



At a Glance

Why We Did This Review

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

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 the 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 the EPA's progress in reregistering pesticides.

This report addresses the following EPA goal or cross-agency strategy:

- *Embracing EPA as a high-performing organization.*

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Listing of [OIG reports](#).

Fiscal Years 2015 and 2014 Financial Statements for the Pesticides Reregistration and Expedited Processing Fund

Disclaimer of Opinion

We rendered a disclaimer of opinion on the FIFRA Fund financial statements for fiscal years (FYs) 2015 and 2014, meaning that we were unable to obtain sufficient evidence to determine if they were fairly presented and free of material misstatement.

Due to the material weakness in internal controls noted, the agency cannot provide reasonable assurance that financial data provided for the FIFRA Fund accurately reflect the agency's financial activities and balances.

Internal Control Material Weakness Noted

We noted a material weakness in that the EPA cannot adequately support its FY 2015 FIFRA Fund costs. The EPA's Office of Pesticide Programs receives its funding from both fees paid by pesticide manufacturers and amounts appropriated by Congress. In FY 2015, the EPA allocated its pesticide funding to use appropriated amounts, which would expire, and retained funding received from fees. Therefore, significant payroll amounts paid from appropriations were not charged directly to the FIFRA Fund or other pesticide programs. This resulted in the loss of the audit trail for reporting separate costs and liabilities for the FIFRA Fund and other pesticide programs.

The EPA has taken corrective actions based on what we found during our prior FIFRA Fund financial statements audit report; accordingly, we are making no additional recommendations. In October 2016, the agency implemented a new enhancement for transactions that will commence in FY 2017. However, this does not impact or correct the material weakness for the FY 2015 statements, nor the disclaimer of opinion.

Compliance With Applicable Laws and Regulations

We did not identify any noncompliance that would result in a material misstatement to the audited financial statements.