



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

OFFICE OF
INSPECTOR GENERAL

June 4, 2012

MEMORANDUM

SUBJECT: Audit of Region 5 Unliquidated Obligations
Project No. OA-FY12-0306

FROM: Melissa M. Heist *Melissa M. Heist*
Assistant Inspector General for Audit

TO: Susan Hedman
Regional Administrator, Region 5

Dennis McLerran
Regional Administrator, Region 10

Howard Corcoran
Director, Office of Grants and Debarment

Steve Silzer
Director, Office of Financial Management

The U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) is beginning the fieldwork phase of our Audit of Region 5 Unliquidated Obligations. The OIG's fieldwork objective is to determine whether Region 5 is timely liquidating grant, interagency agreement, and contract obligations.

The OIG plans to conduct work at EPA Region 5, EPA headquarters, and interagency agreement service centers. In the next couple of weeks, we will hold an entrance conference to discuss the results of our preliminary research and the additional work we will perform. The audit team will contact the Region 5 audit liaison to schedule the entrance conference. We also plan to meet with EPA's Office of Grants and Debarment and Office of Financial Management to discuss policy issues related to our findings in Region 5. We will meet with the responsible interagency agreement service centers regarding Region 5 interagency agreements.

We will provide updates on a regular basis via in-person meetings or teleconferences to ensure the success and timely completion of this project. During this project, the OIG plans to produce the following products by the dates specified:

<u>Products</u>	<u>Estimated Dates</u>
Finding Outlines	July 31, 2012
Draft Report	October 29, 2012
Final Report	January 26, 2013

At the entrance conference, we request that Region 5 provide information on the total number and amount of funds deobligated during fiscal year 2011.

The project will be supervised by Janet Kasper, Director of Contract and Assistance Agreement Audits, and Shannon Schofield, Project Manager. If you or your staff have any questions, please do not hesitate to contact me at (202) 566-0899 or heist.melissa@epa.gov, or Janet Kasper at (312) 886-3059 or kasper.janet@epa.gov.

cc: Eric Levy, Audit Coordinator, Region 5
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