



OFFICE OF INSPECTOR GENERAL
U.S. ENVIRONMENTAL PROTECTION AGENCY



CUSTOMER SERVICE ★ INTEGRITY ★ ACCOUNTABILITY

FISCAL YEAR 2023
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

January 9, 2023

I am pleased to present the U.S. Environmental Protection Agency Office of Inspector General's *Fiscal Year 2023 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*, 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,¹ and the White House; and the EPA's strategic vision, which is outlined in the EPA's *FY 2022-2026 Strategic Plan*.²

The *Fiscal Year 2023 Oversight Plan* describes our planned and ongoing oversight projects, which we have organized by top management challenge.³ In our *EPA's Fiscal Year 2023 Top Management Challenges report*, we identified what we consider the top management challenges to the EPA accomplishing its mission for fiscal year 2023. We retained the fiscal year 2022 top management challenges with one modification—we split the “managing infrastructure funding and business operations” challenge into two challenges. This resulted in a total of eight management challenges.

1. Mitigating the Causes and Adapting to the Impacts of Climate Change.
2. Integrating and Leading Environmental Justice Across the Agency and Government.
3. Providing for the Safe Use of Chemicals.
4. Safeguarding Scientific Integrity Principles.
5. Ensuring Agency Systems and Other Critical Infrastructure Are Protected Against Cyberthreats.

¹ This includes consideration of the supplemental EPA funding provided in the Infrastructure Investment and Jobs Act.

² Prior to fiscal year 2020, we published an *OIG Annual Plan* to guide our work each fiscal year. Since fiscal year 2021, we have published an *Oversight Plan*.

³ EPA OIG, *EPA's Fiscal Year 2023 Top Management Challenges* (Nov. 28, 2022).

6. Managing Business Operations and Resources.
7. Enforcing Compliance with Environmental Laws and Regulations.
8. Managing Increased Investment in Infrastructure.

Since the EPA OIG also provides oversight to the CSB, to include both mandatory and discretionary projects, we also independently considered the CSB's top management challenges. In our [report](#) *Fiscal Year 2023 U.S. Chemical Safety and Hazard Investigation Board Management Challenges*,⁴ we identified three top management challenges that we believe represent the most significant barriers to the CSB accomplishing its mission for fiscal year 2023. We retained one of the challenges from our previous top management challenges [report](#) and added two new challenges.

1. Accomplishment of the CSB's Mission Remains Impaired Until the Full Board Is Confirmed (initially identified in fiscal year 2019).
2. Minimize Mission Critical Staff Vacancies and Attrition Rates.
3. Improve Cybersecurity Weaknesses.

The *Fiscal Year 2023 Oversight Plan* reflects the priority work that the OIG believes is necessary to keep the EPA, the CSB, and Congress fully informed about issues related to the administration of Agency programs and operations. The OIG's planning efforts are not static and the projects included in this plan may be modified throughout the year as challenges and risks for the EPA and the CSB continue to evolve and emerge, especially as it relates to the distribution and implementation of funding to state, local, and tribal governments and to other eligible recipients, as provided under the recently enacted Inflation Reduction Act of 2022.

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


⁴ EPA OIG, *Fiscal Year 2023 U.S. Chemical Safety and Hazard Investigation Board Management Challenges*, (Oct. 21, 2022).


Fiscal Year 2023 Oversight Plan

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Introduction

The U.S. Environmental Protection Agency 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 EPA programs and operations. The EPA OIG fulfills the same role for the U.S. Chemical Safety and Hazard Investigation Board.

Our *Fiscal Year 2023 Oversight Plan* describes the oversight projects that we intend to conduct during the fiscal year. Typical oversight projects include audits, evaluations, and investigations of Agency programs and operations. The *Oversight Plan* is subject to change throughout the fiscal year. As challenges and risks evolve and emerge, we may identify additional discretionary projects that could provide high-impact oversight to EPA and CSB programs. We cannot plan for some projects, such as those that arise from congressional requests, hotline tips, and emerging issues or crises.

In developing the *Oversight Plan*, we focused on projects related to the OIG-identified top management challenges. During its identification of the top management challenges for the EPA and the CSB, the OIG considered the Agencies' missions and the budgetary priorities set forth by Congress. For the *Oversight Plan*, we also considered the findings, recommendations, and observations from previous OIG and U.S. Government Accountability Office reports; key strategic documents, such as the EPA strategic [plan](#); congressional hearings, legislation, and feedback from members of Congress; and projects related to the Infrastructure Investment and Jobs Act, or IJIA.⁵ Collectively, these considerations help ensure that we undertake audits and evaluations that address the EPA's and the CSB's most pressing challenges.

In this *Oversight Plan*, we have 72 projects for the EPA—42 planned and 24 ongoing⁶—and six projects for the CSB—four planned and two ongoing.⁵ In the following chapters, we outline each planned or ongoing project by the fiscal year 2023 top management challenge and include a summary of the project's objective(s).⁷

⁵ H.R.3684 - Infrastructure Investment and Jobs Act, November 15, 2021.

⁶ These projects reflect planned and ongoing projects as of September 30, 2022. Some projects labeled as planned or ongoing may have been initiated or had reports published after September 30, 2022, before the publishing of this plan. For these projects and reports, we have indicated their initiation or publication in footnotes.

⁷ Some projects may address multiple management challenges. For this plan, we have organized each project by what we consider the primary management challenge.

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



The first challenge among those we identified for fiscal year 2023 is Mitigating the Causes and Adapting to the Impacts of Climate Change. According to the EPA’s [Clean Energy Glossary](#), the EPA defines climate change as significant changes in measures of climate—such as temperature, precipitation, and wind patterns—that last for extended periods of time. To meet this challenge, the Agency will need to effectively allocate resources to facilitate its coordination with local, state, federal, and international partners for the development of comprehensive strategies that will mitigate the effects of climate change. Implementing these strategies will require the Agency to adhere to principles of scientific integrity in its decision-making processes.

Planned Projects

Evaluation of State Inspection of Diesel-Fueled Vehicles

To determine the extent to which state enhanced inspection and maintenance programs inspect diesel-fueled vehicles to identify and remove aftermarket defeat devices and tampered vehicles from U.S. roadways.

Audit of Effectiveness of the Resource Conservation and Recovery Act Program in Preventing Releases of Hazardous Substances during Natural Disasters

To assess the effectiveness of the Resource Conservation and Recovery Act program in preventing releases of hazardous substances during natural disasters.

Audit of Water Infrastructure Resilience Against Climate Change

To determine if the EPA has adequate strategies and resources in place to ensure water utilities meet the goal of [Executive Order 14008](#) by incorporating climate change resiliency considerations into water infrastructure projects.⁸

⁸ Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad* (Jan. 27, 2021).

Ongoing Projects

Audit of the EPA’s Oversight of the Renewable Fuel Standards Renewable Identification Number Market

To 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 the Office of Enforcement and Compliance Assurance’s National Compliance Initiative for Stopping Aftermarket Defeat Devices for Vehicles and Engines

To determine (1) the EPA’s progress toward achieving the goals and measures in the EPA’s fiscal years 2020–2023 National Compliance Initiative titled Stopping Aftermarket Defeat Devices for Vehicles and Engines, and (2) the extent to which existing measures track and promote the achievement of the initiative’s goals.

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



The second challenge, Integrating and Leading Environmental Justice Across the Agency and Government, addresses the EPA's challenges as it leads the federal effort to identify and address disproportionately high and adverse human health or environmental effects on communities facing environmental justice concerns. Environmental justice is, according to the EPA, 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. The challenges facing the Agency include effectively communicating risks, assessing cumulative impacts, and integrating environmental justice principles into civil rights enforcement. As environmental justice continues to be woven into EPA decisions, and across multiple programs, EPA decision-makers must have the proper tools and training to properly assess and mitigate the environmental effects of its decisions.

Planned Projects

Audit of State Revolving Fund Programs' Progress to Increase Investment in Disadvantaged Communities Infrastructure Investment and Jobs Act

To determine if state revolving fund programs have appropriately evaluated and revised their disadvantage community definition, affordability criteria, and point system, as required by the EPA IJA implementation guidance. Additionally, to determine if state revolving fund programs have begun efforts to use available IJA technical assistance funding or engage residents and community stakeholders in disadvantaged communities.

Audit of the EPA's Adherence to American Rescue Plan Act Requirements to Improve Human Health and Environmental Protections for Environmental Justice Communities

To determine whether the EPA awarded and distributed American Rescue Plan Act of 2021 funds for projects that identify and address disproportionate environmental or public health harms and risks in minority populations or low-income populations, in accordance with American Rescue Plan Act section 6002.

Ongoing Projects

Evaluation of Air Quality at U.S. Maritime Ports

To determine what steps, if any, the EPA is taking to address the increase in air pollution from oceangoing vessels at U.S. maritime ports.

Audit of Benzene Fenceline Monitoring at Refineries

To determine to what extent oversight of the benzene fenceline monitoring program by the EPA and delegated state and local agencies assures that refineries take corrective action and lower benzene, as required, when measured benzene concentrations exceed the action level.

Audit of Cumulative Impacts on Communities with Environmental Justice Concerns

To determine what actions the EPA has taken to identify and address any disproportionate health effects to disadvantaged communities located on or near a selected Superfund site 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 (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) the EPA has 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 Fund.

Audit of the Use of the EPA's Elevation Policy to Address Lead in the Benton Harbor, Michigan Community Water System

To determine the extent to which the EPA followed its 2016 elevation policy in responding to evidence of drinking water lead contamination in the City of Benton Harbor's community water system.

Challenge 3: Providing for the Safe Use of Chemicals



The third challenge, providing for the Safe Use of Chemicals, focuses on the EPA's mission to protect human health and the environment from harmful chemicals and pesticides. The EPA assesses chemicals and their risks to find ways to prevent or reduce pollution in the environment. The Agency also regulates the manufacture and use of all pesticides to safeguard the nation's food supply. The EPA must be able to conduct credible and timely assessments of the risks that pesticides, toxic chemicals, and other environmental chemicals pose. In 2016, the EPA's regulatory authority under the Toxic Substances Control Act was expanded, increasing the need for timely and accurate risk assessments. Further, the EPA must continue to conduct the registration and reregistration of hundreds of pesticides per year and to ensure that it sets appropriate exposure levels for contaminants in drinking water. Without appropriate resource and implementation plans in place to demonstrate that the EPA can accomplish this work and accurately conduct scientifically sound risk assessments, the public's trust and confidence in the ability of the EPA to accomplish its mission of protecting human health and the environment will be at risk.

Planned Projects

Evaluation of the EPA's Response to PFAS Contamination from Plastic Containers Used to Store Pesticides and Other Chemicals

To determine what steps, if any, the EPA has taken to identify risks and protect human health from exposure to PFAS, or per- and polyfluoroalkyl substances, occurring through the storage of chemicals, specifically pesticides, in fluorinated high-density polyethylene and similar plastic containers.

Ongoing Projects

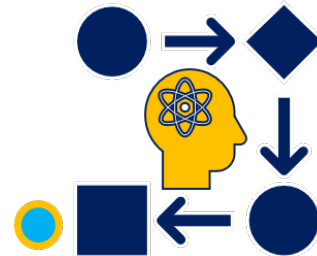
Evaluation of the EPA's Response to Reported Incidents of Unintended Effects from Pet Collar Pesticides

To determine whether (1) the EPA's response to reported pesticide incidents involving Seresto pet collars provides assurance that the collars can still be used without posing unreasonable adverse effects to human health and the environment, and (2) the EPA adhered to pesticide registration requirements in its approval of Seresto pet collars, specifically toxicological data requirements in 40 C.F.R. part 158.

Audit of the Toxic Substances Control Act 's New Chemicals Review Process

To 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.

Challenge 4: Safeguarding Scientific Integrity Principles



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

The fourth challenge, Safeguarding Scientific Integrity Principles, addresses the importance of scientific integrity in the EPA’s decision-making. Per the EPA, science not only informs all aspects of the EPA’s decision-making but also impacts other domestic and international organizations’ decision-making that is based on the Agency’s science. Safeguarding scientific integrity principles ensures that the federal government’s policies are based upon sound science. Although the EPA has taken numerous actions to promote scientific integrity, we continue to find examples of loss of scientific integrity. Additionally, the OIG continues to receive hotline complaints raising scientific integrity concerns. The EPA is challenged to fully deploy its scientific integrity concepts throughout the EPA’s culture, potentially hindering its ability to protect human life and the environment. The OIG will continue to make recommendations related to how the Agency implements its scientific integrity goals and initiatives.

Ongoing Projects

Evaluation of the EPA’s January 2021 PFBS Toxicity Assessment

To 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, PFBS, or perfluorobutane sulfonic acid, toxicity assessment.

Challenge 5: Ensuring Agency Systems and Other Critical Infrastructure Are Protected Against Cyberthreats



The fifth challenge, Ensuring Agency Systems and Other Critical Infrastructure are Protected Against Cyberthreats, addresses EPA efforts to strengthen the security and resilience of its critical infrastructure. The federal government, including the EPA, relies heavily on information technology, or IT, to support its mission and to protect its sensitive information and continues to face sophisticated attacks on its IT systems, to include those supporting critical infrastructure. These attacks challenge current cybersecurity defenses, creating an urgent need for a new security paradigm. Issued in May 2021, [Executive Order 14028](#),⁹ Improving the Nation’s Cybersecurity, directs federal agencies to invest in their cybersecurity defenses. Without a robust and mature cybersecurity posture, malicious cyber actors could hinder the EPA’s ability to perform its mission and support its responsibility as the sector risk management agency for the water and wastewater sectors. This could endanger national security, as well as the health and safety of the American people.

Planned Projects

Audit of Classification and Security Controls of EPA's High Value Assets

To determine whether the EPA has (1) developed a risk-based approach to manage its High Value Asset program in accordance with the requirements of the U.S. Office of Management and Budget Memorandum [M-19-03](#),¹⁰ and (2) implemented required security controls to protect the EPA’s high-value assets’ information.

Audit of Active Directory User Account Security Controls Review

To determine whether the EPA's security controls associated with Active Directory user accounts function as intended to prevent unauthorized access.

⁹ Executive Order 14028, *Improving the Nation’s Cybersecurity* (May 17, 2021).

¹⁰ U.S. Office of Management and Budget Memorandum M-19-03, *Strengthening the Cybersecurity of Federal Agencies by enhancing the High Value Asset Program* (December 10, 2018).

Audit of the EPA's Cybersecurity Incident Detection and Response Capability

To determine whether the EPA's cybersecurity incident response capability adheres to federal and Agency requirements.

Audit of EPA Compliance with the Federal Information Security Modernization Act for FY 2023

To assess the EPA's compliance with the fiscal year 2023 inspector general Federal Information Security Modernization Act reporting metrics.

Ongoing Projects

Audit of the EPA's Central Data Exchange Access Security Controls

To determine whether the EPA has established sufficient controls to prevent unauthorized access to the EPA's Central Data Exchange system.

Evaluation of the EPA's Compliance with the Federal Information Security Modernization Act for FY 2022

To assess EPA's compliance with the U.S. Department of Homeland Security's fiscal year 2022 inspector general Federal Information Security Modernization Act reporting metrics.

Audit of Integrated Risk Information System Security Access Controls

To determine whether the EPA's Integrated Risk Information System database adheres to federal and Agency access control requirements.

Audit - Addressing Cybersecurity Risks to Community Water Systems under the America's Water Infrastructure Act of 2018¹¹

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

¹¹ This report was published on November 21, 2022, as Report No. [23-P-0003](#), *The EPA Met 2018 Water Security Requirements but Needs to Improve Oversight to Support Water System Compliance*.

Audit of EPA Internal Controls to Account for and Secure Laptops

To determine whether the EPA headquarters and select regional locations have sufficient internal controls to properly account for and secure laptops within their possession from theft and misplacement.

Challenge 6: Managing Business Operations and Resources



The sixth challenge, Managing Business Operations and Resources, focuses on the Agency’s ability to create and maintain effective business operations for distributing billions of dollars in grants and contracts to states, tribes, and nongovernmental organizations for infrastructure and Superfund projects. Congress annually provides the Agency with billions of dollars for its mission to protect human health and the environment. In annual appropriations for FY 2022, Congress provided the EPA over \$850 million to fund nearly 500 earmarked projects, in addition to the significant funding the Agency received under the Infrastructure Investment and Jobs Act of 2021 and the Inflation Reduction Act of 2022. Receiving this unprecedented amount of funding in such a short period of time introduces a significant challenge to the Agency’s ability to effectively manage its business operations, significantly adding to the workload of adequately overseeing the distribution and implementation of the funding.

Planned Projects

Audit of EPA Oversight of State Drinking Water System Operator Certification Programs

To assess whether the EPA annually determines that states have operator certification programs that meet the Safe Drinking Water Act requirements and, if the EPA determines a state program is deficient, whether it takes appropriate action to hold the state accountable.

Audit of Unliquidated Obligations in Programs Receiving IJA Funding

To determine the amount of existing unliquidated obligations from annual appropriations for programs that are expected to receive supplemental funding from the IJA.

Audit of the EPA's Clean School Bus Program

To determine whether applications for the Clean School Bus Program rebates funded by the IJA meet prioritization criteria and eligibility requirements and to what extent the EPA has assessed the likelihood and impact of fraud risks as it pertains to implementation of the rebate program.

Audit of Drinking Water Capacity Development Impacts on DWSRF Loans and Drinking Water Compliance

To determine whether state capacity development programs are ensuring that drinking water systems receiving DWSRF loans are maintaining financial capacity and compliance with drinking water regulations.

Audit of the EPA's Agencywide Management of Grant Workforce

To determine whether the EPA has prepared for and established a grants workforce to effectively administer annual and supplemental-appropriated programs in accordance with federal guidance.

Audit of EPA Payment Integrity Information Act Reporting for FY 2022

The objectives are to (1) review the payment integrity section of the Fiscal Year 2022 Agency Financial Report to determine whether the EPA follows the Payment Integrity Information Act of 2019, and (2) evaluate the Agency's corrective action plan(s) and efforts to prevent and reduce improper payments.

Audit of State Subrecipient Monitoring Responsibilities in the State Revolving Fund Programs

To determine (1) whether states are performing clean and drinking water State Revolving Fund subrecipient monitoring, as required by the Uniform Guidance, and (2) actions taken by the EPA if state subrecipient monitoring is deficient.

Audit of the California State Water Resources Control Board's Grant Financial Management System

To determine whether the California State Water Resources Control Board's financial management system meets federal standards for oversight of grants.

Audit of Jackson, Mississippi Drinking Water Funding and Spending Decisions¹²

To identify award and expenditure decisions at the state and local level related to the drinking water incident in Jackson, Mississippi.

¹² This project was announced on November 14, 2022, as Project No. [OA-FY23-0035](#), *Jackson, Mississippi Drinking Water Funding and Spending Decisions Project*.

Audit of Single Audit Quality Control Review

To determine whether the single audit conducted by an independent nonfederal entity was performed in accordance with federal requirements and applicable auditing standards.

Audit of the EPA's Effectiveness of its Use of Special Account Funds

To determine whether the EPA is managing its Superfund special accounts in accordance with applicable regulations and guidance to increase the funds available for future Superfund activities.

Audit of the EPA's Management of Small and Rural Wastewater Treatment Programs

To determine whether the EPA's oversight of state administration of Clean Water State Revolving Fund loans ensures that small and medium size rural communities have access to Clean Water State Revolving Fund loans that include provisions to build technical, managerial, and financial capacity.

Audit of IJA Funds Used for Superfund Sites Awaiting Funding

To determine whether the EPA is using funds from the IJA to begin construction projects at Superfund sites awaiting funding as required by the Act.

Audit of Statutorily Required vs. Nonstatutorily Required Work

To determine how the EPA's Office of Land and Emergency Management is (1) allocating funding and staffing resources to accomplish work required by statute or executive order versus work that is not statutorily required, and (2) considering the costs, benefits, and risks of conducting nonstatutorily required work.

Audit of EPA FY 2023 and 2022 Consolidated Financial Statements

To 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 has complied with applicable laws, regulations, contracts, and grant agreements.

Audit of EPA FY 2022 and 2021 Financial Statements: Hazardous Waste Electronic Manifest System Fund

To determine whether the EPA's (1) Hazardous Waste Electronic Manifest System Fund financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles, (2) internal controls over financial reporting are in place, and

(3) management has complied with applicable laws, regulations, contracts, and grant agreements

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

To determine whether the EPA's (1) Toxic Substances Control Act Service Fee Fund financial statements are fairly presented in all material respects, (2) internal controls over financial reporting are in place, and (3) management has complied with applicable laws regulations, contracts, and grant agreements.

Audit of EPA FY 2021 and 2020 Financial Statements: Frank R. Lautenberg Chemical Safety for the 21st Century Act, which amended the Toxic Substances Control Act

To determine whether the EPA's (1) Toxic Substances Control Act Service Fee Fund financial statements are fairly presented in all material respects, (2) internal controls over financial reporting are in place, and (3) management has complied with applicable laws, regulations, contracts, and grant agreements.

Audit of EPA FY 2022 and 2021 Financial Statements: Pesticides Registration Fund

To determine whether the EPA's (1) Pesticide Registration Fund financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles; (2) internal controls over financial reporting are in place; (3) management has complied with applicable laws, regulations, contracts, and grant agreements; (4) the information and manner of presentation contained in the Management's Discussion and Analysis, and any other accompanying information, are materially consistent with the information contained in the principal statements; and (5) the EPA complied with specific provisions of the Pesticides Registration Improvement Act including the decision time review period requirement.

Audit of EPA FY 2022 and 2021 Financial Statements: Pesticides Reregistration and Expedited Processing Fund, pursuant to the, Federal Insecticide, Fungicide, and Rodenticide Act

To determine whether the EPA's (1) Pesticides Reregistration and Expedited Processing Fund financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles; (2) the EPA's internal controls over financial reporting are in place; (3) the EPA's management has complied with applicable laws, regulations, contracts, and grant agreements; (4) the EPA accurately reported accomplishments under applicable

performance measured and goals for the Federal Insecticide, Fungicide, and Rodenticide Act; (5) the EPA complied with specific provisions of Federal Insecticide, Fungicide, and Rodenticide Act; and (6) the information and manner of presentation contained in the Management's Discussion and Analysis, and any other accompanying information, are materially consistent with the information contained in the principal statements.

Ongoing Projects

American Recovery and Reinvestment Act Lessons Learned¹³

To highlight findings from prior OIG reports of EPA's management of American Recovery and Reinvestment Act funding to identify lessons that could help inform the EPA's management of programs funded by the IIJA.

Audit of Pollution Prevention Grants Reporting

To determine whether the EPA accurately reports the environmental results achieved from pollution prevention grants, and whether those results demonstrate alignment with the goals established for the program.

Evaluation of Efficiency and Effectiveness of the Great Lakes Restoration Initiative

To determine whether the EPA's Great Lakes National Program Office is using Great Lakes Restoration Initiative funds efficiently to accomplish its goals and is effective in protecting and restoring the Great Lakes in the focus areas included in the Great Lakes Restoration Initiative Action Plan.

Audit of the EPA's Fiscal Years 2022 and 2021 Consolidated Financial Statements¹⁴

To 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, regulations, contracts, and grant agreements.

¹³ This project was published on December 7, 2022, as Project No. [OA-FY23-0035](#), *American Recovery and Reinvestment Act Findings for Consideration in the Implementation of the Infrastructure Investment and Jobs Act*.

¹⁴ This report was published on November 15, 2022, as Report No. [23-F-0002](#), *The EPA's Fiscal Years 2022 and 2021 Consolidated Financial Statements*.

Challenge 7: Enforcing Compliance with Environmental Laws and Regulations



The seventh challenge, Enforcing Environmental Laws and Regulations, addresses a robust enforcement program that is vital to deterring regulated entities from violating environmental laws and regulations and to protecting human health and the environment. From FY 2007 through FY 2022, EPA compliance-monitoring activities, enforcement actions, and most enforcement results generally declined. Considering its limited resources, the EPA is challenged to assess its resource requirements for enforcement programs 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

Evaluation of the EPA's Oversight of State Water Monitoring and Assessment Programs

To determine how effective selected states have been at establishing and executing water monitoring and assessment programs.

Evaluation of EPA Oversight of State and Tribal Drinking Water Laboratory Certification

To determine whether the EPA's oversight has ensured that drinking water laboratory certification programs meet Safe Drinking Water Act requirements.

Evaluation of the EPA's Oversight of Title V Permit Review and Revisions

To determine whether the EPA efficiently responds to citizen objections to Clean Air Act Title V permits and ensures states implement any subsequent federally mandated revisions to permits.

Evaluation of Land Use Controls at Resource Conservation and Recovery Act Corrective Action Sites

To determine the extent to which the EPA verifies that Resource Conservation and Recovery Act corrective action land use controls remain in place to prevent human exposure and groundwater contamination at sites where contamination remains in place.

Audit of Implementation of the Clean Air Act Emissions Offset Requirements

To determine how states are implementing emissions offset requirements in accordance with the Clean Air Act and regulatory requirements for selected sites, and how effective EPA oversight is in monitoring state compliance for selected sites.

Audit of the EPA's Distribution of American Rescue Plan Funds for Air Quality Monitoring

To determine whether the EPA's American Rescue Plan grants complied with requirements for community air pollution monitoring projects that increase the collection of data on air toxics emissions and access to low-cost air sensors in accordance with the law.

Evaluation of the EPA Response and Oversight Related to Drinking Water Contamination in Jackson, Mississippi¹⁵

To determine the circumstances of, and the EPA's response to, noncompliance with the Safe Drinking Water Act at the City of Jackson's community water system.

¹⁵ This project was announced on November 14, 2022, as Project No. [OSRE-FY23-0033](#), *Review of EPA Response and Oversight Related to Drinking Water Contamination in Jackson, Mississippi*.

Audit of Agency Use of Safe Drinking Water Act Section 1431 Emergency Orders

To determine whether the EPA's 2018 Safe Drinking Water Act, section 1431 emergency orders are being properly invoked in accordance with guidance to protect public health.

Ongoing Projects

Evaluation of EPA Oversight of State Progress to Meet Chesapeake Bay Nutrient- and Sediment-Reduction Goals

To determine whether the EPA effectively uses the Accountability Framework for overseeing the Chesapeake Bay Total Maximum Daily Load pollution reduction goals.

Evaluation of Oversight of Hazardous Waste at EPA Laboratories

To determine whether the EPA has verified that its own laboratories are complying with the Resource Conservation and Recovery Act requirements for the management of hazardous waste.

Evaluation of EPA Oversight of Drinking Water Contamination at Red Hill, Hawaii

To determine, by analyzing the sequence of events that led to drinking water contamination at the Red Hill site on Joint Base Pearl Harbor-Hickam, whether the EPA's oversight of relevant authorized state programs effectively has addressed the potential for contamination at the site.

Evaluation of Effectiveness of the EPA's Oversight of Testing and Certification Program for Residential Wood Heaters

To 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.

Audit of the EPA's Oversight of State and Local Air Agencies Identification of SM-80 Facilities

To determine whether EPA's oversight of state and local agencies with large compliance monitoring programs that identify high-emitting synthetic minor facilities, known as SM-80s, is in accordance with the EPA's Clean Air Act Compliance Monitoring Strategy.

Evaluation of the EPA's Handling of Criminal Discovery

To determine whether the EPA's collection, retention, and production of mandatory criminal discovery material adhered to requirements.

Challenge 8: Managing Increased Investment in Infrastructure



Finally, the eighth challenge, Managing Increased Investment in Infrastructure, addresses the largest infrastructure appropriation in the EPA’s history. The Infrastructure Investment and Jobs Act provided the EPA with an unprecedented \$61 billion in funding to invest in environmental infrastructure improvements. In addition, the Inflation Reduction Act appropriated another \$41.5 billion to fund a range of EPA activities and awards programs, to include air quality, enforcement, greenhouse gas emissions reduction and reporting, and environmental justice. With these funds, the EPA will help lead the nation in one of the largest infrastructure investment programs in our history. This challenge includes delegating funds to the EPA’s partners to improve drinking water, wastewater, and stormwater infrastructure. The Agency will retain some IIJA funds to increase its workforce and to improve geographic, Superfund, and recycling programs. The majority of the IIJA funds are available until they are expended, although the Agency will receive most of the funds over five years (from FY 2022 through FY 2026). Congress made the Inflation Reduction Act funds immediately available to the EPA. The appropriation represents a significant increase in the EPA’s funding, and the Agency must effectively manage these funds to achieve the intended results.

Planned Projects

Audit of Fiscal Year 2022 Earmarks for Drinking and Clean Water Projects

To determine whether the EPA has adequate procedures, policies, and capacity in place to administer FY 2022 congressionally directed drinking and clean water projects, also known as earmarks.

Audit of the EPA’s FY 2022 Public Reporting of IIJA Financial and Award Data

To determine whether the EPA’s reporting of FY 2022 IIJA obligations and outlays in USA Spending is complete and accurate.

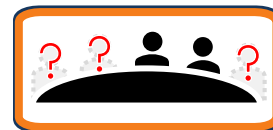
Audit of EPA Assistance for Drinking Water State Revolving Fund Lead Service Line and Emerging Contaminants Funding

To determine the extent to which the EPA is collaborating with state revolving fund programs to share models, guidance, and build capacity to assist local communities to ensure Drinking Water State Revolving Fund lead service line and emerging contaminants funding is deployed in accordance with the IIJA and other federal regulations and policies as applicable.

Developing Projects

Six evaluation projects that address IJA oversight are currently under development. The projects will focus on capacity reviews for clean water and drinking water state revolving funds, including a pulse survey on states' perceptions of their capacity to manage and use IJA funds. The OIG will also inspect Superfund sites receiving IJA funds to ensure their compliance with public safety-related requirements and later to ensure they are successfully using their IJA funds as intended.

U.S. Chemical Safety and Hazard Investigation Board



According to the CSB’s [website](#), its 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 FY 2004, Congress designated the EPA’s inspector general to serve as the CSB’s inspector general through annual appropriations legislation.

In our [report](#), *Fiscal Year 2023 U.S. Chemical Safety and Hazard Investigation Board Management Challenges*, we identify what we consider to be the top three management challenges for the CSB:

1. Accomplishment of the CSB’s Mission Remains Impaired Until the Full Board Is Confirmed (initially reported in FY 2019).
2. Minimizing Mission Critical Staff Vacancies and Attrition Rates.
3. Improving Cybersecurity Weaknesses.

Planned Projects

Audit of CSB Payment Integrity Information Act Reporting for FY 2022¹⁶

To determine whether the CSB complied with the Payment Integrity Information Act in fiscal year 2022.

Audit of the CSB’s Purchase Card Program FY 2022¹⁷

To assess (1) the effectiveness of the CSB’s oversight of its purchase card and convenience check program, and (2) the risk of any illegal, improper, or erroneous purchases and payments for fiscal year 2022.

¹⁶ This project was announced on December 15, 2022, as Project No. [OA-FY23-0041](#), *The EPA Payment Integrity Information Act Reporting for Fiscal Year 2022*.

¹⁷ This project was announced on November 21, 2022, as Project No. [OA-FY23-0040](#), *Audit of CSB Purchase Card Program for FY22*.

Audit of the CSB's Compliance with the Federal Information Security Modernization Act for FY 2023

To determine the CSB's compliance with the fiscal year 2023 inspector general Federal Information Security Modernization Act of 2014 reporting metrics.

Audit of the CSB FY 2023 and 2022 Financial Statements (Contracted)

To determine whether the CSB (1) 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.

Ongoing Projects

Evaluation of the CSB's Compliance with the Federal Information Security Modernization Act for FY 2022¹⁸

To assess the CSB's compliance with the U.S. Department of Homeland Security's Fiscal Year 2022 Inspector General FISMA Reporting Metrics.

Audit of the CSB's FY 2022 and 2021 Financial Statements (Contracted)¹⁹

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

¹⁸ This project was announced on June 14, 2022, as Project No [OA-FY22-0136](#), *Evaluation of CSB's Compliance with the Federal Information Security Modernization Act of 2014*.

¹⁹ This report was published on November 15, 2022, as Report No. [23-F-0001](#), *U.S. Chemical Safety and Hazard Investigation Board Fiscal Years 2022 and 2021 Financial Statement Audit*.



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:



Congressional Liaison: 202.566.2391



Media Contact: 202.566.2391



EPA OIG Hotline: OIG_Hotline@epa.gov



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