



# At a Glance

## Independent Audit of the EPA's Fiscal Years 2023 and 2022 (Restated) Pesticide Registration Fund Financial Statements

### Why We Did This Audit

#### To accomplish this objective:

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

The Pesticide Registration Improvement Act requires the EPA to assess and collect pesticide registration fees and to deposit these fees in the Pesticide Registration Fund. The EPA Office of the Chief Financial Officer is required to prepare financial statements that present financial information about this fund. The Act also requires the EPA to establish time frames for its review and decision on applications for pesticide registrations; these time frames are known as **decision-time review periods**.

The Pesticide Registration Improvement Act requires the OIG to, as part of its annual audit of the Pesticide Registration Fund financial statements, conduct an analysis of the fees collected and the Agency's compliance with the decision-time review periods.

#### To support this EPA mission-related effort:

- *Operating efficiently and effectively.*

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### The EPA Received an Unmodified Opinion for Fiscal Years 2023 and 2022 (Restated)

We rendered an unmodified opinion on the EPA's fiscal years 2023 and 2022 (Restated) Pesticide Registration Fund—also known as the Pesticide Registration Improvement Act, or 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 Noted

We noted the following material weakness during our analysis: the EPA materially misstated the on-top adjustment involving the PRIA income and expenses from other appropriations, which is the PRIA 23-02A on-top adjustment, in its fiscal year 2023 draft financial statements by over \$2.6 million. An **on-top adjustment** is a journal entry that is made at the end of an accounting period to adjust the accounts to accurately reflect revenues and expenses of the current period.

The EPA corrected the misstatement in the final 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 compliance with the statutory decision-time review periods.

### Recommendations and Planned Agency Corrective Actions

We recommend that the chief financial officer correct the calculation in the PRIA 23-02A on-top adjustment to accurately capture the amounts for footnote 8, "Income and Expenses from Other Appropriations (Restated)," and develop and implement standard operating procedures for calculating income and expense from other appropriations.

The EPA agreed with our two recommendations, which are closed with corrective actions completed.