Management Challenges
January 2001

Opportunities for Positive Change

At the request of Congress, Inspectors General annually identify major management challenges facing their agencies. The areas listed below represent systemic weaknesses or vulnerabilities we and others have identified which can undermine the success of EPA's management and program operations.

Accountability

EPA needs to develop accountability systems that tie performance to organizational goals. Agency management systems must be properly integrated to ensure customer needs are met and desired environmental and business results are achieved. Further, EPA should work with its partners to clarify roles and responsibilities for carrying out environmental protection.

Information Technology

The structure and consistency of EPA's Information Technology (IT) capital investment process is questionable, as is their ability to effectively track IT development and implementation.

Management needs to develop a comprehensive approach to IT capital planning and a disciplined budget process for managing its portfolio assets to meet various programmatiic missions.

Data Management

The Agency has not developed an overall strategy to address the integration, quality and reliability of its environmental data. EPA and states often apply different data definitions within their respective information systems, and sometimes collect and input different data resulting in inconsistent data and difficulty in sharing comparable information. The Agency needs to develop a data architecture, data standards, and data administration functions to enable it to evaluate the outcomes of programs in terms of environmental changes.

Managerial Accounting

Although progress has been made in developing and implementing cost accounting procedures, a lack of cost information still adversely impacts EPA's operations. Agency managers need cost

data integrated with program information to make decisions on resource allocations which can maximize environmental results. EPA needs to have systems and procedures in place to provide useful, consistent, timely, and reliable information about the cost of Agency programs and outputs.

Human Capital

Implementing a workforce planning strategy focusing on employee development is one of EPA's biggest challenges. The Agency must close competency gaps to ensure that its workforce can meet existing and new challenges. EPA needs to dedicate resources, develop performance measures, and implement necessary systems to identify the skills needed based on future program needs and tie these needs to future budget requests.

Quality of Laboratory Data

EPA relies on testing data provided by EPA and contract laboratories to assess threats to human health and the environment. However, the quality of some scientific analyses generated by EPA and contract laboratories is questionable and should not be used. Weaknesses and fraud in laboratory management practices have resulted in data quality and integrity problems that impact environmental and enforcement decisions. EPA must have a cost-effective, risk-based system that ensures the integrity of all scientific analyses influencing its actions.

Information Security Program

The Agency relies on its information systems to collect, process, store, and disseminate vast amounts of information used to assist in making sound regulatory and program decisions. There are significant and pervasive problems regarding the adequacy of security for EPA's financial and environmental systems,

and these weaknesses could jeopardize the integrity of vital data for decision-making and public use. EPA needs a centralized security program with strong oversight processes to adequately address risks and ensure that valuable information technology resources and environmental data are secure.

Assistance Agreements

Assistance agreements, which constitute about one-half of the Agency's budget, are the primary vehicles used to deliver environmental and human health protection to the public. Some recipients do not have adequate financial and internal controls to ensure that federal funds are properly managed resulting in limited assurance that funds are used in accordance with workplans and meet negotiated environmental targets. EPA needs to continue improving management controls over assistant agreements to ensure that the Agency and the public receive what was paid for.

National Pollutant Discharge Elimination System (NPDES)

EPA has recognized that the backlog in issuing NPDES permits is a nationwide problem. Large numbers of dischargers had their permits administratively extended without being subjected to current and more stringent discharge requirements. As a result, permitees are allowed to discharge pollutants at levels that could adversely affect human health and aquatic life. The Agency needs to identify those areas where permitting will result in the greatest environmental payback and permit those areas first.

Working Relationships With States

The National Environmental Performance Partnership System (NEPPS) established a new framework to reinvent the EPA-state working relationship with a focus on working as partners to resolve complex environmental issues. Performance partnership grants (PPGs) allow states and tribes to combine multiple EPA grants into one grant. The Agency can help increase NEPPS/PPG success by providing training and establishing a more collaborative, action-oriented process for: 1) establishing goals, 2) defining EPA/State roles and responsibilities, 3) agreeing on measures to assess environmental progress, and 4) obtaining commitments for results to be achieved.

Management Challenges Identified by the EPA OIG and Others*

Challenge	EPA	GAO	RPPI	ECOS	NAPA
Performance Measures	X	X	X	X	X
Human Capital	X	X	X		
Relationships With States	X	X	X	X	X
Outdated Statutes			X		
Innovation			X	X	X
Multi-media Efforts	X		X		X
Risk-based Decisions			X		
Science and Research	X		X	X	
Environmental Responsibilities	X		X		
Congressional Relations			X		
Data Systems & Management	X			X	X
Environmental Monitoring				X	X
Assistance Agreements	X				
Information Technology & Security	X				
NPDES	X				

* General Accounting Office (GAO)   Environmental Council of the States (ECOS)
   Reason Public Policy Institute (RPPI)   National Academy of Public Administration (NAPA)