



# At a Glance

## Why We Did This Audit

We performed this audit pursuant to the Hazardous Waste Electronic Manifest Establishment Act, known as the e-Manifest Act. The Act requires the U.S. Environmental Protection Agency to prepare and the Office of Inspector General to audit the accompanying financial statements of the EPA's 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.

Launched on June 30, 2018, the e-Manifest system tracks off-site shipments of hazardous waste from a generator's site to the site of the receipt, as well as the disposition of hazardous waste.

### 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](mailto:OIG_WEBCOMMENTS@epa.gov).

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## ***EPA's Fiscal Years 2019 and 2018 Hazardous Waste Electronic Manifest System Fund Financial Statements***

### **EPA Receives an Unmodified Opinion**

We rendered an unmodified opinion on the EPA's fiscal years 2019 and 2018 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.**

### **Material Weaknesses Noted**

We noted the following material weaknesses:

- The EPA made errors in its financial statement preparation process.
- The EPA improperly recorded accounts receivable and earned revenue.
- An EPA posting error creates the appearance of an Antideficiency Act violation.

### **Compliance with Applicable Laws, 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.

### **Recommendations and Planned Agency Corrective Actions**

We make six recommendations to the Agency, including that it strengthen and improve the preparation and management review of the financial statements so that errors and misstatements are detected and corrected; analyze adjustments and corrections to the financial statements so that such adjustments are appropriate, accurate, and properly supported by documentation; analyze billings and accounts receivable at the end of the fiscal year so that activity, account balances, and respective accounts are reported accurately and in the appropriate fiscal year; and correct the unexpended appropriations balance and establish accounting models to properly record expenses from e-Manifest fees.

The Agency concurred with all six of our recommendations. For four of the recommendations, the Agency provided acceptable planned corrective actions and estimated completion dates, and we consider those four recommendations resolved with corrective actions pending. The Agency completed corrective actions for the remaining two recommendations.