

ENVIRONMENTAL PROTECTION AGENCY
2010 Annual Performance Plan and Congressional Justification

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**Environmental Protection Agency
FY 2010 Annual Performance Plan and Congressional Justification**

**APPROPRIATION: Inspector General
Resource Summary Table
(Dollars in Thousands)**

	FY 2008 Actuals	FY 2009 Enacted	FY 2010 Pres Bud	FY 2010 Pres Bud v. FY 2009 Enacted
Inspector General				
Budget Authority	\$41,896.5	\$44,791.0	\$44,791.0	\$0.0
Total Workyears	224.6	271.4	296.0	24.6

**Program Projects in IG
(Dollars in Thousands)**

Program Project	FY 2008 Actuals	FY 2009 Enacted	FY 2010 Pres Bud	FY 2010 Pres Bud v. FY 2009 Enacted
Audits, Evaluations, and Investigations				
Audits, Evaluations, and Investigations	\$41,896.5	\$44,791.0	\$44,791.0	\$0.0
Subtotal, Audits, Evaluations, and Investigations	\$41,896.5	\$44,791.0	\$44,791.0	\$0.0
TOTAL, EPA	\$41,896.5	\$44,791.0	\$44,791.0	\$0.0

Program Area: Audits, Evaluations And Investigations

Audits, Evaluations, and Investigations

Program Area: Audits, Evaluations, and Investigations

Goal: Provide Agency-wide support for multiple goals to achieve their objectives. This support involves Agency-wide activities primarily provided by EPA's six (6) support offices - the Office of Administration and Resources Management (OARM), Office of the Chief Financial Officer (OCFO), Office of Environmental Information (OEI), Office of General Counsel (OGC), Office of the Administrator (OA), and the Office of Inspector General (OIG).

(Dollars in Thousands)

	FY 2008 Actuals	FY 2009 Enacted	FY 2010 Pres Bud	FY 2010 Pres Bud v. FY 2009 Enacted
<i>Inspector General</i>	<i>\$41,896.5</i>	<i>\$44,791.0</i>	<i>\$44,791.0</i>	<i>\$0.0</i>
Hazardous Substance Superfund	\$12,037.8	\$9,975.0	\$9,975.0	\$0.0
Total Budget Authority / Obligations	\$53,934.3	\$54,766.0	\$54,766.0	\$0.0
Total Workyears	287.1	331.8	361.8	30.0

Program/Project Description:

EPA's Office of Inspector General (OIG) provides audit, evaluation, and investigative services and products that fulfill the requirements of the Inspector General Act, as amended, by identifying fraud, waste, and abuse in Agency, grantee and contractor operations, and by promoting economy, efficiency, and effectiveness in the operations of the Agency's programs. OIG activities add value and enhance public trust by providing the Agency, the public, and Congress with independent analyses and recommendations that help management identify and resolve risks and challenges, opportunities for savings, and implement actions for safeguarding EPA resources and accomplishing EPA's environmental goals. OIG activities also prevent and detect fraud in EPA programs and operations, including financial fraud, contract lab fraud, and cyber crime. In addition, the EPA Inspector General serves as the IG for the U.S. Chemical Safety and Hazard Investigation Board.

FY 2010 Activities and Performance Plan:

The EPA OIG will assist the Agency in its efforts to reduce environmental and human health risks by helping to improve program operations, save taxpayer dollars, and resolve major management challenges. In FY 2010, the OIG will continue focusing on areas associated with risk, fraud, and waste, and will make recommendations to improve operating efficiency leading to the cost effective attainment of EPA's strategic goals and positive environmental impacts. The OIG plans to examine issues related to research, follow-up on OIG recommendations, grants and contracts, homeland security, internal controls/risk assessment, manpower assessment, enforcement/regulation review, program management/measurement data verification, project management, effective resource management/accountability, and more effective and efficient program mission delivery.

Audits

Audits will be focused in five areas: (1) assistance agreements and contracts; (2) financial statement audits and audits of Agency financial systems; (3) risk assessment, internal controls, and program performance; (4) forensic audits of EPA grantees and contractors, and (5) efficiencies in Agency operations. Planned work will emphasize:

- direct testing for fraud in grants, contracts and operational activities;
- cost savings resulting from audits of grantee and contractor claims;
- evaluating the quality of data in EPA systems used for administrative management and environmental decision-making;
- EPA's use of recognized information technology project management practices to identify opportunities for ensuring investments in technology to achieve desired outcomes;
- continued improvements in assistance agreement and contract administration;
- EPA's preparation of timely, informative financial statements;
- EPA's use of financial and program performance information, including efficiency measures, to identify cost savings, reduce risks, and maximize results achieved from its environmental programs; and
- review of EPA's risk assessment processes, and allocation/application of human resources.

A significant portion of audit resources will be devoted to mandated work assessing the financial statements of EPA as required by the Chief Financial Officers Act, the information security practices of EPA required by the Federal Information Security Management Act, and financial audits of costs claimed by recipients of EPA assistance agreements conducted pursuant to the Single Audit Act.

Evaluations

Evaluations are conducted through five product lines: (1) air and research; (2) land and Superfund; (3) water and enforcement; (4) cross-media, and (5) special reviews. Specific areas of evaluation will include a determination of:

Research: Whether EPA is effectively and efficiently planning, managing, conducting, and overseeing research and its by-products to address the Agency's current and future needs and to safeguard the public from hazardous risks.

Air Toxics: Whether EPA is obtaining sufficient data that are both valid and reliable to measure performance and guide decision-making, as well as assessing and managing risks to provide reasonable assurance of progress towards goals and provide adequate protection to the public.

Protecting Water Quality: How well EPA is protecting water quality through core water Programs.

Health of Aquatic Systems: How EPA can effectively protect and restore sustainable healthy

aquatic communities and ensure waters that are protective of human health.

Enforcement: How well EPA is carrying out its enforcement program in terms of effectiveness and consistency.

Management and Performance: How efficient and effective the management of EPA Programs is, and whether EPA has sufficient and effective internal controls in place to ensure the integrity of its systems and processes.

Toxic Substances: How effectively EPA's internal controls and enforcement efforts of the new chemicals program meet the intentions of the Toxic Substances Control Act (TSCA).

Homeland Security: How effectively EPA can perform its mission during a pandemic.

Investigations

The majority of investigative work is reactive in nature. In prioritizing our work, we evaluate allegations to determine which investigations may have the greatest impact on Agency funds, the integrity of EPA programs and operations, and produce the greatest deterrent effect. Investigations assist EPA in meeting its strategic goals by helping to protect the Agency's scarce resources from fraudulent or criminal activities, so that they can be used to protect the environment and human health.

The OIG will conduct investigations and seek prosecution of criminal activity and serious misconduct in EPA programs and operations that undermine Agency integrity and create imminent environmental risks. Investigations will focus on: (1) fraudulent financial activities in the award, performance, and payment of funds under EPA contracts, grants, and other assistance agreements to individuals, companies, and organizations; (2) intrusions into and attacks against EPA's network, as well as incidents of computer misuse and theft of intellectual property or sensitive data; (3) infrastructure/terrorist threat; (4) criminal activity or serious misconduct affecting EPA program integrity or involving EPA personnel which could undermine or erode the public trust; (5) laboratory fraud relating to payments made by EPA for compromised environmental testing data and results that could undermine the bases for EPA decision-making, regulatory compliance, and enforcement actions; and (6) release of, unauthorized access to, or use of sensitive or proprietary information.

Follow-up and Policy/Regulatory Analysis

To further promote economy, efficiency and effectiveness, the OIG will conduct follow-up reviews of Agency responsiveness to OIG recommendations to determine if appropriate actions have been taken and intended improvements have been achieved. This process will serve as a means for keeping EPA leadership apprised of accomplishments and needed corrective actions, and will facilitate greater accountability for results from OIG operations.

Also, as directed by the IG Act, the OIG conducts reviews and analysis of proposed and existing policies, rules, regulations and legislation to identify vulnerability to waste, fraud and abuse.

These reviews also consider possible duplication, gaps or conflicts with existing authority, leading to recommendations for improvements in their structure, content and application.

Performance Targets:

Measure Type	Measure	FY 2008 Actual	FY 2008 Target	FY 2009 Target	FY 2010 Target	Units
Outcome	Environmental and business actions taken for improved performance or risk reduction.	463	334	318	334	Actions

Measure Type	Measure	FY 2008 Actual	FY 2008 Target	FY 2009 Target	FY 2010 Target	Units
Efficiency	Return on the annual dollar investment, as a percentage of the OIG budget, from audits and investigations.	186	150	120	120	Percentage

Measure Type	Measure	FY 2008 Actual	FY 2008 Target	FY 2009 Target	FY 2010 Target	Units
Output	Environmental and business recommendations or risks identified for corrective action.	624	971	903	950	Recommendations

Measure Type	Measure	FY 2008 Actual	FY 2008 Target	FY 2009 Target	FY 2010 Target	Units
Output	Criminal, civil, administrative, and fraud prevention actions.	84	80	80	75	Actions

FY 2010 Change from FY 2009 Enacted Budget (Dollars in Thousands):

- (+\$845.0K) This reflects an increase for payroll and cost of living for existing FTE.
- (-\$845.0K) This reflects a decrease to primarily contract nonpayroll resources. The decrease will not negatively impact program objectives.
- (+24.6 FTE) Staff level increases to enhance the OIG’s capability for program oversight.

Statutory Authority:

Inspector General Act, as amended; Inspector General Reform Act; Reports Consolidation Act; Single Audit Act; CFO Act; GMRA; PRIA; RCRA; FFMIA; FISMA; FQPA.

Inspector General Reform Act:

Following the requirements of the Inspector General Reform Act, the OIG of the Environmental Protection Agency submits the following information relating to the OIG's requested budget for FY 2010:

- the aggregate budget request for the operations of the OIG is \$54,766,000 (\$44,791,000 Inspector General; \$9,975,000 Superfund Transfer),
- the portion of this amount needed for OIG training is \$1,000,000, and
- the portion of this amount needed to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE) is \$131,000.

I certify as the IG of the Environmental Protection Agency that the amount I have requested for training satisfies all OIG training needs for FY 2010.