



**OFFICE OF INSPECTOR GENERAL**  
U.S. ENVIRONMENTAL PROTECTION AGENCY



CUSTOMER SERVICE ★ INTEGRITY ★ ACCOUNTABILITY

FISCAL YEAR 2022  
**OVERSIGHT PLAN**

## *VISION*

Be a premier oversight organization trusted to speak the truth, promote good governance, and contribute to improved human health and environment.

## *MISSION*

Conduct independent audits, evaluations, and investigations; make evidence-based recommendations to promote economy, efficiency, and effectiveness; and prevent and detect fraud, waste, abuse, mismanagement, and misconduct for the U.S. Environmental Protection Agency and the U.S. Chemical Safety and Hazard Investigation Board.

# INSPECTOR GENERAL

U.S. Environmental Protection Agency

December 14, 2021

I am pleased to present the U.S. Environmental Protection Agency Office of Inspector General's *Fiscal Year 2022 Oversight Plan*. The *Oversight Plan* is the EPA OIG's guide for the audits, evaluations, and other oversight engagements that fulfill our mission to:

- Prevent, detect, and deter waste, fraud, and abuse in the EPA's and U.S. Chemical Safety and Hazard Investigation Board's programs and operations.
- Improve the efficiency and effectiveness of the EPA and the CSB.
- Ensure ethical conduct throughout the EPA and the CSB.
- Keep the EPA, the CSB, Congress, and the American people fully and currently informed of problems and deficiencies.



Sean W. O'Donnell  
Inspector General

When determining which audits and evaluations to include in our *Oversight Plan*,<sup>1</sup> we independently considered the EPA's top management challenges; the work conducted by the OIG, both statutorily required and discretionary, and the U.S. Government Accountability Office; remarks from Agency leadership, Congress, and the White House; and the EPA's strategic vision, which is outlined in the EPA's *FY 2018-2022 Strategic Plan*.

In the *Fiscal Year 2022 Oversight Plan*, we describe our planned and ongoing oversight projects, which we organized by EPA top management challenge.<sup>2</sup> In EPA OIG Report No. [22-N-0004](#), *EPA's Fiscal Year 2022 Top Management Challenges*, we identify what we consider the top seven challenges in EPA accomplishing its mission for fiscal year 2022:

1. Mitigating the causes and adapting to the impacts of climate change.
2. Integrating and leading environmental justice across the agency and government.
3. Ensuring the safe use of chemicals.
4. Safeguarding scientific integrity principles.
5. Ensuring information technology and systems are protected against cyberthreats.
6. Managing infrastructure funding and business operations.
7. Enforcing environmental laws and regulations.

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<sup>1</sup> Prior to fiscal year 2020, we published an *Annual Plan* to guide our work each fiscal year, but since fiscal year 2021 we have published an *Oversight Plan*.

<sup>2</sup> As reported within our *Oversight Plan*, Report No. 22-N-0004, *EPA's Fiscal Year 2022 Top Management Challenges*.

The EPA OIG also provides oversight of the CSB, to include both mandatory and discretionary engagements. In Report No. [22-N-0003](#), *Fiscal Year 2022 U.S. Chemical Safety and Hazard Investigation Board Management Challenges*, we identify what we consider the top management challenge for the CSB in accomplishing its mission for fiscal year 2022. This management challenge is as follows: accomplishment of CSB mission is impaired until new board members are confirmed.

The *Fiscal Year 2022 Oversight Plan* reflects the priority work that the OIG believes is necessary to keep the EPA, the CSB, and Congress fully informed about issues relating to the administration of Agency programs and operations. It is also important to note that our planning efforts are not static and that the projects included herein may be modified throughout the year as challenges and risks for the EPA and the CSB evolve and emerge.

We look forward to meeting or exceeding our goals and to fulfilling our mission. For those interested in our planning process, we welcome feedback on the quality and value of our products and services.

Sincerely,



Sean W. O'Donnell

# *Fiscal Year 2022 Oversight Plan*

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# Introduction

The U.S. Environmental Protection Agency's Office of Inspector General, which was established by the Inspector General Act of 1978, as amended, 5 U.S.C. app., is an independent office of the EPA that aims to prevent and detect fraud, waste, abuse, and misconduct and to promote economy and efficiency in the EPA's programs and operations. The EPA inspector general also serves as the U.S. Chemical Safety and Hazard Investigation Board's inspector general, with the same responsibilities.

Our *Fiscal Year 2022 Oversight Plan* describes the oversight projects that we intend to conduct during the fiscal year. The OIG typically conducts oversight through audits, evaluations, and investigations of Agency programs and operations. The *Oversight Plan* is subject to change throughout the fiscal year. The OIG bases such changes on its identification of emerging risks and new priorities, which means that we may identify additional discretionary projects that could provide high-impact oversight to EPA and CSB programs.

Factors the OIG considered during the formation of the top management challenges included the EPA's mission to protect human health and the environment and the CSB's mission to drive chemical safety change through independent investigation to protect people and the environment, as well as the budgetary priorities set forth by Congress in achieving those goals.<sup>3</sup> We also consider the findings, recommendations, and observations from previous OIG and U.S. Government Accountability Office reports; key strategic documents, such as the EPA's and CSB's strategic plans;<sup>4</sup> congressional hearings; legislation; and feedback from members of Congress. When considered collectively, these resources help to ensure that we undertake audits and evaluations that address the EPA's and the CSB's most pressing challenges. It is important to note that we cannot plan for some projects, for example, those that arise from congressional requests, hotline tips, and emerging issues or crises.

In this *Oversight Plan*, we have 67 projects for the EPA, 42 planned and 25 ongoing. For the CSB, we have seven projects, four planned and three ongoing.<sup>5</sup> Within the following chapters, we outline each proposed project and the 2022 top management challenge that the project addresses, to include a:

- Description of the management challenge.
- List of the planned and ongoing projects that align with that challenge.
- Brief summary of the project's objectives.

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<sup>3</sup> OIG Report No. [22-N-0004](#), *Fiscal Year 2022 U.S. Environmental Protection Agency Top Management Challenges*, and OIG Report No. [22-N-0003](#), *Fiscal Year 2022 U.S. Chemical Safety and Hazard Investigation Board Top Management Challenges*.

<sup>4</sup> *FY 2018–2022 Environmental Protection Agency Strategic Plan* and *2017–2021 U.S. Chemical Safety Board Strategic Plan*.

<sup>5</sup> These projects reflect planned and ongoing projects as of September 30, 2021. Some projects indicated as planned may have been initiated after September 30, 2021, and before the publishing of this document.

Some projects may address multiple management challenges. For this report, we have classified each engagement by what we consider the primary management challenge.

The EPA OIG intends to execute projects that are influential, timely, and relevant to support the success of the EPA and the CSB.

# Challenge 1: Mitigating the Causes and Adapting to the Impacts of Climate Change



Addressing climate change will require sound leadership for the federal government. Given its mission to protect human health and the environment, the EPA is uniquely positioned to provide leadership in addressing climate change nationally and working internationally to mitigate the causes and promote measures to adapt to the impacts of climate change. Leadership on this issue will require coordination with local, state, federal, and international government partners to develop effective strategies and plans to mitigate and curtail climate change. To best leverage its resources and ensure a cohesive approach, the EPA needs to implement its strategic plan to effectively address climate change, using science as a foundation for decision-making and considering the impacts to communities with disproportionate impacts.

## Planned Projects

### *Audit of EPA's Awards to Replace School Buses Under Diesel Emissions Reduction Act of 2010*

Determine whether competitive grants funded under the Diesel Emissions Reduction Act of 2010 for the Clean Diesel Funding Assistance Program:

- Were selected to achieve the intended climate change and environmental outcomes.
- Were distributed properly based on the project terms and conditions.
- Had supported claimed costs.

### *Audit of Water Infrastructure Resilience Against Climate Change*

Determine how the EPA has worked with the drinking water and wastewater industries and other stakeholders to ensure that new construction of and upgrades to water infrastructure meet the goal of Executive Order 14008 to build resilience against climate change.

## Ongoing Projects

### *Audit of EPA's Oversight of Renewable Fuel Standards Renewable Identification Number Market*

Determine whether the EPA's Moderated Transaction System and Quality Assurance Program include controls to identify and reduce the generation and trading of invalid renewable identification numbers that are used to demonstrate compliance with renewable fuel standards, as overseen by the EPA's Office of Transportation and Air Quality.



### ***Evaluation of EPA's Oversight of Title V Fees***

Determine the extent to which the EPA has conducted evaluations of state and local Title V programs and identified insufficient collection of fees or misuse of fees, in accordance with two guidance documents published in 2018: *Updated Guidance on EPA Review of Fee Schedules for Operating Permit Programs Under Title V* and *Program and Fee Evaluation Strategy and Guidance for 40 CFR Part 70*.

## Challenge 2: Integrating and Leading Environmental Justice Across the Agency and Government

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Environmental justice is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. These underserved communities are, however, among the hardest hit by pollution and environmental hazards. The EPA, with its mission to protect human health and the environment, will be called upon to provide leadership in these efforts. To start, the EPA will need to assess the environmental hazards and cumulative risks facing at-risk communities and effectively communicate these risks to these communities.

### Planned Projects

#### *Audit of Benzene Fence-Line Monitoring at Refineries*

Determine to what extent oversight of the Benzene Fence-Line Monitoring program by the EPA and delegated state and local agencies ensures that refineries take corrective action and lower benzene levels, as required, when measured benzene concentrations exceed the action level.

#### *Audit of Cumulative Impacts on Communities with Environmental Justice Concerns—National*

Determine what actions the EPA has taken to identify and address any disproportionate health effects to disadvantaged communities located on or near Superfund sites nationwide, in accordance with the EPA's mission, program goals, and applicable executive orders.

#### *Audit of Drinking Water State Revolving Fund Loan Subsidies to Disadvantaged Communities*

Determine to what extent the (1) states have met their Drinking Water State Revolving Fund loan subsidy goals for disadvantaged communities, as identified in their intended-use plans and (2) EPA identified and addressed barriers, if any, that hindered states from spending the maximum allowed on loan subsidies for disadvantaged communities in their Drinking Water State Revolving Funds.

#### *Evaluation of the EPA's Oversight of Drinking Water at Correctional Institutions*

Determine whether the EPA, through its oversight of state activities, ensures that public water systems provide drinking water that meets National Primary Drinking Water Regulations to correctional institutions, in accordance with the Safe Drinking Water Act.

### ***Audit of EPA’s Use of American Rescue Plan Funds to Improve Human Health and Environmental Protections for Environmental Justice Communities***

Determine whether the EPA awarded and distributed funds from the American Rescue Plan Act of 2021 for projects that identify and address disproportionate environmental or public health harms and risks in minority and low-income populations, as required by the Act.

### ***Evaluation of EPA’s Implementation of 2018 Federal Action Plan to Reduce Childhood Lead Exposures and Associated Health Impacts***

Determine whether the EPA has made measurable progress to reduce children’s exposure to lead sources, in accordance with the 2018 *Federal Action Plan to Reduce Childhood Lead Exposures and Associated Health Impacts*.

### ***Audit of Superfund Relocations***

Determine to what extent Superfund relocations are achieving the EPA’s objective to protect human health and are fairly applied to communities with environmental justice concerns when compared with other communities.

### **Ongoing Projects**

### ***Follow-Up Audit of Report No. 18-P-0221, Management Weaknesses Delayed Response to Flint Water Crisis***

Determine whether the EPA implemented agreed-upon corrective actions and whether the corrective actions taken effectively addressed the identified program deficiencies.

### ***Audit of 35th Avenue Superfund Site Case Study on Cumulative Impacts***

Determine what actions the EPA has taken—in accordance with its mission, its program goals, and applicable executive orders—to identify and address any disproportionate health effects to disadvantaged communities located on or near a selected site.

### ***Evaluation of EPA’s Compliance with Federal Requirements to Making Information Accessible Through Its Public Websites and Digital Services***

Determine whether the EPA’s public websites and digital services comply with selected relevant federal laws and policies.

# Challenge 3: Ensuring the Safe Use of Chemicals

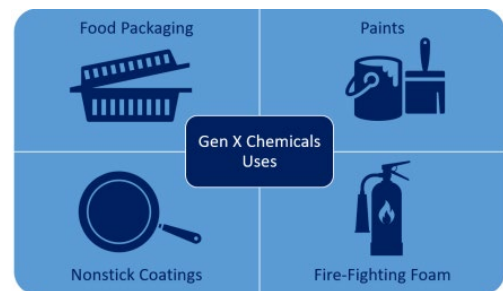


In fiscal year 2022, the EPA will be challenged to conduct credible and timely assessments of the risks posed by pesticides, toxic chemicals, and other environmental chemicals.<sup>6</sup> To effectively protect public health and the environment, the EPA must be able to depend on its ability to conduct credible and timely assessments of the risks posed by pesticides, toxic chemicals, and other environmental chemical risks. The 2016 expansion of the EPA’s regulatory authority under the Toxic Substances Control Act has increased the need for conducting rapid and accurate risk assessments. Further, the EPA must continue to conduct the registration and reregistration of hundreds of pesticides per year, as well as assure that it is setting appropriate exposure levels for contaminants in drinking water.

## Planned Projects

### Audit of EPA’s Management of New Chemical Risk Assessments Conducted Under Toxic Substances Control Act

Determine the extent to which the EPA is using and complying with applicable records-management and quality-assurance requirements and employee performance standards to review and approve new chemicals under the Toxic Substances Control Act to manage human health and environmental risks.



Examples of GenX chemicals uses. (EPA OIG graphic)

### Evaluation of EPA Regions’ Oversight Responsibilities for State and Tribal Drinking Water Certification Programs

Determine whether select EPA regions are fulfilling oversight responsibilities for drinking water certification programs in states and tribal nations.



Source: OIG analysis of EPA data. (EPA OIG image)

<sup>6</sup> While *chemicals* and *pesticides* are statutorily distinct, we use the broad heading of *chemical safety* to pertain to both.

### ***Evaluation of EPA’s Use of Pesticide Incident-Reporting Data***

Determine whether the EPA uses pesticide incident-reporting data to prevent unreasonable adverse effects on human health and the environment.

### ***Evaluation of Implementation of EPA’s Federal Certification for Applicators and Dealers of Restricted-Use Pesticides Within Indian Country***

Determine how the EPA monitors and enforces the requirements for restricted-use pesticide applicators (private and commercial) and restricted-use pesticide dealers in Indian Country.

### ***Evaluation of EPA’s Progress Toward Providing States with Clear Benchmarks to Address Per- and Polyfluoroalkyl Substances in Drinking Water***

Determine why the EPA has not established a mandatory limit for per- and polyfluoroalkyl substances, which are commonly known as PFAS, in drinking water; what challenges may prevent the EPA from setting such a limit; and what the EPA’s plan—if one exists—is for implementing such a limit.

### ***Evaluation of EPA’s Progress to Identify Key Regulatory Stakeholders for Toxic Substances Control Act Existing Chemical Risk Management***

Determine whether the EPA identified and partnered with key regulatory stakeholders and developed a process to coordinate the regulation of occupational exposures from existing chemicals under the Toxic Substances Control Act.

## **Ongoing Projects**

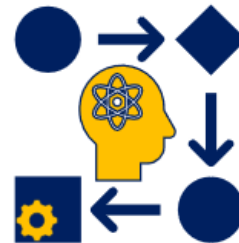
### ***Evaluation of EPA’s Cancer Assessment Review for Pesticide 1,3-Dichloropropene***

Evaluate the extent to which the EPA followed policies and procedures in developing the cancer assessment for the 1,3-dichloropropene pesticide-registration review decision to prevent unreasonable adverse effects on human health.

### ***Evaluation of EPA’s Overdue Residual Risk and Technology Reviews***

Evaluate whether the EPA has conducted residual risk and technology reviews in a timely manner, as required for the EPA to revise standards, as needed, to protect the public from air toxics emitted by stationary sources.

## Challenge 4: Safeguarding Scientific Integrity Principles



Source: OIG analysis of survey results. (EPA OIG image)

The EPA, in its *Scientific Integrity Policy*, recognizes that the “Agency’s ability to pursue its mission to protect human health and the environment depends on the integrity of the science on which it relies. Scientific integrity, therefore, results from adherence to professional values and practices when conducting and applying the results of science and scholarship.” Scientific integrity ensures objectivity, clarity, reproducibility, and utility, while insulating science from falsification, plagiarism, outside interference, censorship, and inadequate procedural and information security systems. The EPA must develop new processes

and update its regulations, policies, and guidance to protect scientific integrity. Taking these actions will help make EPA decisions more legally defensible and maintain public trust in the decision-making.

### Planned Projects

#### ***Congressional Request: Evaluation of EPA’s Changes to Final Perfluoroalkyl Carboxylate and Perfluoroalkyl Sulfonate Significant New Use Rule***

Determine the extent to which the EPA followed applicable policies, procedures, and guidance for the changes made to the Long-Chain Perfluoroalkyl Carboxylate and Perfluoroalkyl Sulfonate Chemical Substances Significant New Use Rule between the EPA administrator’s signing of the final rule on June 22, 2020, and the publication of the final rule in the Federal Register on July 27, 2020.

### Ongoing Projects

#### ***Evaluation of EPA’s January 2021 Perfluorobutane Sulfonic Acid Toxicity Assessment***

Determine whether the EPA’s Office of Research and Development and Office of Chemical Safety and Pollution Prevention followed applicable policies and procedures in the development and publication of the January 19, 2021 perfluorobutane sulfonic acid, also called PFBS, toxicity assessment.

#### ***Evaluation of EPA’s Process for Updating Federal Radiation Policies and Guidance***

Determine the extent to which the EPA has effectively implemented a process for reviewing and updating its federal radiation policies and guidance.

## Challenge 5: Ensuring Information Technology and Systems Are Protected Against Cyberthreats

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Ensuring information technology and systems are protected against cyberthreats is a challenge that has come into renewed focus because of the actions of malicious actors. Information systems are necessary for organizations to conduct the day-to-day transactions necessary to meet mission objectives. Additionally, critical infrastructure systems, such as drinking water facilities, are being maintained on computers. For this reason, criminals and other malicious actors view our critical infrastructure systems as ready targets. Given the EPA's oversight role regarding the water and wastewater systems, the EPA needs to be on the forefront of proactively identifying and thwarting cyberattacks on these critical infrastructures. The EPA will also need to ensure that its own systems are protected from these same malicious actors because, without secure and reliable information systems, the EPA is at risk of being unable to perform its important mission.

### Planned Projects

#### ***Audit of EPA's Active Directory User Account Security Controls Review***

Determine whether the EPA's security controls that are associated with active directory user accounts function as intended to prevent unauthorized access.

#### ***Audit of EPA's Compliance with Federal Information Security Modernization Act for Fiscal Year 2022***

Determine whether the EPA implemented an information system security program that complies with the requirements outlined in the Federal Information Security Modernization Act of 2014.

### Ongoing Projects

#### ***Audit of Cybersecurity Requirements Under America's Water Infrastructure Act***

Assess the adequacy of the (1) cybersecurity baseline information that the EPA developed to meet the requirements of section 2013 of the America's Water Infrastructure Act of 2018 and determine how community water systems used this information and (2) EPA's oversight to ensure that community water systems comply with section 2013 of the America's Water Infrastructure Act of 2018.

### ***Audit of EPA's Integrated Risk Information System Configuration-Management and Access-Control Compliance***

Determine whether the EPA's Integrated Risk Information System adheres to federal and Agency configuration-management and access-control requirements.

### ***Audit of Prior OIG Cybersecurity Audit Recommendations (Follow-Up)***

Determine whether the (1) EPA completed corrective actions for agreed-to cybersecurity audit recommendations in OIG reports issued from fiscal years 2017 through 2020 and (2) actions taken by the EPA effectively resolved the weaknesses identified in select audit reports.



## Challenge 6: Managing Infrastructure Funding and Business Operations

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The EPA has long recognized that clean and safe drinking water is the cornerstone of public health. Every year, the EPA provides billions of dollars to drinking water and wastewater infrastructure projects, of which a vast majority is distributed to states, tribes, and nongovernmental organizations in the form of grants, loans, and contracts. These investments require the EPA to provide effective oversight and ensure proper internal controls over these funds. Over the next five years, the EPA will help lead the nation in one of the largest infrastructure investment programs in our history. Some new projects will be influenced by the effects of climate change, and some completed projects may be in need of upgrades due to the possible effects of climate change. Effectively overseeing these projects will require dedicated EPA leadership and resources.

### Planned Projects

#### ***Audit of EPA's Acquisition Planning Improvements in Fiscal Year 2022***

Determine to what extent the EPA has improved its acquisition planning. The goal of this project is to reduce reliance on high-risk contracting vehicles, such as sole-source awards.

#### ***Audit of EPA's Effectiveness of Institutional Controls at Superfund Sites***

Determine whether the selected EPA Superfund institutional controls achieve their stated goal of preventing human exposure at Superfund sites.

#### ***Audit of EPA's and States' Identification and Replacement of Lead Service Lines in Disadvantaged Communities***

Determine the extent to which the EPA and states detect and identify lead service lines in water systems; whether the EPA and states have plans for replacing lead service lines; and the extent to which the EPA regions and states are identifying and directing resources to support public water systems in environmental justice communities with lead detection at or above the trigger level of 10 parts per billion.

#### ***Audit of EPA's Contractor Invoicing Payment Process***

Determine whether the EPA has implemented a contract invoice payment process that provides a mechanism for efficient processing of accurate and supportable invoice payments and that complies with federal laws, federal regulations, and Agency policies.

***Audit of EPA’s Fiscal Year 2020 and 2019 Financial Statements: Frank R. Lautenberg Chemical Safety for the 21st Century Act, which amended the Toxic Substances Control Act***

Determine (1) whether the financial statements were fairly stated in all material respects, (2) whether the internal controls over the Toxic Substances Control Act’s financial reporting were in place, (3) whether EPA management complied with applicable laws and regulations, (4) whether the fee structure was reasonable, and (5) what the number of requests for risk evaluations by manufacturers was. In addition, perform an analysis of the fees collected and amounts disbursed.

***Audit of EPA’s Fiscal Year 2021 Financial Statements: Hazardous Waste Electronic Manifest System Fund***

Determine (1) whether e-Manifest’s financial statements were fairly stated in all material respects, (2) whether e-Manifest’s internal controls over financial reporting were in place, (3) whether e-Manifest’s management complied with applicable laws and regulations, (4) whether the fee structure was reasonable, and (5) what the level of use of the system was. In addition, perform an analysis of the fees collected and amounts disbursed.

***Audit of EPA’s Fiscal Year 2021 Financial Statements: Pesticide Registration Improvement Act Fund***

Render an opinion on the Agency's Pesticides Registration Fund financial statements and determine (1) compliance with laws and regulations, (2) effectiveness of internal controls, and (3) accuracy of reported performance information.

***Audit of EPA’s Fiscal Year 2021 Financial Statements: Federal Insecticide, Fungicide, and Rodenticide Act Fund***

Determine whether (1) the financial statements were fairly stated in all material respects, (2) the EPA’s internal controls over financial reporting were in place, and (3) EPA management complied with applicable laws and regulations and accurately reported performance information.

***Audit of EPA’s Fiscal Years 2022 and 2021 Consolidated Financial Statements***

Determine whether the EPA’s (1) consolidated financial statements were fairly stated in all material respects, (2) internal controls over financial reporting were in place, and (3) management complied with applicable laws and regulations.

### ***Audit of EPA's Improper Payments Reporting for Fiscal Year 2021***

Review the payment integrity section of the *FY 2021 Agency Financial Report* to determine whether the EPA complied with the Payment Integrity Information Act of 2019 and evaluate the Agency's:

- Risk-assessment methodology.
- Improper payment rate estimates.
- Sampling and estimation plans.
- Corrective action plans.
- Efforts to prevent and reduce improper payments.

### ***Audit of EPA's Oversight of Clean Air Act Section 105 Grantees***

Determine whether (1) Clean Air Act section 105 grant work plans incorporate EPA air pollution-control program priorities and regulatory required elements and (2) EPA oversight provides reasonable assurance that Clean Air Act section 105 grantees are meeting work plan commitments.

### ***Evaluation of EPA's Waste Isolation Pilot Plant Program***

Determine whether the EPA is fulfilling its statutory responsibilities by determining the Waste Isolation Pilot Plant Program's compliance with the requirements of 40 C.F.R. part 191, subparts A, "Environmental Standards for Management and Storage," and B, "Environmental Standards for Disposal;" 40 C.F.R. part 194; and other federal environmental and public health and safety regulations.

### ***Evaluation of Chesapeake Bay Water Quality Standards Attainment Progress and Challenges***

Determine (1) whether the EPA and its partners have made progress toward meeting water-quality standards for the Chesapeake Bay, (2) what challenges could prevent the EPA and its partners from meeting these standards by 2025, and (3) how challenges could be mitigated.

### ***Evaluation of EPA's Oversight of Hazardous Waste at EPA Laboratories***

Determine whether EPA laboratories are complying with Resource Conservation and Recovery Act requirements for the management of hazardous waste.

## ***Fiscal Year 2022 Single Audits Capping Report***

Capture and highlight all single audit work performed during fiscal year 2022 (October 1, 2021, to September 30, 2022), including summarizing statistics and graphics illustrating the:

- Number of single audits that the OIG screened.
- Number of single audit memorandums that the EPA issued.
- Number of single audit findings reported to the EPA.
- Questioned costs reported to the EPA.
- Number of quality reviews of single audit reports that the OIG conducted.
- Deficiency letters that the OIG issued to single auditors.

## ***Audit of EPA's Oversight of Public Water System Supervision Grant Program to Tribal Recipients***

Determine whether the (1) Public Water System Supervision Program grants to tribes were properly administered under the *Uniform Grant Guidance*, federal regulations, and the grant terms and conditions; (2) funding was awarded in accordance with the same; and (3) grants achieved their intended goals.

## ***Audit of EPA's Grant Administration and Oversight***

Determine the extent to which (1) grants across several EPA programs were awarded in accordance with the *Uniform Grant Guidance* and applicable laws, regulations, and Agency policy; and (2) awarded grants achieved their intended goals.

## ***Single Audit Program for Fiscal Year 2022***

In accordance with the Single Audit Act, a nonfederal entity that expends \$750,000 or more in federal awards must have a single audit. The single audit team reviews and processes single audit reports that are prepared by certified public accountant firms and state audit organizations. In accordance with the Single Audit Act, each entity with an annual federal expenditure that exceeds \$50 million (under *Uniform Grant Guidance*) is required to have an annual audit and to submit a single audit report to the Federal Audit Clearinghouse. Under the *Uniform Grant Guidance*, federal agencies are responsible for providing oversight and technical review.

## Ongoing Projects

### ***Audit of EPA's Process for Awarding, Overseeing, and Monitoring Loans Made Under Water Infrastructure Finance and Innovation Act***

Determine whether the EPA's process for awarding, overseeing, and monitoring loan awards made under the Water Infrastructure Finance and Innovation Act complies with the statute, regulations, and EPA policy.

### ***Audit of OIG Report No. 16-P-0333, Enhanced Controls Needed to Prevent Further Abuse of Religious Compensatory Time (Follow-Up)***

Determine whether the corrective actions taken by the EPA effectively addressed the weaknesses identified in OIG Report No. [16-P-0333](#), *Enhanced Controls Needed to Prevent Further Abuse of Religious Compensatory Time*.

### ***Evaluation of Office of the Chief Financial Officer's Oversight, Monitoring, and Compliance with Agencywide Internal Control Requirements***

Determine whether the Office of the Chief Financial Officer is conducting agencywide entity-level risk assessments and implementing internal controls for annual and supplemental appropriations that comply with federal and Agency requirements.

### ***Audit of EPA's Reporting of Financial and Award Data in Accordance with Digital Accountability and Transparency Act of 2014***

Assess the completeness, timeliness, quality, and accuracy of fiscal year 2021 data submitted for publication on USASpending.gov by the Office of the Chief Financial Officer and the EPA's implementation and use of the governmentwide financial data standards established by the Office of Management and Budget and the Treasury.

### ***Audit of EPA's Fiscal Year 2021 Consolidated Financial Statements***

Determine whether (1) the EPA's consolidated financial statements were fairly stated in all material respects, (2) the EPA's internal controls over financial reporting were in place, and (3) EPA management complied with applicable laws and regulations.

### ***Audit of EPA's Grant Flexibilities Due to Coronavirus Pandemic***

Determine the extent to which the EPA has implemented the coronavirus pandemic-related grant flexibilities permitted by the Office of Management and Budget.

### ***Evaluation of Awarding, Monitoring, and Performance of EPA Great Lakes Restoration Initiative Grants***

Determine (1) whether the EPA awarded and monitored Great Lakes Restoration Initiative grants in accordance with the Uniform Grant Guidance (2 C.F.R. § 200) and other applicable federal laws, regulations, policies, and procedures and (2) the extent to which EPA Great Lakes Restoration Initiative grants support the Agency's program goals for the Great Lakes.

### ***Audit of OIG Report No. 17-P-0368, Improved Management of the Brownfields Revolving Loan Program Is Required to Maximize Cleanups (Follow-Up)***

Determine whether the corrective actions taken by the EPA effectively addressed the identified program deficiencies in OIG Report No. [17-P-0368](#), *Improved Management of the Brownfields Revolving Loan Program Is Required to Maximize Cleanups*, issued August 23, 2017.

### ***Evaluation of Northbridge Environmental Invoices and Work Assignments Performed Under EPA Contract No. EP-C-16-001***

Determine whether (1) the EPA properly approved, paid, and accounted for charges submitted by Northbridge for work in Region 9 for the states of Hawaii and California under Contract No. EP-C-16-001, and (2) Northbridge provided timely and acceptable deliverables, as specified in the contract and its associated work plans.

### ***Audit of EPA's Pollution Prevention Grants Reporting***

Determine whether the EPA accurately reports the environmental results achieved from pollution prevention grants, as well as whether those results demonstrate alignment with the goals established for the program.

# Challenge 7: Enforcing Environmental Laws and Regulations



A robust enforcement program is vital to deterring regulated entities from violating environmental laws and regulations and to protecting human health and the environment. National level, regional level, and statute-specific EPA compliance monitoring activities, enforcement actions, and most enforcement results, including output and some outcome measures, generally declined from fiscal years 2007 through 2020. Considering its limited resources and despite potential funding increases in fiscal year 2022, the EPA is challenged to assess its resource requirements for the enforcement program and to identify innovative and cost-effective means of detecting and deterring noncompliance in the future.

Primary purpose of the enforcement process is to ensure compliance with environmental laws.



Source: OIG summary of EPA information. (EPA OIG image)

## Planned Projects

### **Audit of EPA's Safe Drinking Water Act Section 1431 Revised Guidance and Implementation of Emergency Authorities**

Determine to what extent the EPA's implementation of the Agency's Safe Drinking Water Act section 1431 emergency order authorities since the issuance of its revised emergency order guidance in 2018 resulted in reductions of lead in public water systems.



Lead service lines showing inner surface without any coating from corrosion-control treatment (left), with coating (right), and fully corroded (middle). (EPA photo)

### ***Evaluation of EPA’s Handling of Criminal Discovery***

Determine whether the EPA’s collection, retention, and production of mandatory criminal discovery material adhered to requirements.

### ***Evaluation of EPA Off-Site Compliance-Monitoring Activities Conducted Under Clean Water Act***

Determine the impact of the EPA’s increased off-site compliance monitoring, which was conducted under the Clean Water Act.

### ***Audit of EPA’s Oversight of State and Local Air Agencies’ Identification of High-Emitting Synthetic Minor Facilities***

Determine whether EPA oversight has ensured that state and local agencies with large compliance-monitoring programs identify high-emitting synthetic minor facilities, known as SM-80s, in accordance with the EPA’s *Clean Air Act Compliance Monitoring Strategy*.

### ***Inspection of EPA’s Federal Facility Sites on Superfund National Priorities List***

Determine the extent to which the EPA works with federal and state partners to efficiently and effectively address contamination at federal facility sites on the Superfund National Priorities List.

### ***Evaluation of EPA’s Statutory Resource Conservation and Recovery Act Inspections (Follow-Up)***

Determine the extent to which the EPA met its statutory requirement to complete required inspections of treatment, storage, and disposal facilities.

## **Ongoing Projects**



### ***Evaluation of Effectiveness of EPA’s Oversight of Testing and Certification Program for Residential Wood Heaters***

Determine whether the EPA effectively uses its oversight and enforcement authority to ensure that all residential wood heaters reaching consumers are properly tested and certified in accordance with established standards.



### ***Evaluation of Pandemic's Impact on Authorized State Resources Conservation and Recovery Act Programs***

Evaluate the ability of authorized state Resources Conservation and Recovery Act hazardous waste programs to continue operations during the coronavirus pandemic. Interview the Land, Chemicals, and Redevelopment Division directors of selected EPA regional offices, as well as managers within the Office of Land and Emergency Management.

### ***Evaluation of EPA On-Scene Coordinators and Managers Regarding COVID-19***

Determine whether the EPA (1) has managed resources to provide continued protection of human health and the environment at emergency responses during the coronavirus pandemic, and (2) provides sufficient protective measures to on-scene coordinators responding to incidents.

# U.S. Chemical Safety and Hazard Investigation Board

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The CSB's mission is to drive chemical safety change through independent investigations to protect people and the environment. The CSB investigates industrial chemical accidents at facilities, reports on the root causes to the public, and recommends measures to prevent future occurrences. In fiscal year 2004, Congress designated the EPA's inspector general to serve as the CSB's inspector general through annual appropriations legislation.

In OIG Report No. [22-N-0003](#), *Fiscal Year 2022 U.S. Chemical Safety and Hazard Investigation Board Management Challenges*, issued November 10, 2021, we identify what we consider to be the top management challenge for the CSB.

## ***Accomplishment of CSB Mission Is Impaired Until New Board Members Are Confirmed (initially identified in fiscal year 2019)***

As of November 2021, the CSB chair was the only CSB board member. The Clean Air Act Amendments of 1990 provide for a CSB board that “shall consist of 5 members, including a Chairperson.” Having a board of one causes workload issues. A single board member is unlikely to have the technical qualifications or time to perform the board's required duties. Further, a single board member creates internal control issues because of the lack of separation of duties among management.

We note that the president and the Senate are taking steps to appoint new board members, which will partially resolve the board member challenge. There are four vacancies, and the president has provided three nominees—two of which are scheduled for confirmation votes. Therefore, our planned projects for fiscal year 2022 do not reflect this management challenge.

## **Planned Projects**

### ***Audit of CSB's Purchase Card and Convenience Check Program for Fiscal Years 2019, 2020, and 2021***

Determine the risk of any illegal, improper, or erroneous purchases and payments for fiscal years 2019, 2020, and 2021.

### ***Audit of CSB's Fiscal Years 2022 and 2021 Financial Statements (contracted)***

Determine whether (1) the CSB's financial statements were fairly stated in all material respects, (2) internal controls over financial reporting in the CSB were in place, and (3) the CSB's management complied with applicable laws and regulations.

### ***Audit of CSB's Improper Payments Reporting for Fiscal Year 2021***

Determine whether the CSB completed two requirements:

- Published an Agency financial report or a performance and accountability report for fiscal year 2021 and posted the report on its website in a location that was clearly identified on the Agency's homepage, per Office of Management and Budget Circular A-136.
- Conducted an improper payment risk assessment within the last three years, per Office of Management and Budget Circular A-123, Appendix C.

### ***Audit of CSB's Compliance with Federal Information Security Modernization Act for Fiscal Year 2022***

Determine whether the CSB implemented an information security management program that is compliant with the Federal Information Security Modernization Act of 2014.

### **Ongoing Projects**



### ***Audit of CSB's Compliance with Federal Information Security Modernization Act for Fiscal Year 2021***

Determine whether the CSB implemented an information security management program that is compliant with the Federal Information Security Modernization Act of 2014.

### ***Audit of CSB's Reporting of Financial and Award Data in Accordance with Digital Accountability and Transparency Act of 2014***

Assess (1) the completeness, timeliness, quality, and accuracy of fiscal year 2021 data submitted for publication on USASpending.gov and (2) the CSB's implementation and use of the governmentwide financial data standards established by the Office of Management and Budget and the Treasury.

### ***Audit of Fiscal Year 2021 CSB Financial Statements***

Determine whether (1) CSB financial statements were fairly stated in all material respects, (2) internal controls over financial reporting in the CSB were in place, and (3) CSB management complied with applicable laws and regulations.



## Whistleblower Protection

U.S. Environmental Protection Agency

*The whistleblower protection coordinator's role is to educate Agency employees about prohibitions on retaliation and employees' rights and remedies in cases of reprisal. For more information, please visit the whistleblower protection coordinator's [webpage](#).*

**For more information about EPA OIG reports or activities, please contact us:**



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