

**Environmental Protection Agency
2008 Annual Performance Plan and Congressional Justification**

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**Environmental Protection Agency
FY 2008 Annual Performance Plan and Congressional Justification**

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

	FY 2006 Actuals	FY 2007 Pres Bud	FY 2008 Pres Bud	FY 2008 Pres Bud v. FY 2007 Pres Bud
Inspector General				
Budget Authority	\$36,501.5	\$35,100.0	\$38,008.0	\$2,908.0
Total Workyears	247.5	267.7	287.7	20.0

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

Program Project	FY 2006 Actuals	FY 2007 Pres Bud	FY 2008 Pres Bud	FY 2008 Pres Bud v. FY 2007 Pres Bud
Audits, Evaluations, and Investigations				
Audits, Evaluations, and Investigations	\$36,501.5	\$35,100.0	\$38,008.0	\$2,908.0
Subtotal, Audits, Evaluations, and Investigations	\$36,501.5	\$35,100.0	\$38,008.0	\$2,908.0
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Program Area: Audits, Evaluations and Investigations

Audits, Evaluations, and Investigations

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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 2006 Actuals	FY 2007 Pres Bud	FY 2008 Pres Bud	FY 2008 Pres Bud v. FY 2007 Pres Bud
<i>Inspector General</i>	<i>\$36,501.5</i>	<i>\$35,100.0</i>	<i>\$38,008.0</i>	<i>\$2,908.0</i>
Hazardous Substance Superfund	\$13,243.5	\$13,316.0	\$7,149.0	(\$6,167.0)
Total Budget Authority / Obligations	\$49,745.0	\$48,416.0	\$45,157.0	(\$3,259.0)
Total Workyears	335.9	361.8	331.8	-30.0

Program Project Description:

EPA's Office of the Inspector General (OIG) provides audit, evaluation, investigative, inspection, and public liaison services that fulfill the requirements of the Inspector General Act, as amended, 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 and Congress with independent analyses and recommendations that help resolve management challenges and identify best practices for efficiently and effectively accomplishing EPA's environmental goals and safeguarding resources. They also result in the prevention, detection, and prosecution of financial fraud, laboratory fraud, and cyber crime. The EPA IG also serves as the Inspector General for the U.S. Chemical Safety and Hazard Investigation Board.

FY 2008 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 2008, the OIG will identify high risk areas and make recommendations to mitigate those risks, leading to positive environmental impacts and the cost effective attainment of EPA's strategic goals. Issues relating to voluntary programs, protection of drinking water, clean air technologies, healthy communities, environmental compliance and enforcement, information technology investments, and grants and contracts will increasingly become integrative elements of OIG work.

Audits and Evaluations

Air

Evaluations will focus on areas such as the development of cost-effective strategies for controlling fine particulate matter (PM_{2.5}) in non-attainment areas, and the use of partnerships and voluntary programs and initiatives to more efficiently achieve clean air goals, leverage other available resources, and ensure healthy communities and ecosystems. The OIG will also evaluate the Agency's efforts to address risks to the public from indoor air pollution, such as radon.

Water

Evaluations will determine how EPA can cost effectively achieve water quality goals, including the extent that the Clean Water Act and Safe Drinking Water Act programs are integrated and working together toward EPA's strategic Clean and Safe Water goal and the National Estuary Program's (NEP) effectiveness in improving the overall aquatic health of the 28 estuaries in the NEP. Additional efforts will seek to determine the effectiveness of the Agency's efforts to protect human health from exposure to contaminants in beach water and to evaluate methodologies for identifying emerging water contaminants that pose a threat to health and the environment.

Land

Land evaluations will include efforts to assess the outcomes and effects of EPA's voluntary approaches for product stewardship, infrastructure development and encouragement of environmentally responsible behaviors designed to lead to waste or chemical reduction and increased recycling

Cross-Media

EPA has taken steps to use partnership programs and innovative approaches to encourage voluntary actions as a complement to regulation. The OIG will critique these approaches so that the Agency can do more of what does work and avoid what is ineffective. Such evaluations may include how well EPA utilizes the results of its research and development activities, protects its personnel and infrastructure that are critical to ensuring its ability to respond to terrorist incidents, and implements management innovations to enhance the efficiency and effectiveness of its various regulatory compliance tools.

Good Government

Audits will focus on whether EPA: 1) human capital, assistance agreements and contracts are efficiently and effectively administered to accomplish the Agency's mission; 2) information technology projects are being effectively planned and managed and systems have cost-effective controls to provide timely, accurate, complete, useful, and secure financial and performance data for decision making and accountability; and 3) financial statements are fairly presented. A

significant portion of audit resources will be devoted to mandated work involving the financial statements of EPA, 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. Discretionary work will involve audits of: 1) costs claimed by assistance agreement recipients; 2) grant and contract administration, including whether such funding instruments result in cost effective products and services supporting EPA's strategic goals; and 3) the usefulness, accuracy, and reliability of EPA's data and performance measures.

Investigations

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 focus on: 1) fraudulent activities in the awarding, performance, and payment of funds under EPA contracts, grants, and other assistance agreements to individuals, companies, and organizations; 2) criminal activity or serious misconduct affecting EPA programs or involving EPA personnel (such as false certifications for asbestos removal and fraudulent use of the Agency seal), which could undermine or erode the public trust; 3) laboratory fraud relating to payments made by EPA for erroneous environmental testing data and results that could undermine the bases for EPA decision-making, regulatory compliance, and enforcement actions; 4) intrusions into and attacks against EPA's network, as well as incidents of computer misuse and theft of intellectual property; and 5) release of or unauthorized access to sensitive or proprietary information. In addition, the OIG assists EPA in testing its network infrastructure to provide a threat and vulnerability assessment used to minimize or mitigate hostile infrastructure attacks. In response to an actual attack, the OIG would initiate the appropriate investigative response to identify the intruder; coordinate with state, local, and other Federal law enforcement authorities; coordinate with the Agency to protect information and resources; increase awareness of fraud indicators; and create a network of potential resources.

Public Liaison

Public liaison work will continue to address critical public and governmental concerns. This activity involves responding to requests from the public, Congress, EPA employees, or other government entities for information and responses to complaints or allegations of fraud, waste, abuse, or mismanagement in EPA programs. To accomplish this work, the OIG initiates reviews and if needed contracts with subject matter experts to assist with such reviews, and coordinates these efforts with ongoing audits, evaluations, or investigations.

Performance Targets:

Measure Type	Measure	FY 2006 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target	Units
Output	Criminal, civil, administrative, and fraud prevention actions.	121	80	80	70	Actions

Measure Type	Measure	FY 2006 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target	Units
Outcome	Environmental and business actions taken for improved performance or risk reduction.	407	303	318	291	Actions

Measure Type	Measure	FY 2006 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target	Units
Outcome	Return on the annual dollar investment, as a percentage of the OIG budget, from audits and investigations.	1,100	150	150	100	Percentage

Measure Type	Measure	FY 2006 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target	Units
Output	Environmental and business recommendations or risks identified for corrective action.	1,024	925	955	805	Recommendations

FY 2008 Change from FY 2007 President's Budget (Dollars in Thousands):

- (+\$2,424.9) This reflects: 1) a transfer of payroll resources from the OIG's Superfund resources to increase the range of issues on which the OIG can focus its audits, investigations, and evaluations; and 2) an increase for cost of living for existing FTE.
- (+\$623.8) This reflects an increase to account for inflation related to non-payroll resources, such as travel, contracts, and Working Capital Fund.
- (-\$140.7) This decrease reflects the transfer of oversight of Defense Contract Audit Agency services to OARM.
- (+20.0 FTE) This increase reflects a transfer of resources from the OIG's Superfund resources, to increase the range of issues on which the OIG can focus its audits, investigations, and evaluations.

Statutory Authority:

Inspector General Act, as amended; Government Management Reform Act; Reports Consolidation Act; Single Audit Act; and Pesticides Registration Improvement Act; CFO Act; RCRA; FFMIA; FISMA; FQPA.