



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

OFFICE OF
INSPECTOR GENERAL

November 07, 2016

MEMORANDUM

SUBJECT: Project Notification:
Audit of EPA's Fiscal Year 2016 Compliance with Improper Payments Elimination and Recovery Act of 2010
Project No. OA-FY17-0054

FROM: Michael Petscavage, Director
Contract and Assistance Agreement Audits
Office of Audit

A handwritten signature in purple ink that reads "Michael Petscavage".

TO: David Bloom, Deputy Chief Financial Officer

The Office of Inspector General (OIG) for the U.S. Environmental Protection Agency (EPA) plans to begin an audit of the EPA's reporting of improper payments during fiscal year (FY) 2016. This project is required by the Improper Payments Elimination and Recovery Act of 2010.

The objectives of our audit are to report on the EPA's compliance with the Improper Payments Elimination and Recovery Act of 2010, and to evaluate the accuracy and completeness of agency reporting and performance in reducing and recapturing improper payments. The OIG plans to conduct work remotely throughout the EPA's offices in Washington, D.C., and at several regional offices, and therefore does not plan any site visits. Applicable generally accepted government auditing standards will be used in conducting our audit.

We would like to meet with you during the week of November 21, 2016, to discuss the purpose and objectives of our audit. We will contact the audit liaison to arrange a specific time and date for the meeting. During the meeting, we will answer any questions you have about the audit process, and we will discuss our methodology. The OIG has 180 days from the issuance of the annual financial report to issue a report on compliance.

To ensure the success and timely completion of this project, please provide the following information to Mary Anne Strasser at strasser.maryanne@epa.gov prior to the initial meeting:

1. A listing of staff responsible for reporting or consolidating the FY 2016 improper payment information.
2. An advance draft copy of the FY 2016 Annual Financial Report section on improper payments.
3. Spreadsheets used to consolidate improper payment totals.
4. Office of Management and Budget approval for the EPA's sampling plan.

5. Risk assessments completed in FY 2016 for payment streams included in FY 2016's Annual Financial Report section on improper payments.

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.

I will supervise this audit and the Project Manager will be Mary Anne Strasser. Should you or your staff have any questions, please contact me at (202) 566-0897 or petscavage.michael@epa.gov, or Mary Anne Strasser at (303) 312-6972 or strasser.maryanne@epa.gov.

cc: Howard Osborne, Acting Assistant Deputy Chief Financial Officer
Nic Grzegozewski, Agency Follow-Up Coordinator
Frank Benenati, Associate Administrator for Public Affairs
Melissa Harrison, Press Secretary, Office of Public Affairs
Brian Webb, Audit Follow-Up Coordinator, Office of Controller,
Office of the Chief Financial Officer
Brandon McDowell, Audit Follow-Up Coordinator, Office of Administration and
Resources Management
Lisa Maass, Audit Follow-Up Coordinator, Office of Acquisition Management,
Office of Administration and Resources Management
Kysha Holliday, Audit Follow-Up Coordinator, Office of Grants and Debarment,
Office of Administration and Resources Management
Laura Drummond, Audit Follow-Up Coordinator, Office of Water
Arthur A. Elkins Jr., Inspector General
Charles Sheehan, Deputy Inspector General
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
Edward Shields, Acting Assistant Inspector General for Management
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