPA has implemented corrective actions to address significant information technology security findings.	March 2014
Status of Cloud-Computing Environments Within the Federal Government	To determine to what extent the federal government relies on cloud-based technologies.	January 2014
Data Quality Review of Self-Reported Information in EPA’s XACTA System	To determine whether the EPA implemented management control processes for maintaining the quality of data in the EPA’s XACTA System.	March 2014
EPA’s Contractor Information Technology Systems	To determine the extent that EPA relies on contractor systems for information processing and programmatic support that mitigate the information security risks posed by these systems.	March 2014
FY 2014 EPA Federal Information Security Management Act Audit	To determine whether the EPA’s Computer Security Program is comprehensive and actively implemented throughout the agency to balance risk and mission.	March 2014
Discretionary		
EPA’s Leasing of Computer Equipment	To determine whether EPA has established adequate controls over equipment leasing.	December 2014
EPA’s Use of Electronic Reporting to Enhance Enforcement Activities	To determine whether EPA has an effective electronic reporting process to enhance enforcement activities against entities for noncompliance of regulatory requirements.	January 2015
EPA’s System Development Activities for the Hazardous Waste Electronic Manifest System	To evaluate whether EPA is effectively managing the system development process of the e-Manifest system and to determine whether the project is achieving desired outcomes.	May 2015
FY 2015 EPA Federal Information Security Management Act Audit	To determine whether the EPA’s Computer Security Program is comprehensive and actively implemented throughout the agency to balance risk and mission.	March 2015

Office of Program Evaluation

The Office of Program Evaluation examines root causes, effects and opportunities leading to conclusions and recommendations that influence program change and contribute to the accomplishment of the agency's mission. Program evaluations answer questions about how well a program or activity is designed, implemented or operating in achieving EPA goals. Program evaluations may produce conclusions about the value, merits or worth of programs or activities. The results of program evaluations can be used to improve the operations of EPA programs and activities, sustain best practices and effective operations, and facilitate accomplishment of EPA goals. Evaluations by the Office of Program Evaluation are performed by staff with diverse backgrounds, including accounting, economics, environmental management and the sciences, and they comply with *Government Auditing Standards*.

Evaluation topics and priorities in our plan are driven by our assessment of organizational risk in relation to available resources and based on input from the EPA's leadership, Congress and stakeholders. Program evaluations are conducted by the following six product lines:

- Air
- Water
- Land Cleanup and Waste Management
- Toxics, Chemical Management and Pollution Prevention
- Science, Research and Management and Integrity
- Special Program Reviews

Assignments concentrate on all of the OIG themes, reflecting our attention to the agency's mission as well as the agency's operational and systemic risks. Specific assignment titles are listed on the following pages.

Air

The Air product line is responsible for conducting evaluations to assess EPA’s programs and activities to protect human health and the environment through progress toward air quality and climate change goals.

Point of Contact: Rick Beusse (919) 541-5747

Title	Primary Objective	Estimated/ Actual Start Date
Carryover		
Use of Remote Sensing Data to Assess Contamination at Delisted Superfund Sites – Phase 2	To determine whether hyperspectral imaging data can be used to assess pollution concentrations in vegetation as a potential indication of pollutant concentrations at delisted Superfund sites.	March 2012
Selected Ambient Air Quality Monitoring Networks	To assess whether EPA effectively used annual network reviews to determine how well the monitoring network is achieving its objectives.	July 2014
Enforcement Decree Compliance for Selected Clean Air Act Sources	To determine whether EPA ensured that selected facilities with Clean Air Act violations comply with terms of their enforcement agreement.	June 2014
EPA Efforts to Incorporate Environmental Justice into Clean Air Act Inspections for Air Toxics	To determine whether EPA has targeted overburdened communities or communities with disproportionate impacts for air toxics inspections.	March 2014
EPA Region 2 Oversight of the Environmental Programs Operated by the U.S. Virgin Islands (collaborative effort with Water and Land Cleanup and Waste Management product lines)	To assess whether the environmental programs the U.S. Virgin Islands implements on EPA’s behalf meet EPA programmatic requirements, and what steps Region 2 has taken to ensure that the Virgin Islands’ programs achieve the intended environmental benefits.	November 2013
Title V Annual Compliance Certifications	To assess the extent to which EPA and state and local agencies verify the accuracy of Title V annual compliance certifications submitted by Title V facilities.	October 2014
Discretionary		
Implementation of Benzene Fuel Content Standards	To determine the effectiveness of EPA’s process and controls for ensuring that gasoline refiners and importers meet EPA standards for benzene content in gasoline.	February 2015
Assessment of EPA Efforts to Address Workload Imbalances in its Clean Air Act Risk Management Program	To determine the effectiveness of EPA’s efforts to address past workload imbalances in its Risk Management Program.	March 2015
EPA Oversight of Enforcement Actions for Selected Startup, Shutdown and Malfunction Events	To determine whether EPA’s oversight has ensured proper enforcement of the requirements for selected startup, shutdown and malfunction events.	November 2014

Title	Primary Objective	Estimated/ Actual Start Date
Effectiveness of Compliance Assurance Activities for Major and Synthetic Minor Clean Air Act Sources	To determine the effectiveness of EPA's compliance assurance activities for major and synthetic minor Clean Air Act sources not inspected as called for in EPA's Clean Air Act Compliance Monitoring Strategy.	July 2015

Water

The Water product line is responsible for conducting evaluations to assess the EPA's protection and restoration of healthy aquatic communities and waters that sustain human health.

Point of Contact: Dan Engelberg (202) 566-0830

Title	Primary Objective	Estimated/ Actual Start Date
Carryover		
Safe Drinking Water in Small Drinking Water Systems	To determine how the EPA helps states and territories ensure that small water utilities with serious violations come into compliance with health-based standards and treatment requirements.	September 2014
Municipal Sewer and Stormwater Systems: Consent Decree Progress and Challenges	To determine what results the major municipal stormwater improvement programs had on compliance and environmental quality.	August 2014
EPA's Oversight of Hydraulic Fracturing	To determine whether EPA is effectively and efficiently managing the environmental and health risks to drinking water and surface water.	February 2014
EPA Region 2 Oversight of the Environmental Programs Operated by the U.S. Virgin Islands (collaborative effort with Air and Land Cleanup and Waste Management product lines)	To assess whether the environmental programs the U.S. Virgin Islands implements on EPA's behalf meet EPA programmatic requirements, and what steps Region 2 has taken to ensure that the Virgin Islands' programs achieve the intended environmental benefits.	November 2013
Drinking Water State Revolving Fund	To determine how the EPA and states demonstrate that completed Drinking Water State Revolving Fund projects met project and program goals and contributed to improved drinking water quality and public health.	November 2013
Discretionary		
BEACH ACT: Review of the Effectiveness of Identifying Contaminated Recreational Waters and Communicating Health Risks	To evaluate whether states, territories and tribes have effective beach monitoring programs.	April 2015
EPA Programs to Protect the Public from Mercury Contamination in Fish	To examine how effectively EPA and states are protecting the public from the threats of mercury contamination in fish.	August 2015
EPA Programs to Protect Drinking Water from Contamination Incidents	To assess the adequacy of programs to prevent contamination from chemical spills, excess nitrogen from farm fields, algal blooms, and threats from diminishing levels of groundwater and surface water sources.	August 2015
Clean Water State Revolving Fund Green Project Reserve Program	To examine the benefits of green projects funded in the Clean Water State Revolving Fund.	October 2014

Land Cleanup and Waste Management

The Land Cleanup and Waste Management product line is responsible for conducting evaluations to assess EPA programs, activities and initiatives to protect human health and the environment through cleanup and waste management, accident prevention and emergency response.

Point of Contact: Tina Lovingood (202) 566-2906

Title	Primary Objective	Estimated/ Actual Start Date
Carryover		
EPA Oversight of the Import of Hazardous Waste	To determine whether EPA oversight of the import of hazardous waste is accomplishing the identified goals.	November 2013
Siting Renewable Energy on Potentially Contaminated Land and Mine Sites: Environmental, Health and Financial Risks	To determine whether EPA's efforts to promote siting renewable energy on potentially contaminated land and mine sites ensure short- and long-term human health protection.	December 2013
Cross Program Revitalization Measure Hyperspectral Imaging Region 4	To determine whether hyperspectral imaging data is a useful tool for assessing contamination and cleanup at Brownfields and Superfund sites.	April 2013
CTS Update: Sampling Monitoring Communication and Opportunities for Cleanup Efficiencies	To determine if the sampling and monitoring activities at the CTS site meet established requirements and procedures.	July 2014
Environmental Risks from Resource Conservation and Recovery Act Hazardous Waste Post-Closure Landfills	To determine the public health, environmental and fiscal risks associated with the expiration of the 30-year post-closure time period.	November 2013
EPA Region 2 Oversight of the Environmental Programs Operated by the U.S. Virgin Islands (collaborative effort with Air and Water product lines)	To assess whether environmental programs the U.S. Virgin Islands implements on EPA's behalf meet EPA programmatic requirements, and what steps Region 2 has taken to ensure that the Virgin Islands' programs achieve the intended environmental benefits.	November 2013
Discretionary		
Optimization of Superfund-Financed Pump and Treat Systems	To identify whether EPA implemented the recommendations from the 2000–2002 EPA Nationwide Fund-Lead Pump and Treat Optimization Project at the 20 Superfund pump and treat sites.	July 2015
EPA Progress on Meeting Resource Conservation and Recovery Act Statutory Mandate for Minimum Frequency of Inspections at Hazardous Waste Disposal Facilities	To examine whether EPA ensures that Resource Conservation and Recovery Act inspections are performed at the required frequency for high-impact treatment, storage and disposal facilities.	October 2014

Title	Primary Objective	Estimated/ Actual Start Date
Confirmation of EPA Time-Critical Removal Actions	To examine whether EPA can provide documentation that imminent and substantial endangerment threats to public health at time-critical removal sites have been addressed.	July 2015
EPA Progress on Reducing Taxpayer Environmental Liabilities	To examine whether EPA reviews nationwide Superfund and Resource Conservation and Recovery Act financial liabilities for companies with multiple facilities/sites to verify financial assurance mechanisms are valid.	April 2015
Long-Term Risks from Short-Term Disposal of Debris from Natural Disasters	To evaluate whether EPA has controls in place to ensure the long-term safety of landfills used to dispose of disaster debris.	April 2015

Toxics, Chemical Management and Pollution Prevention

The Toxics, Chemical Management and Pollution Prevention product line is responsible for conducting evaluations to assess the EPA's management of chemical risks and programs to prevent pollution.

Point of Contact: Jeffrey Harris (202) 566-0831

Title	Primary Objective	Estimated/ Actual Start Date
Carryover		
National Pesticide Information Center Federal Insecticide, Fungicide and Rodenticide Act Programs Enforcement Referrals	To determine whether Federal Insecticide, Fungicide and Rodenticide Act and pesticide misuse issues that have been reported to the National Pesticide Information Center are being adequately resolved by federal or state authorities.	April 2014
Adequacy of EPA's Oversight of State Federal Insecticide, Fungicide and Rodenticide Act Programs	To determine the efficiency of EPA's oversight of states' implementation of the Federal Insecticide, Fungicide and Rodenticide Act program.	October 2013
Discretionary		
Pollution Prevention Grant Results and Measures	To evaluate whether results reported under the Pollution Prevention Government Performance and Results Act performance measures are accurate, transparent and supported.	April 2015
Office of Pesticide Program's Genetically Engineered Corn Insect Resistance Management	To determine the extent to which the Office of Pesticide Program collects and reviews industry Compliance Assurance Program reports submitted by genetically engineered corn seed registrants.	October 2014
P2 Green Chemistry Challenge Program Results	To ensure that all reported contributions to the EPA's performance measures are adequately supported.	October 2014
EPA Policies and Responsiveness to Public Petitions on Pesticide Issues	To determine whether there is an effective process to track the receipt, disposition and resolution of public petitions.	October 2014
EPA's Regional Negotiated Commitments with States for Federal Insecticide, Fungicide and Rodenticide Act Compliance Inspections	To evaluate EPA's procedures for determining and periodically reviewing state commitments for Federal Insecticide, Fungicide and Rodenticide Act compliance inspections.	April 2015

Science, Research and Management Integrity

The Science, Research and Management Integrity product line conducts independent evaluations of EPA's research and development programs and operations managed and directed by the Office of Research and Development. Particular focus is given to those areas that support human health and environmental protection. The product line also develops, coordinates and reports on OIG-identified agency management challenges and internal control weaknesses.

Point of Contact: Patrick Gilbride (303) 312-6969

Title	Primary Objective	Estimated/ Actual Start Date
Carryover		
EPA's Assessment of Potential Mining Impacts in Bristol Bay, Alaska	To determine whether the EPA adhered to laws, regulations, policies and procedures in developing its assessment of potential mining impacts on ecosystems in Bristol Bay, Alaska.	May 2014
Equipment Utilization Within the Office of Research and Development	To determine whether the Office of Research and Development has adequate controls over research equipment, including utilization, maintenance safeguarding and calibration.	June 2014
Region 6 Coastal Wetlands	To examine the Water Quality Protection Division used Coastal Wetlands Planning, Protection and Restoration Act trust funds in accordance with applicable federal laws and regulations, as well as any agreement with the U.S. Army Corps of Engineers.	February 2013
EPA's Use of Other Federal Agencies, Universities and Foundations for Research	To determine the extent to which EPA utilizes external sources, such as other federal agencies, universities, and foundations for agency research.	October 2014
OIG Hotline Complaint – Management of Travel and Trust Funds in Region 6 Water Quality Protection	To determine whether the division's Marine and Coastal Section used trust funds in accordance with applicable federal laws and regulations as well as any agreement with the Army Corps of Engineers.	February 2013
Discretionary		
Controls over Science to Achieve Results Grants for Research Misconduct	To determine whether the Office of Research and Development has controls in place within the Science to Achieve Results program to detect and prevent research misconduct.	December 2014
Office of Research and Development's Management of Reimbursable Funds for Research	To evaluate Office of Research and Development processes and procedures for managing reimbursable funds for research.	August 2015
Mandated		
2015 Management Challenges and Internal Controls Weaknesses	To provide the Administrator and Congress those issues which present the greatest challenge to EPA.	December 2014

Special Program Reviews

The Special Program Reviews product line is responsible for conducting evaluations to assess agency programs and functions to determine whether sufficient controls are in place to reduce the agency's risk of fraud, waste and abuse in its operations.

Point of Contact: Eric Lewis (202) 566-2664

Title	Primary Objective	Estimated/ Actual Start Date
Carryover		
EPA's Progress Under Environmental Justice Plan 2014	To assess the effectiveness of the Environmental Justice 2014 plan.	October 2013
Alternate Asbestos Control Method Follow On	To determine whether the execution of AACM experiments resulted in CERCLA 103 violations.	June 2013
Workforce Restructuring Under Voluntary Early Retirement Authority/ Voluntary Separation Incentive Payment	To evaluate the workforce restructuring goals by program and regional office for consistency of practices.	September 2014
EPA's Antimicrobial Testing Program	To determine whether EPA needs to consider upgrades to its antimicrobial testing program that stakeholders have stated is ineffective.	January 2014
Follow Up Evaluation EPA Inaction in Identifying Hazardous Waste Pharmaceuticals May Result in Unsafe Disposal	To determine the status of corrective actions for two of the three recommendations that the corrective actions have been completed.	February 2014
Discretionary		
Follow-Up Report – EPA Should Revise Outdated or Inconsistent EPA–State Clean Water Act Memorandums of Agreement	To follow up and verify corrective actions completed and accuracy of Management Audit Tracking System reporting.	October 2014
Follow-Up Report – Improvements Needed in EPA Training and Oversight for Risk Management Program Inspections	To verify corrective actions completed and Management Audit Tracking System data quality to determine whether EPA strengthened its management controls to ensure that Risk Management Program inspectors and supervisors meet their minimum training requirements.	October 2014
Effectiveness of EPA's Environmental Education Activities	To determine whether EPA has developed the framework and tools to allow for the measurement of the environmental education program.	October 2014
Mandated		
EPA's Classification of National Security Information (Second Evaluation)	To review agency implementation of previous recommendations as required by the Reducing Over Classification Act.	June 2015

Office of Investigations

The OIG's Office of Investigations (OI) primarily employs criminal investigators (Special Agents), as well as computer specialists and support staff. OI maintains a presence in most EPA regions and at selected EPA laboratories, other facilities and headquarters. The majority of investigative work is reactive in nature.

OI receives hundreds of allegations of criminal activity and serious misconduct in EPA programs and operations that may undermine the integrity of, or confidence in, programs, and create imminent environmental risks. To prioritize its work, OI evaluates allegations to determine which investigations may have the greatest impact on agency resources and on the integrity of an EPA program and operation, and produce the greatest deterrent effect. OI contributes to EPA's strategic goals by ensuring that the agency's resources are not pilfered by criminal activity or criminals.

OI has identified the following major areas on which to focus its investigative activity:

- Financial fraud (contracts and assistance agreements).
- Threats directed against EPA employees, facilities and assets.
- Alleged criminal conduct or serious administrative misconduct by EPA employees.

OI supports the agency and conducts OIG oversight and assistance, as directed by statute and the Office of Management and Budget, by providing fraud awareness, detection and prevention training to federal, state, tribal and local officials. OI manages the EPA OIG Hotline Program, which receives hundreds of complaints, referrals and allegations of abuse and misconduct. Additionally, OI is responsible for identifying and investigating attacks against the EPA's computer and network systems to protect resources, infrastructure and intellectual property.

Point of Contact: Patrick Sullivan (202) 566-0308

Investigations begun prior to FY 2015 and new investigations will examine:

- Criminal activities in the award, performance and payment of funds under EPA contracts, grants, and other assistance agreements to individuals, companies and organizations.
- Contract laboratory fraud relating to water quality and Superfund data, as well as payments made by the EPA for erroneous environmental testing data and results that could undermine the bases for EPA decision making, regulatory compliance and enforcement actions.
- Alleged criminal conduct or serious administrative misconduct by EPA employees.
- Criminal activity or serious misconduct affecting the integrity of EPA programs that could erode the public trust.
- Threats directed against EPA employees, facilities and resources.

- Intrusions into and attacks against the EPA's network, as well as incidents of hijacking EPA computers and/or systems in furtherance of criminal activities, and use of outside computers to commit fraud against the EPA.
- Disaster relief spending, including participating with other federal OIGs and the EPA OIG Office of Audit on the Hurricane Sandy Fraud Taskforce.

OI will continue fraud awareness briefings and training of key EPA officials and other stakeholders to increase their awareness of the indicators of contract and grant fraud and to identify and report funds at risk, as well as recognize and refer cyber threat issues and indicators of vulnerabilities.

OIG Assignments Planned for CSB

The U.S. Chemical Safety and Hazard Investigation Board (CSB) was created by the Clean Air Act Amendments of 1990. The CSB's mission is to investigate accidental chemical releases at facilities, report to the public on the root causes, and recommend measures to prevent future occurrences.



In FY 2004, Congress designated the EPA Inspector General to serve as the Inspector General for CSB. The OIG has the responsibility to audit, evaluate, inspect and investigate the CSB's programs, and to review proposed laws and regulations to determine their potential impact on CSB programs and operations. During FY 2015, the OIG plans to assess the following for CSB:

- Does CSB provide timely, accurate, complete and useful information for decisionmaking?
- Are CSB programs and operations performing with the greatest efficiency and effectiveness in regard to allocation and application of resources?
- Are the CSB's computer security and privacy programs comprehensive and actively implemented throughout the organization to balance risk and mission requirements?

Point of Contact: Kevin Christensen (202) 566-1007

Title	Primary Objective	Estimated/ Actual Start Date
Carryover		
CSB FY 2014 Financial Statements Audit (Contracted)	To monitor contractor to complete audit of FY 2014 financial statements.	April 2014
CSB Contracts	To examine whether the CSB effectively manages its support contracts.	February 2014
CSB FY 2014 Federal Information Security Management Act Audit	To conduct an independent audit of the CSB's compliance with the Federal Information Security Management Act.	March 2014
Discretionary		
CSB's Overtime Processes for Employee Compensation	To determine whether CSB: (1) properly documented how overtime is distributed to employees, and if so, what is the process used; (2) has the ability to break down the activities that received overtime benefits for FYs 2013 and 2014; (3) was compensated overtime for travel; and (4) followed federal and internal policies covering overtime compensation.	June 2015
Audit of CSB's Governance	To determine if CSB is following its internal controls through Board actions and has governance over the use of non-government email accounts.	October 2014

Title	Primary Objective	Estimated/ Actual Start Date
Mandated		
CSB FY 2015 Financial Statements Audit (Contracted)	To monitor contractor to complete audit of FY 2015 financial statements.	April 2015
CSB FY 2015 Federal Information Security Management Act Audit	To conduct an independent audit of the CSB's compliance with the Federal Information Security Management Act.	March 2015
CSB FY 2015 Proposed Management Challenges and Internal Control Weaknesses	To develop the OIG input to the CSB FY 2015 Proposed Management Challenges and Internal Control Weaknesses.	June 2015
CSB Purchase Card Risk Assessment and Compliance with the Improper Payment Act	To perform required annual risk assessment of CSB's purchase cards and to determine whether CSB was compliant in FY 2014 with the policies and procedures governing the Improper Payment Act.	October 2014

Appendix A—Performance Measures and Targets

The Government Performance and Results Act requires federal agencies to develop goal-based budgets supported by annual performance plans that link the organization’s mission and strategic goals to its annual performance goals. The annual performance goals are quantifiable targets supported by measures and indicators representing the expected outputs and outcomes. The agency’s annual Performance Accountability Report includes actual results compared to targets to inform the Office of Management and Budget, Congress, and the public about the value they are receiving for funds invested and how well the OIG is achieving its goals.

This annual plan explains how the OIG will convert its resources into results and benefits of its work through required and priority assignments. Outcome results and benefits from OIG work reflect measurable actions and impacts, but there is typically a time lag between the completion of OIG work and recognition of such results and benefits. Therefore, results and benefits from OIG audits, evaluations, investigations and reviews are recorded in the year they are recognized regardless of when the work was performed. Through current-year outputs and long-term outcomes, OIG targets and seeks to measure and demonstrate the many ways the OIG promotes economy, efficiency and effectiveness; and prevents and detects fraud, waste and abuse. The following are the OIG annual performance goals that this plan is designed to achieve, pending final budget agreements:

Annual performance measures	Supporting indicators	FY 2015 targets (based upon President’s Budget funding level)
Environmental and business actions taken for improved performance and reduction of risk from or influenced by OIG work	<ul style="list-style-type: none"> ○ Policy, process, practice, or control changes implemented ○ Environmental or operational risks reduced or eliminated ○ Critical congressional or public concerns resolved 	260 total
Environmental and business recommendations or risks identified for corrective action by OIG work	<ul style="list-style-type: none"> ○ Recommendations or best practices identified for implementation ○ Risks or new management challenges identified for action ○ Certifications, verifications, or analysis for decision or assurance ○ Outreach/technical advisory briefings 	721 total
Potential monetary return on investment in the OIG, as a percentage of the OIG budget	<ul style="list-style-type: none"> ○ Recommended questioned costs ○ Recommended cost efficiencies and savings ○ Fines, penalties, settlements, restitutions 	139% return on investment of budget
Criminal, civil, administrative and fraud prevention actions taken from OIG work	<ul style="list-style-type: none"> ○ Criminal convictions/civil judgments ○ Indictments/informations ○ Administrative actions (staff actions and suspension or debarments) 	131 total

Appendix B—Risks, Priorities and Issues Identified by OIG During EPA Outreach Interviews With Agency Management

The OIG is highly committed to being a customer-driven organization that provides products and services that address the needs and concerns of agency management. Our planning processes are highly dependent upon, and reflective of, the input received through our outreach to the agency. A summary of current identified areas of concern from the agency is provided below. This information is used by staff as a foundation to lead to the selection of well-supported assignments that answer compelling needs with measurable results.

EPA Cross-Cutting Risks	EPA Outreach Interviews Areas of Concern
<p>Emergency Preparedness/ Homeland Security</p>	<ul style="list-style-type: none"> • Preparedness for emergencies (natural or manmade disasters) is an unknown risk and needs greater attention. In addition, EPA needs to continue to mitigate the past and future impacts of disasters. • Protection of drinking water from emerging contaminants (Water Sentry program) requires a coordinated effort. • Waste management under possible disaster conditions presents a secondary risk that needs attention. • Data security and protection controls may be vulnerable and should be tested to guard against cyber attack. • Clarification of roles and responsibilities (within the EPA, and between federal agencies and states) needs to be determined and articulated for better collaboration. • The need for a statute on how we deal with imports (with possible health impacts on citizens) is needed to ensure emergency preparedness/homeland security.

EPA Cross-Cutting Risks	EPA Outreach Interviews Areas of Concern
<p>Better Collaboration/Coordination With States and Other Federal Agencies</p>	<ul style="list-style-type: none"> • The 30 federal agencies with an environmental mission need better coordination in planning and implementation. • There is a lack of direct lines of authority (coordination) among and between Assistant Administrators and regions. • Plans, resources, data, authority and measures are not aligned with risks and priorities across the EPA. • Better collaboration internally and with stakeholders is needed to align processes, leverage resources, implement controls, reduce duplication, examine best practices and align resources with priorities. • The EPA needs to coordinate with Department of Homeland Security for streamlined efforts on the new President Directive on Cyber Security for Water Security. • Oil and gas issues on tribal land complicate environmental issues and require better collaboration. • Gulf Coast restoration requires collaboration and coordination with states and other federal agencies.

EPA Cross-Cutting Risks	EPA Outreach Interviews Areas of Concern
<p>Consistent and Reliable Data and Performance Measurement</p>	<ul style="list-style-type: none"> • There are gaps and inconsistencies in the information that drives the decisionmaking process. • Questions exist as to whether the EPA is collecting the right data, of sufficient quality, and is making that data available. The agency needs to examine the quality of performance measures to ensure activities are properly compiled. • The EPA’s information systems are not aligned for efficiency, consistency, accessibility and security. • Control of laboratory data, personally identifiable information and confidential business information outside of the EPA, especially related to registration and re-registration of pesticides and other formulas regulated by the Toxic Substances Control Act, all present significant risks. Improvements to data quality from contract laboratories are needed. • Clean Water Act standards are measured differently in each state so information collected is not consistent. • Better quality data is needed from multiple data points to ensure consistent and reliable information.

EPA Cross-Cutting Risks	EPA Outreach Interviews Areas of Concern
<p>Improving EPA Organizational Design and Coordination of Resources to Eliminate Duplication</p>	<ul style="list-style-type: none"> • The EPA and its partners need a clear linkage among goals, resources, processes, actions taken and outcomes. • There are no standards or agreements among stakeholders on which to base measures of environmental risks and outcomes (states vs. national). • Program efficiency, progress and results are not measured meaningfully. • The EPA does not know what activities cost and what efficiency measures are needed. The agency lacks information needed to assist with determining when investments need to be made in relation to other priorities. • Existing statutes are very prescriptive and allow limited flexibility in managing compliance. Many statutes may not be relevant today and revision may be needed to comply with existing high risk areas. • Differences exist in the ways environmental laws are monitored and enforced between the EPA and states/tribes. Monitoring requirements for grants are underfunded. • The EPA must streamline administrative functions to eliminate unnecessary redundancy.

EPA Cross-Cutting Risks	EPA Outreach Interviews Areas of Concern
<p>Monitoring of States, Grants Management, Compliance and Enforcement (How Much Delegation? Federal vs. State Roles?)</p>	<ul style="list-style-type: none"> • The EPA lacks control of fund management and accountability once the funds for assistance agreements to grantees are distributed; half of the agency’s budget is allocated to these agreements. • The highest risk in the grants management process is at the point that funds are spent by grantees and are sometimes commingled with other sources of grant funds. • Grantees have limited capacity or incentive to account for funds or performance. • The EPA lacks resources to adequately monitor grants and lacks uniform reporting and accountability conditions. • The EPA should execute and manage grants for measurable success vis-à-vis their intended goals. • The EPA needs to determine how to get the best balance for return on investment between mandatory and voluntary actions.
<p>Human Capital Management – Skill Gaps/Alignment With Functions</p>	<ul style="list-style-type: none"> • The EPA should analyze its workforce to identify and fill skill gaps and to implement its Human Capital Strategy. • The EPA needs to determine programs and areas that can be done locally versus nationally to decrease overhead. • The EPA must determine whether employees in its workforce are aligned in the right places.
<p>Better Use of Technology, Information and Research</p>	<ul style="list-style-type: none"> • The EPA should manage its resources and the performance of contractors to optimize their value added. • The EPA needs operational controls to protect and account for costs, assets, information and performance. • The EPA should more strongly implement the Federal Managers’ Financial Integrity Act and Office of Management and Budget Circular A-123 process. • The Working Capital Fund lacks the transparency or accountability necessary to prove its efficiency. • Agency management should better understand and be accountable for taking agreed-to actions on OIG recommendations.

EPA Cross-Cutting Risks	EPA Outreach Interviews Areas of Concern
EPA’s Regulatory Process (Better and Faster Analysis of Costs, Science and Benefits)	<ul style="list-style-type: none"> • The EPA’s extremely complex regulatory process should be streamlined without compromising its required integrity. • Competing interests of stakeholders and the regulated community may lead to overlaps, gaps and conflicts. • Many policies are out of date or are based on outdated science and technology. • EPA should evaluate how to use voluntary incentives for compliance.
Cross-Media Risk Assessment, Planning and Priority Setting for Better Application of Resources	<ul style="list-style-type: none"> • The EPA should use a consistent approach to evaluate actual and relative environmental and operational risk and program effectiveness, assign resource priorities, make regulatory decisions, take enforcement actions, and inform its stakeholders. • The EPA should ensure the integrity of laboratory data, results and scientific research; knowledge and innovative technology should be transferred in a timely manner in the regulatory and policy process. • Agency programs need a consistent approach for determining relative risk and demonstrating outcome results.
Water Infrastructure, Financing and Water Availability	<ul style="list-style-type: none"> • The EPA needs to address failing infrastructure for drinking and storm water systems. Approximately \$20 billion will be needed to stabilize infrastructure across states. • It is unclear who will pay for needed infrastructure investment. • Hydro fracking in New York needs a before-and-after study. • EPA should examine how natural gas should be regulated under the Clean Water Act.
Land and Superfund	<ul style="list-style-type: none"> • It appears that Superfund sites are taking an extraordinarily long time to address. The agency needs to address this issue and determine whether management issues are preventing sites from doing cleanups. • The EPA needs to examine chemical safety and ensure that states are monitoring this problem to ensure safety of communities.

EPA Cross-Cutting Risks	EPA Outreach Interviews Areas of Concern
Climate Change and Air	<ul style="list-style-type: none">• The EPA should determine how to use creative financing and leverage funding through public/private partnerships.• The EPA should utilize a better method for understanding air toxics and their monitoring.• The EPA needs a clear and unified strategy, including participation of other federal agencies and other national governments.• Climate change in the northeast needs to be analyzed and determine why rebuilding always focuses on the same places.