



U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL



*Operating efficiently and effectively
Compliance with the law*

EPA Needs to Strengthen Controls Over Required Documentation and Tracking of Intergovernmental Personnel Act Assignments

Report No. 20-P-0245

August 10, 2020



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Abbreviations

C.F.R.	Code of Federal Regulations
EPA	U.S. Environmental Protection Agency
GS	General Schedule
IPA	Intergovernmental Personnel Act
OIG	Office of Inspector General
OPM	U.S. Office of Personnel Management
SES	Senior Executive Service
U.S.C.	United States Code

Cover Image: The EPA lacks adequate controls over the required documentation for and the tracking of Intergovernmental Personnel Act assignments. (OIG image)

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At a Glance

Why We Did This Project

The U.S. Environmental Protection Agency's Office of Inspector General conducted this audit to determine whether:

1. The EPA's use of assignments under the Intergovernmental Personnel Act is in accordance with federal requirements and Agency policy and procedures.
2. The IPA assignments achieved their purpose.

The IPA allows for the temporary assignment of personnel between the federal government and eligible nonfederal organizations, such as state and local governments, colleges and universities, and Indian tribal governments. Our audit focused on EPA employees on IPA assignment to external organizations from June 1, 2016, through May 31, 2019.

This report addresses the following:

- *Operating efficiently and effectively.*
- *Compliance with the law.*

This project addresses a top EPA [management challenge](#):

- *Complying with internal control (policies and procedures).*

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EPA Needs to Strengthen Controls Over Required Documentation and Tracking of Intergovernmental Personnel Act Assignments

What We Found

The EPA's use of assignments under the IPA complied with applicable statutory and regulatory requirements and with IPA guidance issued by the U.S. Office of Personnel Management. However, the Agency did not always comply with documentation requirements contained in its *Intergovernmental Personnel Act Policy and Procedures Manual (IPA)*. The Agency also did not enforce the Manual's requirement that assignments be terminated if annual progress reports are not submitted.

The Agency lacks controls to verify that documents are submitted and maintained as required, as well as a reliable system to track employees on IPA assignment.

Our analysis of 18 IPA assignment files found that many required documents were missing. This lack of documentation occurred because the Agency does not have adequate controls to verify that documents required by the Manual are submitted and maintained. In addition, the Manual has not been updated for over 20 years. Without an updated Manual, staff may not fully understand the Agency's IPA process and requirements. And without the required documentation, management cannot effectively determine whether the IPA assignments are progressing as planned or have achieved their purpose. For example, although we found that nine of the 12 completed IPA assignments met their overall purpose, we were unable to make a determination on the remaining three completed assignments due to missing documentation.

Furthermore, the Agency lacks a reliable process to track EPA employees on IPA assignment. As a result, it cannot accurately determine the number of employees on IPA assignment at any given time, nor can it accurately and reliably report on IPA assignments.

Recommendations and Planned Agency Corrective Actions

We recommend that the assistant administrator for Mission Support update the Agency's *Intergovernmental Personnel Act Policy and Procedures Manual (IPA)* to reflect relevant and appropriate requirements, strengthen controls over IPA assignment documentation and tracking, and enforce requirements for noncompliance with IPA requirements. The Agency agreed with the recommendations and provided acceptable planned corrective actions and estimated completion dates. We consider the recommendations resolved with corrective actions pending.



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

THE INSPECTOR GENERAL

August 10, 2020

MEMORANDUM

SUBJECT: EPA Needs to Strengthen Controls Over Required Documentation and Tracking of Intergovernmental Personnel Act Assignments
Report No. 20-P-0245

FROM: Sean W. O'Donnell 

TO: Donna Vizian, Principal Deputy Assistant Administrator
Office of Mission Support

This is our report on the subject audit conducted by the Office of Inspector General of the U.S. Environmental Protection Agency. The project number for this audit was OA&E-FY19-0271. This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. Final determinations on matters in this report will be made by EPA managers in accordance with established audit resolution procedures.

The Office of Mission Support is responsible for the findings outlined in this report.

In accordance with EPA Manual 2750, your Office provided acceptable corrective actions and estimated milestone dates in response to OIG recommendations. All recommendations are resolved, and no final response to this report is required. However, if you submit a response, it will be posted on the OIG's website, along with our memorandum commenting on your response. Your response should be provided as an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that you do not want to be released to the public; if your response contains such data, you should identify the data for redaction or removal along with corresponding justification.

We will post this report to our website at www.epa.gov/oig.

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Chapter 1

Introduction

Purpose

The Office of Inspector General of the U.S. Environmental Protection Agency conducted an audit of the Agency’s use of assignments under the Intergovernmental Personnel Act. Our objectives were to determine whether:

1. The EPA’s use of IPA assignments was in accordance with federal requirements and Agency-established policy and procedures.
2. The IPA assignments achieved their purpose.

Top Management Challenge

This audit addresses the following top management challenge for the Agency, as identified in OIG Report No. [20-N-0231](#), *EPA’s FYs 2020–2021 Management Challenges*, issued July 21, 2020:

- Complying with internal control (policies and procedures).

Background

The IPA allows the temporary assignment of personnel between the federal government and eligible nonfederal organizations, such as state and local governments, colleges and universities, and Indian tribal governments. The legal authority for IPA assignments derives from 5 U.S.C. §§ 3371–3376. IPA regulations, which are found in 5 C.F.R. Part 334, set specific requirements for the:

- Length of an IPA assignment.
- Term of obligated service, whereby an employee who has completed an IPA assignment remains with the federal government for a specified period.
- Written agreement between the two entities.
- Termination of the agreement if certain requirements are not met.
- Reporting to the U.S. Office of Personnel Management, if requested.

In Executive Order 11589, issued April 1, 1971, the president delegated the authority to issue the guidance necessary to administer these provisions to the OPM.

OPM Guidance

Per the OPM, the goal of the IPA is to facilitate the movement of employees—known as *assignees*—for short periods of time when the movement serves a sound public purpose. IPA assignments may be used to achieve objectives such as:

- Strengthening the management capabilities of federal agencies; state, local, and Indian tribal governments; and other eligible organizations.

- Assisting the transfer and use of new technologies and approaches to solve governmental problems.
- Facilitating an effective means of involving state and local officials in developing and implementing federal policies and programs.
- Providing program and developmental experience that will enhance the assignees' performance in their regular jobs.

The OPM oversees the use of IPA assignments and may review how agencies administer assignments. Per the OPM, it is imperative that agencies maintain accurate records of all assignments.

EPA Policy and Guidance

The EPA's IPA program policy, *Intergovernmental Personnel Act Policy and Procedures Manual (IPA)*, was last updated in 1997. According to the Manual, the authority for developing policy and procedural guidelines and for directing assignments under the Act is delegated to the Agency's IPA coordinator. The IPA coordinator, housed in the EPA's Office of Human Resources, is responsible for overseeing all aspects of the EPA's IPA program, including:

- Reviewing all agreements for regulatory compliance and ensuring that necessary concurrences and approvals have been obtained from the appropriate officials.
- Taking corrective administrative actions as necessary to resolve problems and rectify errors.
- Providing advice to managers and employees.
- Maintaining a complete file of all IPA assignments.

The EPA's *Intergovernmental Personnel Act Mobility Program (IPA)* intranet site contains a link to the Manual and required documents for Agency employees to access. The intranet site also includes a checklist that is used by the IPA coordinator to identify the required documentation that should be maintained in each assignee's IPA assignment file, such as the assignment agreements, annual progress reports, and end-of-assignment evaluations.

Responsible Office

Within the Office of Mission Support, the Office of Human Resources provides agencywide policy development, strategic planning, and direction for the Agency's human resources program, including IPA assignments.

The EPA managers and supervisors of staff on assignment are responsible for maintaining an awareness of the objectives and requirements of the IPA program,

initiating and negotiating assignments, and verifying that all assignments are mutually beneficial to the parties involved and the assignee.

Scope and Methodology

We conducted this performance audit from July 2019 to May 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As detailed in Appendix A, we assessed the internal controls necessary to satisfy the audit objectives.¹ In particular, we assessed the internal control components and underlying principles—as outlined in the Government Accountability Office’s Green Book—significant to the audit objectives. Because our audit was limited to the internal control components and underlying principles deemed significant to our audit objectives, it may not have disclosed all internal control deficiencies that may have existed at the time of the audit.

To gain an understanding of the legal authority for IPA assignments and federal requirements, we reviewed 5 U.S.C. §§ 3371–3376 and 5 C.F.R. Part 334. We also reviewed the OPM guidance to administer these provisions.

To gain an understanding of the EPA’s policy and guidance covering IPA assignments, we reviewed:

- The EPA’s *Intergovernmental Personnel Act Policy and Procedures Manual (IPA)*, dated June 1997.
- Materials found on the EPA’s intranet site for its IPA program.

To determine the number of EPA employees on IPA assignments, we requested that the Agency provide a list of all external IPA assignments from June 1, 2016, through May 31, 2019. The EPA’s list identified 26 employees. Six employees were on short-term assignments ranging from three to seven months. We did not include these short-term assignments in our analysis, instead focusing on assignments that had a duration of 12 or more months. Of the remaining 20 assignments, files for two assignments that ended in 2017 were destroyed in 2019—prior to our request for records—in accordance with the Agency’s two-year record retention policy. We therefore reviewed a total of 18 assignments.

¹ An entity designs, implements, and operates internal controls to achieve its objectives related to operations, reporting, and compliance. The U.S. Government Accountability Office sets internal control standards for federal entities in GAO-14-704G, *Standards for Internal Control in the Federal Government* (also known as the “Green Book”), issued September 10, 2014.

To determine whether the EPA's use of these 18 IPA assignments was in accordance with federal requirements and Agency-established policy and procedures, we:

- Obtained and reviewed information from the IPA assignment files maintained by the IPA coordinator, as well as from employee personnel files.
- Interviewed employees, their EPA supervisors, and approving officials to obtain background information about the IPA assignments and understand the assignment process.
- Interviewed current and former EPA IPA coordinators and Office of Human Resources leadership to obtain an understanding of roles, responsibilities, and IPA processes, including assignment tracking and reporting.
- Interviewed staff and managers from the Office of Human Resources' shared service centers who are responsible for processing personnel actions to obtain an understanding of their involvement in processing, tracking, and reconciling records pertaining to IPA assignments.

EPA's Shared Service Centers

The Agency has two shared service centers: one in Cincinnati, Ohio, and one in Research Triangle Park, North Carolina. These shared service centers provide human resources services to EPA employees across the country.

To determine whether the IPA assignments met their purpose, we reviewed the assignment agreements to identify the assignment purpose. We then reviewed progress reports; end-of-assignment evaluations; performance evaluation writeups, some of which included a narrative of the work performed; and other documents in the IPA assignment file describing actual work performed.

Chapter 2

EPA’s Use of IPA Assignments Complies with Federal Requirements

The Agency’s use of IPA assignments—including those for Senior Executive Service employees—complies with federal requirements and OPM guidance. The Agency paid an estimated \$3.3 million in salary-and-benefit costs for ten of the 18 IPA assignments that we reviewed. The salaries and benefits for the remaining eight assignments were reimbursed by the hosting agency or organization, as stipulated in those assignment agreements. Of the 18 assignments, four employees left the EPA at the end of their assignment or shortly thereafter.

EPA Employees on IPA Assignment

As shown in Table 1, for the three-year period from June 1, 2016, through May 31, 2019, the Agency had 18 employees on assignments to various agencies and organizations. The assignees included 12 employees in general schedule positions that ranged from GS-12 to GS-15 and six employees in SES positions. Nine assignees were from various offices located at EPA headquarters: seven were from Region 9, one was from Region 4, and one was from Region 10. All SES employees were from headquarters, except for one from Region 4. The length of the IPA assignments, which ranged from 12 to 48 months, complied with 5 U.S.C. § 3372(a) requirements that an assignment be no more than two years (that is, 24 months), with a maximum two-year extension (in other words, 48 months total). One assignment to a tribal government was scheduled to last almost 13 years (153 months), a tenure allowed under regulations for tribal assignments only.

Senior Executive Service and General Schedule Employees

SES employees “serve in key positions just below the top Presidential appointees. SES members are the major link between these appointees and the rest of the Federal workforce.”

GS employees cover “the majority of civilian white-collar Federal employees (about 1.5 million worldwide) in professional, technical, administrative, and clerical positions.” The GS has 15 grades, from GS-1 to GS-15.

—OPM.gov

Table 1: EPA employees on IPA assignment, June 2016–May 2019

Assignee	Grade level	Originating EPA office	IPA assignment			
			Start date	End date	Length (months)	Assigned to
1	SES	Office of the Administrator*	4/15/18	4/14/19	12	George Mason University
2	SES	Office of the Administrator*	12/24/17	3/8/19	14	George Washington University
3	SES	Office of the Administrator*	9/3/17	10/31/19	26	American University
4	SES	Office of the Chief Financial Officer*	4/9/18	6/23/19	14	Bowie State University
5	SES	Office of General Counsel*	5/27/18	6/5/20	24	Virgin Islands, Department of Planning and Natural Resources

Assignee	Grade level	Originating EPA office	IPA assignment			
			Start date	End date	Length (months)	Assigned to
6	SES	Region 4	5/21/18	8/3/19	14	Atlanta Metropolitan State College
7	GS-15	Office of the Administrator*	3/6/16	3/5/17	12	George Washington University
8	GS-14	Office of the Administrator*	4/14/19	11/1/19	6**	Environmental Council of the States
9	GS-14	Office of Water*	1/2/17	1/3/19	24	Environmental Council of the States
10	GS-15	Office of Research and Development*	12/14/14	12/14/18	48	Metropolitan Sewer District of Great Cincinnati
11	GS-15	Region 9	3/3/19	2/20/21	23	San Francisco Bay Regional Water Quality Control Board
12	GS-14	Region 9	12/2/12	12/2/16	48	California Department of Toxic Substances Control
13	GS-14	Region 9	2/17/19	2/16/20	12	Hawaii Department of Health
14	GS-14	Region 9	12/9/18	12/8/19	12	California State Water Resources Control Board
15	GS-13	Region 10	1/24/16	10/27/18	33	Oregon Department of Environmental Quality
16	GS-13	Region 9	1/18/09	10/28/21	153	Navajo Nation Environmental Protection Agency
17	GS-13	Region 9	11/13/16	6/28/19	26***	California State Water Resources Control Board
18	GS-12	Region 9	5/12/19	5/11/21	24	Commonwealth of Mariana Islands, Division of Environmental Quality

Source: OIG-generated table based on data obtained from the IPA list provided by the EPA, employee personnel, and IPA assignment files.

* Office located in EPA headquarters.

** This assignment was originally scheduled to last 12 months but was terminated early.

*** This number excludes a five-month break in the assignment from July 6, 2018, to December 8, 2018.

EPA Use of IPA Assignments

Our analysis of documentation supporting the use of IPA assignments did not show any instances of noncompliance with the regulations found in 5 C.F.R. Part 334 or guidance issued by the OPM. We reviewed the written agreements for the 18 IPA assignments in our audit and noted that they fell into four general categories of intended activity: outreach, relationship building, research, and technical expertise. These categories meet the OPM’s criteria that assignments be (1) used for a sound public purpose and (2) of mutual concern and benefit to both the federal agency and the nonfederal organization.

We found that eight of the 18 IPA assignments were used for outreach, relationship building, and research (Appendix B, Assignees 1–4 and 6–9), including five of the six SES assignments. The remaining ten assignments were used to provide technical expertise to assist in a specific area or program of the hosting agency or organization’s work (Appendix B, Assignees 5 and 10–18).

Estimated Costs of IPA Assignments

As stipulated in the IPA agreements, the costs of the assignments were either paid in full or in part by the EPA or were reimbursed by the hosting agency or organization through its funding sources or as matching funds under EPA grants. As shown in Table 2, the EPA paid an estimated \$3.3 million in salary-and-benefit costs for ten of the 18 assignments. Approximately \$1.6 million, or 47 percent of the costs, were for the five SES employees on assignment to a college or university: Assignees 1–4 and 6.

Table 2: Estimated EPA costs of IPA assignments

Assignee*	Estimated EPA costs**	Percent of costs paid by EPA
1	\$246,480	100% of total
2	248,788	100% of total
3	526,717	100% of total
4	281,134	100% of total
5	465,275	100% of total
6	268,517	100% of total
7	208,390	100% of total
8	358,701	100% of total
9	83,792	100% of total
10	651,105	75% of benefits
11–18	0	N/A
Total	\$3,338,899	

Source: OIG-generated table based on data from the IPA list provided by the EPA, employee personnel, and IPA assignment files.

* Numbers correspond with assignees in Table 1.

** Includes total salary plus fringe benefits at 30% for IPA length.

Some Employees Departed EPA Upon Completion of IPA Assignments

Of the 18 IPA assignments we analyzed, four employees left the Agency at the end of their assignments or shortly thereafter (Table 3). The departed employees consisted of three SES employees (Assignees 1, 3, and 6) and one GS-13 employee (Assignee 17).

Table 3: Employees who departed EPA soon after IPA assignments

Assignee*	Assignment end date	Departure date	Reason for departure
1	4/14/19	4/12/19	Resigned
3	10/31/19	10/31/19	Retired
6	8/3/19	8/30/19	Retired
17	**6/28/19	8/8/19	Resigned

Source: OIG-generated table based on data obtained from personnel and IPA assignment files.

* Numbers correspond with assignees in Table 1.

** The original end date was 12/8/19. The assignment was terminated early.

The salary-and-benefit costs paid by the Agency for the departed SES employees, as shown previously in Table 2, totaled an estimated \$1,041,714. The costs for the departed GS-13 employee during the IPA assignment were paid by the hosting organization.

In all four instances, the employees certified, as part of their IPA assignment agreements, that they would remain in federal service for a specified period of time, as required by 5 C.F.R. § 334.105. This regulation requires an employee on IPA assignment “to agree, as a condition of accepting an assignment, to serve with the Federal Government upon completion of the assignment for a period equal to the length of the assignment.” If the employee does not remain with the Agency for a period equal to the length of the assignment, the requirements of 5 C.F.R. § 334.105(b) provide that certain expenses incurred as part of an IPA assignment—excluding salary and benefits—be reimbursed to the Agency. The reimbursable expenses may include travel between the home office and assignment location, per diem at the assignment location, and limited relocation expenses. The agreements for the four employees who retired or resigned at the end of their IPA assignments or shortly thereafter did not include any reimbursable expenses; therefore, there is no required reimbursement due to the EPA.

Chapter 3

EPA Did Not Comply with Documentation and Termination Requirements

The EPA did not always meet the documentation requirements specified within its *Intergovernmental Personnel Act Policy and Procedures Manual (IPA)*. Further, when the assignees did not submit annual progress reports, the Agency did not enforce the termination of those assignments, as stipulated by the Manual. This lack of compliance occurred because the Agency lacks controls to verify that required documents are submitted and maintained in the IPA assignment files and that consequences for noncompliance are enforced. In addition, the Manual is outdated. An outdated manual may cause requirements and consequences for noncompliance to seem less relevant, making staff less likely to comply.

Without the required documents, the EPA cannot:

- Determine whether the IPA assignments are progressing as planned or have achieved their intended purpose.
- Effectively evaluate whether extending an individual assignment or continuing future assignments to certain agencies or organizations is the best use of resources.
- Appropriately respond to congressional, Office of Management and Budget, OPM, and Freedom of Information Act requests.

Required Documents Missing from Assignment Files

The Manual requires that certain documents be submitted and maintained in the IPA assignment files. Our analysis of 18 IPA assignment files found that many required documents were missing. Most noticeably, the employee's annual performance agreements and the annual written reviews were missing from all 18 IPA assignment files. Other documentation was missing from some, but not all, of the files, including:

- Standard Form 50, *Notification of Personnel Action*.
- Standard Form 52, *Request for Personnel Action*.
- Form 3140-36, *Cost/Benefit Justification*.
- Form 3140-34, *Employment Status Certification Statement*.
- Form 3140-35, *Program's Certification of Employee Status*.
- Letter from the host organization requesting services.
- List of officials involved in negotiating the IPA agreement.
- Annual progress report.

- Final assignment evaluations by both the assignee and the hosting supervisor.
- Evidence of Office of General Counsel concurrence, as annotated in the IPA agreement.
- Evidence of assignee's acknowledgment of the prohibition of the use of federal funds.
- Executed copy of the agreement signed by all parties.

With two exceptions, all of these documents are required by the “Checklist of Documents Required for an IPA Assignment,” which is included in the Manual. The two exceptions are the Standard Form 50 and the assignees’ acknowledgment of the prohibition of the use of federal funds. These two documents are not addressed in the Manual’s checklist but are required as part of an updated checklist—*IPA Checklist for EPA Employees, Documents Required*—that is posted on the EPA’s IPA program intranet site. The updated checklist also eliminates two items that are required by the Manual’s checklist: Standard Form 52 and the annual written review.

According to the EPA’s IPA coordinator, the Office of Human Resources created the updated checklist based on an internal review of the IPA assignment files conducted in 2017. The Office of Human Resources has not updated the checklist in the Manual to reflect these changes, however.

Manual Not Updated for Over 20 Years

Even though the checklist has been updated to change some required forms, there have been no updates to the Manual for over 20 years. Since the Manual was published in 1997, many of the responsible offices referenced in the Manual have been reorganized or renamed. Some required forms have become electronic, such as Standard Forms 50 and 52, and the process for their submittal and approval has changed. In addition, some previously required documents are no longer relevant or needed under the IPA program, as evidenced by the updated checklist.

Assignments Not Terminated When Progress Reports Not Submitted

The Agency has not enforced the requirement that IPA assignments be terminated if assignees do not submit annual progress reports. Per the Manual, an annual progress report is due from the assignee to the IPA coordinator within ten working days following the close of each fiscal year. The report must contain an assessment of the assignment, accomplishments, and mutual benefits achieved or expected upon completion of the assignment. The Manual states:

IPA assignments will not be extended unless progress reports have been received by the Agency IPA Coordinator. Failure to comply will lead to termination of the assignment.

As shown in Table 4, seven of the 18 IPA assignment files that we reviewed were missing progress reports. Instead of having their IPA assignments terminated, these assignees finished the full term of the assignment or received extensions. For example, although Assignee 2 did not submit the fiscal year 2018 progress report, the assignment was not terminated. In fact, an assignment extension was granted in December 2018, just two months after the missed deadline in October 2018. We found no instance where the assignment was terminated or was not extended when a progress report was not submitted, as required by the Manual.

Table 4: Missing progress report by employee by year

Assignee*	Missing progress report (fiscal year)	Progress report due date	Start date of assignment extension	New assignment end date
2	2018	10/12/18	12/23/18	3/8/19
3	2018	10/12/18	8/31/19	10/31/19
6	2018	10/12/18	5/21/19	8/3/19
7	2016	10/14/16	3/5/17	9/11/17
10	2016	10/14/16	12/14/16	1/13/19
	2017	10/13/17		
	2018	10/12/18		
16	2016	10/14/16	10/29/17	10/28/21
	2017	10/13/17		
	2018	10/12/18		
17	2018	10/12/18	12/9/18	6/28/19

Source: OIG-generated table based on data obtained from IPA assignment files.

* Numbers correspond with assignees in Table 1.

Some IPA Assignment Files Unclear as to Whether Assignments Achieved Their Intended Purpose

Of the 18 assignments, 12 were completed and six were ongoing as of November 1, 2019. We were able to conclude that nine of these 12 completed assignments met their intended purpose. For the remaining three assignments, the IPA assignment files did not contain the required annual progress reports, end-of-assignment evaluations, or other evidence of actual work performed needed to determine whether the assignments met their intended purpose. Appendix B summarizes the results of our analysis.

For the 12 completed assignments, we reviewed documentation contained in the IPA assignment files to determine whether the assignments met their intended purpose, as described in the agreements. The intended purpose in the agreements were not always consistent with what was later stated in the progress report and the end-of-assignment evaluations. Where there were variances, we used the assignment agreement as the basis for our analysis.

Our analysis showed that the required documents containing actual work performance information are the annual progress reports and end-of-assignment evaluations. Based on the Manual, the annual written review should also contain

information about work performance; however, we did not find this review in any of the IPA assignment files.

Agency Comments on Policy Updates and Process Controls

In a September 2019 interview with former and current IPA coordinators, we were advised that the Agency had drafted an update to the Manual, but due to other priorities, it was never completed. In February 2020, the Office of Human Resources stated that the Manual is still a draft because the Office is finalizing the start date for a new IPA coordinator. The Office of Human Resources also stated that to strengthen controls, it recommended that an automated process be put in place to better track required documents and ensure that requirements are completed in a timely manner. Per the Office of Human Resources, this option is pending available funding to automate the IPA process.

Conclusion

The Agency's outdated Manual, coupled with a lack of adequate controls, resulted in required documents not being submitted and maintained. The EPA also did not terminate assignments when the assignees did not submit annual progress reports, as required by the Manual. In addition, employees continue to submit some documents that may no longer be relevant, which is a waste of resources. To manage the IPA program more effectively and efficiently, the Agency should review the Manual to determine what documents and processes are relevant. The Agency should clearly identify the roles and responsibilities for reviewing and maintaining documentation under the Agency's most current organizational structure, as well as periodically update the Manual to reflect the desired process and requirements.

Recommendations

We recommend that the assistant administrator for Mission Support:

1. Evaluate the EPA's *Intergovernmental Personnel Act Policy and Procedures Manual (IPA)*, including the checklist, to determine whether the required documents, the consequences for noncompliance, the responsible offices, and the individual roles and responsibilities remain relevant and appropriate, and update the Manual accordingly.
2. Strengthen controls throughout the EPA's Intergovernmental Personnel Act assignment process to verify that required documents are properly submitted and maintained as required by the EPA's *Intergovernmental Personnel Act Policy and Procedures Manual (IPA)* and that the consequence for nonsubmittal of required documents is enforced.

Agency Response and OIG Assessment

The Agency concurred with both recommendations, which we consider resolved with corrective actions pending.

For Recommendation 1, the Agency's initial response to the draft report stated that the EPA will evaluate the Manual, checklists, required documents, consequences of noncompliance, responsible offices, and relevance of individual roles and responsibilities. The Office of Human Resources will proceed with finalizing the Manual, with a target completion date of October 15, 2021.

For Recommendation 2, the Agency's initial response to the draft report stated that the Office of Human Resources will strengthen controls throughout the IPA assignment process to verify that required documents are properly submitted and maintained and that the consequences for nonsubmittal of required documents are enforced. The target completion date for this recommendation is October 15, 2021.

Based on our request, on June 12, 2020, the Office of Human Resources provided further clarification on its corrective actions:

- It has hired a dedicated program manager and program support specialist to ensure that the program runs accurately and in a timely manner.
- It will update the Manual to meet current regulations.
- It will implement internal controls related to file management, require routine compliance reviews, establish continuous process improvement, and host monthly progress meetings to hold participants and managers accountable for meeting program requirements.

On July 17, 2020, the Agency provided us with interim measures that it will implement while the corrective actions for Recommendations 1 and 2 are being completed. Specifically, the Agency will:

- Provide interim guidance to managers to meet IPA regulations by September 30, 2020.
- Commence routine review of IPA files by December 31, 2020, to verify that participant and management documentation is present and in compliance with interim guidance and existing policy.
- Hold regular, monthly progress meetings and report issues in a timely manner to management for resolution starting December 31, 2020.

- Implement effective internal controls related to program management to verify compliance with interim guidance and existing policy by March 31, 2021.
- Establish continuous process improvement using EPA's LEAN Management System by June 30, 2021, to support an efficient automated system design.

The Agency's initial response to the draft report is in Appendix C.

Chapter 4

System Used to Track IPA Assignments Is Not Reliable

The Agency was unable to provide us with a reliable list of its employees on IPA assignments. We reviewed four different lists provided by the Agency and found several variances, including some that the Agency could not fully explain. These variances occurred because the Agency lacks adequate controls over its manual tracking system to verify that all assignments are captured and the information in the system is accurate and complete. As a result, the Agency cannot provide an accurate and reliable report to the OPM of EPA employees on IPA assignment, if requested.

Pursuant to 5 C.F.R. § 334.108, a federal agency that assigns an employee to or receives an employee from an eligible outside organization must submit reports about the assignment to the OPM upon request. Per the OPM, it is imperative that agencies maintain accurate records of all IPA assignments. In addition, the Government Accountability Office's Green Book provides the overall framework for agencies to use in establishing and maintaining an effective internal control system. Principle 10.03 of the Green Book establishes that management should design control activities so that all transactions are completely and accurately recorded.

The EPA's Office of Human Resources uses an Excel spreadsheet—referred to as the *master file*—to track assignments. On four different dates, the Office of Human Resources provided us with four different lists from this master file:

- **August 23, 2018.** Initial list of all IPA assignments, which we requested for audit suggestion purposes.
- **June 24, 2019.** Updated list of active IPA assignments as of May 31, 2019, which we requested for audit planning purposes.
- **August 13, 2019.** Updated list of IPA assignments from June 1, 2016, through May 31, 2019. This list was proactively provided to us by the Agency in response to our request for IPA files.
- **December 17, 2019.** Certified list, which per the Agency is “accurate and includes all EPA employees on IPA between June 1, 2016 – May 31, 2019.” We requested this list from the Agency due to variances among the three prior lists.

We identified several variances among the lists that the Office of Human Resources was unable to fully explain. For example, two employees in the initial

list were not on the second and third lists. According to the Office of Human Resources, the lists were extracted from the master file based on certain filtering parameters. The Office of Human Resources said that its third list was accurate and explained that the variance in the second list was due to confusion about our request. Per the Office, other variances in the initial list and the second list were due to “administrative filtering errors.” The third list included variances from the first two lists. The final certified list contained two employees who were included in the first list but not in the third list, as well as two additional employees who were not in any of the prior three lists.

We were particularly concerned about the variances explained above because records for such a small set of employees should not be difficult to maintain. Without accurate information, the EPA cannot meet federal reporting and internal control requirements.

Conclusion

To comply with federal regulations and OPM requirements and to manage its resources effectively, the Agency needs to have an accurate accounting of its employees on IPA assignment at any given time. Because of the discrepancies among the four lists provided by the Agency, we have no assurance that the information is accurate and complete. The Agency needs to strengthen controls over its manual tracking system so that it has a readily available and accurate reporting of employees on IPA assignment.

Recommendation

We recommend that the assistant administrator for Mission Support:

3. Strengthen controls over the tracking of EPA employees on Intergovernmental Personnel Act assignments.

Agency Response and OIG Assessment

For Recommendation 3, the Agency concurred with our recommendation and stated in its initial response to our draft report that the Office of Human Resources will strengthen controls over the tracking of EPA employees on IPA assignments. On June 12, 2020, the Office of Human Resources provided further clarification and said that its planned corrective actions for Recommendation 2 will also better position the EPA to automate the tracking of IPA assignments once funding has been identified and secured for an automated IPA process, as discussed in the “Agency Comments on Policy Updates and Process Controls” section in Chapter 3. The target completion date for this recommendation is January 15, 2022.

Based on our request, on July 17, 2020, the Agency also provided interim measures to address Recommendation 3. The Agency stated that it will establish rules of engagement and standard operating procedures by June 30, 2021, to support efficient operations in accordance with interim guidance and existing policy. The Agency will also track IPA assignments to verify that the rules of engagement are being upheld by all participants and managers through a variety of methods, such as file reviews, data reports, and monthly progress meetings to mitigate deficiencies. The Agency anticipates this tracking to start June 30, 2021.

We consider Recommendation 3 resolved with corrective actions pending. The Agency's initial response to the draft report is in Appendix C.

Status of Recommendations and Potential Monetary Benefits

RECOMMENDATIONS

Rec. No.	Page No.	Subject	Status ¹	Action Official	Planned Completion Date	Potential Monetary Benefits (in \$000s)
1	12	Evaluate the EPA's <i>Intergovernmental Personnel Act Policy and Procedures Manual (IPA)</i> , including the checklist, to determine whether the required documents, the consequences for noncompliance, the responsible offices, and the individual roles and responsibilities remain relevant and appropriate, and update the Manual accordingly.	R	Assistant Administrator for Mission Support	10/15/21	
2	12	Strengthen controls throughout the EPA's Intergovernmental Personnel Act assignment process to verify that required documents are properly submitted and maintained as required by the EPA's <i>Intergovernmental Personnel Act Policy and Procedures Manual (IPA)</i> and that the consequence for nonsubmittal of required documents is enforced.	R	Assistant Administrator for Mission Support	10/15/21	
3	16	Strengthen controls over the tracking of EPA employees on Intergovernmental Personnel Act assignments.	R	Assistant Administrator for Mission Support	1/15/22	

¹ C = Corrective action completed.

R = Recommendation resolved with corrective action pending.

U = Recommendation unresolved with resolution efforts in progress.

Internal Control Assessment

This table identifies which internal control components and underlying principles are significant to the audit objectives.

Which internal control <u>components</u> are significant to the audit objective(s)?		Which internal control <u>principles</u> are significant to the audit objective(s)?	
X	Control Environment The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.		1. The oversight body and management should demonstrate a commitment to integrity and ethical values.
		X	2. The oversight body should oversee the entity's internal control system.
		X	3. Management should establish an organizational structure, assign responsibilities, and delegate authority to achieve the entity's objectives.
			4. Management should demonstrate a commitment to recruit, develop, and retain competent individuals.
		X	5. Management should evaluate performance and hold individuals accountable for their internal control responsibilities.
X	Risk Assessment Management assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.		6. Management should define objectives clearly to enable the identification of risks and define risk tolerances.
			7. Management should identify, analyze, and respond to risks related to achieving the defined objectives.
			8. Management should consider the potential for fraud when identifying, analyzing, and responding to risks.
		X	9. Management should identify, analyze, and respond to significant changes that could impact the internal control system.
X	Control Activities The actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity's information system.	X	10. Management should design control activities to achieve objectives and respond to risks.
		X	11. Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
		X	12. Management should implement control activities through policies.
X	Information and Communication The quality information management and personnel communicate and use to support the internal control system.	X	13. Management should use quality information to achieve the entity's objectives.
		X	14. Management should internally communicate the necessary quality information to achieve the entity's objectives.
		X	15. Management should externally communicate the necessary quality information to achieve the entity's objectives.
X	Monitoring Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.	X	16. Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
		X	17. Management should remediate identified internal control deficiencies on a timely basis.

Source: Based on internal control components and principles outlined in GAO-14-704G, *Standards for Internal Control in the Federal Government* (also known as the "Green Book"), issued September 10, 2014.

Purpose of IPA Assignments Categorized by Activity

We noted that the 18 IPA assignments we reviewed fell into four general categories: outreach, relationship building, research, and technical expertise. As of November 1, 2019:

- Twelve IPA assignments were completed.
 - Nine met their intended purpose, as indicated by the *green rows* in the table below.
 - We were unable to make a determination regarding the remaining three completed assignments, as indicated by the *red rows*.
- Six IPA assignments were ongoing, as indicated by the *gray rows*.

Assignee	Category activity	Purpose of assignment	Status of assignment (as of 11/1/19)
1	Relationship building	Facilitate part of the EPA's core mission to protect human health and the environment, which requires the establishment of strong working relationships with colleges and universities.	Completed. Purpose met.
2	Research	Conduct policy research related to emerging and persistent environmental problems. Gain insight geared toward improving the efficiency and effectiveness of government programs.	Completed. Purpose met.
3	Relationship building	Assist local entities in advancing environmental initiatives consistent with the EPA's mission. Help strengthen relationships with important stakeholders, including nongovernmental organizations and private sector interests.	Completed. Purpose met.
4	Outreach Relationship building	Further the partnership and collaboration between the EPA and the university. Advance the development of the full human capital of the nation. Encourage the participation of the university in the nation's environmental programs.	Completed. Purpose met.
5	Technical expertise	Assist in increased legal counseling work resulting from devastating impacts of hurricanes Irma and Maria. Improve coordination between EPA Region 2 and the Virgin Islands' Department of Planning and Natural Resources. Improve the Department of Planning and Natural Resources' ability to implement, in an effective and timely manner, environmental programs delegated by the EPA.	Ongoing.
6	Research	Work in community environmental infrastructure design, repair, and social impact by conducting community research and field studies in urban, low-income small communities in metro Atlanta.	Completed. Purpose met.
7	Research	Conduct policy research for the EPA that addresses environmental program evaluation, federal business process improvement, and behavioral research that is geared toward improving federal programs and regulatory policy.	Completed. Unknown whether purpose met.
8	Outreach Relationship building	Provide skills and knowledge of EPA programs and experience that will enhance the Environmental Council of the States' ability to assist the states in delivering environmental services and information to the public. Provide for the exchange of ideas, views, and experience among the states and the federal government.	Completed. Purpose met.

Assignee	Category activity	Purpose of assignment	Status of assignment (as of 11/1/19)
9	Outreach Relationship building	Same as stated for Assignee 8.	Completed. Purpose met.
10	Technical expertise	Provide technical support in wet weather flow solutions and complex collection system and watershed analysis. Facilitate more interaction with employees, thereby providing the EPA with a greater knowledge of the field and an increased number of contacts and data. Benefit the EPA's research by collaborating with communities.	Completed. Unknown whether purpose met.
11	Technical expertise	Further develop executive skills and strengthen water quality and site cleanup programs as a delegated and regulatory partner of the EPA. Build and foster strong communications with the assigned parties and local stakeholders and partners.	Ongoing.
12	Technical expertise	Support the memorandum of understanding between the EPA and the California Department of Toxic Substances Control that calls for collaboration on furthering green chemistry through targeted technical support, data and technology exchange, staff partnership, and mutual communication outreach and engagement.	Completed. Unknown whether purpose met.
13	Technical expertise	Provide requested assistance for facilitating and developing a water quality management process that complies with requirements for the implementation for both point and nonpoint sources.	Ongoing.
14	Technical expertise	Assist in the development of mandated water loss performance standards. Support the California State Water Resources Control Board's efforts to assist smaller water systems to reduce and repair leaks.	Ongoing.
15	Technical expertise	Assist in the development and implementation of the Oregon Department of Environmental Quality's strategy to prevent wasted food, supporting the department's priority of making significant strategic progress on food waste prevention.	Completed. Purpose met.
16	Technical expertise	Assist the Navajo Superfund program manager in building and maintaining the capacity to implement a response program, including hiring staff and contractors, providing program reports, ensuring compliance with grant work plans, and training new employees.	Ongoing.
17	Technical expertise	Assist the California State Water Resources Control Board to implement a plan that will build resilience to warmer and dryer conditions, as well as lessen the environmental impacts associated with managing water resources.	Completed. Purpose met.
18	Technical expertise	Assist the Commonwealth of Marian Islands' Division of Environmental Quality with its work plan (part of the work and objective of its EPA consolidated grant), which has specific goals and objectives for programs, including protecting beaches for swimming and fishing, watershed management, and monitoring marine and stream water quality to help with coral reef and indigenous biota protection.	Ongoing.

Source: OIG-generated table based on data from IPA assignment files.

Agency's Initial Response to Draft Report



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

June 4, 2020

OFFICE OF MISSION SUPPORT

MEMORANDUM

SUBJECT: Response to Office of Inspector General Draft Report No. OA&E-FY19-0271, “*EPA Needs to Strengthen Controls Over Required Documentation for and Tracking of Intergovernmental Personnel Act Assignments*,” dated May 13, 2020

FROM: Donna J. Vizian, Principal Deputy Assistant Administrator **DONNA VIZIAN** Digitally signed by DONNA VIZIAN Date: 2020.06.10 09:51:19 -04'00'

TO: Sean O'Donnell, Inspector General

Thank you for the opportunity to respond to the subject audit report, “*EPA Needs to Strengthen Controls Over Required Documentation for and Tracking of Intergovernmental Personnel Act Assignments*,” dated May 13, 2020. The Office of Mission Support is providing responses to recommendations 1-3.

AGENCY'S OVERALL POSITION

The agency concurs with the recommendations of this report and has included a summary response with high-level corrective actions and target completion dates.

AGENCY'S RESPONSE TO REPORT RECOMMENDATIONS

Agreements

No.	Recommendation	High-level Corrective Action(s)	Target Completion Date
1	Evaluate the EPA's <i>Intergovernmental Personnel Act Policy and Procedures Manual (IPA)</i> , including the checklists, to determine whether the required documents, the consequences for noncompliance, the responsible	The Office of Human Resources (OHR) will evaluate the EPA's IPA policy manual, checklists, required documents, the consequences of noncompliance, responsible offices, and relevance of individual roles and	October 15, 2021

No.	Recommendation	High-level Corrective Action(s)	Target Completion Date
	offices, and the individual roles and responsibilities remain relevant and appropriate, and update the Manual accordingly.	responsibilities. OHR will enter a final draft in the Directives Clearance process.	
2	Strengthen controls throughout the Intergovernmental Personnel Act assignment process to verify required documents are properly submitted and maintained as stated in the EPA's <i>Intergovernmental Personnel Act Policy and Procedures Manual (IPA)</i> and the consequences for nonsubmittal of required documents are enforced.	OHR will strengthen controls throughout the IPA assignment process to verify required documents are properly submitted and maintained, as stated in the EPA's IPA policy manual, and the consequences for nonsubmittal of required documents are enforced.	October 15, 2021
3	Strengthen controls over the tracking of EPA employees on Intergovernmental Personnel Act assignments.	OHR will strengthen controls over the tracking of EPA employees on IPA assignments.	January 15, 2022

CONTACT INFORMATION

If you have any questions regarding this response, please contact Mitchell Hauser, OMS's audit follow-up coordinator at hauser.mitchell@epa.gov or (202)-564-7636.

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