



At a Glance

Why We Did This Project

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

- Whether the EPA complied with Grants Oversight and New Efficiency Act requirements (Pub. L. 114-117) by timely submitting information about expired grant awards to Congress and the U.S. Department of Health and Human Services.
- The effectiveness of the EPA's management of and accountability for the timely closeouts of grant awards.

In 2016, Congress enacted the GONE Act to bring greater efficiency, accountability, and oversight to grant award administration. In addition, EPA policy provides that 90 percent of grant awards ending in a fiscal year should be closed by the end of the next fiscal year and 99 percent should be closed by the end of the second fiscal year.

This report addresses the following:

- *Operating efficiently and effectively.*

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EPA Did Not Accurately Report Under the Grants Oversight and New Efficiency Act and Needs to Improve Timeliness of Expired Grant Closeouts

What We Found

The EPA complied with the GONE Act by timely submitting the required information to Congress and the Department of Health and Human Services. However, the EPA reported a count of expired grant awards that was not accurate. This inaccuracy occurred because the EPA's Office of Grants and Debarment did not follow the cutoff date requirement of September 30, 2017. As a result, the EPA provided Congress with incorrect information that could affect Congress' decision-making.

As of September 2019, the EPA had \$8.3 million in undisbursed balances for grant awards that expired one year or more prior. These funds could have been used to achieve EPA environmental goals.

In addition, the EPA needs to improve the timeliness of its grant closeouts. In fiscal year 2018, the EPA overall did not meet the one-year closeout metric, and not all EPA regions met the two-year closeout metric. The EPA did not enforce its requirement that underperforming regions implement grant closeout strategies, which would help address timeliness issues. Also, EPA regions delayed some grant closeouts for several years because they did not have a specific mechanism to escalate difficult cases to the Office of Grants and Debarment. Because of these closeout challenges, as of September 6, 2019, the EPA's undisbursed balances for grant awards that expired on or before September 1, 2018, totaled approximately \$8.3 million.

Late closeouts diminish the EPA's ability to achieve efficiencies within its grant program, as they require staff's time and effort that could be used to manage active grant awards. In addition, undisbursed balances for expired grant awards represent funds that could be put to better use to achieve environmental and public health goals.

Recommendations and Planned Agency Corrective Actions

We recommend that the assistant administrator for Mission Support (1) submit corrections for the GONE Act reporting, (2) establish controls to verify that accurate information is submitted in future reporting, (3) implement controls to obtain grant closeout strategies when regions are not meeting the Agency's performance metrics, and (4) implement a policy to escalate grant closeouts that have been delayed for one year or longer to the Office of Grants and Debarment.

The EPA agreed with Recommendations 1 and 2 and provided acceptable planned corrective actions. We consider those recommendations resolved with corrective actions pending. The Agency did not provide acceptable corrective actions to address Recommendations 3 and 4, and we consider these recommendations unresolved.