



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

DEC 28 2011

OFFICE OF  
ADMINISTRATION  
AND RESOURCES  
MANAGEMENT

**MEMORANDUM**

**SUBJECT:** EPA's Contract Oversight and Controls over Personal Computers Need Improvement  
Report No. 11-P-0705

**FROM:** *for [signature]* Craig E. Hooks, Assistant Administrator

**TO:** Arthur A. Elkins, Jr., Inspector General  
Office of the Inspector General

Malcolm D. Jackson, Assistant Administrator  
Office of Environmental Information and  
Chief Information Officer

In accordance with the U.S. Environmental Protection Agency Manual 2750, OARM is providing the required status update on the corrective actions associated with the OIG recommendations 2, 3, and 4 of the subject report. It is OARM's understanding that OEI will provide its response to recommendation 1 under separate cover.

OARM's update on the relevant recommended actions is as follows:

**Recommendation 2:** Update the property manual to require the separation of duties in property staff positions and consider assigning permanent property positions throughout the agency to ensure that there are safeguards over the EPA's assets.

**Update:** OARM concurs with this recommendation. Because we do not control staffing numbers and duty assignments throughout the agency, we will take the following corrective actions available to us:

- OARM will again distribute the information included in the September 3, 2010 memorandum and discuss its importance during monthly conference calls with accountable area property personnel. **Completed:** October 2011;
- With one adjustment, OARM will continue to encourage compliance with the requirement for separation of property roles and ask that consideration be given to assigning permanent property positions. As a result of the response from and concern expressed by field locations, OARM has re-evaluated its policy requiring full separation. Because of staffing limitations and inability to provide full time staff for property positions in most instances, OARM has agreed to require that

- separate individuals serve in the Property Management Officer (PMO) and the Property Accountability/Utilization Officer (PAO/PUO) positions only. Because the PMO provides the oversight role for the PAO and PUO, that position must be separate. However, we have agreed to allow one individual to serve as both the PAO and PUO in those accountable areas where staffing is an issue as long as performance objectives can be met. Completed: October 2011; and
- Include information on adjustment to the required separation of property roles in the revision of the *EPA's Personal Property and Procedures Manual*. Projected completion date: February 2012.

**Recommendation 3:** Develop and implement a process that would require property staff to routinely review and update FAS data.

**Update:** OARM concurs with this recommendation and notes that considerable progress has been made in verifying data between offices with shared responsibility and stakeholders. Corrective actions include:

- In conjunction with the implementation of the new Compass financial system in October 2011, property program officials received discrepancy reports as existing data was entered into the new system and corrective actions were taken to reconcile this information. Completed: October 2011;
- During the implementation of the new property tracking system in FY 2012, a second review will be completed to eliminate any discrepancies existing at that time. Projected completion date: October 2012; and
- OARM plans to develop a regular program of data reviews in conjunction with field audits of accountable areas. OARM will conduct at least six field audits during FY 2012 to monitor compliance with property requirements for data entry and updating. Projected completion date: September 2012.

**Recommendation 4:** Develop and implement a process that would ensure that property staffs adhere to records retention requirements.

**Update:** OARM concurs with this recommendation and is taking the following corrective actions:

- Review the existing process for collecting and maintaining acquisition documents and make any necessary modifications. Completed: November 2011;
- Inform property personnel of the need to maintain all necessary acquisition documentation and provide timeframes and implementing guidance. Completed: December 2011;
- The EPA is addressing property controls nationwide by upgrading the existing online training program for custodial officers. Projected completion date: April 2012;
- During FY 2012, OARM will conduct a training course for all agency property personnel that will include all aspects of property policy and procedures. Projected completion date: July 2012;
- During FY 2012, OARM will establish a certification program to provide evidence that all accountable areas are following agency policy to maintain the required documentation for the specified period of time. Projected completion date: October 2012; and
- Include a review of records retention documentation in a minimum of six annual field audits. Projected completion date: November 2012.

In addition to this hardcopy response, an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended will be provided per your request.

If you or your staff have any questions regarding this report, please contact Dr. Jerry Oakley at (202) 564-2082 or [oakley.jerry@epa.gov](mailto:oakley.jerry@epa.gov); or David Shelby at (202) 564-3307 or [shelby.david@epa.gov](mailto:shelby.david@epa.gov).