

## ABOUT THIS REPORT

### PURPOSE OF THE REPORT

The Environmental Protection Agency's (EPA's) Performance and Accountability Report for Fiscal Year 2007 provides performance and financial information that enables Congress, the President, and the public to assess the progress EPA is making in achieving environmental results – improving the quality of air and water and preserving and protecting the land – and using taxpayer dollars efficiently and effectively. This document also satisfies reporting requirements of the following legislation:

- Federal Managers' Financial Integrity Act of 1982 (FMFIA)
- Inspector General Act Amendments of 1988
- Chief Financial Officers Act of 1990
- Government Performance and Accountability Act of 1993 (GPRA)
- Government Management Reform Act of 1994
- Federal Financial Management Improvement Act of 1996 (FFMIA)
- Reports Consolidation Act of 2000
- Improper Payments Information Act of 2002

### HOW THE REPORT IS ORGANIZED

#### ***Transmittal Letter to the President***

This letter transmits EPA's *FY 2007 Performance and Accountability Report* from the Administrator to the President, Congress, and Office of Management and Budget. The letter highlights some of the Agency's FY 2007 accomplishments. It provides an assessment of the reliability and completeness of the financial and performance data contained in the report and a statement of assurance, as required by FMFIA, FFMIA, and the Office of Management and Budget revised Circular No. A-123, "Internal Control Systems."

#### ***Message from the Chief Financial Officer***

The Chief Financial Officer's message describes progress and challenges pertaining to EPA's financial management. It discusses EPA's efforts to integrate budget and performance information, and it provides information on the Agency's management and financial reportable controls program under FMFIA and financial management systems under FFMIA.

#### ***Section I – Management's Discussion and Analysis (MD&A)***

The MD&A provides an overview of the full report. It outlines EPA's organization, highlights the most significant performance results and challenges for FY 2007, describes EPA's progress in implementing the President's Management Agenda, and briefly analyzes the Agency's financial performance. The MD&A discusses EPA's progress in strengthening its management practices and compliance with laws and regulations (FMFIA, FFMIA, and others) to assure the integrity of its programs and operations, and it contains the Administrator's assurance statement on the soundness of EPA's overall internal controls and its internal controls over financial reporting. The MD&A is supported and supplemented by detailed

information provided in the Performance, Financial, and Other Accompanying Information sections of this report and the appendices.

### ***Section II – Performance Section***

This section presents performance results for each of the Agency's five strategic goals. For each goal, we discuss our progress toward achieving the strategic objectives and targets presented in our *2006-2011 Strategic Plan*, and we provide a table of detailed performance results for each of the FY 2007 performance measure contained in our FY 2007 Annual Plan and Budget. This performance section addresses all of the elements of an annual program performance report specified under OMB Circular A-11, "Preparing, Submitting and Executing the Budget." For more information on this section, please contact EPA's Office of Planning, Analysis, and Accountability at (202) 564-9327.

### ***Section III – Financial Section***

The Financial Section contains the Agency's financial statements and related Independent Auditor's Report, as well as other information on the Agency's financial management. For more information on this section, please contact EPA's Office of Financial Management at (202) 564-4905.

### ***Section IV – Other Accompanying Information***

This section provides additional material as specified under OMB Circular A-136, "Financial Reporting Requirements." "Management Challenges" discusses EPA's progress in strengthening management practices to achieve program results; it includes the Inspector General's list of top management challenges and describes the Agency's progress in responding to each issue. This section also contains a "Summary of Financial Statement Audit and Management Assurances" table and information on Improper Payments Information Act reporting. For more information, please contact EPA's Office of Planning, Analysis, and Accountability at (202) 564-9327.

### ***Appendices***

The Appendices include summaries of program evaluation results, information on data quality, a list of relevant EPA internet links, and a glossary of acronyms.