



At a Glance

Why We Did This Project

We performed this audit pursuant to the Hazardous Waste Electronic Manifest Establishment Act. The Act requires the U.S. Environmental Protection Agency to prepare and the Office of Inspector General to audit each year the accompanying financial statements of the EPA's Hazardous Waste Electronic Manifest System fund, known as the e-Manifest fund. Our primary objectives were to determine whether:

- The financial statements were fairly stated in all material respects.
- The EPA's internal controls over financial reporting were in place.
- EPA management complied with applicable laws and regulations.

The e-Manifest system has been designed to track off-site shipments of hazardous waste from a generator's site to the site of the receipt, and disposition of the hazardous waste. The system was launched on June 30, 2018.

This report addresses the following:

- *Operating efficiently and effectively.*

This report relates to a key EPA management challenge:

- *Fulfilling mandated reporting requirements.*

Address inquiries to our public affairs office at (202) 566-2391 or [OIG WEBCOMMENTS@epa.gov](mailto:OIG_WEBCOMMENTS@epa.gov).

List of [OIG reports](#).

EPA's Fiscal Years 2018 and 2017 Hazardous Waste Electronic Manifest System Fund Financial Statements

EPA Receives an Unmodified Opinion

We rendered an unmodified opinion on the EPA's fiscal years 2018 and 2017 e-Manifest fund financial statements, meaning that the statements were fairly presented and free of material misstatement.

We found the fund's financial statements to be fairly presented and free of material misstatement.

Significant Deficiencies Noted

We noted the following significant deficiencies:

- The EPA improperly recorded e-Manifest receivables and earned revenue.
- The EPA misclassified e-Manifest user fee revenue.

The EPA agreed to update the accounting posting models for receivables and earned revenue. The estimated completion date for the improper recordings corrective actions is September 30, 2021. The EPA corrected the misclassified fees during the audit. We originally reported on these findings in [OIG Report No. 20-F-0033, EPA's Fiscal Years 2019 and 2018 \(Restated\) Consolidated Financial Statements](#), issued November 19, 2019.

Compliance with Applicable Laws and Regulations

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

OIG Analysis of e-Manifest Fees

We found that the EPA did not properly calculate e-Manifest fees and underbilled users by approximately \$260,128.

We recommended that the EPA correct the current fee model to properly calculate e-Manifest fees. We also recommended that the EPA determine the effect of underbilling on the fund's ability to recover full cost. The EPA agreed with our recommendations related to e-Manifest fees and completed corrective actions.