



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
INSPECTOR GENERAL

February 23, 2023

MEMORANDUM

SUBJECT: Notification of Audit:
The EPA's Oversight of the Clean Water State Revolving Fund
Project No. OA-FY23-0047

FROM: Kevin N. King, Director 
Clean Water Investments Directorate
Office of Audit

TO: Radhika Fox, Assistant Administrator
Office of Water

The U.S. Environmental Protection Agency Office of Inspector General plans to begin an audit of the EPA's oversight of the Clean Water State Revolving Fund, or CWSRF. This audit addresses the following fiscal year 2023 [top management challenge](#) for the Agency: managing increased investment in infrastructure.

Our objective is to determine whether the EPA is prepared to oversee Infrastructure Investment and Jobs Act funds invested in the Clean Water State Revolving Funds through the EPA's annual review process. We plan to conduct work within the Office of Water and EPA regional offices. Applicable generally accepted government auditing standards will be used in conducting our audit. The anticipated benefit of this audit is to identify business process improvements, which will lead to improvements in the EPA's oversight of the CWSRF.

We will contact you to arrange a mutually agreeable time to discuss our objective. We would also be particularly interested in any areas of concern that you may have. We will answer any of your questions about the audit process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the audit. Throughout the audit, we will provide updates on a regular basis. To expedite our audit, please be ready to provide the most current *State Revolving Fund Annual Review Guidance* and *State Revolving Fund Annual Review Checklist* at the entrance conference.

We respectfully note that the OIG is authorized by the Inspector General Act of 1978, as amended, to have timely access to personnel and all materials necessary to complete its objectives. Similarly, EPA Manual 6500, *Functions and Activities of the Office of Inspector General* (1994), requires that each EPA employee cooperate with and fully disclose information to the OIG. Also, Administrator Michael S. Regan, in an April 28, 2021 email message to EPA employees, conveyed his "expectation that EPA personnel provide OIG timely access to records or other information" and observed that "full cooperation with the OIG is in the best interest of the public we serve." We will request that you immediately resolve the situation if an Agency employee or contractor refuses to provide requested materials to the OIG or

otherwise fails to cooperate with the OIG. We may report unresolved access matters to the administrator and include the incident in the *Semiannual Report to Congress*.

We will post this memorandum on our public website at www.epa.gov/oig. Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement related to this audit should contact the OIG Hotline at (888) 546-8740 or via an electronic form on the “OIG Hotline” [webpage](#).

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