At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We conducted this review to determine whether the Office of Research and Development (ORD) manages its indirect and overhead costs appropriately to maximize available funding for research and development activities.

Background

The goals of ORD's Administrative Efficiencies Project (AEP) and the Information Technology Improvement Project (ITIP), which are two separate initiatives, include reducing costs by improving efficiency and effectiveness. In a 2006 draft report, ORD estimated that the AEP would save up to $13 million in administrative staffing costs annually when fully implemented in 2012, and that the ITIP saved $2 million in 2007.

For further information, contact our Office of Congressional, Public Affairs and Management at (202)566-2391.

The full report is at:
www.epa.gov/oig/reports/2011/20110714-11-P-0333.pdf

Office of Research and Development Needs to Improve Its Method of Measuring Administrative Savings

What We Found

ORD's efforts to reduce its administrative costs are noteworthy, but ORD needs to improve its measurement mechanism for assessing the effectiveness of its initiatives to reduce administrative costs. ORD used a detailed methodology for the two surveys it conducted during 2005–2010, which provided a manager's perspective of the amount of time staff spent on administrative duties. However, we identified some concerns with ORD's mechanism for assessing its initiatives. Only two surveys have been completed in 5 years, and these surveys only obtained the manager's perspective on administrative costs and did not obtain data directly from individual employees, including staff whose time was spent on administrative activities. Also, the surveys only considered a select number of ORD staff rather than all ORD staff. Further, ORD used more detailed definitions for administrative functions for the second of the two surveys, which may have impacted the comparability of results between the two surveys.

More frequent collection of data and additional data collected directly from staff related to what they are working on would better measure the effectiveness of ORD's efforts to reduce costs. Also, by reducing the time elapsed between surveys, ORD could identify and address issues that may impact ORD in meeting its goal of reducing administrative costs and, in turn, maximize available funding for research and development activities.

What We Recommend

We recommend that ORD establish a more timely and accurate system to measure its effective use of resources and to allow ORD to better manage its initiatives to reduce administrative costs. ORD generally agreed with our recommendation and is taking action to implement the recommendation. ORD's planned actions and timeline meet the intent of our recommendation.