



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

The Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA) is increasing its focus on following up to determine if audit report recommendations are being implemented. The objective of this audit was to determine whether the recommendations in the Fiscal Years (FYs) 2000-2003 single audit reports for the Oglala Sioux Tribe (OST) had been implemented.

Background

A single audit is one conducted in accordance with Office of Management and Budget (OMB) Circular A-133, which includes both the entity's financial statements and federal awards. The FY 2003 single audit report listed 43 repeat findings that remained unresolved since 2000. The OIG questioned the \$2.5 million EPA awarded to OST during the audited time frame.

For further information, contact our Office of Congressional and Public Liaison at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2008/20080728-08-P-0213.pdf

Oglala Sioux Single Audits – Corrective Actions Taken but Improvements Needed in Resolving Costs

What We Found

EPA Region 8 continues to take actions to resolve the internal control findings in the single audit reports. Region 8 identified OST as high risk, requested a corrective action plan, and reviewed OST accounting documentation. However, Region 8 did not monitor implementation of the corrective actions in the Agency's Management Audit Tracking System (MATS) until all actions were completed. As a result, the Agency was not accurately reporting on its status of implementing corrective actions resulting from audit reports.

Region 8 did not obtain sufficient documentation to support resolving \$2.5 million in questioned costs. The documentation for resolving the questioned costs was not from OST's official accounting system and did not reconcile to the costs claimed. Region 8 did not resolve these issues before concluding that the Tribe did incur the costs. Without sufficient documentation to support resolving questioned costs, the Region cannot ensure those costs were allowable under the EPA grants.

What We Recommend

We recommend that the EPA Region 8 Regional Administrator:

1. Track the remaining corrective action that OST has not implemented in MATS, or submit a revised corrective action plan to the OIG for evaluation.
2. When resolving the FY 2004 and future single audits, (1) obtain sufficient supporting documentation from the grantee's official accounting system to support resolving questioned costs, (2) fully reconcile the supporting documentation to the costs that were claimed, and (3) recover any unsupported costs from the grantee.

Region 8 did not agree that the corrective actions needed to be tracked in MATS and believes it took sufficient action to address the questioned costs. We acknowledge that Region 8 is continuing to work with OST to improve financial management, but EPA policy requires that corrective actions be tracked in MATS. In response to our draft report, Region 8 obtained from OST additional information to support the questioned costs. In the future, Region 8 needs to ensure costs are fully supported before making its final determination.