



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

22-F-0014
December 21, 2021

Why We Did This Audit

The Pesticide Registration Improvement Act requires that the U.S. Environmental Protection Agency's Office of Inspector General perform an annual audit of the financial statements for the Pesticide Registration Fund.

To expedite the registration of certain pesticides, the Pesticide Improvement Act requires the EPA to assess and collect pesticide registration fees. The fees collected are deposited into the Pesticide Registration Fund. The Agency is required to prepare financial statements that present financial information about the fund. The Pesticide Registration Fund also requires that decision-time review periods be established for pesticide registration actions and that the OIG perform an analysis of the Agency's compliance with those review periods.

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.*

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[List of OIG reports.](#)

EPA's Fiscal Years 2020 and 2019 Financial Statements for the Pesticide Registration Fund

EPA Receives an Unmodified Opinion for Fiscal Years 2020 and 2019

We rendered an unmodified opinion on the EPA's fiscal years 2020 and 2019 Pesticide Registration Fund, also known as the PRIA 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 PRIA income and expenses from other appropriations.

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

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

We did not identify any instances of noncompliance that would result in a material misstatement to the audited financial statements. In addition, the Agency was in substantial compliance with the statutory decision-time review periods.

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 PRIA Fund financial statements.

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 recommendation and indicated that it has 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. The Agency's estimated completion date for corrective actions is December 31, 2021.