



At a Glance

Why We Did This Review

The U.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), conducted this audit to determine whether the EPA:

- Ensures that grantees are effectively administering San Francisco Bay Water Quality Improvement Fund grants through the life of the grant.
- Monitors project progress and collects data and/or indicators to determine if proposed project outputs and outcomes are achieved.

The EPA has competitively awarded 33 grants totaling \$40.9 million to 18 different recipients with project periods beginning in fiscal year 2009. The purpose of the program is to protect and restore the San Francisco Bay.

This report addresses the following EPA goals or cross-agency strategies:

- *Protecting America's waters.*
- *Embracing EPA as a high-performing organization.*

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EPA Region 9 Needs to Improve Oversight of San Francisco Bay Water Quality Improvement Fund Grants

What We Found

EPA Region 9 did not consistently administer grants and monitor project progress to determine whether proposed outputs, outcomes and milestones were being achieved. Specifically, grant specialists and project officers did not complete baseline monitoring accurately, were sometimes not timely, and did not consistently verify that grantees submitted required documents or reports throughout the life of the grant.

When grant documents are not received or reviewed, the risk of fraud, waste and abuse increases.

Project officers did not consistently collect progress reports, or review and document monitoring and oversight activities (e.g., review progress reports, document communication, and document site visits). We also found that progress reports submitted by grantees did not consistently include sufficient information to determine project progress toward completing outputs, outcomes, milestones and deliverables as identified in agreed-upon work plans and timelines.

Recommendations and Planned Agency Corrective Actions

We recommend that the Regional Administrator, Region 9, issue a memorandum (or memoranda) and provide training to grant specialists, project officers and managers associated with the San Francisco Bay Water Quality Improvement Fund grants. The memorandum (or memoranda) and training should cover important topics, such as conducting accurate and timely baseline monitoring; verifying that required documents are received throughout the life of the grant; holding staff accountable for grant management; providing evidence of follow-up and documenting all monitoring activities; obtaining performance reports as required; verifying that performance reports address required outputs, outcomes and corrective action for delayed milestones; and placing required documents in the official grant file. We also recommend that Region 9 develop a mechanism or quality review process to verify effective oversight.

Region 9 agreed with the recommendations and provided completed and proposed corrective actions with milestone dates. The corrective actions will apply to Region 9's entire grants program and not be limited to the San Francisco Bay Water Quality Improvement Fund grants program. Region 9 also reported that baseline training was provided to all grant specialists on May 2, 2016. The completed and proposed corrective actions meet the intent of the recommendations. All recommendations are open with agreed-to corrective actions scheduled to be completed by the end of fiscal year 2017.