



At a Glance

Why We Did This Project

The Pesticide Registration Improvement Act requires that the U.S. Environmental Protection Agency's Office of Inspector General perform an annual audit of the financial statements for the Pesticide Registration Fund, which is also known as the PRIA Fund.

To expedite the registration of certain pesticides, Congress authorized the 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 OIG perform an analysis of the Agency's compliance with those review periods.

This report addresses the following:

- *Operating efficiently and effectively.*

This report relates to a top EPA management challenge:

- *Fulfilling mandated reporting requirements.*

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

List of [OIG reports](#).

Fiscal Years 2019 and 2018 Financial Statements for the Pesticide Registration Fund

EPA Receives an Unmodified Opinion

We rendered an unmodified opinion on the Pesticide Registration Fund financial statements for fiscal years 2019 and 2018, meaning they were fairly presented and free of material misstatement.

We found the EPA's PRIA Fund financial statements to be fairly presented and free of material misstatements.

Internal Controls Material Weakness—Financial Statement Preparation

We noted a material weakness in internal control regarding the preparation process for the financial statements, which we initially reported in OIG Report No. [20-F-0033](#), *EPA's Fiscal Years 2019 and 2018 (Restated) Consolidated Financial Statements*, issued November 19, 2019. We are rereporting this material weakness for the PRIA Fund financial statements.

We found multiple instances where the Agency had misstatements of its adjustments and financial statements. The Office of Management and Budget requires that information in the financial statements be presented in accordance with generally accepted accounting principles. Agency personnel initially failed to make the appropriate adjustments to the financial statements, believing their accounting was accurate. Failure to properly record accounting adjustments and exercise due diligence in the preparation of the Agency's financial statements compromises the accuracy of the financial statements and the reliance on them to be free of material misstatements. These errors were corrected when we brought them to the attention of management.

Compliance with Applicable Laws and Regulations, Contracts, and Grant Agreements

We did not identify any instances of noncompliance 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 review periods.

Recommendations and Planned Agency Corrective Action

We recommend that the chief financial officer improve the management review of financial statements prior to providing them to OIG auditors, so that we receive timely and accurate financial statements, as well as accurate and reliable supporting documentation for adjustments and corrections to the financial statements. The Agency agreed with our recommendations and has provided an estimated time frame for completion.