



# Office of Inspector General U.S. Environmental Protection Agency **At a Glance**

22-F-0012  
December 21, 2021

## Why We Did This Audit

The Food Quality Protection Act requires that the U.S. Environmental Protection Agency's Office of Inspector General perform an annual audit of the financial statements for the Pesticides Reregistration and Expedited Processing Fund, also known as the Federal Insecticide, Fungicide, and Rodenticide Act Fund. The EPA is responsible for reassessing the safety of older pesticide registrations against modern health and environmental testing standards.

To expedite the reregistration process, Congress authorized the EPA to collect fees from pesticide manufacturers. These fees are deposited into the fund. Each year, the Agency prepares financial statements that present information about the fund, along with information about the EPA's progress in reregistering pesticides.

### This audit supports an EPA mission-related effort:

- *Operating efficiently and effectively.*

### This audit addresses a top EPA management challenge:

- *Managing infrastructure funding and business operations.*

Address inquiries to our public affairs office at (202) 566-2391 or [OIG\\_WEBCOMMENTS@epa.gov](mailto:OIG_WEBCOMMENTS@epa.gov).

[List of OIG reports.](#)

## ***EPA's Fiscal Years 2020 and 2019 (Restated) Financial Statements for the Pesticides Reregistration and Expedited Processing Fund***

### **EPA Receives an Unmodified Opinion for Fiscal Years 2020 and 2019 (Restated)**

We rendered an unmodified opinion on the EPA's fiscal years 2020 and 2019 (restated) Federal Insecticide, Fungicide, and Rodenticide Act, or FIFRA, Fund financial statements, meaning that the statements were fairly presented and free of material misstatement.

**We found the fund's financial statements to be fairly presented and free of material misstatement.**

### **Material Weakness and Significant Deficiency Noted**

We noted the following material weakness: the EPA materially misstated the FIFRA income and expenses from other appropriations.

We noted the following significant deficiency: the EPA needs to improve its financial statement preparation process.

The significant deficiency was initially reported in OIG Report No. [21-F-0014](#), *EPA's Fiscal Year's 2020 and 2019 (Restated) Consolidated Financial Statements*, issued November 16, 2020. We are reporting this significant deficiency for the FIFRA Fund financial statements.

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

We did not identify any noncompliance that would result in a material misstatement to the audited financial statements. In addition, the Agency was in substantial compliance with the statutory performance measures.

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

We recommend that the chief financial officer correct the calculation of and document control activities and procedures for "Income and Expenses from Other Appropriations." The EPA agreed with our recommendations and has indicated that it completed the corrective actions. We confirmed that the Agency corrected the calculation. We will verify that the Agency updated its control activities and procedures during a subsequent audit.

We also recommend that the chief financial officer develop a plan to strengthen and improve the preparation and management review of the financial statements and adjustments. The Agency concurred with our recommendation and provided acceptable planned corrective actions. This recommendation is resolved with corrective actions pending.