



At a Glance

Why We Did This Project

The Pesticide Registration Improvement Act (PRIA) requires that we perform an annual audit of the Pesticide Registration Fund (also known as the PRIA Fund) financial statements.

To expedite the registration of certain pesticides, Congress authorized the U.S. Environmental Protection Agency (EPA) to assess and collect pesticide registration fees. The fees collected are deposited into the PRIA Fund. The agency is required to prepare financial statements that present financial information about the fund.

PRIA also requires that decision-time review periods be established for pesticide registration actions and that the Office of Inspector General (OIG) perform an analysis of the agency's compliance with those review periods.

This report addresses the following:

- *Operating efficiently and effectively.*

Address inquiries to our public affairs office at (202) 566-2391 or OIG_WEBCOMMENTS@epa.oig.

List of [OIG reports](#).

Fiscal Years 2017 and 2016 (Restated) Financial Statements for the Pesticide Registration Fund

EPA Receives a Modified Opinion

We rendered a modified opinion on the PRIA Fund financial statements for fiscal year (FY) 2017, meaning that except for the possible effects of the agency's inability to support PRIA's payroll accruals and related expenses in FY 2016, the FY 2017 financial statements were fairly presented.

We rendered a modified opinion on the EPA's FY 2017 PRIA Fund financial statements and a disclaimer of opinion on the FY 2016 (restated) PRIA Fund financial statements.

We rendered a disclaimer of opinion on the PRIA Fund financial statements for FY 2016, meaning we could not obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. This disclaimer of opinion was rendered because the agency could not support PRIA's payroll accruals and related expenses in FY 2016.

Internal Control Material Weakness – Property

In FY 2017, the EPA corrected accounting errors in—and subsequently restated—its FY 2016 PRIA Fund financial statements. When we examined the transactions used to justify the restatement amounts, we found that the EPA did not retain supporting documentation for \$369,779.88 of the transactions. Federal internal control standards require that all transactions be properly documented. These standards also require that this documentation be retained for an appropriate time period and be readily available for examination. Failure to retain supporting documentation for PRIA transactions for an appropriate time period casts doubt on management assertions regarding the recognition, measurement, presentation and disclosure of PRIA property accounts; depreciation; operating expenses; and the PRIA Fund's financial statements as a whole.

Compliance with Applicable Laws and Regulations

We did not identify any noncompliances that would result in a material misstatement to the audited financial statements. In addition, the agency was in substantial compliance with the statutory decision time frames.

Recommendation and Agency Corrective Action

We recommended that the Chief Financial Officer analyze agency records management schedules for financial management and determine how long records should be maintained after the disposal of software and financial records related to software assets. The agency agreed with our recommendation and completed the corrective action.