

Fiscal Year 2024 Oversight Plan

January 17, 2024 | Report No. 24-N-0015



Abbreviations

C.F.R.	Code of Federal Regulations
CSB	U.S. Chemical Safety and Hazard Investigation Board
EPA	U.S. Environmental Protection Agency
FY	Fiscal Year
IIJA	Infrastructure Investment and Jobs Act (2021)
IRA	Inflation Reduction Act
OIG	Office of Inspector General
U.S.C.	United States Code

Cover Image

A bridge extending over a river. (EPA photo)

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EPA OIG

VISION

Be the premier oversight organization trusted to speak the truth, promote good governance, and contribute to improved human health and the 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.



OFFICE OF INSPECTOR GENERAL U.S. ENVIRONMENTAL PROTECTION AGENCY

I am pleased to present the U.S. Environmental Protection Agency Office of Inspector General's *Fiscal Year 2024 Oversight Plan*, which outlines the audits, evaluations, and other oversight activities that will help us to fulfill our mission to provide independent oversight of the EPA and the U.S. Chemical Safety and Hazard Investigation Board. This document goes hand-in-hand with our *Office of Investigations Overview and Investigative Priorities* [report](#), which describes four primary areas of focus for our investigative efforts to be the premier fraud-fighting organization in the environmental space in 2024. The work we discuss in this *Oversight Plan* will also ensure that we keep the EPA, the CSB, Congress, and the public informed about issues relating to the administration of the agencies' programs and operations.



Sean W. O'Donnell

The OIG's *Fiscal Year 2023 Oversight Plan* guided the issuance of several impactful reports to address the EPA's and the CSB's top management challenges. For example, the Office of Audit instituted innovative methods to audit the EPA's Renewable Fuel Standard Program and [issued](#) recommendations to the EPA to improve its internal controls over the Renewable Identification Numbers, over 25 billion of which were traded in 2022 via 194,870 transactions valued at approximately \$38 billion. In February 2023, the Office of Special Review and Evaluation issued a [report](#) and accompanying podcast that detailed how the EPA's Residential Wood Heater Program, by allowing sales of wood heaters that may not meet emission standards, puts human health and the environment at risk for exposure to dangerous fine-particulate-matter pollution. The report also noted that the EPA spent \$82 million on this potentially ineffective and flawed program. Ten state attorneys general cited this report in their efforts to encourage tighter emissions standards. It was also cited during a Senate Appropriations Committee hearing and referenced in a Senate report about the EPA's use of appropriated funds for Residential Wood Heater Program improvements.

When developing our *Oversight Plan*, we independently considered the EPA's top management challenges; our prior work; prior work of the U.S. Government Accountability Office; remarks from EPA and CSB leadership, Congress, and the White House; and the *FY 2022-2026 EPA Strategic Plan*. We organized much of this *Oversight Plan* around the [seven top management challenges](#) expected to affect the EPA's mission accomplishment in fiscal year 2024, as well as the [four top management challenges](#) expected to affect the CSB's mission accomplishment. Our *Oversight Plan* also identifies reports that are required by statute.

While this *Oversight Plan* reflects our prioritized mandatory and discretionary work for fiscal year 2024, including projects continuing from fiscal year 2023, our planning efforts are not static. The projects we discuss here may be modified, canceled, or reprioritized as challenges and risks evolve and emerge. We may also add new projects to ensure that our products remain relevant, are timely, and speak to new issues that may arise. As we conduct these oversight projects and continue refining our work plans, we welcome feedback on the priorities, challenges, and objectives that we outline in this document.

Sincerely,

Sean W. O'Donnell

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Introduction

The *Fiscal Year 2024 Oversight Plan* describes the oversight projects that the U.S. Environmental Protection Agency Office of Inspector General intends to conduct during the fiscal year to achieve its mission. These are our planned and ongoing projects as of December 31, 2023; however, our plans are subject to change based on our identification of emerging risks and new priorities.

The OIG is an independent office of the EPA established by the Inspector General Act of 1978, as amended, 5 U.S.C. §§ 401–424. Consistent with our statutory duties, our mission is to prevent and detect fraud, waste, abuse, and misconduct and to promote efficiency and effectiveness in the EPA’s programs and operations. Through annual appropriations legislation beginning in fiscal year 2001, Congress designated the EPA’s inspector general to also serve as the inspector general for the U.S. Chemical Safety and Hazard Investigation Board, or CSB.

We typically accomplish our oversight mission through audits, evaluations, and investigations related to EPA and CSB programs and operations, as required by law or as we deem necessary through our planning processes. In the following chapters, we outline 71 projects for oversight of the EPA: 42 planned and 29 ongoing. For CSB oversight, we describe five projects: two planned and three ongoing.

This *Oversight Plan* is organized to present our mandatory projects separately from our discretionary projects. We divided our discretionary oversight work into chapters aligning the various projects to the top management challenges that they address. Each section includes a description of the relevant top management challenge, followed by lists of our planned projects and any ongoing projects continuing from FY 2023, as applicable, including summaries of each project’s objectives. If a project addresses more than one management challenge, we have categorized it under what we consider to be the primary challenge addressed.

The following are the seven top management challenges that the EPA faces as it works to accomplish its mission in FY 2024, which we identify and discuss in OIG Report No. [24-N-0008](#), *The EPA’s Fiscal Year 2024 Top Management Challenges*, issued November 15, 2023:

1. Mitigating the causes and adapting to the impacts of climate change.
2. Integrating and implementing environmental justice.
3. Safeguarding the use and disposal of chemicals.
4. Promoting ethical conduct and protecting scientific integrity.
5. Managing grants, contracts, and data systems.
6. Maximizing compliance with environmental laws and regulations.
7. Overseeing, protecting, and investing in water and wastewater systems.

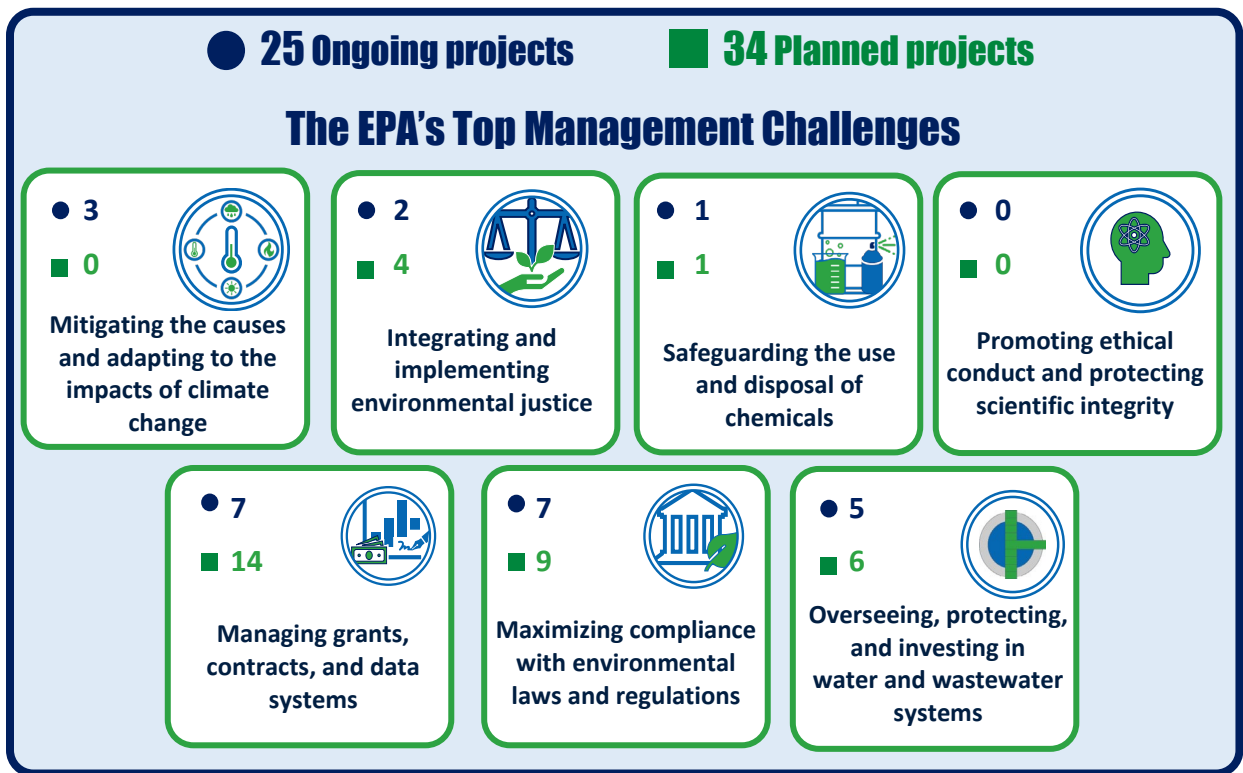
We identified the following four top management challenges facing the CSB in FY 2024, which we detail in OIG Report No. [24-N-0010](#), *The CSB’s Fiscal Year 2024 Top Management Challenges*, issued December 6, 2023:

1. Operating effectively without a full board.
2. Minimizing mission-critical staff vacancies and attrition rates.

3. Improving cybersecurity.
4. Promoting ethical conduct.

Factors we considered as we worked to identify these top management challenges included the EPA’s mission to protect human health and the environment and the CSB’s mission to drive chemical safety change through independent investigation to protect people and the environment, as well as the budgetary priorities Congress set forth for achieving those goals. We also considered findings, recommendations, and observations from previous OIG and U.S. Government Accountability Office reports; key strategic documents, such as the [FY 2022-2026 EPA Strategic Plan](#) legislation; and legislation and feedback from members of Congress. Figure 1 displays the number of discretionary projects related to each EPA management challenge.

Figure 1: Planned and ongoing discretionary projects by EPA top management challenge



Source: EPA OIG analysis of planned or ongoing projects as of December 31, 2023. (EPA OIG image)

While the OIG intends to execute projects that are influential, timely, and relevant, our *Fiscal Year 2024 Oversight Plan* cannot account for all projects we will likely conduct during the fiscal year. For example, projects may arise from congressional requests, hotline tips, or emerging issues or crises. That means that in the coming months we may identify new or different projects that we believe could provide high-impact oversight to EPA and CSB programs, and we will adjust our *Oversight Plan* as necessary. Additionally, a significant portion of our work is required by statute; these projects are listed in the “Mandatory EPA” and “Mandatory CSB” chapters of this plan. The execution of discretionary projects—in other words, projects that are not statutorily required—is largely based upon resources available after the execution of mandatory projects.

EPA Challenge 1: Mitigating the causes and adapting to the impacts of climate change



Congress’s 2022 passage of the Inflation Reduction Act, or IRA, appropriated over \$40 billion to the EPA to address climate change initiatives, such as reducing greenhouse gas emissions and supporting disadvantaged communities and the clean energy industrial sector.¹ The EPA continues to prioritize climate change as an important aspect of its mission to protect human health and the environment, but mitigating the causes and adapting to the impacts of climate change is a top management challenge that the Agency must overcome. Addressing this challenge requires the Agency to implement a long-term, agencywide approach to help the nation reduce greenhouse gas emissions and adapt to climate change impacts. For example, the Agency must anticipate and prepare for natural disasters made worse by climate change, which pose a threat to human health and the environment because they could result in the release of contaminants into the environment. To mitigate significant and long-lasting impacts of climate change, the EPA needs to finalize and implement regulations to reduce greenhouse gas emissions from power plants and other sources. But the need for collaboration across all levels of government and beyond, as well as constraints on the Agency’s authorities and resources, complicates implementation plans and other adaptation and resiliency efforts.

Further, the EPA must continue to consider the needs of disproportionately affected and vulnerable populations and invest in communities with the greatest risks and needs. To better understand how to address climate change impacts in communities with environmental justice concerns, the EPA needs to improve data collection and data quality. It is essential that the Agency continues to engage with stakeholders—including state, local, and tribal partners and other federal agencies—to identify emerging research needs and communicate results. On the international level, the Agency must collaborate with key partners to advance policies to address the most pressing climate and environmental challenges.

Ongoing Projects

Audit of the EPA's Clean School Bus Program Rebate Recipient's Use of Funds

Determine the extent to which the EPA ensures that the recipients of the 2022 EPA Clean School Bus Program rebates manage funding in accordance with federal requirements.

Audit of Climate Change Resiliency in Clean Water State Revolving Fund Intended Use Plans

Determine to what extent (1) the EPA is providing guidance and reviewing states’ Clean Water State Revolving Fund intended use plans to ensure that the plans, as they relate to climate change resiliency, meet the intent of the presidential policy directive to strengthen and maintain secure, functioning, and

¹ Inflation Reduction Act of 2022, [Pub. L. No. 117–169](#).

resilient critical infrastructure and (2) the states, in their Clean Water State Revolving Fund planning, are considering climate change resiliency to safeguard federal investment, including IIJA and annual appropriation funding.

Evaluation of the EPA's Implementation of the Underground Injection Control Class VI Well Program²

Determine whether the EPA has used available resources, including funding appropriated by the Infrastructure Investment and Jobs Act, to improve permitting of Class VI wells under its Underground Injection Control Program.

² The notification memorandum for this project (Project No. [OSRE-FY24-0023](#)) was issued on November 15, 2023.

EPA Challenge 2: Integrating and implementing environmental justice



Pollution, environmental hazards, and climate change disproportionately impact minority and low-income communities. To address the disparate health effects and cumulative impacts of chemical and nonchemical stressors, the EPA needs to develop and implement policies and guidance that improve coordination between Agency programs. Then-EPA Administrator Andrew Wheeler acknowledged in 2020 that programmatic silos within the Agency had hampered the assessment of cumulative impacts.³ The nation’s decentralized environmental regulatory system, derived from statutes allowing the EPA to delegate primary enforcement authority to states and tribes if certain requirements are met, further complicates the EPA’s integration of environmental justice across programs. Additionally, between the IJJA and the IRA, Congress has provided approximately \$42 billion in supplemental appropriations for the benefits of disadvantaged communities, which presents many opportunities but also various challenges related to the oversight and effective use of these funds.

Planned Projects

Audit of Brownfields Program Implementation of Justice40 Requirements

Determine how the EPA Brownfields Program implemented Justice40 Initiative requirements pursuant to Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*, and assess program efforts to prioritize IJJA-funded projects.

Audit of Environmental and Climate Justice Block Grants

Determine the extent to which the EPA has the procedures, policies, capacity, and measures in place to effectively administer the Environmental and Climate Justice Block Grants Programs established by section 60201 of the IRA.

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

Determine whether state revolving fund programs have evaluated and revised their disadvantaged community definition, affordability criteria, and point system, pursuant to EPA IJJA implementation guidance, and are using available IJJA technical assistance funding to support disadvantaged communities.

Audit of Superfund Program Implementation of Justice40 Requirements

Determine how the EPA Superfund program implemented Justice40 Initiative requirements and assessed program efforts to prioritize IJJA-funded projects.

³ EPA, *EPA Annual Environmental Justice Progress Report FY 2020*, Publication No. [230R20002](#), 2021.

Ongoing Projects

Audit of the EPA's Identification and Replacement of Lead Service Lines in Disadvantaged Communities

Determine whether the EPA distributed Water Infrastructure Improvements for the Nation Act funds to replace lead service lines in disadvantaged communities in adherence with applicable guidance.

Evaluation of the Effectiveness of the EPA's Community Engagement Regarding the Findett Corp. Superfund Site in St. Charles, Missouri

Determine whether the EPA adhered to federal laws, regulations, and EPA guidance pertaining to community engagement standards and practices at the Findett Corp. Superfund Site.

EPA Challenge 3: Safeguarding the use and disposal of chemicals



The public must be able to depend on the EPA's ability to effectively protect public health from the risks of using and disposing of chemicals, including pesticides. Therefore, the Agency needs to be able to conduct credible and timely chemical risk assessments, oversee and safeguard the management of chemical wastes through regulated containment and disposal actions, and efficiently respond to and remediate chemical releases and spills. The EPA needs to assess and eradicate unreasonable risks to vulnerable populations and to communicate pesticide risk information to transient agricultural workforces. The Agency has asked for \$581.3 million in its *FY 2024 EPA Budget In Brief* request to achieve its goal of ensuring the safety of chemicals for people and the environment.⁴ Statutory deadlines and limited resources threaten the EPA's ability to finish risk assessments on time and meet the expanded requirements of the Toxic Substances Control Act and the Federal Insecticide, Fungicide, and Rodenticide Act. For example, the EPA has sought \$131 million for Toxic Substances Control Act implementation in its *FY 2024 EPA Budget in Brief*, which said this amount is needed to achieve Toxic Substances Control Act goals and support 535 full-time equivalent staff, a 75 percent increase over the FY 2023 enacted level. To meet requirements, the Agency also continues to develop its *New Approach Methods Plan* to test chemicals for health effects while avoiding the use of vertebrate animal testing. Additionally, as the [OIG reported](#), the EPA has fallen behind on statutory requirements to test all pesticides for endocrine-disruptor activity and threats to endangered species or their habitats. More recent challenges include assessing the risks of emerging contaminants, such as per- and polyfluoroalkyl substances, and addressing the increased need for oversight of the recycling, storage, and disposal of lithium-ion batteries used in electric vehicles.

Planned Project

Evaluation of the EPA's Capacity for Toxic Substances Control Act Enforcement and Compliance Actions

Determine the EPA's strategies for building capacity to conduct Toxic Substances Control Act existing chemical risk management enforcement and compliance actions.

Ongoing Project

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

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.

⁴ EPA, *FY 2024 EPA Budget in Brief*, Publication No. [EPA-190-R-23-002](#), March 2023.

EPA Challenge 4: Promoting ethical conduct and protecting scientific integrity



To maintain the public’s trust, it is vital that the EPA uphold an ethical culture and protect scientific integrity. Given that the EPA’s scientific findings not only inform the Agency’s decision-making but also influence the decision-making of other domestic and international organizations, the Agency needs to ground its decisions in sound science, free from inappropriate influence. Accordingly, all EPA employees should adhere to federal ethics requirements, such as acting impartially and not holding financial interests that conflict with the conscientious performance of their federal duties. Maintaining an ethical culture is particularly important as the Agency continues to hire personnel to oversee billions in additional funding under the IIJA and the IRA.

Scientific integrity features prominently in the *FY 2022-2026 EPA Strategic Plan* as a cross-program strategy focused on reinforcing science as foundational to Agency decision-making. The Agency is updating its *Scientific Integrity Policy* in line with the National Science and Technology Council’s *Framework for Federal Scientific Integrity Policy and Practice*, released in January 2023. The Agency should also take steps—including collaboration with the OIG on related issues—to strengthen the integrity of its science-based actions. Finally, the EPA should develop a clear mechanism to address scientific integrity concerns that stem from differing scientific opinions to avoid broader allegations of misconduct. We would like to note that, in addition to our Office of Audit and Office of Special Review and Evaluation projects, the OIG’s Administrative Investigations Directorate often handles ethics issues, which tend to be unplanned, meaning not reflected in our annual oversight plans, such as ethics investigations derived from OIG Hotline complaints.

Although there are currently no planned or ongoing projects for this challenge, the inspector general anticipates initiating projects throughout FY 2024 to address the promotion of ethical conduct and the protection of scientific integrity.

EPA Challenge 5: Managing grants, contracts, and data systems



The EPA's ability to carry out its mission depends on effective management and distribution of tens of billions of dollars in grants and other awards to states, tribes, and nongovernmental organizations. The Agency's annual appropriations have ranged from about \$8.1 billion to \$10.1 billion over the past ten years, with roughly half of the annual budget distributed through grants to eligible entities. The influx of approximately \$100 billion in supplemental appropriations under the IJA and the IRA to fund EPA programs increases the risk of fraud, waste, abuse, noncompliance with funding requirements, and failure to meet programmatic goals. The EPA is challenged by issues that limit the usefulness of its grant data, including a high volume of disparate grant-management systems and unstructured grant data formats, as well as a limited collection of grant subrecipient data. The Agency must emphasize high-quality, timely data that its programs and stakeholders can rely on for monitoring program results and assessing progress.

Planned Projects

Audit of EPA Oversight of State Subrecipient Monitoring for Clean Water and Drinking Water State Revolving Funds

Determine the extent to which the EPA ensures that state governments receiving IJA funds through the state revolving funds monitor subrecipient progress in managing water infrastructure projects.

Audit of the EPA's Environmental Justice Grant Adherence with American Rescue Plan Act Requirements

Determine whether the EPA is monitoring higher risk American Rescue Plan Act of 2021 environmental justice grantees to prevent fraud, waste, and abuse and to comply with requirements in selecting and monitoring American Rescue Plan Act and IRA environmental justice grants.

Audit of the EPA's Management of Its High Value Assets Program

Determine the extent to which the EPA manages its High Value Asset Program in accordance with the requirements of Office of Management and Budget Memorandum M-19-03.

Audit of the EPA's Management Over Its Office of Research and Development Laboratory Consolidation Efforts in Region 9

Determine whether the EPA's laboratory consolidation efforts in Region 9; Corvallis, Oregon; and Richmond, California, were managed according to Agency consolidation policies, within cost, and on schedule.

Audit of Greenhouse Gas Reduction Fund Competitive Grant for the Solar for All Competition

Determine whether the EPA's Solar for All competition was conducted in accordance with federal laws, regulations, and Agency guidance and polices for competitions and awards.

Audit of Infrastructure Investment and Jobs Act Emerging Contaminants Grants in Small or Disadvantaged Communities

Determine the risks and challenges in implementing the IIJA drinking water Emerging Contaminants in Small or Disadvantaged Communities Grant Program and the extent to which the EPA is addressing those risks and challenges.

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

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

Audit of the EPA's Oversight of Clean Water and Drinking Water Investment Grant Performance

Determine the extent to which the EPA oversees and measures performance of grants awarded with IIJA funds in accordance with requirements.

Audit of the EPA's Compliance with the American Rescue Plan Act and Inflation Reduction Act in Awarding of Air Quality Monitoring Grants

Determine whether the EPA's award of air quality monitoring grants complied with the American Rescue Plan Act, the IRA, and other federal requirements.

Audit of Sewer Overflow and Stormwater Reuse Municipal Grants Program

Determine whether the EPA and states are meeting the requirements of the Sewer Overflow and Stormwater Reuse Municipal Grants Program.

Audit of the EPA's Section 319 Nonpoint Source Program Grants

Determine whether EPA oversight of and controls over Nonpoint Source Program grants met the requirements of Clean Water Act section 319, *Nonpoint Source Management Program*, and ensured the grants achieved their objectives.

Evaluation of Access-Related Land Use Controls at an Infrastructure Investment and Jobs Act-Funded Superfund Site

Determine whether the EPA's Superfund access-related land use controls achieve their stated goal of preventing human exposure at an IIJA-funded Superfund site.

Evaluation of Capacity of a State’s Clean Water State Revolving Fund Program to Manage Infrastructure Investment and Jobs Act Funding

Identify the extent to which a state has the capacity to manage its IJA funding for the Clean Water State Revolving Fund program.

Evaluation of Governmental and Informational Controls Related to Surface Water Use at an Infrastructure Investment and Jobs Act-Funded Superfund Site

Determine whether the EPA’s Superfund governmental and informational controls achieve their stated goal of preventing human exposure at an IJA-funded Superfund site.

Ongoing Projects

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

Determine whether the EPA has established sufficient controls to prevent unauthorized access to the EPA’s Central Data Exchange system.

Audit of the EPA’s Fiscal Year 2022 Public Reporting of Infrastructure Investment and Jobs Act Financial and Award Data

Determine whether the EPA’s reporting of FY 2022 IJA obligations and outlays in USAspending.gov is complete and accurate.

Evaluation of Effectiveness of Infrastructure Investment and Jobs Act Funding at American Creosote Works Inc. Superfund Site in Pensacola, Florida

Determine whether the EPA’s oversight and implementation of institutional controls will support effective use of IJA funding at the American Creosote Works Inc. Superfund site in Pensacola, Florida.

Evaluation of EPA Office of Water’s Guidance to State Revolving Fund Programs for Implementing Build America, Buy America Act Requirements

Determine the sufficiency of the EPA Office of Water’s guidance to State Revolving Fund programs for the implementation of Build America, Buy America requirements.

Evaluation of Financial Capacity of New Mexico’s Clean Water State Revolving Fund Program to Manage Infrastructure Investment and Jobs Act Funding

Determine the financial capacity of the New Mexico Environment Department to manage its IJA funding for the Clean Water State Revolving Fund Program.

Evaluation of the Drinking Water State Revolving Fund Agencies' Perspectives on Their Capacity to Manage Infrastructure Investment and Jobs Act Funds

Identify (1) Drinking Water State Revolving Fund agencies' perspectives on their capacity to manage IJJA funds and (2) obstacles that Drinking Water State Revolving Fund agencies' administrators believe limit their capacity to manage IJJA funds.

Evaluation of Institutional Control Documentation and Tracking in the Superfund Enterprise Management System on IJJA-Funded Sites⁵

Determine if the upgrade to the Superfund Enterprise Management System is likely to facilitate improved documentation of institutional controls in the institutional control module.

⁵ The notification memorandum for this project (Project No. [OSRE-FY24-0027](#)) was issued on December 7, 2023.

EPA Challenge 6: Maximizing compliance with environmental laws and regulations



The *FY 2022-2026 EPA Strategic Plan* states that a robust compliance and enforcement program is necessary to ensure that communities get the environmental and human health benefits intended by environmental statutes and regulations. Yet the EPA has experienced an overall downward trend in enforcement, due in part to the Agency's enforcement resources declining 23 percent from FY 2006 through FY 2023—from \$789 million to \$609 million. The variability in permitting requirements presents an additional challenge for the EPA's oversight and management, further complicated by the delegation of permitting responsibility to state programs and the large numbers of regulated sources. Authorized state partners also conduct most compliance and enforcement activities, underscoring the need for effective collaboration between the EPA and states to maximize compliance with environmental laws and regulations. While the Agency and states work cooperatively as coregulators to achieve compliance, the Agency is ultimately responsible and accountable to Congress and the public for ensuring appropriate implementation of federal laws and regulations.⁶ Finally, the Agency should work to sustain its initial progress in incorporating environmental justice for low-income, minority, tribal, and indigenous communities into its enforcement program and existing oversight responsibilities.

Planned Projects

Audit of EPA Oversight of State Drinking Water Operator Certification Programs

Assess the EPA's process for ensuring state operator certification programs meet Safe Drinking Water Act requirements and determine whether states meet minimum staffing requirements for their water systems with the available pool of certified water operators.

Audit of Superfund Site Infrastructure Investment and Jobs Act Compliance

Determine Superfund site project status and compliance with selected IJA requirements.

Audit of the EPA's Oversight of Cleanup Efforts at the Gowanus Canal

Determine whether EPA oversight of cleanup efforts at the Gowanus Canal upland contamination sites has promoted timely remediation that is protective of public health based on planned future land uses. This project expands on our work initiated in FY 2023 to determine the status of combined sewer overflow tank construction at the Gowanus Canal Superfund site.

⁶ EPA [Memorandum](#), *Principles and Best Practices for Oversight of State Implementation and Enforcement of Federal Environmental Laws*, February 17, 2023.

Evaluation of Drinking Water in National Parks

Determine whether the EPA's oversight of state Public Water System Supervision programs result in safe drinking water at national parks.

Evaluation of the EPA's Oversight of State and Local Ambient Air Monitor Operating Schedules

Determine whether air quality monitoring patterns allow for air pollution to go undetected.

Evaluation of the Status of the EPA's Clean Watersheds Needs Survey Data

Determine whether the EPA plans to conduct a Clean Watershed Needs Survey and a capital improvement needs assessment consistent with Clean Water Act requirements and determine the risks to accurate prioritization based on the status of the EPA's Clean Watershed Needs Survey data.

Evaluation of the EPA's Plans and Strategies to Ensure Timely Submission of Regional Haze State Implementation Plans

Determine what plans and strategies the Office of Air Quality Planning and Standards has in place to ensure timely submissions of Regional Haze State Implementation Plans.

Audit of the EPA's National Center for Radiation Field Operations' Preparedness to Respond to a Radiological Incidents

Determine whether the EPA's National Center for Radiation Field Operations has the capability, including appropriate management and internal controls; resources; and staff expertise to successfully perform its roles and responsibilities in preparing for and responding to radiological incidents.

Evaluation of Uncovered Finished Water Reservoirs

Determine whether the EPA is implementing and enforcing the Long Term 2 Enhanced Surface Water Treatment Rule, known as LT2 Rule, requirements for uncovered finished water reservoirs.

Ongoing Projects

Audit of EPA Oversight of State and Local Air Agency Identification of SM-80 Facilities

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

Audit of Compliance with the Public Notification Requirements Under Section 2106 of the Water Infrastructure Improvements for the Nation Act

Assess the US EPA Office of Water's preparation to implement the public notification requirements under section 2106 of the Water Infrastructure Improvements for the Nation, or WINN, ACT as incorporated in Safe Drinking Water Act §1414(c)(2) and codified in 42 U.S.C. §300g-3(c).

Review of EPA Response and Oversight Related to Drinking Water Contamination in Jackson, Mississippi

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.

Audit of the EPA's Use of Superfund Special Account Funds

Determine whether the EPA is managing its Superfund special accounts properly and timely in accordance with applicable laws, policies, and guidance.

Evaluation of the EPA's Handling of Criminal Discovery

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

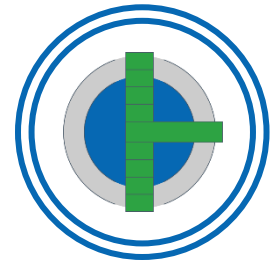
Evaluation of Land Use Controls at Resource Conservation and Recovery Act Corrective Action Sites

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.

Hotline: Combined Sewage Overflow Tanks at Gowanus Canal Superfund Site

Determine the status of combined sewer overflow tank construction at the Gowanus Canal Superfund site.

EPA Challenge 7: Overseeing, protecting, and investing in water and wastewater systems



The EPA and its partners rely on physical security and cybersecurity controls to support our nation’s water infrastructure. The roughly 153,000 public drinking water systems and 16,000 publicly owned wastewater treatment systems face various cyber and physical threats, creating a challenge for the Agency to secure these systems and protect its investments in the sector. For FY 2024, the EPA has requested about \$4 billion in appropriations to provide funding for water and wastewater infrastructure improvements, including about \$45 million to protect the critical infrastructure from terrorist threats and other hazards.⁷ High-profile incidents, such as cyberattacks launched against crypto firms, airports, and oil and gas infrastructure, demonstrate the urgent need to address this security weaknesses. Physical security incidents at water and wastewater systems also highlight the need for a layered defense to mitigate threats. In its *FY 2022-2026 EPA Strategic Plan*, the EPA noted that several water and wastewater systems were unable to maintain compliance with federal requirements because of a lack of technical, managerial, and financial capacity; an aging infrastructure; and workforce shortages. Moreover, many communities need upgrades in both drinking water and wastewater infrastructure, which will require the EPA to work effectively and efficiently with its partners to support water infrastructure programs. To protect its investments, the EPA should improve the oversight of its partners’ use of these funds, while also ensuring that the publicly funded projects are protected from cyberattacks and other threats.

Planned Projects

Audit of EPA Infrastructure Investment and Jobs Act Assistance to States for Lead Service Lines Inventory Requirements

Determine the extent to which the EPA assisted states in developing useful, accurate, and comprehensive lead service line inventories, in accordance with federal requirements.

Audit of the EPA’s Capacity to Administer Drinking Water and Wastewater Earmarks

Determine the EPA’s capacity, though its grant management policies and procedures, to administer drinking water and clean water earmark grants.

Audit of the EPA’s Water and Wastewater Facility Cybersecurity Controls

Determine whether the EPA designed and implemented information technology controls that are operating effectively to safeguard water and wastewater facilities against cyberthreats.

⁷ EPA, *FY 2024 EPA Budget in Brief*, Publication No. [EPA-190-R-23-002](#), March 2023.

Audit of Physical and Environmental Security Controls over Information Technology Assets at EPA Laboratories

Determine whether the EPA established and implemented physical and environmental security controls that protect EPA systems and other critical infrastructure against cyberthreats, in accordance with security requirements defined by applicable federal laws, executive orders, directives, policies, and standards.

Audit of the EPA's Resolution of Improper Transactions Identified Through Its State Revolving Fund Annual Review Process

Determine whether the EPA adequately addresses improper payments, false claims, and the possibility of fraud identified through its state revolving fund annual review process.

Audit of the Innovative Water Infrastructure Workforce Development Program

Determine the extent to which the Innovative Water Infrastructure Workforce Development Program is achieving program goals with appropriated IIJA funds.

Ongoing Projects

Audit of the EPA's Guidance for the Use of Infrastructure Investment and Jobs Act Drinking Water State Revolving Fund Emerging Contaminants Funding

Determine the extent to which the EPA provided state agency officials with guidance for the use of Drinking Water State Revolving Fund emerging contaminants funding, in accordance with IIJA requirements and related federal implementation guidance.

Audit of the EPA's Oversight of the Clean Water State Revolving Fund

Determine whether the EPA is prepared to oversee IIJA funds invested in the Clean Water State Revolving Funds through the EPA's annual review process.

Audit of the EPA's Water Infrastructure Set-Aside Grants to Tribes

Determine the extent to which the EPA prioritizes and awards IIJA funds to tribes for the Clean Water Indian Set-Aside and Drinking Water Infrastructure Grant Tribal Set-Aside Programs, in accordance with applicable statutes, regulations, and EPA guidance.

Audit of the States' and the Commonwealth of Puerto Rico's Compliance with the Clean Water and Drinking Water State Revolving Fund Annual Financial Statement Audit Requirements

Determine whether the states and the Commonwealth of Puerto Rico complied with clean water and drinking water state revolving fund annual financial statement audit requirements for 2022.

Evaluation of the EPA’s 7th Drinking Water Infrastructure Needs Survey and Assessment and the Resulting Fiscal Year 2023 Infrastructure Investment and Jobs Act Allocation for Lead Service Line Replacements⁸

Determine whether the design and execution of the 7th Drinking Water Infrastructure Needs Survey and Assessment were appropriate to create accurate allocations of infrastructure funds based on the lead-service-line-replacement needs in each state.

⁸ The notification memorandum for this project (Project No. [OSRE-FY24-0022](#)) was issued on November 15, 2023.

Mandatory EPA Oversight Projects

Below is a list of our planned and ongoing EPA oversight projects that are required by statute and that do not necessarily align with a management challenge.⁹

Planned Projects

Audit of the EPA's Compliance with the Federal Information Security Modernization Act for Fiscal Year 2024

Assess the EPA's compliance with the Office of Management and Budget's *FY 2023–2024 Inspector General Federal Information Security Modernization Act of 2014 (FISMA) Reporting Metrics*.

Audit of the EPA's Fiscal Years 2024 and 2023 Consolidated Financial Statements

Determine whether the EPA's (1) financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles; (2) internal control over financial reporting is in place; and (3) management has complied with applicable laws, regulations, contracts, and grant agreements.

Audit of the EPA's Hazardous Waste Electronic Manifest System Fund Fiscal Years 2023 and 2022 Financial Statements Pursuant to the Hazardous Waste Electronic Manifest Establishment Act

Determine whether the EPA's (1) 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 the EPA's Pesticides Registration Fund Fiscal Years 2023 and 2022 Financial Statements Pursuant to the Pesticide Registration Improvement Act

Determine whether the EPA's (1) 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 the EPA's Toxic Substances Control Act Service Fee Fund Fiscal Years 2022 and 2021 Financial Statements Pursuant to the Toxic Substances Control Act, as Amended

Determine whether the EPA's (1) financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles; (2) internal controls over financial reporting

⁹ Some projects listed within the management challenges chapters may also be required by law.

are in place; and (3) management has complied with applicable laws, regulations, contracts, and grant agreements.

Audit of the EPA’s Pesticide Reregistration and Expedited Processing Fund Fiscal Years 2023 and 2022 Financial Statements Pursuant to the Federal Insecticide, Fungicide, and Rodenticide Act

Determine whether the EPA’s (1) 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.

Ongoing Projects

Audit of the EPA’s Compliance with the Federal Information Security Modernization Act for Fiscal Year 2023

Assess the EPA’s compliance with the Office of Management and Budget’s *FY 2023–2024 Inspector General Federal Information Security Modernization Act of 2014 (FISMA) Reporting Metrics*.

Evaluation of the EPA’s Trusted Workforce Enhanced Personnel Security Program Implementation

Determine the EPA’s progress in implementing a fair and effective enhanced personnel security program in accordance with the Director of National Intelligence’s performance standards.

***Audit of the EPA’s Payment Integrity Information Act for Fiscal Year 2023 Reporting*¹⁰**

Determine whether the EPA complies with the Payment Integrity Information Act of 2019 for fiscal year 2023 reporting and to evaluate the EPA’s corrective action plans and efforts to prevent and reduce improper payments from prior audit recommendations.

¹⁰ The notification memorandum for this project (Project No. [OA-FY24-0021](#)) was issued on November 16, 2023.

CSB Challenge 1: Operating effectively without a full board



As of November 2023, the CSB had three congressionally approved members, including the chairperson. This means that the CSB board is missing 40 percent of its five-person membership established by the Clean Air Act Amendments of 1990. The board members are responsible for major budgeting decisions, strategic planning, general oversight, and approval of investigation reports and studies, as well as other specific duties, such as serving as the principal spokespersons at accident sites and conducting community meetings, hearings, and boards of inquiry during accident investigations. Having a full board helps ensure continuity of the CSB’s operations in the event of board member turnover or conflicts. Board member appointments are subject to potential delays due to external political processes, with the existing board members’ appointments taking an average of 7.5 months to confirm after nomination. Without its full complement of board members, the CSB’s mission to protect communities, workers, and the environment may be impaired. Although there are currently no planned or ongoing discretionary projects for this challenge, we may initiate projects throughout FY 2024 that address the CSB’s operation without a full board.

CSB Challenge 2: Minimizing mission-critical staff vacancies and attrition rates



The CSB is working to increase hiring, but vacancies and attrition rates remain a concern. While as of August 2023 the CSB’s staff had increased by six personnel compared to the year prior, its personnel strength remained ten full-time equivalents short of projections for the fiscal year. We have previously noted that insufficient staffing of both management and nonmanagement positions has hampered the CSB’s ability to investigate new safety incidents, complete its backlog of investigations, and issue reports in a timely manner. Mission-critical positions have remained vacant for more than a year. Despite some improvements, this staffing shortage remains an obstacle to the Board’s mission accomplishment. Although there are currently no planned or ongoing discretionary projects for this challenge, we may initiate projects throughout FY 2024 that address how the CSB can minimize mission-critical staff vacancies and attrition operation without a full board.

CSB Challenge 3: Improving cybersecurity



The CSB has demonstrated a strong commitment to its cybersecurity program and to addressing the OIG’s cybersecurity recommendations to ensure the reliability, availability, and accuracy of CSB data. However, while the CSB has formalized and documented policies, procedures, and strategies for its information security program, they are not consistently implemented. The risk that vulnerabilities may be exploited is elevated at the CSB’s latest assessed information security level. The CSB’s continued improvement to its cybersecurity posture and increased maturity level is necessary to provide for the protection, reliability, and availability of its data. Although there are currently no planned or ongoing discretionary projects for this challenge, we may initiate projects throughout FY 2024 that address how the CSB can improve cybersecurity.

CSB Challenge 4: Promoting ethical conduct



Federal laws and regulations govern CSB employees’ ethical conduct, but deficiencies that the U.S. Office of Government Ethics identified in a July 2023 inspection underscore how the delay in filling the designated agency ethics official vacancy may leave the CSB vulnerable to ethical lapses. If the CSB does not strengthen its ethics program and promote an ethical culture, it could jeopardize the CSB’s programs and risk the loss of public trust in the organization’s ability to accomplish its mission efficiently and effectively. Although there are currently no planned or ongoing discretionary projects for this challenge, we may initiate projects throughout FY 2024 that address how the CSB can promote ethical conduct.

Mandatory CSB Oversight Projects

Below is a list of planned and ongoing projects for the CSB, all of which are required by statute or regulation and do not necessarily align with a management challenge.¹¹

Planned Projects

Audit of the CSB's Fiscal Years 2024 and 2023 Financial Statements (Contracted)

Determine whether the CSB's (1) financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles; (2) internal control over financial reporting is in place; and (3) management has complied with applicable laws, regulations, contracts, and grant agreements.

Audit of the CSB's Compliance with the Federal Information Security Modernization Act for Fiscal Year 2024

Assess the CSB's compliance with the Office of Management and Budget's *FY 2023- 2024 Inspector General Federal Information Security Modernization Act of 2014 (FISMA) Reporting Metrics*.

Ongoing Projects

Audit of the CSB's Fiscal Years 2023 and 2022 Financial Statement (Contracted)

Determine whether the CSB's (1) financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles; (2) internal control over financial reporting is in place; and (3) management has complied with applicable laws, regulations, contracts, and grant agreements.

Audit of the Fiscal Year 2023 CSB Federal Information Security Modernization Act

Assess the CSB's compliance with the Office of Management and Budget's *FY 2023–2024 Inspector General Federal Information Security Modernization Act of 2014 (FISMA) Reporting Metrics*.

Audit of CSB Improper Payments¹²

Determine whether the CSB complied with the Payment Integrity Information Act in fiscal year 2023.

¹¹ Some projects listed within the management challenges chapters may also be required by law or regulation.

¹² The notification letter for this project ([OA-FY24-0020](#)) was issued on November 16, 2023.

Other OIG Projects

The following discretionary projects will not be conducted in accordance with generally accepted government auditing standards or the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Planned Projects

Quality Control Review of Single Audit Provider

Determine whether the single audit conducted by an independent accounting firm was performed in accordance with applicable auditing standards and federal requirements for single audits.

Technical Assistance Reviews of Single Audits

Implement the OIG responsibilities outlined in a memorandum of understanding with the EPA which includes (1) monitoring the Federal Audit Clearinghouse for single audit reports that contain findings related to programs directly funded by the EPA and notifying the EPA of findings that require audit resolution action by the Agency, and (2) monitoring the Federal Audit Clearinghouse for audit findings associated with EPA programs that rely on a pass-through entity to distribute and provide oversight of federal funds through the Clean Water State Revolving Fund and Drinking Water State Revolving Fund Programs and notifying the Agency of the audit findings and recommendations in single audit reports with the EPA's programs for which the pass-through entity has resolution responsibility.

Ongoing Project

Project Reviewing the EPA's Build America, Buy America Act Waivers on Infrastructure Projects

Quantify the extent to which the Agency issues Build America, Buy America Act waivers on infrastructure projects.



Whistleblower Protection

U.S. Environmental Protection Agency

The whistleblower protection coordinator's role is to educate Agency employees about prohibitions against retaliation for protected disclosures and the rights and remedies against retaliation. For more information, please visit the OIG's whistleblower protection [webpage](#).

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