



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

OFFICE OF
INSPECTOR GENERAL

August 10, 2015

MEMORANDUM

SUBJECT: Revised Project Notification:
Oversight of Clean Water State Revolving Loan Funds
Project No. OA-FY15-0153

FROM: Janet Kasper, Director
Contracts and Assistance Agreement Audits
Office of Audit

A handwritten signature in cursive script, appearing to read "Janet Kasper".

TO: *See Below*

The Office of Inspector General (OIG) for the U.S. Environmental Protection Agency (EPA) is continuing our audit of the EPA's annual review of the Clean Water State Revolving Fund (CWSRF). The purpose of the annual review is to assess the success of the state's performance of activities identified in the IUP and Annual Report, and to determine compliance with the terms of the capitalization grant agreement. The objective of the audit will be to determine whether the CWSRF annual reviews are achieving their intended purpose. We revised the objective based on the results of preliminary research. This project is included in our annual plan.

The OIG plans to conduct work in EPA Regions 3, 4 and 5; and the Office of Water at headquarters. Applicable generally accepted government auditing standards will be used in conducting our project. The anticipated benefits of this project are to identify business process improvements, which will lead to improvements in the CWSRF program.

We will contact you to arrange a mutually agreeable time to discuss our objective and the purpose of the audit of our project. We will discuss the results of preliminary research and the change in the audit objective. We would also be particularly interested in any areas of concern that you may have. We will answer any of your questions about the project process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the course of the project. Throughout the project, we will provide updates on a regular basis.

To ensure the success and timely completion of this project, please provide the following information for Pennsylvania (Region 3), North Carolina (Region 4), and Michigan and Ohio (Region 5) to Mary Anne Strasser prior to the initial meeting:

1. Annual Review Checklists completed for each state's fiscal year (FY) 2013 CWSRF Annual Review: Appendix B Annual Review Checklist, Appendix C Project File Review Checklist, Appendix D Transaction Testing Worksheet, and Appendix E ARRA Project Review Checklist.

2. FY 2013 Performance Evaluation Report for the state's FY 2013 CWSRF Annual Review.
3. Audit reports reviewed for the state's FY 2013 CWSRF Annual Review.
4. The state's final CWSRF Intended Use Plan (including the project priority list) for state FY 2013.
5. The state's final CWSRF Annual Report for state FY 2013.

We respectfully note that the OIG is authorized by the Inspector General Act of 1978 to have timely access to personnel and all materials necessary to complete its objectives. We will request your resolution if an agency employee or contractor refuses to provide requested records to the OIG, or otherwise fails to cooperate with the OIG. We may report unresolved access matters to the Administrator and include the incident in the Semiannual Report to Congress.

The project will be supervised by Mary Anne Strasser. Should you or your staff have any questions, please contact me at (312) 886-3059 or kasper.janet@epa.gov, or Mary Anne Strasser at (303) 312-6972 or strasser.maryanne@epa.gov.

Addressees:

Ken Kopocis, Deputy Assistant Administrator, Office of Water
Shawn Garvin, Regional Administrator, EPA Region 3
Heather McTeer Toney, Regional Administrator, EPA Region 4
Susan Hedman, Regional Administrator, EPA Region 5

cc: Michael Shapiro, Principal Deputy Assistant Administrator, Office of Water
Marilyn Ramos, Audit Follow-Up Coordinator, Office of Water
William Early, Deputy Administrator, EPA Region 3
Lorraine Fleury, Audit Follow-Up Coordinator, EPA Region 3
Anne Heard, Deputy Administrator, EPA Region 4
Dorothy Rayfield, Audit Follow-Up Coordinator, EPA Region 4
Robert Kaplan, Deputy Administrator, EPA Region 5
Eric Levy, Audit Follow-Up Coordinator, EPA Region 5
Nic Grzegozewski, Agency Audit Follow-Up Coordinator
Arthur A. Elkins Jr., Inspector General
Charles Sheehan, Deputy Inspector General
Aracely Nunez-Mattocks, Chief of Staff, OIG
Alan Larsen, Counsel to the Inspector General
Kevin Christensen, Assistant Inspector General for Audit
Carolyn Copper, Assistant Inspector General for Program Evaluation
Patrick Sullivan, Assistant Inspector General for Investigations
Richard Eyermann, Deputy Assistant Inspector General for Audit
Jennifer Kaplan, Deputy Assistant Inspector General for Congressional and Public Affairs
Jeffrey Lagda, Congressional and Media Liaison, OIG