



# At a Glance

## Why We Did This Review

The Food Quality Protection Act requires that we perform an annual audit of the Pesticides Reregistration and Expedited Processing Fund (known as the FIFRA Fund) financial statements.

## Background

The U.S. Environmental Protection Agency (EPA) is responsible for reassessing the safety of older pesticide registrations against modern health and environmental testing standards. To expedite this reregistration process, Congress authorized EPA to collect fees from pesticide manufacturers. The fees are deposited into the FIFRA Fund. Each year, the Agency prepares financial statements that present financial information about the fund, along with information about EPA's progress in reregistering pesticides.

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

The full report is at:  
[www.epa.gov/oig/reports/2012/20120606-12-1-0521.pdf](http://www.epa.gov/oig/reports/2012/20120606-12-1-0521.pdf)

## ***Fiscal Years 2011 and 2010 Financial Statements for the Pesticides Reregistration and Expedited Processing Fund***

### Opinion

We rendered an unqualified, or clean, opinion on EPA's Pesticides Reregistration and Expedited Processing Fund financial statements for fiscal years 2011 and 2010, meaning they are fairly presented and free of material misstatement.

### Internal Control Material Weakness Noted

We noted one material weakness in internal controls. EPA materially understated the FIFRA payroll and benefits payable, and related payroll expenses included in gross costs, in fiscal year 2011. The Agency's practice of transferring employees and expenses and liabilities from FIFRA to the Environmental Programs and Management Fund for cash flow reasons led to the understatement. The transfer removed the base upon which the leave accrual and benefits payable amounts are calculated. As a result, payroll and benefits payable were materially understated. The fiscal year 2010 accruals for FIFRA were \$2,269,000 while the fiscal year 2011 accruals were \$17,000. Understatements could impact the opinion on the financial statements and reliance on reported FIFRA financial information.

### Compliance With Applicable Laws and Regulations

The Agency was in compliance with applicable laws and regulations.

### Planned Agency Corrective Actions

The Agency agreed with our findings and recommendations. The Agency corrected the FIFRA financial statements to reflect the proper payroll and benefit payable amounts and indicated it will monitor the FIFRA benefit accrual at year-end. The Agency's complete response is in appendix B to this report. We agree with the Agency's corrective actions taken and proposed and believe the actions adequately address the issues raised.