



September 2004

OFFICE OF INSPECTOR GENERAL

Catalyst for Improving the Environment



EPA Office of Inspector General Two-Year Plan: Structure and Selection Criteria

The OIG planning process is continuously carried out at two levels. First, the 5-year **Strategic Plan**, which is based upon the OIG vision, mission, values, and establishes the long-term goals, objectives and measures. This Strategic Plan is updated every three years as required by the Government Performance and Results Act. The Strategic Plan is implemented through the **Two-Year Plan** as presented in this document. This Two-Year Plan closely links OIG Product Line Tracks to EPA's Strategic Plan through interrelated Key Questions, whose answers are critical to the success of EPA's mission and goals. This OIG Two-Year Plan identifies mandated and selected assignment topics continuing from FY 2004, those scheduled to be started in FY 2005, *and additional prospective assignments for FY 2006* that represent emerging significant areas of concern. The OIG will continuously consider current and evolving issues and needs to identify the highest priority topics, and will revise this plan to **maximize value added for the resources invested**, based upon the following criteria:

- Statutory and Regulatory Requirements
- Adequacy of Business Control Systems
- New Programs, Functions, or Technology
- Environmental/Business Integrity Risk
- Prior Audit History or Evaluation Results
- Opportunities to Leverage Results with Partners
- Availability of OIG Resources
- Customer/Management Needs and Interest
- Federal Investment or Regulatory Authority
- Opportunity to Improve Process Efficiency

Implementation of this Plan is carried out through audits, evaluations, investigations and public liaison reviews in full compliance with the Inspector General Act, the Professional Standards of the U.S. Comptroller General, and the Quality Standards for Federal Offices of Inspector General of the President's Council on Integrity and Efficiency.

We welcome input into our planning process, and feedback on the quality and value of OIG products and services from all customers, clients stakeholders and the public through our web site: webcomments.oig@epa.gov

/signed 9-30-04/

Nikki L. Tinsley



EPA OIG Strategic Plan, Fiscal 2004 - 2008

Vision

We are **catalysts** for improving the **quality** of the **Environment** and **Government** through problem prevention and identification, and cooperative solutions.

Mission

Add Value by promoting economy, efficiency, and effectiveness within EPA and the delivery of environmental programs. **Inspire Public Confidence** by preventing and detecting fraud, waste, and abuse in agency operations and protecting the integrity of EPA programs.

Goals

1. Contribute to Improved Human Health and Environment

2. Contribute to Improved Agency Business Practices and Accountability

3. Continuously Improve OIG Products and Services

Objectives (Annual Performance Goals)

- ✓ Influence programmatic and systemic changes and actions that contribute to improved human health and environmental quality.
- ✓ Add to and apply knowledge that contributes to reducing or eliminating environmental and infrastructure security risks and challenges.
- ✓ Identify recommendations, best practices, risks, and opportunities to leverage results in EPA programs and among its partners.

- 🔍 Influence actions that improve, operational efficiency, accountability, resolve public concerns and management challenges, and achieve monetary savings.
- 🔍 Improve operational integrity and reduce risk of loss by detecting and preventing vulnerabilities to fraud, abuse, or breach of security.
- 🔍 Identify recommendations, best practices, risks, weaknesses, opportunities for savings, and operational improvements.

- @ Improve the timeliness, responsiveness, and value of our products and services to our clients and stakeholders.
- @ Apply technology, innovation, leadership, skill proficiency for motivated staff and highly regarded products.
- @ Align organization plans, performance, measurement, processes, and followup for a cost accountable results culture.
- @ Maximize use and diversity of resources.
- @ Develop constructive relationships to effectively leverage resources and foster collaborative solutions.

OIG Annual Performance Goals FY 2005

These Annual Performance Goals (APGs) are presented in the OIG portion of EPA's FY 2005 Budget Justifications/Performance Plans, and Annual Performance Reports to OMB and Congress for OIG Strategic Goals 1 and 2.

Goal 1. Contribute to Improved Human Health and Environment

- Influence **45** programmatic and systemic changes and actions contributing to human health and the environment.

Outcome Measures

- Legislative or Regulatory Changes/Decisions
- EPA Policy, Practice, Process Changes
- Examples of Environmental Improvements
- Best Environmental Practices Implemented

- Add to and apply knowledge or verification that contributes to reducing or eliminating **23** environmental, infrastructure security risks, challenges or addresses critical public concerns.

Outcome Measures

- Environmental Risks Reduced or Eliminated
- Certifications, Validations or Verification
- Critical Public or Congressional Concerns Addressed

- Identify **95** recommendations, best practices, opportunities or risks to leverage results in EPA programs or amongst its partners.

Output Measures

- Environmental Recommendations or Congressional Testimony
- Environmental Best Practices Identified
- Environmental Risks Identified

Goal 2. Contribute to Improved Agency Business Practices and Accountability

- Influence **102** business systems, process changes and actions that improve operational efficiency, accountability, resolve public concerns and management challenges.

Outcome Measures

- Policy, Process, Practice, Control Changes
- Corrective Actions on Management Challenges
- Best Business Practices Implemented
- Certification/Validation/Allegations Disproved
- Critical Public or Congressional Concerns Addressed

- Improve operational integrity and reduce risk of loss by detecting or preventing vulnerabilities for fraud, abuse or breach of security through **80** enforcement actions.

Output Measures

- Criminal Convictions
- Indictments/Arrests
- Civil Judgements/Settlements
- Administrative Actions/Security Risks Reduced

- Identify **240** recommendations, referrals, best practices, risks, opportunities for operational improvements.

- Identify **150%** (\$75M) OIG Budget from potential dollar savings, questioned costs, fines, penalties, and settlements.

Output Measures

- Recommendations or Congressional Testimony
- Best Practices and Opportunities Identified
- Risks, Weaknesses and Challenges Identified
- Questioned Costs, Savings, Fines, Recoveries, Settlements

**EPA Goals &
OIG Product Lines**

OIG Goal 1: Contribute to Improved Human Health and Environment
OIG Two-Year Plan Product Line Tracks and Key Questions

**EPA Goal 1: Cleaner
Air and Global
Climate Change**

OIG Product Line: Air

- < **Particulate Matter:** How can EPA maximize the effectiveness of its fine particulate matter (PM 2.5) ambient monitoring and emissions control strategies?
- < **Ozone:** How can EPA better execute its ozone reduction strategies?
- < **Air Toxics:** How can EPA improve the effectiveness of its efforts to assess, monitor, control, and reduce the risks from toxic air pollutants to human health and environment?
- < **Challenges to Progress:** How can EPA maximize the contributions of state and local entities in continuing progress toward meeting clean air goals?
- < **Air Quality Data:** How can EPA's air data be more cost-effectively obtained while improving its reliability to program needs?

Carryover Topics from FY 2004

- Evaluation of Clean Air Act Title V Permit Adequacy
- PM 2.5 Speciation Network Design
- Reducing Ozone Precursors Emission
- Air Toxics Ambient Monitoring
- World Trade Center-Conflict of Interest
- State/Local Air Toxics Implementation
- Mercury- Development of the Proposed Maximum Achievable Control Technology for Utility Units
- Atlantic Steel

New Topics in FY 2005

- Evaluation of Program Fee Collections, Funding Alternatives, and Best Practices
- State/Local Agency Air Toxics Implementation (people, processes, technology)
- Air Toxics Source Characterization/Control Strategies Development
- Assessment of State/Local Agency Ozone Permits
- Effectiveness of EPA's Non-Road Ozone Emission Reductions Strategies

Prospective Topic for FY 2006

- Incentive-Based Efforts to Reduce PM-2.5 Risks Through Early Reductions Evaluation

<p>EPA Goals & OIG Product Lines</p>	<p><i>OIG Goal 1: Contribute to Improved Human Health and Environment</i> OIG Two-Year Plan Product Line Tracks and Key Questions</p>
<p>EPA Goal 2: Clean and Safe Water</p> <p>OIG Product Line: Water</p>	<p>< Safe Drinking Water: How can EPA effectively implement the Safe Drinking Water Amendments of 1996?</p> <p>< Watershed Protection: How can EPA effectively control, protect and monitor watersheds and water quality?</p> <p>< Reducing Pollutant Loadings: How can EPA effectively use and improve policy tools to reduce water pollutant loadings?</p> <p>Carryover Topics from FY 2004</p> <ul style="list-style-type: none"> • National Pollutant Discharge Elimination System (NPDES) Permit Backlog • Source Water Assessments and Protection • Challenges and Opportunities to Implementing the Watershed Approach to Protecting Water Quality • Safe Drinking Water Act Tools • Clean Water Compliance • Lab Fraud: Evaluation of Drinking Water Laboratory Procedures • Water Quality Monitoring and Assessment Program <p>New Topics in FY 2005</p> <ul style="list-style-type: none"> • Clean Water State Revolving Fund Results • Total Maximum Daily Loads • Mercury Deposition • Contaminant Candidate List • Impacts of Regulations on Small Drinking Water Systems <p>Prospective Topic for FY 2006</p> <ul style="list-style-type: none"> • Office of Water Non-Point Source Grants

EPA Goals &
OIG Product Lines

OIG Goal 1: Contribute to Improved Human Health and Environment
OIG Two-Year Plan Product Line Tracks and Key Questions

**EPA Goal 3: Land
Preservation and
Restoration**

OIG Product Line: Land

- < **Superfund:** Is EPA making progress toward effective risk reduction and waste cleanup?
- < **Brownfields:** Is EPA making progress toward effective risk reduction, cleanup, and restoring previously polluted sites to appropriate uses?
- < **Resource Conservation & Recovery Act (RCRA):** Is EPA making progress toward effective waste management, hazardous material management, and risk reduction?

Carryover Topics from FY 2004

- RCRA Financial Assurance
- RCRA Interim Status Permitting
- Superfund Congressional Request dealing with Expenditures and Program Efficiencies
- DOI-OIG and EPA-OIG Hazardous Waste Joint Project
- Superfund Contaminated Sediments
- Tribal Superfund Program

New Topics in FY 2005

- Superfund-Gloucester Environmental Management Services, Inc. Landfill (Congressional Request)
- Brownfields: Resources/Full-Time Equivalents (Congressional Request)
- Superfund: Review of the Current State of Activities operated Under Comprehensive Environmental Response Claims Liability Act (CERCLA) (Congressional Request)
- Superfund: Alternative Sites
- RCRA: Biennial Report System
- Superfund: 5-Year Reviews

Prospective Topic for FY 2006

- Superfund: State Core Grant Program

**EPA Goal 4: Healthy
Communities and
Ecosystems**

**EPA Goal 5:
Compliance and
Environmental
Stewardship**

**OIG Product Line:
Cross-Media**

- < **Homeland Security:** How can EPA better execute its Strategic Plan to prevent, prepare for, and respond to a terrorist attack to minimize adverse impacts on human health and the environment?
- < **Environmental Stewardship:** How can EPA effectively promote environmental stewardship among business, government, and communities to achieve environmental and human health protections that exceed regulatory requirements?
- < **Environmental Justice:** How well are environmental justice concerns incorporated into EPA decision-making; Do EPA policies and practices disproportionately contribute adverse impacts on human health and the environment in communities of concern?
- < **Compliance Assistance & Enforcement:** What impact have the enforcement and compliance assurance actions, activities, and policies of EPA (Office of Enforcement and Compliance Assistance, other EPA Program Offices, and EPA Regions) and its partners (States and Tribes) had on the regulated community's compliance with environmental rules and regulations that are designed on protecting human health and the environment?

Carryover Topics from FY 2004

- Performance Measurement and Reporting for Enforcement and Compliance Assurance
- Priority Enforcement and Compliance Assurance Universe: Characterization
- Impact of Food Quality Protection Act (FQPA) on Pesticide Registration Process
- FQPA Data Gaps
- FQPA --- Major Identifiable Subgroups
- Water Security: Supervisory Control and Data Acquisition
- Homeland Security: Evaluation of the BioWatch Program
- Environmental Justice Impacts Resulting From Air Emission
- Environmental Stewardship Activities
- Effectiveness and Efficiency of the Chemical Safety Board

New Topics in FY 2005

- Coordination of Compliance Assistance and Enforcement Priorities
- Coordination of Compliance Assistance and Enforcement Strategies
- Homeland Security: Emergency Response
- Homeland Security: Biowatch Response Effectiveness
- EPA Environmental Stewardship Programs Effectiveness

Prospective Topic for FY 2006

- Environmental Justice: Patterns of Compliance and Enforcement Activities

EPA Goals &
OIG Product Lines

OIG Goal 2: Contribute to Improved Agency Business Practices and Accountability
OIG Two-Year Plan Product Line Tracks and Key Questions

**EPA (Goal 6)
Management Support
Infrastructure**

**OIG Product Line:
Assistance Agreements**

< **Assistance Agreements:** Is EPA using assistance agreements to efficiently and effectively accomplish its mission?

Carryover Topics from FY 2004

- EPA Implementation of the Competition Order
- Region 3 Oversight of NPDES Program
- Domestic Working Group Grants Project
- National Alternative Fuels Foundation
- Health Effects Institute
- Wrangell Cooperative Association
- Utah Clean Water State Revolving Fund
- Nevada Clean and Drinking Water State Revolving Funds
- Oregon Drinking Water State Revolving Fund

Mandated Topics in FY 2005

- New Jersey Superfund Cooperative Agreement
- California Superfund Cooperative Agreement
- State Revolving Fund Loan Audits
- Single Audits

New Topics in FY 2005

- Leech Lake Indian Tribe
- Business for Social Responsibility Education Fund

EPA Goals & OIG Product Lines	<i>OIG Goal 2: Contribute to Improved Agency Business Practices and Accountability</i> OIG Two-Year Plan Product Line Tracks and Key Questions
<p>EPA (Goal 6) Management Support Infrastructure</p> <p>OIG Product Line: Contracts <i>continued</i></p>	<p>Mandated Topics in FY 2005</p> <ul style="list-style-type: none"> • Defense Contract Audit Agency (DCAA) Monitoring • CERCLA Claims - requests by Agency • Ecology & Environment, Inc. FY 2001 Incurred Cost Audit • Ecology & Environment, Inc. Timekeeping System Audit • Ecology & Environment, Inc. Electronic Data Processing (EDP) General Control Audit • ICF Consulting FY 2005 Floorcheck • Ecology & Environment, Inc. FY 2005 Floorcheck <p>New Topics in FY 2005</p> <ul style="list-style-type: none"> • Financial Capability of ICF Consulting Group, Inc. • Management of Response Action Contracts • Superfund Emergency Response Program Contracts <p>Mandated Topics for FY 2006</p> <ul style="list-style-type: none"> • DCAA Monitoring • Ecology & Environmental FY 2002 Incurred Cost Audit • Ecology & Environmental System Review Relating to Internal Controls • CERCLA Claims -requests by Agency • ICF Consulting FY 2006 Floorcheck • Ecology & Environment FY 2006 Floorcheck • Cost Accounting Standards Review at ICF Consulting Group, Inc. • EDP General Controls Review at ICF Consulting Group, Inc. • ICF Consulting FY 2003 Incurred Costs

EPA Goals & OIG Product Lines	<i>OIG Goal 2: Contribute to Improved Agency Business Practices and Accountability</i> OIG Two-Year Plan Product Line Tracks and Key Questions
EPA (Goal 6) Management Support Infrastructure OIG Product Line: Financial Statements	<p data-bbox="493 276 2005 349">< Financial Management: Does EPA have the people, processes, and systems needed to efficiently provide timely accurate, complete and useful financial information for decision making and accountability?</p> <p data-bbox="493 389 882 422">Carryover Topics from 2004</p> <ul data-bbox="514 430 1512 576" style="list-style-type: none"> • Chemical Safety Board FY 2004 Financial Statements (Contract oversight) • FY 2004 Pesticides Registration and Expedited Processing Fund • FY 2004 Pesticide Reregistration Financial Statements • FY 2004 EPA Financial Statements <p data-bbox="493 617 892 649">Mandated Topics in FY 2005</p> <ul data-bbox="514 657 1522 803" style="list-style-type: none"> • Chemical Safety Board FY 2005 Financial Statements (Contract oversight) • FY 2005 Pesticides Registration and Expedited Processing Fund • FY 2005 Pesticides Reregistration Financial Statements • FY 2005 EPA Financial Statements <p data-bbox="493 844 808 876">New Topics in FY 2005</p> <ul data-bbox="514 885 955 990" style="list-style-type: none"> • Account Receivable Collections • Cost Accounting • Purchase Cards <p data-bbox="493 1023 903 1055">Mandated Topics for FY 2006</p> <ul data-bbox="514 1063 1522 1209" style="list-style-type: none"> • Chemical Safety Board FY 2006 Financial Statements (Contract oversight) • FY 2006 Pesticides Registration and Expedited Processing Fund • FY 2006 Pesticides Reregistration Financial Statements • FY 2006 EPA Financial Statements

EPA Goals &
OIG Product Lines

OIG Goal 2: Contribute to Improved Agency Business Practices and Accountability
OIG Two-Year Plan Product Line Tracks and Key Questions

**EPA (Goal 6)
Management Support
Infrastructure**

**OIG Product Line:
Business Systems**

- < **Information Resources Management:** Does EPA have systems, processes, and controls in place to ensure timely, reliable, and complete information is available to manage EPA's programs and report on environmental results?
- < **Program Management:** Does EPA have the system and processes in place to plan, budget for, and manage its programs, and human capital needed to carry out its mission?

Carryover Topics from 2004

- EPA's Remote Access Servers Configuration Management
- Information Technology Project Management
- FY 2004 Federal Information Security Management Act (FISMA) Evaluation
- Information Technology Audit Support for FY 2004 Financial Statements Audit
- Chemical Safety Board FY 2004 FISMA Evaluation (Contract oversight)

Mandated Topics in FY 2005

- Application Controls for Account Receivable Transactions (Contract oversight)
- Service Continuity Plans for the Mainframe Computer (Contract oversight)
- Controlling Operating System Software Changes (Contract oversight)
- Application Controls for Grants Information System (Contract oversight)
- FY 2005 Application Controls for Integrated Financial Management Feeder System (Contract oversight)
- FY 2005 Chemical Safety Board FISMA (Contract oversight)
- IT Audit Support for FY 2005 Financial Statement Audit
- FY 2005 FISMA Evaluation
- Access Controls Over Financial Management Data

New Topics in FY 2005

- EPA's Data Quality Strategic Plan
- Information Technology Investment Management - Capital Planning and Investment Control Process
- EPA's Managing for Results
- Implementation of Human Capital Strategies
- Managing Systems Development Contracts
- Controls Over Local Area Networks

