



U.S. ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL

Catalyst for Improving the Environment

Audit Report

Chemical Safety and Hazard Investigation Board Did Not Take Effective Corrective Actions on Prior Audit Recommendations

Report No. 11-P-0115

February 15, 2011



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Abbreviations

| | |
|------|--|
| CAA | Clean Air Act |
| COO | Chief Operating Officer |
| CSB | Chemical Safety and Hazard Investigation Board |
| DHS | U.S. Department of Homeland Security |
| EPA | U.S. Environmental Protection Agency |
| FEMA | Federal Emergency Management Agency |
| FY | Fiscal year |
| GAO | U.S. Government Accountability Office |
| OIG | Office of Inspector General |
| OMB | Office of Management and Budget |

Cover photo: Damage resulting from a natural gas explosion at the ConAgra Foods facility in Garner, North Carolina.



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We initiated this audit to determine whether the Chemical Safety and Hazard Investigation Board (CSB) implemented audit recommendations from three Offices of Inspector General (OIGs) and the U.S. Government Accountability Office (GAO), and whether the corrective actions taken were effective.

Background

In fiscal year (FY) 2000, GAO began to report problems with CSB's policies, management, procedures, and overall governance. From FYs 2002 through 2007, three OIGs provided oversight and made recommendations to address governance issues. In FY 2008, in response to a mandate in the Joint Explanatory Statement that accompanied the consolidated Appropriations Act, GAO examined how CSB responded to GAO and OIG recommendations.

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

The full report is at:
www.epa.gov/oig/reports/2011/20110215-11-P-0115.pdf

Chemical Safety and Hazard Investigation Board Did Not Take Effective Corrective Actions on Prior Audit Recommendations

What We Found

CSB did not take timely corrective actions to address a total of 34 audit recommendations from three OIGs and from GAO. In four instances, it took CSB 4 years beyond the agreed-upon corrective actions date (or report date) to implement corrective actions. CSB's actions to address 13 recommendations were not completely effective and require additional corrective actions, and 7 recommendations are not yet completed. CSB has not established and implemented a management control program to evaluate and report on the effectiveness of controls related to its program operations.

CSB's control environment and control activities do not ensure accountability. Specifically, CSB's office directors are not accountable for achieving individual and program initiatives leading to chemical accident prevention. Effective control activities, including Board Orders, have not been developed and implemented. In addition, without a clearly defined statutory mandate, CSB will face difficulties in developing outcome-related goals for measuring its impact on chemical accident prevention. Without effective controls, CSB is not timely in carrying out initiatives to achieve the board's goal of chemical accident prevention.

On September 16, 2010, CSB announced an internal reorganization, appointing a managing director who will oversee all aspects of CSB operations. A managing director who ensures accountability should provide for more timely and effective resolution of audit recommendations.

What We Recommend

We recommend that the Chairman, Chemical Safety and Hazard Investigation Board, create a management control plan, take actions to fully address all outstanding audit recommendations, and further improve upon actions taken on previous recommendations. CSB concurred with all of our new recommendations and developed timelines and completion dates for the corrective actions. CSB's comments are summarized in each chapter and the entire response is included as appendix C.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

THE INSPECTOR GENERAL

February 15, 2011

MEMORANDUM

SUBJECT: Chemical Safety and Hazard Investigation Board Did Not Take Effective Corrective Actions on Prior Audit Recommendations Report No. 11-P-0115

FROM: Arthur A. Elkins, Jr.
Inspector General

A handwritten signature in black ink, appearing to read "Arthur A. Elkins, Jr.", is written over the printed name.

TO: The Honorable Rafael Moure-Eraso, Ph.D.
Chairman and Chief Executive Officer
U.S. Chemical Safety and Hazard Investigation Board

This is our report on the actions the Chemical Safety and Hazard Investigation Board (CSB) took to address prior U.S. Government Accountability Office and Office of Inspector General audit recommendations. This report represents our final position on the subjects reported. On December 23, 2010, you provided a response to our draft report. You concurred with the findings and recommendations and provided an action plan with milestone dates for completion. Therefore, a response to the final report is not required. CSB should continue to track corrective actions not yet implemented.

The estimated cost of this report, calculated by multiplying the project's staff days by the applicable daily full cost billing rates in effect at the time, is \$1,024,495.

If you or your staff have any questions regarding this report, please contact Melissa Heist, Assistant Inspector General for Audit, at (202) 566-0899 or heist.melissa@epa.gov; or Patrick Gilbride, Product Line Director, at (303) 312-6969 or gilbride.patrick@epa.gov.

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Chapter 1

Introduction

Purpose

We initiated this audit to determine whether the Chemical Safety and Hazard Investigation Board (CSB) had implemented audit recommendations made by three Offices of Inspector General (OIGs) – the Federal Emergency Management Agency (FEMA), the U.S. Department of Homeland Security (DHS), and the U.S. Environmental Protection Agency (EPA) – and by the U.S. Government Accountability Office (GAO); and whether the corrective actions taken were effective.

Background

CSB is an independent federal agency, created under the Clean Air Act (CAA) Amendments of 1990 and charged with investigating industrial chemical accidents. The act directs CSB to (1) investigate and report on the root cause or probable cause of any accidental chemical release resulting in a fatality, serious injury, or substantial property damage; (2) make safety recommendations to reduce the likelihood or consequences of accidental chemical releases and propose corrective measures; and (3) establish regulations for reporting accidental releases.



On July 17, 2007, an explosion and fire erupted at the Barton Solvents facility in Valley Center, Kansas. CSB investigated and issued a Case Study report on June 26, 2008. (CSB photo)

CSB's investigations examine all aspects of chemical accidents, including physical causes such as equipment failures, as well as inadequacies in safety management systems that define safety culture and adherence to government regulations. The board makes safety recommendations to plants, industry organizations, labor groups, and regulatory agencies.

CSB's authorizing statute provides for five board members, including a chairperson, all appointed by the president of the United States. The board's Chairman serves as the chief executive officer and is responsible for the board's administration, while

the full board is responsible for major budgeting decisions, strategic planning and direction, general board oversight, and approval of investigation reports and studies.

As of July 2010, there were 5 appointed board members, including the Chairman, and a professional staff of 36. Over the past 3 years, CSB's operating budget has increased from \$9.26 million in fiscal year (FY) 2008 to \$10.55 million in FY 2010 (table 1).

Table 1: CSB's 2011 budget justification

| | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|---------------------------------------|---------|---------|----------------------|---------------------|
| Operating budget (in millions) | \$9.26 | \$10.20 | \$10.55 ^a | \$12.71 (requested) |
| Staffing | 38 | 40 | 45 (projected) | 56 (requested) |

Source: CSB's FY 2011 budget justification.

^a Excludes a one-time appropriation of \$600,000 for a study on the industrial use of methyl isocyanate by the National Academy of Sciences.

In FY 2000, GAO began to report problems with CSB's policies, management, procedures, and overall governance. From FY 2002 through FY 2007, the FEMA, DHS, and EPA OIGs provided oversight and made audit recommendations to address governance issues. The EPA OIG assumed oversight responsibility in FY 2004.

In FY 2008, in response to a mandate in the Joint Explanatory Statement that accompanied the consolidated Appropriations Act, GAO examined how CSB responded to GAO and FEMA, DHS, and EPA OIG audit recommendations. A total of 34 audit recommendations were issued to CSB from FYs 2000 through 2008. The 34 audit recommendations and CSB's responses to the audit recommendations are in appendix A.

Noteworthy Achievements

CSB issued a contract to facilitate a more thorough identification of chemical incidents. CSB's contractor reviews the global media using key-word strings to identify significant news pertaining to CSB's mission and provides CSB information on chemical accidents. Since issuing the contract in FY 2008, the number of incidents CSB has logged into its system has increased substantially, from about 600 per year to over 1,000 per year.

CSB has developed and implemented software that has greater functionality in tracking its safety recommendations and collecting data on chemical incidents. Prior to FY 2008, CSB used a Microsoft Excel spreadsheet to track its incident notification data. In FY 2008, CSB converted the spreadsheet into a sequel database that interfaces with software that enables incident screeners and incident screening managers to track workflows related to incidents. The software's access

controls include audit trails that allow system administrators to view all changes to a record, and user controls to better control segregation of duties.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We performed our audit work from May 2009 through November 2010. We followed up on GAO and FEMA, DHS, and EPA OIG audit recommendations made to CSB from FYs 2000 through 2008.

We interviewed CSB's board members and office directors to identify and discuss the actions taken to address the audit recommendations. We obtained and reviewed CSB's Board Orders¹ developed in response to the audit recommendations and assessed their effectiveness. We also judgmentally selected and analyzed CSB's chemical incident data to determine whether data quality improvements were effective. We tested and assessed CSB's internal control structure related to ensuring effective and efficient operations and compliance with applicable laws and regulations.

For additional details on our scope and methodology, see appendix B.

¹ Board Orders are CSB's Policies and Procedures.

Chapter 2

CSB Has Not Established a Management Control Program

CSB did not take timely corrective actions to address audit recommendations from the FEMA, DHS, and EPA OIGs and from GAO. In four instances, it took CSB 4 years beyond the agreed-upon corrective actions date (or report date) to implement corrective actions. In addition, CSB’s actions to address 13 recommendations were not completely effective, and actions to address 7 recommendations are ongoing. CSB has not established and implemented a management control program to evaluate and report on the effectiveness of controls related to its program operations. Office of Management and Budget (OMB) Circular A-123, *Management’s Responsibility for Internal Control*, directs management to establish and maintain internal controls to achieve the objectives of effective and efficient operations. As a result of not having an effective management control program, 13 of 34 prior audit recommendations require additional corrective actions and 7 recommendations have not been addressed and remain open.

According to OMB Circular A-123 and GAO’s *Standards for Internal Control in the Federal Government*, management control programs should encompass GAO’s five standards of internal control, as shown in table 2. While we did not audit CSB’s internal control program, delays in responding to prior audit recommendations indicate weaknesses in its internal control structure. We found that CSB has not effectively implemented internal control standards 1, 3, and 5.

Table 2: GAO’s Standards for Internal Control in the Federal Government

| | |
|---|--|
| 1 Control Environment | This standard requires organizations to establish and maintain an environment that sets a positive and supportive attitude toward internal control. |
| 2 Risk Assessment | A precondition to risk assessment is the establishment of clear, consistent agency objectives. The internal control risk assessment process includes assessing risks the agency faces from both internal and external sources. Management should comprehensively identify risks and should consider all significant interactions between the entity and other parties, as well as internal factors at both entity and activity levels. |
| 3 Control Activities | These are the policies, procedures, techniques, and mechanisms that implement management’s direction toward achievement of goals. Internal control activities help ensure that management’s directives are carried out. |
| 4 Information and Communications | This standard includes data and information (performance and financial) to determine whether the organization is meeting its goals and objectives and maintaining accountability over resources. |
| 5 Monitoring | Internal control monitoring should assess the quality of performance over time and ensure that findings of audits and other reviews are promptly resolved. |

Source: OIG summary of GAO’s *Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1, November 1999.

Controls are a major part of managing an organization and are necessary for CSB to achieve its mission and program results through improved accountability. By implementing an effective management control program that fully incorporates GAO's standards of internal control, CSB should be reasonably assured that operations are effectively and efficiently carried out and management is in compliance with applicable laws and regulations.

Management Control Plan Not Implemented

In FY 2002, the FEMA OIG recommended that CSB's acting chief operating officer (COO) develop a written strategy for identifying, prioritizing, and improving the board's system of management controls. A draft written strategy was developed on May 30, 2002, and transmitted to the FEMA OIG. However, the draft was never finalized and no additional action was taken to address the audit recommendation.

In CSB's FY 2009 performance and accountability report, CSB's Chairman acknowledged that the Federal Managers' Financial Integrity Act requires an annual evaluation of its management controls to identify any material weaknesses. The Chairman further acknowledged that the requirement applies to all CSB programs and administrative functions. However, according to CSB, the assurance statement in its performance and accountability report addresses controls over CSB's financial management operations and not the organization's mission-related program operations. CSB has not developed and implemented complete and effective controls over its program operations.

Based on our assessment of CSB's actions to address the FEMA OIG's audit recommendation, we determined that CSB needs to develop and implement a management control plan to address prior audit recommendations and to improve the board's system of management controls.

Monitoring Corrective Actions Needs Improvement

CSB did not promptly resolve some prior audit recommendations. GAO's *Standards for Internal Control in the Federal Government* states that monitoring the effectiveness of internal controls should occur in the normal course of business to ensure that the findings of audits are promptly resolved. In addition, OMB Circular A-50, *Audit Follow-up*, specifies that agencies shall assign a high priority to the resolution of audit recommendations and to implementing corrective actions.

While CSB took actions to address 27 of the 34 prior audit recommendations, 1 recommendation was implemented over 8 years after CSB's planned corrective actions date (or report date) and 3 are ongoing over 4 years after the recommendations were issued (see table 3).

Table 3: Corrective actions delayed over 4 years

| Prior Audit Recommendations | Over 4 years | Over 8 years |
|--|--------------|--------------|
| GAO, <i>Chemical Safety Board: Improved Policies and Additional Oversight Are Needed</i>, GAO/RCED-00-192, July 1, 2000 | | |
| "We recommend that the Board develop clear policies and procedures on potential conflicts of interest and consider other policies and procedures that would further promote investigative impartiality and thoroughness..." <i>[Corrective actions implemented]</i> | | X |
| FEMA OIG, <i>Issues Regarding Management Accountability, Control, and Direction Have Not Been Resolved</i>, IC-01-02, March 1, 2002 | | |
| "We recommend that the Chief Operating Officer develop and implement a system that links strategic planning to resource allocation decisions and measures performance in a way that balances productivity and costs with desired outcomes." <i>[Corrective actions ongoing]</i> | | X |
| "We recommend that the Acting Chief Operating Officer develop a written strategy for identifying, prioritizing, and improving the agency's system of management controls..." <i>[Corrective actions ongoing]</i> | | X |
| DHS OIG, <i>A Report on the Continuing Development of the U.S. Chemical Safety and Hazard Investigation Board</i>, OIG-04-04, 2004, January 7, 2004 | | |
| "Establish a plan linking measurement data and strategic improvements that enables the CSB to assess and enhance its impact on chemical accident prevention." <i>[Corrective actions ongoing]</i> | X | |

Source: GAO, FEMA OIG, and DHS OIG audit reports. See appendix A.

Although the corrective actions dates have passed, actions are still ongoing to address the remaining seven audit recommendations. Three of the seven open recommendations have been open for over 4 years. In addition to the 7 ongoing audit recommendations, CSB could benefit from improvements to 13 of the 27 previously closed audit recommendations (appendix A, audit recommendations 4, 7, 12, 13, 14, 15, 17, 18, 19, 20, 21, 27, and 33).

The absence of an environment that sets a positive and supportive attitude toward internal control contributed to delays in actions to improve CSB's program performance. Had CSB implemented FEMA's 2002 audit recommendation to develop and implement a strategy to improve its management control system, many of CSB's corrective actions delays could have been prevented.

For example, in FY 2004, the DHS OIG recommended that CSB develop a plan to describe and address the investigative gap. The investigative gap is the difference between the number of chemical accidents within CSB's jurisdiction and the number CSB investigates. The DHS OIG further recommended that CSB define what constitutes a chemical accident within CSB's purview and publish a regulation that outlines how CSB will receive information on these accidents as

required by the CAA Amendments of 1990. In FY 2008, GAO found that CSB had not fully responded to the DHS OIG audit recommendation to address its investigative gap and had not published a regulation for reporting accidental releases. Therefore, GAO recommended that CSB's Chairman develop a plan to address the investigative gap and request the necessary resources from Congress to meet CSB's statutory language or seek amendment to its statutory mandate.

CSB's corrective actions to address the remaining seven audit recommendations are still ongoing. On November 5, 2009, over 4 years after the DHS OIG raised the issue regarding CSB's statutory mandate, and over a year after GAO recommended CSB seek clarification from Congress, CSB requested clarification from Congress on its statutory mandate. CSB is currently awaiting this clarification so that it can properly identify and address its investigative gap.

In June 2009, CSB published a notice of rulemaking in the Federal Register to obtain comments on the best way to proceed with implementing its regulatory reporting requirement. CSB is in the process of considering the comments in preparation for drafting a proposed rule. Although CSB has taken actions that should lead to full implementation of these audit recommendations, it has taken over 4 years from the initial audit recommendation to initiate actions that will bring them into full compliance with the requirements and the intent of the CAA Amendments.

Conclusion

CSB's corrective actions to address prior audit recommendations have not effectively corrected all of the conditions identified by auditors. Problems identified in prior audits persist because CSB does not have an effective management control program. CSB should develop and implement a management control plan to address prior audit recommendations in a timely manner and to improve the board's system of management controls. Although CSB has taken actions that should lead to full implementation of prior audit recommendations, in some cases it has taken over 4 years beyond CSB's milestones to complete corrective actions.

Recommendations

We recommend that the Chairman, Chemical Safety and Hazard Investigation Board:

1. Develop and implement a management control plan that documents and addresses the five internal control standards in accordance with OMB Circular A-123 and GAO's *Standards for Internal Controls in the Federal Government*. The plan should include an effective monitoring system to track corrective actions to address and implement audit recommendations. The plan is to include:

- a. A database to track all prior audit recommendations, planned milestone completion dates, and corrective actions taken.
 - b. Procedures for conducting periodic internal control reviews and properly documenting those reviews, including verifying and ensuring that audit recommendations are resolved promptly.
2. Develop and publish a regulation requiring persons to report chemical accidents, as required by the CAA.
3. Follow up with Congress on the CSB request for clarification of its statutory mandate. Upon receipt of the response, develop a plan to describe and address the investigative gap, address prior audit recommendations and request the necessary resources to meet CSB's statutory mandate.

CSB Response and OIG Comments

CSB concurred with all OIG recommendations. We evaluated CSB's planned actions for this recommendation and concluded that, if implemented according to CSB's plan, the actions should correct the concerns identified.

In response to recommendation 1, CSB indicated its intention to develop a management control plan by February 28, 2011, as an initiative in its FY 2011 action plan.

In response to recommendation 2, CSB indicated its intention to issue a proposed rule on accident reporting by September 30, 2011, as an initiative in its FY 2011 action plan.

In response to recommendation 3, CSB indicated its intention to transmit a formal package of suggested legislative improvements to CSB's congressional authorizing committee by April 30, 2011, as an initiative in its FY 2011 action plan. The package will include suggested language to clarify the statutory mandate to investigate. CSB noted that it is not in a position to guarantee a congressional response as indicated in our recommendation.

Chapter 3

CSB's Control Environment and Control Activities Do Not Facilitate Accountability

CSB's control environment and control activities do not ensure accountability. Specifically, CSB's office directors are not accountable for achieving individual and program initiatives leading to chemical accident prevention. Effective control activities, including Board Orders, have not been developed and implemented. In addition, without a clearly defined statutory mandate, CSB will face difficulties in developing outcome-related goals for measuring its impact on chemical accident prevention. According to OMB Circular A-123, *Management's Responsibility for Internal Controls*, a good internal control environment includes a management structure that helps ensure accountability for results. Without effective controls, CSB is not timely in carrying out initiatives to achieve the board's goal of chemical accident prevention.

CSB Can Improve Management Accountability

Three of CSB's prior audit recommendations pertained to creating an organizational structure that helps ensure accountability for results, including the need for a COO (also referred to as lead management official). The COO concept is consistent with the governance principle² that there is a single person within agencies responsible for the successful implementation of functional management and business transformation. The COO serves as a bridge between the Chairman of the board, functional chiefs, and mission-focused executives. The COO provides leadership and vision, bringing greater integration and increased attention to the board's management functions, which enables employees to accomplish their mission more effectively and efficiently. Governed by a term-appointed board, CSB should have an executive succession and transition planning strategy that ensures a sustained commitment and continuity of leadership as individual leaders arrive, depart, or serve in acting capacities.

In 2002, the FEMA OIG recommended that the board delegate the authority to effectively manage the day-to-day operations of CSB to the COO. The FEMA OIG further recommended that the COO develop and implement a system that links strategic planning with resource allocation decisions and measures performance in a way that balances productivity and costs with desired outcomes. CSB agreed with the audit recommendation and stated that the COO was taking the lead to develop a system linking strategic planning, resource allocations, and measuring performance.

² For additional information, see GAO, *Organizational Transformation: Implementing Chief Operating officer/Chief Management Officer positions in Federal Agencies*, GAO-08-34, November 2007.

In FY 2004, the COO left the organization and the chairperson at that time chose not to fill the vacancy. CSB office directors assumed the COO's duties. We interviewed four of CSB's five office directors and found that when individual or program initiatives are not met, they are added to the following fiscal year's annual action plan. We also reviewed CSB's annual action plans and found that many of CSB's annual initiatives toward accomplishing program goals remain on its annual action plans for up to 6 years (see table 4).

Table 4: Program initiatives carried forward from fiscal year to fiscal year

| INITIATIVES | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--|------|------|------|------|------|------|------|
| <i>(X indicates initiative is outstanding)</i> | | | | | | | |
| GOAL 1 | | | | | | | |
| Update investigative protocol. | X | X | X | X | X | X | X |
| Revise incident selection criteria. | | X | X | | | | |
| Develop a program for collecting feedback from end users of our products and incorporating the results into the protocol. | | X | X | | | | |
| Obtain security clearances for Investigations and Safety Programs investigators. | | X | X | | | | |
| Conduct investigative training including protocol, core competencies, and presentations by safety experts. | | | | | X | X | X |
| GOAL 2 | | | | | | | |
| Develop and implement targeted prevention plans for new and completed investigations aimed at ensuring adoption and strategic dissemination of recommendations and promoting their implementation. | X | X | | | | | |
| GOAL 3 | | | | | | | |
| Establish a comprehensive human resources program that incorporates: training and development for all staff; incentives and awards; diversity awareness; performance management; human capital scorecard; and timely recruitment and hiring. | X | X | X | X | X | X | X |
| Complete a long-term strategic space (physical infrastructure) plan. | | | | X | X | X | X |
| Develop board order on roles and responsibilities for board members. | | | | X | X | X | |
| Develop and implement continuity of operations plan. | | | | X | X | X | X |
| GOAL 4 | | | | | | | |
| Develop and implement outreach plans, including video production, for each CSB investigation/study. | | | | | X | X | X |
| GOAL 5 | | | | | | | |
| Implement Homeland Security Presidential Directive 12, Policy for a Common Identification Standard for Federal Employees and Contractors. | | | | | X | X | X |
| Develop foreign travel policy. | | | | | | X | X |

Source: CSB's annual action plans for FYs 2003–2009.

In 2008, GAO recommended that CSB consider reinstating the COO position with responsibility for establishing performance goals, holding program managers accountable for meeting those goals, and demonstrating improvement in the board's ability to meet its statutory mandates over time. GAO further

recommended that the Chairman develop a plan to address the investigative gap and request the necessary resources from Congress to meet its statutory mandate or seek an amendment to its statutory mandate. CSB agreed that it was appropriate to consider establishing a senior executive position to oversee important mission responsibilities. To improve the efficiency of CSB's operations, on September 16, 2010, the Chairman announced an internal reorganization appointing a managing director who will oversee all aspects of CSB operations.

Additionally, in FY 2008, GAO recommended that CSB use the strategic management of human capital portion of the President's Management Agenda to provide criteria for developing a comprehensive human capital plan, including specific objectives and performance measures to improve accountability for results. CSB agreed and included the development of a human capital plan in its 2009 action plan. Work to finalize the plan and gain the board's approval continues.

CSB's Control Activities Need Strengthening

Control activities are the policies, procedures, techniques, and mechanisms that enforce management directives. They are integral to an entity's ability to plan, implement, review, and account for government resources.

We found that CSB's Board Orders are not updated or revised in a timely manner. While CSB has changed a number of processes and practices to address prior audit recommendations, it has not documented those changes in its Board Orders (appendix A, audit recommendations 12, 15, 18, 19, 20, and 31). We noted that 14 of the 34 audit recommendations required the development of, or revisions to, existing CSB Board Orders. Of those 14, 5 previously closed audit recommendations require additional corrective actions due to subsequent events, and 1 audit recommendation remains open. See appendix A.

CSB should strengthen controls to ensure that corrective actions are consistently implemented throughout the organization. For example, we selected 18 of CSB's 70 completed and ongoing investigations from 1998 to 2009 to assess various aspects of the investigative process, including data quality. CSB incorrectly scored 2 of the 18 incidents in our sample. These scores provide the basis for deployment decisions. For one incident, we were unable to determine whether it was scored for investigative purposes and, for the other, CSB did not document fatalities, which is one of CSB's investigative scoring factors. However, both incidents did result in an investigation by CSB. CSB officials stated that data quality control reviews are now in place and will catch these types of inaccuracies. However, without official internal written guidance, such as the scope and frequency of CSB's quality control reviews and documented results, CSB has no assurance that these reviews are occurring or that data quality is improving.

CSB has recognized the importance of documenting internal control activities by establishing board orders that outline processes and procedures. However, CSB explained that due to limited resources, developing and updating Board Orders is not a high priority. CSB further stated that developing and updating policies takes a great amount of time and resources. We understand that developing and updating internal Board Orders requires time and resources. However, to ensure that the board's control objectives are met in an effective and efficient manner, CSB should ensure its Board Orders are clearly documented and accurately reflect current processes and practices.

Statutory Responsibility for Investigating Accidents Remains Unclear

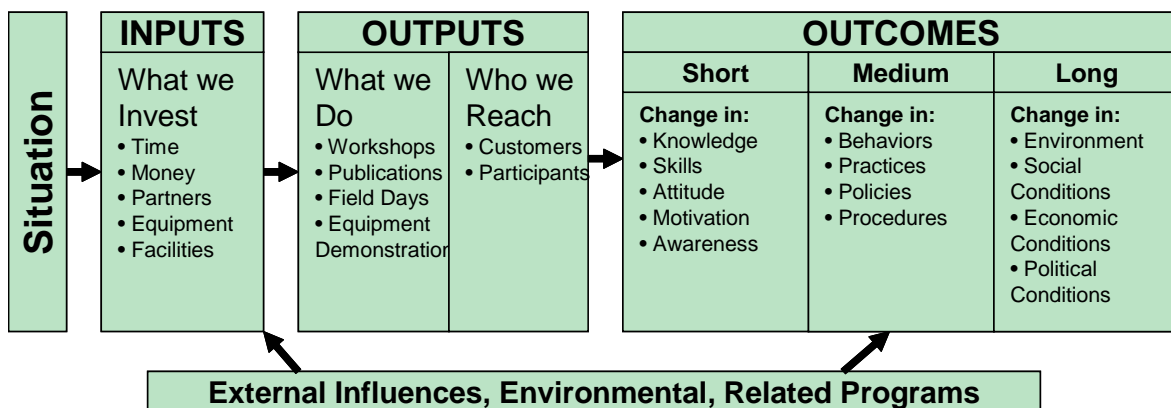
In 2004, the DHS OIG recommended that CSB develop a plan to describe and address the "investigative gap." The investigative gap is the difference between the number of accidents CSB investigates and the accidents that meet statutory criteria triggering CSB's responsibility to investigate. The DHS OIG also recommended that CSB define what constitutes a chemical accident within the CSB's purview and publish a regulation that outlines how CSB will receive information on these accidents. CSB concurred with the intent of the audit recommendations. CSB cited a lack of resources to investigate more than a small percentage of the accidents that fall within its legal jurisdiction and believed it had responded to its understanding of current congressional intent. CSB stated that given the questions concerning the benefits and potential impacts of such a regulation, it needed to seek additional guidance from OMB and Congress before it committed to a long-term regulatory plan of action. CSB responded that it would work with Congress to clarify the issue of CSB's statutory mandate as suggested by GAO. In a letter dated November 5, 2009, CSB requested that Congress clarify its statutory mandate as it relates to investigating chemical accidents. To date, there has been no response from Congress.

OMB Circular A-123 instructs agencies to design a management structure that helps ensure accountability for results as they develop and execute strategies for implementing agency programs and operations. Without clarity on its statutory mandate, CSB cannot develop goals representative of its mandate, justify the resources necessary to achieve them, and subsequently measure its progress toward meeting them.

Congress enacted the Government Performance and Results Act of 1993 to increase public confidence in the federal government by systematically holding federal agencies accountable for achieving program results. The Act requires agencies to have "general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the agency." CSB will encounter difficulties in developing outcome-related goals and objectives for measuring impacts on chemical accident prevention until it has a clear understanding of its statutory mandate.

CSB could use logic modeling to link its resources, investigative activities, and program accomplishments. Logic modeling is a tool that describes logical linkages among program resources, activities, outputs, and outcomes (see figure 1). Once a program has been described in terms of the logic model, critical measures of performance can be identified. Logic modeling could provide CSB and its stakeholders with an understanding of the resources invested, activities undertaken, and results achieved.

Figure 1: Elements of a logic model



Source: Paul F. McCawley, associate director, University of Idaho Extension.

Conclusion

CSB should institute an organizational structure that ensures accountability for results. According to CSB, Board Orders are not established or updated because their establishment is not a high priority and CSB has limited resources. The appointment of a managing director, with responsibility for managing CSB operations, could help ensure that weaknesses in management controls are appropriately remedied. In addition, an effective control environment would put CSB on course for developing measurable outcome goals and metrics to measure the effect of its efforts on preventing chemical accidents.

Recommendations

We recommend that the Chairman, Chemical Safety and Hazard Investigation Board:

4. Ensure that the responsibilities of the managing director include:
 - a. Establishing performance goals, holding program managers accountable for meeting those goals, and demonstrating

improvement in the board's ability to meet its statutory mandates over time, as recommended by the GAO.

- b. Developing and implementing an executive succession and transition planning strategy that ensures a sustained commitment and continuity of leadership operations.
5. Develop and implement a system for periodic reviews of Board Orders to ensure they remain updated (i.e., effective date of the policy and scheduled review date) and include the requirement for such a system in the management control plan.
6. Take corrective actions that will satisfy prior audit recommendations by updating and formalizing Board Orders that are essential to facilitate and manage effective and efficient control activities. Specifically, update:
 - a. Board Order 036, "Incident Selection Process," to reflect current changes, such as its data sources, changes due to technology improvements, and the incident selection process decision-making flowchart, to improve the incident screening and deployment decision-making process. In addition, formalize the Incident Screeners Guide (appendix A, audit recommendation 17, 18, 19, 20, and 31).
 - b. Board Order 040, "Investigation Protocol," to govern employees retaining memberships in societies or organizations to which the CSB issues recommendations (appendix A, audit recommendation 21).
 - c. Board Order 027, "Roles, Responsibilities, and Standards of Conduct in Procurement Activities," to reflect current procurement practices and processes to ensure consistency in the procurement process (appendix A, audit recommendation 7).
 - d. Board Order 022, "Recommendation Program," to include new practices adopted for following up on safety recommendations, to include a quality review program to ensure timely followup on closed safety recommendations (appendix A, audit recommendations 12 and 15).
 - e. Board Order 028, "Executive Administrative Functions of the Board," to document the role and responsibility of the managing director position.
7. Finalize and issue the human capital plan currently under development.

CSB Response and OIG Comments

CSB concurred with all OIG recommendations.

In response to recommendation 4, CSB indicated its intention to review the managing director's position description and make any necessary modifications to ensure the position description includes the responsibilities recommended by March 31, 2011.

In response to recommendation 5, CSB indicated its intention to develop a system for periodic reviews of Board Orders and include the requirement for such a review in the management control plan by February 28, 2011.

In response to recommendation 6, CSB indicated its intention to satisfy prior audit recommendations by updating and formalizing Board Orders that are essential to facilitate and manage effective and efficient control activities, specifically:

- a. Update Board Order 036 by March 31, 2011, as an initiative in its FY 2011 action plan.
- b. Update Board Order 40 to address employee participation and membership in professional associations by September 30, 2011. In addition, CSB will develop a Board Order specifically addressing memberships and organizational conflicts of interest by March 31, 2011, as an initiative in its FY 2011 action plan.
- c. Improve the procurement program as an initiative in the FY 2011 action plan. As part of this initiative, CSB will update Board Order 027 as appropriate by March 31, 2011.
- d. Board Order 022, "Recommendation Program," is currently under review and CSB will consider including a quality review program to ensure timely followup on safety recommendations by September 30, 2011. CSB will also update the Recommendations Office "Standards of Practice" document and expect that the Board Order will contain general guidance and the Standards of Practice will include detailed procedures.
- e. Review Board Order 028 and update it as appropriate to reflect the role and responsibility of the managing director position by September 30, 2011.

In response to recommendation 7, CSB indicated that updating and approving the human capital plan by January 31, 2011, is an initiative in its FY 2011 action plan.

Status of Recommendations and Potential Monetary Benefits

| RECOMMENDATIONS | | | | | | POTENTIAL MONETARY BENEFITS (in \$000s) | |
|-----------------|-------------|---|---------------------|--|-------------------------------|--|---------------------|
| Rec. No. | Page No. | Subject | Status ¹ | Action Official | Planned Completion Date | Claimed Amount | Agreed-To Amount |
| 1 | 7 | <p>Develop and implement a management control plan that documents and addresses the five internal control standards in accordance with OMB Circular A-123 and GAO's <i>Standards for Internal Controls in the Federal Government</i>. The plan should include an effective monitoring system to track corrective actions to address and implement audit recommendations. The plan is to include:</p> <ul style="list-style-type: none"> a. A database to track all prior audit recommendations, planned milestone completion dates, and corrective actions taken. b. Procedures for conducting periodic internal control reviews and properly documenting those reviews, including verifying and ensuring that audit recommendations are resolved promptly. | O | Chairman, Chemical Safety and Hazard Investigation Board | 02/28/11 | | |
| 2 | 8 | Develop and publish a regulation requiring persons to report chemical accidents, as required by the CAA. | O | Chairman, Chemical Safety and Hazard Investigation Board | 09/30/11 | | |
| 3 | 8 | Follow up with Congress on the CSB request for clarification of its statutory mandate. Upon receipt of the response, develop a plan to describe and address the investigative gap, address prior audit recommendations (appendix A, audit recommendations 8, 13, 14, 16, 29, 32, and 34), and request the necessary resources to meet CSB's statutory mandate. | O | Chairman, Chemical Safety and Hazard Investigation Board | 04/30/11 | | |
| 4 | 13 | <p>Ensure that the responsibilities of the managing director include:</p> <ul style="list-style-type: none"> a. Establishing performance goals, holding program managers accountable for meeting those goals, and demonstrating improvement in the board's ability to meet its statutory mandates over time, as recommended by the GAO. b. Developing and implementing an executive succession and transition planning strategy that ensures a sustained commitment and continuity of leadership operations. | O | Chairman, Chemical Safety and Hazard Investigation Board | 03/31/11 | | |
| 5 | 14 | Develop and implement a system for periodic reviews of Board Orders to ensure they remain updated (i.e., effective date of the policy and scheduled review date) and include the requirement for such a system in the management control plan. | O | Chairman, Chemical Safety and Hazard Investigation Board | 02/28/11 | | |

| RECOMMENDATIONS | | | | | | POTENTIAL MONETARY BENEFITS (in \$000s) | |
|-----------------|----------|--|---------------------|--|-------------------------|---|------------------|
| Rec. No. | Page No. | Subject | Status ¹ | Action Official | Planned Completion Date | Claimed Amount | Agreed-To Amount |
| 6 | 14 | Take corrective actions that will satisfy prior audit recommendations by updating and formalizing Board Orders that are essential to facilitate and manage effective and efficient control activities. Specifically, update: | O | Chairman, Chemical Safety and Hazard Investigation Board | | | |
| | | a. Board Order 036, "Incident Selection Process," to reflect current changes, such as its data sources, changes due to technology improvements, and the incident selection process decision-making flowchart, to improve the incident screening and deployment decision-making process. In addition, formalize the Incident Screeners Guide (appendix A, audit recommendation 17, 18, 19, 20, and 31). | | | 03/31/11 | | |
| | | b. Board Order 040, "Investigation Protocol," to govern employee's retaining memberships in societies or organizations to which the CSB issue recommendations (appendix A, audit recommendation 21). | | | 09/30/11 | | |
| | | c. Board Order 027, "Roles, Responsibilities, and Standards of Conduct in Procurement Activities," to reflect current procurement practices and processes to ensure consistency in the procurement process (appendix A, audit recommendation 7). | | | 03/31/11 | | |
| | | d. Board Order 022, "Recommendation Program," to include new practices adopted for following up on safety recommendations, to include a quality review program to ensure timely followup on closed safety recommendations (appendix A, audit recommendations 12 and 15). | | | 09/30/11 | | |
| | | e. Board Order 028, "Executive Administrative Functions of the Board," to document the role and responsibility of the managing director position. | | | 09/30/11 | | |
| 7 | 14 | Finalize and issue the human capital plan currently under development. | O | Chairman, Chemical Safety and Hazard Investigation Board | 01/31/11* | | |

¹ O = recommendation is open with agreed-to corrective actions pending
C = recommendation is closed with all agreed-to actions completed
U = recommendation is undecided with resolution efforts in progress

* Although the milestone for Recommendation 7 has passed, CSB has not provided the OIG with the documentation needed to verify implementation of the recommendation.

Status of Prior Audit Recommendations

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
|--|--|---|--|------------------|----------------------|---|---------------------------------------|
| <i>GAO, Chemical Safety Board - Improved Policies and Additional Oversight Are Needed, GAO/RCED-00-192, July 1, 2000</i> | | | | | | | |
| 1 | We recommend that the Board develop and implement clear policies and procedures on potential conflicts of interest. In addition, consider other policies and procedures that would further promote investigative impartiality and thoroughness, such as ensuring substantive disagreements among investigative team members are appropriately identified and addressed, reporting minority views of Board members in investigative reports, handling of requests for reconsideration of aspects of issued reports, and external peer review. | As we informed Congress in December 1999, as part of the ongoing endeavor to improve our investigation policies, the CSB will continue to refine and improve our investigation protocol this fiscal year. We will consider the additional policies and procedures you identified for ensuring impartiality and thoroughness in our investigations as part of this effort. We note that although we have not had written policies and procedures on the items you identified, all three of the CSB's investigation reports have been highly praised for their impartiality and thoroughness. | In September 2009, CSB created an "Investigation Product Review Verification and Certification" checklist, which considers and resolves comments from internal staff on investigative reports. Additionally, Board Order 001, "Board Quorum and Voting," addresses dissenting statements of board members. | X | | | |
| 2 | To provide the Board with the benefits of independent institutional oversight and to protect the government's financial interests, we recommend that the Board develop an agreement with an existing Office of Inspector General, giving that office the authority to investigate the Board's operations and programs, monitor agency responses to its recommendations, report to the Board and the Congress about weaknesses and deficiencies, and provide a hotline to report instances of suspected fraud, waste, or abuse. We further recommend that the Board notify the Congress in the event that it is unable to negotiate an agreement for these services with an existing inspector general. | We agree with your recommendation. In fact, as you reported, we have sought assistance from the Offices of Inspector General for the Department of Energy and the Treasury. Although those attempts were unsuccessful, we will continue to seek assistance from an existing Office of Inspector General. We note that as an interim step, we have posted information on the General Accounting Office's Fraud NET in common areas at the CSB so that employees can easily report allegations of fraud, waste, and abuse, or mismanagement of federal funds to an independent entity. | EPA OIG has oversight authority for CSB. CSB provided EPA OIG with \$300,000 for FY 2009. | X | | | |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
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| FEMA OIG, U.S. Chemical Safety Board-Issues Regarding Management Accountability, Control and Direction Have Not Been Resolved, IC-01-02, March 2002 | | | | | | | |
| 3 | We recommend that the Board, in the absence of a Chairperson, establish the necessary protocol to assign to one Board member on an interim basis executive and administrative functions, including the authority to appoint and supervise the staff, distribute business among the agency's personnel and administrative units, and control the preparation of the agency's budget and the expenditure of funds. The CSB also seek specific guidance from the Office of Legal Counsel (OLC) concerning the permissibility of designating a single member of the Board to be responsible for the executive and administrative functions during the period that the chairmanship is vacant. CSB should also consider seeking legislation that would definitively resolve this crucial issue. | CSB agrees with the recommendation and plans to seek an opinion from the OLC on the legality of appointing an acting Chairperson. | In its Letter Opinion dated April 2002, the CSB Office of Legal Counsel concluded that, "Although the CSB may not name an Acting Chairperson, it may delegate administrative and executive authority to a single member while the position of chairperson is vacant." CSB created Board Order 003, entitled "Interim Operating Protocol During a Vacancy in the Position of Chairperson," dated March 2000 and amended October 2007. | X | | | |
| 4 | We recommend that the Board delegate to the Chief Operating Officer (COO) authority to effectively manage the day-to-day operations of the CSB. The delegation should be consistent with the duties set forth in the COO's position description. | The Board provided justification for some of the specific administrative items over which it retained control, but it also acknowledged "over investment" in administrative affairs. To correct the situation the CSB intends to codify a broad delegation of authority to the COO via an internal Board Order, which will be drafted by April 30, 2002. | CSB provided the 2002 COO position description verifying that the position description authorized the COO to manage the day-to-day operations of CSB. The COO left CSB in FY 2004 and the former chairperson chose not to fill the position. CSB developed Board Order 028, "Executive Administrative Functions of the Board," dated August 2002 (revised August 2006). On September 16, 2010, CSB announced an internal reorganization appointing a Managing Director who will oversee all aspects of CSB operations. | | | X | Ensure the managing director's responsibilities include establishing performance goals, holding program managers accountable for meeting those goals, and demonstrating improvement in CSB's ability to meet statutory mandates over time, as recommended by GAO; and developing and implementing an executive succession and transition planning strategy that ensures a sustained commitment and continuity of leadership operations. |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
|---|--|---|--|------------------|----------------------|---|--|
| 5 | We recommend that the Acting Chief Operating Officer develop a written strategy for identifying, prioritizing, and improving the agency's system of management controls. Particular attention should be paid to establishing accountability mechanisms, including separation of duties. | The CSB agrees to develop a strategy to improve management controls and to create a management council below the Board level to oversee operations. | A draft written strategy (dated May 30, 2002) was developed and transmitted to the FEMA OIG, however, the draft was never finalized and no additional actions were taken to address this audit recommendation. No mechanisms are in place to link strategic planning and accountability. | | X | | |
| 6 | We recommend that the Board publish regulations that comply with the requirements of the "Government in the Sunshine Act." | The CSB agreed to publish a Sunshine Act regulation by May 1, 2002. In the meantime, the agency plans to establish a FOIA (Freedom of Information Act) reading room and to implement an interim Sunshine Act Compliance program. | CSB's rules implementing the Government in the Sunshine Act were published in the Federal Register, Vol. 67, No. 97, May 20, 2002, Rules and Regulation. | X | | | |
| 7 | We recommend that the Board revise policies and procedures to reduce Board member involvement in the soliciting and awarding of contracts. Such measures should include vesting administrative aspects of the procurement process in the Acting COO and raising the minimum procurement amount requiring Board approval. | The CSB agreed to make appropriate revisions to policies and procedures by May 31, 2002, to reduce Board Member involvement in the soliciting and awarding of contracts. Key revisions will include vesting administrative aspects of the procurement process in the COO and limiting Board member involvement in the procurement process to the final approval of goods or services valued at \$50,000 or more. The CSB will also rescind the SACHE (Safety and Chemical Engineering Education Committee), CCPS (Center for Chemical Process Safety), and NIEHS (National Institute of Environmental Health Sciences) initiatives. | Updated Board Order 027, "Roles, Responsibilities, and Standards of Conduct in Procurement Activities," dated June 2002, giving the COO oversight and management authority of the procurement process. | | | X | CSB should update Board Order 027 to reflect its current procurement practices and responsibilities. |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
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| 8 | We recommend that the Chief Operating Officer develop and implement a system that links strategic planning to resource allocation decisions and measures performance in a way that balances productivity and costs with desired outcomes. | The CSB agreed with the recommendation. The COO is taking the lead to develop a system linking strategic planning to resource allocations and measuring performance. The CSB noted that it is now monitoring progress on performance goals using work plans, and the agency is developing a system to track staff hours to performance goals that will be in place by April 30, 2002. | Although CSB tracks staff hours to performance goals, it has not demonstrated how this information is used for making strategic decisions. As an ongoing effort, CSB should consider its statutory mandate (upon receipt from Congress) to link strategic planning and resource allocations for measuring performance outcomes. | | X | | |
| 9 | We recommend that the Board immediately prioritize agency resources to ensure successful execution of all action items related to its investigative performance goal. | The CSB agreed with the recommendation. The CSB announced during its public meeting on February 27, 2002, that it has taken a hard look at it is FY 2002 performance plan and decided to rescind allocations for the SACHE workshop, NIEHS conference and CCPS membership. The agency decided not to undertake new outreach or data initiatives, including hiring, until it completes a review of its strategic plan, expected June 30, 2002. The Board plans to vet proposed revisions to the strategic plan through Congressional authorizing and appropriating committees. | CSB has limited its outreach activities and has stated that it is actively trying to hire more investigators. However, according to CSB officials, CSB is encountering problems recruiting investigators to work in Washington, DC. Therefore, CSB opened the Denver office. OIG reviewed hiring packages to verify that problems encountered hiring investigators for Washington, DC. We found that CSB has been actively trying to recruit investigators in the DC area, and that CSB received a much greater response to positions advertised for the Denver office. | X | | | |
| 10 | We recommend that the Board and Chief Operating Officer make the agency's FY02 hiring plans a top priority, and to the extent possible, accelerate the hiring process for new investigators. | Asserting that hiring staff within the Office of Investigations and Safety Programs is a top priority, the CSB has decided to petition the Office of Personnel Management by March 31, 2002, for permanent Schedule A hiring authority for investigative positions. | We obtained and reviewed CSB's FY 2006-2008 hiring packages. The Human Resources Servicing Center has destroyed prior years' hiring packages. Also, see the comments for audit recommendation 9 above. | X | | | |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
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| 11 | Curtail training-outreach initiatives until (a) the Board develops a Strategic Outreach Plan that takes into account the agency's statutory responsibilities, primary audience, and limited resources, and (b) its investigative function is fully operational. The plan should reflect the consensus of Board members, senior management, and staff. | The CSB rescinded its current training-outreach initiatives and expects to finalize a strategic outreach plan by April 30, 2002. The CSB will also review its strategic plan to ensure that the CSB is focused on the successful executions of its investigative performance goal. | According to CSB officials, strategic goal 4 is the CSB outreach plan. A review of the strategic plans indicates that focus has been on hiring investigators; however, CSB has not been very successful, filling only 2 of 11 investigator positions in the Washington, DC headquarters office. | X | | | |
| 12 | Implement a follow-up program for recommendations made in investigative reports, including monitoring recommendations, closing recommendations when corrective actions are taken, and periodically publishing the status of them. In order to better measure the impact of report recommendations, the program should be tied to the performance measures identified in the agency's strategic plan. | The CSB agreed with our recommendation and outlined several steps it will undertake to enact its recommendations program, including: (a) voting to close out 20 recommendations by March 15, 2002; (b) implementing an internal tracking system for recommendations status including a database and electronic file system for correspondence and documentations by March 30, 2002; (c) holding a public meeting to formally close a number of other recommendations by May 31, 2002; implementing a publicly accessible database on the World Wide Web for CSB's recommendations status by October 2002; and (d) including the percentage of recommendations adopted as a factor in measuring the effectiveness of CSB's mission accomplishment. | CSB Board Order 022, "Recommendation Program," was issued in December 2001, prior to FEMA's March 2002 report date. An internal safety recommendation tracking system was developed and implemented. However, CSB should update the policy to reflect current processes. | | | X | Update Board Order 022 to reflect current processes. |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
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| DHS OIG, <i>A Report on the Continuing Development of the U.S. Chemical Safety and Hazard Investigation Board</i> , OIG-04-04, January 7, 2004 | | | | | | | |
| 13 | Develop a plan to describe and address the gap between the number of accidents the CSB investigates and the number falling within its statutory investigative jurisdiction. Include this information in future budget submissions to Congress and the Office of Management and Budget. | The CSB concurred with the intent of the recommendation and agreed that it would be beneficial to investigate more chemical accidents and determine their root causes. The CSB cited its lack of resources to investigate more than a small percentage of the accidents that fall within its legal jurisdiction. The CSB believes it has responded to its understanding of current Congressional intent and conducting a larger number of superficial investigations would neither conform to the legislative intent of the Clean Air Act Amendments nor serve the ultimate goal of reducing accident rates. The CSB agreed that Congress and the Executive branch are likely to be unaware of the extent of injuries, damage, and dislocation caused by chemical accidents. In an effort to remedy this lack of information, the CSB will, beginning with fiscal year 2004, submit to Congress and the OMB an account of the total number of incident reports received and a listing of the serious chemical accidents evaluated by the agency for possible deployment. | Audit recommendation closed by EPA OIG in November 2004, at which time CSB was maintaining a database of incidents believed to be within its jurisdiction. The database was to be used to report to Congress the number and extent of incidents that occurred over a 12-month period. Two years after the OIG recommendation, CSB prepared a one-time report to Congress in FY 2006 and included less-detailed information in subsequent budget justifications to Congress. | | | X | Upon receipt of clarification of CSB's statutory mandate from Congress, conduct an analysis of CSB incident data to accurately identify the investigative gap and develop a plan to address the gap. |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
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| 14 | Define what constitutes a chemical accident within the CSB's purview and publish a regulation that outlines how the CSB will receive information on these accidents. | The CSB acknowledged that it has not yet developed a regulation requiring the reporting of chemical incidents falling within its jurisdiction, but it has developed non-regulatory alternatives. It has postponed undertaking a formal regulation for a number of reasons, including the significant financial and staffing implications for the Board and possible burden on affected parties. Given the questions concerning the benefits of and potential impacts of such a regulation, the CSB must seek additional guidance from OMB and Congress before it commits to a long-term regulatory plan of action. In light of the statutory language and the OIG's recommendation, the CSB will seek this guidance and define a further course of action by June 30, 2004. | Audit recommendation closed by EPA OIG in November 2004, based on CSB discussion with House Appropriations Subcommittee and OMB staff. CSB has not published a reporting regulation, nor has CSB clearly defined what constitutes a chemical accident within its purview. A letter was submitted to Congress on November 5, 2009, seeking clarification of its statutory mandate. | | | X | Upon receipt of clarification of CSB's statutory mandate from Congress, CSB should identify its investigative jurisdiction and develop and publish the required reporting regulation. |
| 15 | Evaluate the CSB's performance on recommendations follow-up and consider policies and practices to improve the CSB's timeliness for closing recommendations. | The CSB accepted the recommendation. In response to the increasing number of recommendations, the CSB is tracking and closing them more expeditiously. The CSB has recently reorganized to establish a separate recommendations supervisor with three staff, has developed a recommendations tracking database, and has initiated contact with recipients of all previous recommendations. With adequate funding, the CSB will make a major effort to close old recommendations and keep current on new ones during the first half of FY 2004. | Audit recommendation closed by EPA OIG in November 2004, as DHS OIG accepted CSB's response and planned actions. Written Board Orders have not been updated. | | | X | CSB should perform quality assurance reviews to ensure timely follow-up of closed safety recommendations. CSB should revise its board order to document its policy and procedures, to include improvements in monitoring safety recommendations and closing safety recommendations when corrective actions are taken. |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
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| 16 | Establish a plan linking measurement data and strategic improvements that enables the CSB to assess and enhance its impact on chemical accident prevention. | The CSB responded that in its five-year strategic plan, it has set measurable goals for its investigation activity and its recommendation implementation activity. The CSB believes these goals will clearly demonstrate the CSB's effectiveness. The CSB, working in concert with other federal agencies and private organizations, expects to help reduce the incidence of chemical accidents over time. The CSB does not envision establishing any additional measurement devices that measure the impact of CSB activity alone, but does expect to continue working with others to continue to improve the best available measure for chemical incidents. | Audit recommendation closed by EPA OIG in November 2004, at which time CSB stated the shortfall in national chemical accident database quality hinders their ability to provide meaningful measures of performance. However, CSB has maintained incident data since at least 2004 that can be used to identify trends that could be used to measure the impact on chemical incident prevention. CSB has not demonstrated how goals are measurable. CSB has no documentation to support working with other agencies to improve performance measures for chemical incidents. Clarification from Congress on its statutory mandate to better assess its effectiveness is pending. CSB needs to identify its investigative responsibilities to effectively assess, measure, and enhance its impact on chemical accident prevention. | | X | | |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
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| 17 | Develop a long-term strategy to address the shortfall in national chemical accident database quality. | The CSB acknowledged the shortfall in national chemical accident database quality recognized by the OIG and the difficulties it presents for the CSB. The CSB repeated that Congress has directed the CSB to focus on investigation activity, not data gathering. The CSB stated that there is no organization in the US that focuses on data quality for chemical safety such as the Bureau of Transportation Statistics does for transportation safety. The CSB will continue to work with other agencies to improve the quality of chemical accident databases. | Audit recommendation closed by EPA OIG in November 2004. In its FY 2011 budget justification, CSB informed Congress that to improve its incident screening and surveillance program, CSB issued an advance notice of proposed rulemaking for an incident reporting regulation. In addition, CSB mentioned that it took numerous steps to remedy data quality issues in existing incident screening data, which were identified by the GAO, and has implemented a new secure database system for collecting and accurately documenting incidents. CSB foresees that a reporting rule will further its current efforts to improve data collection and would permit more accurate surveillance of chemical incidents. We observed that CSB has taken steps to improve data quality issues (e.g., new search engines, new data gathering procedures, software changes, and supervisory controls on data entry). | | | X | CSB should update Board Order 036, "Incident Selection Process," to address data quality and recordkeeping improvements. |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
|----|---|--|--|------------------|----------------------|---|--|
| 18 | Revise the incident selection process to ensure that all accidents meeting statutory investigation criteria are considered for deployment by a manager with delegated authority for such decisions. | The CSB agreed with the recommendation. It intends to revise the investigation selection process in its FY 2004 action plan. To ensure that all accidents meeting statutory investigation criteria are considered, the CSB will more clearly define incidents within the CSB's purview. CSB will review the terms of its agreements with the NTSB and the NRC to ensure that they report these incidents to the CSB. | Audit recommendation closed by EPA OIG in November 2004. Board Order 036, "Incident Selection Process," was implemented on February 25, 2005, to address the audit recommendation to revise the incident selection process to ensure all accidents meeting statutory investigation criteria are considered for deployment by a manager with authority for such decisions. We were able to verify that incidents meeting statutory investigation criteria were considered for deployment by a manager with authority. During the course of the audit, CSB started (July 2009) documenting deployment meetings and plans to include these meetings in its tracking system in order to support deployment decisions. Documenting deployment meetings will support management's involvement in considering accidents for deployment. | | | X | CSB should update Board Order 036, "Incident Selection Process," to include guidance on the scope and frequency of data quality checks, a requirement to maintain records of such data quality checks, and a requirement to document deployment meeting discussions. |
| 19 | Revise the incident selection process to incorporate appropriate levels of supervision and separation of duties associated with receiving, evaluating, and recording or discarding notifications. | The CSB agreed with the recommendation. Its action plan will contain clearly defined lines of authority and control between the incident screeners (duty officers) and the Board to ensure that decisions regarding incident selection and investigation deployment are made with proper management control and oversight. CSB will implement a revised incident selection process by September 30, 2004. | Audit recommendation closed by EPA OIG in November 2004. CSB tracking system incorporates many steps for separation of duties; however, it is implemented inconsistently. We found from our review of the tracking system that there was not always evidence of appropriate supervisory review. | | | X | CSB should update its policy to ensure current processes are documented, including separation of duties, and that all notifications are entered into its tracking system. |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
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| 20 | Improve its recordkeeping of the selection process, including a definition of which types of notifications the CSB will record or discard, to manage the quality of incident selection data and enable the CSB to analyze it in the future. | The CSB agreed with the recommendation. In its FY 2004 action plan, it will revise the selection process by improving recordkeeping of incident notifications and follow-up activities. The CSB will upgrade the screening matrix to a database. CSB will implement a revised incident selection process by September 30, 2004. | Audit recommendation closed by EPA OIG in November 2004. Board Order 036, "Incident Selection Process," dated 2005, addresses the incident selection process recordkeeping requirements. CSB upgraded its screening matrix to an electronic/secure database in FY 2008. CSB has not updated existing guidance (Board Order 036) to address data quality and record keeping improvements (e.g., new tracking system, supervisory checks). | | | X | CSB should update existing guidance to address recordkeeping improvements. |
| 21 | Publish a policy regarding employee conflicts of interest related to investigations. | The CSB agreed with the recommendation. It agreed that the policy should address employee participation in professional associations. | Audit recommendation closed by EPA OIG in November 2004. CSB has not published a separate policy for employee participation in professional associations. In March 2006, CSB revised Board Order 40, "Investigative Protocol" to address conflict of interest in the investigative process and conflict of interest in contracting with CSB. | | | X | CSB should update Board Order 40 to govern employees retaining memberships in societies or organizations to which the CSB issue recommendations. |
| 22 | Enact required administrative regulations, including the CSB organization. | The CSB generally agreed with this recommendation. The CSB recently published a regulation on its organization, functions, quorum, and voting procedures and it plans to pursue further action on a reporting regulation. The CSB will also consider benchmarking information provided by the OIG and decide what additional regulations on investigative functions it should publish. | Audit recommendation closed by EPA OIG in November 2004. CSB has met the requirements of the administrative regulations. CSB addressed the Freedom of Information Act and Electronic-Freedom of Information Act for enacting and publishing information on its website and in the Federal Register. CSB has published organizational information on its publicly available web site. | X | | | |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
|---|---|--|---|-----------|---------------|--|---------------------------------------|
| 23 | Publish policies and administrative guidance on the CSB website, particularly regarding the conduct of investigations, but also including other relevant materials such as board voting records and orders. | The CSB agreed that it could take additional steps to improve the public's understanding of its functions. The CSB will ensure that materials required under 5 U.S.C. § 552(a) (2) are published on the agency's website. The CSB will determine what additional information on investigative functions it should publish. | Audit recommendation closed by EPA OIG in November 2004. Also see comments to audit recommendation 22. | X | | | |
| <i>EPA OIG, U.S. Chemical Safety and Hazard Investigation Board Should Track Adherence to Closed Recommendations, Report No. 2007-P-00010, March 26, 2007</i> | | | | | | | |
| 24 | Revise CSB guidance, Board Order 022, to include follow-up on closed recommendations. | CSB concurred with our findings regarding facility adherence to closed recommendations. Specifically, CSB's Chairman stated that she "will ask her staff to propose an amendment to Board Order 022 to include follow-up action on selected, major closed recommendations." The goal will be to conduct periodic evaluation of the impacts of the selected recommendations. This commitment would require and be contingent upon some additional staff resources, and depending upon the nature of the follow-up, paperwork reduction act clearances from OMB. | Board Order 022, "Recommendation Program," was revised on March 2009 to include follow up on closed safety recommendations. | X | | | |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
|----|--|--|---|------------------|----------------------|---|---------------------------------------|
| 25 | Follow up on a sample of closed recommendations every 3 years and analyze whether adherence and /or recipient conditions have changed. | CSB concurred with our findings regarding facility adherence to closed recommendations. Specifically, CSB's Chairman stated that she "will ask her staff to propose an amendment to Board Order 022 to include follow-up action on selected, major closed recommendations." The goal will be to conduct periodic evaluation of the impacts of the selected recommendations. This commitment would require and be contingent upon some additional staff resources, and depending upon the nature of the follow-up, paperwork reduction act clearances from OMB. | CSB's safety recommendation follow-up policy includes a review of closed safety recommendations every 5 years, to begin in FY 2010. CSB completed its 1st follow-up review on closed recommendations in fiscal year 2010. | X | | | |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
|---|---|--|--|-----------|---------------|--|---|
| <i>EPA OIG, U.S. Chemical Safety and Hazard Investigation Board Did Not Adhere to Its Merit Promotion Plan, Report No. 2007-S-00001, June 4, 2007</i> | | | | | | | |
| 26 | For future promotions, evaluate candidates and manage the selection process in accordance with CSB policy. The person responsible for day-to-day administration of the merit promotion process should ensure that: CSB has a sound rationale for the scoring methodology; Independent personnel score tests rather than recommending officials; CSB applies the required evaluation criteria, including detailed crediting plans, to ensure a pool of high quality candidates; Personnel maintain documentation, including notes, supporting selection decisions; Applicants submit required documentation, such as the appropriate performance appraisals; Vacancy announcements list a specific number of positions; and CSB affords due weight to past performance in selection decisions. | CSB concurs with the general intent "to manage the selection process in accordance with CSB policy." However, the CSB objects that the recommendation implies that the CSB did not manage the process in accordance with CSB policy. The CSB also disagrees with some of the specific suggestions because: The CSB employed a sound rationale for the scoring methodology. The OIG did not identify any problem or a perceived problem by having the recommending officials score tests and in future personnel actions; it may be the case that the recommending officials are the ones that are best positioned to score tests. CSB applied the required evaluation criteria, and went beyond these requirements to ensure a fair and objective process. The CSB did maintain adequate documentation. All applicants submitted the appropriate performance appraisals as required for the subject action; and due weight was given to past performance for the subject action. | CSB has updated Board Order 016, "Merit Promotion Plan," dated January 18, 2001, to include a scoring process. Although our review of CSB hiring packages did not include any merit promotion positions, we did see evidence that the Board Order requirements were being implemented. | X | | | |
| 27 | Update the Merit Promotion Plan (MPP) to reflect the current human resources servicing provider and the status of the Chief Operating Officer. | The CSB has revised its MPP to reflect the discontinuation of the Chief Operating Officer position, and the roles of the Human Resource Director and servicing personnel office. The CSB will also update its Performance Appraisal Program to reflect current management arrangements. | CSB Board Order 016, "Merit Promotion Plan," dated January 18, 2001, was amended May 4, 2007. The 2007 amendments to the board order identifies "a federal agency" for personnel support services, and gives the Chairman the responsibility to implement the MPP. | | | X | Update Board Order 016, "Merit Promotion Plan," to reflect the hiring of the Managing Director and to give the Managing Director oversight authority to ensure that the director, Office of Human Resources implements the MPP. |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
|---|--|---|---|-----------|---------------|--|---------------------------------------|
| 28 | Clarify instructions on interview score sheets to ensure that the interview panel bases scores on information provided by the candidate during the interview process and not on personal knowledge of the candidates outside of the interview setting. | The CSB has revised its MPP to help avoid the concerns that the OIG identified. Under the revised MPP, if interviews are conducted, interview panel score sheets will contain specific instructions that those candidates are to be evaluated solely on the basis of the information provided by candidates during the interview and not on any other basis. In addition, each member of the panel will be asked to certify in writing that his or her scores are based strictly on the information provided by the candidate during the interview. The CSB will also conduct research and benchmarking to determine if other measures would benefit its structured interview process. | CSB has developed and implemented clear procedures for its interview score sheets to ensure the panel bases scores on information provided by the candidate during the interview. This process was verified through our review of the CSB recruitment packages. | X | | | |
| <i>GAO, Chemical Safety Board - Improvements in Management and Oversight Are Needed, GAO-08-864R, August 22, 2008</i> | | | | | | | |
| 29 | We recommend that the Chairman of the Chemical Safety Board (a) develop a plan to address the investigative gap and request the necessary resources from Congress to meet CSB's statutory mandate or seek an amendment to its statutory mandate. | The CSB has not construed the agency's authorizing statute as requiring investigation for every chemical accident involving a fatality, serious injury, or substantial property damage, or the potential for such consequences, but understands GAO's concern and recommendation. In addition to seeking additional investigation resources, we will draft a plan for obtaining information on additional chemical accidents occurring in the U.S., and clearly set forth a risk-based approach to accident selection and investigation. We will work with Congress to clarify the issue of CSB's statutory mandate, as suggested by GAO, including if appropriate, an amendment to CSB's enabling legislation. | CSB has requested clarification of its statutory mandate from Congress (letter dated November 5, 2009). Actions to address CSB's investigative gap will be based on the response CSB receives from Congress on its statutory mandate. | | X | | |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
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| 30 | (b) consider using the work of other entities, such as government agencies, companies, and contractors (subject to an assessment of the quality of their work), to a greater extent to maximize the board's limited resources; | The Board will consider using the work of other entities and contractors to further maximize its limited resources. In our experience, however, there are limits and pitfalls to the use of other entities' work. Based on this experience, we respectively suggest that the CSB has correctly interpreted its Congressional mandate by independently investigating major accidents and hazards in depth, rather than attempting to serve as a clearinghouse for numerous, disparate, and other superficial reports from other organizations. | According to CSB officials, the Denver office is currently using work of other organizations to produce shorter products such as case studies and safety bulletins. | X | | | |
| 31 | (c) improve the quality of its accident-screening database by better controlling data entry and periodically sampling accident data to evaluate their consistency and completeness; | We note that the screening database primarily represents a compilation of the earliest reports of accidents - including those from the National Response Center and the media -- which may contain inherent inaccuracies. Nonetheless, the CSB agrees that it should take additional steps to prevent errors from being introduced through incorrect data entry. The CSB will revise its board order on the incident selection process and consider changes to improve data accuracy. We plan to consider such measures as additional written guidance and training for incident screeners, designing an electronic workflow so that significant changes to the database require supervisory sign-off; and periodic auditing of screening data for quality and completeness. In addition, we will review the staffing for the screening program and its overall structure as the CSB develops its human capital plan. | We are aware that CSB has taken steps to remedy data quality issues. We observed data quality improvements, such as supervisory checks, use of a new search engine, and an automated data tracking system. However, based on our analysis of a sample of CSB data, we were unable to identify whether some inaccuracies noted were due to human error or to the lack of periodic testing. CSB can further improve its data quality by developing and implementing written guidance that documents the scope and frequency of the data quality checks, and by maintaining records of such data quality checks. | | X | | |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
|----|--|---|---|------------------|----------------------|---|---------------------------------------|
| 32 | (d) publish a regulation requiring facilities to report all chemical accidents, as required by law, to better inform the agency of important details about accidents that it may not receive from current sources; | The CSB will publish in the Federal Register a Request for Information (RFI) concerning a reporting regulation. The RFI will present various options for rulemaking and seek the views and opinions of our stakeholders on the best path forward. We intend to publish the RFI within the next three months. In addition, the detailed plan to conduct more investigations will include staffing and resource projections for staff to collect and analyze incident information. We note that CSB's position has been that a reporting regulation is not needed for the narrow purpose of notifying the CSB of major accidents warranting the deployment of investigators, which appears to be the sole purpose of the CSB's authority to issue a reporting rule. | CSB has not published a reporting regulation. CSB stated in its response to a GAO report (dated July 11, 2008) that it intended to publish the Request For Information within the next 3 months. An Advanced Notice of Proposed Rulemaking was published in the Federal Register on June 25, 2009. CSB review of the responses is ongoing. Upon receipt from Congress clarifying CSB's statutory mandate, CSB needs to identify its investigative jurisdiction and publish the required regulation. | | X | | |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
|----|--|---|---|------------------|----------------------|---|---|
| 33 | (e) consider reinstating the position of Chief Operating Officer, with delegations of responsibility for establishing performance goals, holding program managers accountable for meeting those goals, and demonstrating improvement in the agency's ability to meet its statutory mandates over time; and | The CSB agrees that it is appropriate to consider establishing a senior executive position to oversee important mission responsibilities. The CSB will give serious consideration to the establishment of such a position as part of its development of a strategic human capital plan. | On September 16, 2010, CSB announced an internal reorganization appointing a Managing Director who will oversee all aspects of CSB operations. We concluded from our review of the proposed COO position description that CSB had not planned to give the COO the responsibility for establishing performance goals and management accountability, and demonstrating progress toward meeting its statutory mandate. | | | X | Upon receipt of clarification of CSB's statutory mandate from Congress, CSB should identify its investigative jurisdiction to be able to develop measurable goals and metrics. Ensure the Managing Director's responsibilities include establishing performance goals, holding program managers accountable for meeting those goals, and demonstrating improvement in the board's ability to meet its statutory mandates over time, as recommended by GAO; and developing and implementing an executive succession and transition planning strategy that ensures a sustained commitment and continuity of leadership operations. |

| | AUDIT RECOMMENDATION | CSB RESPONSE (From referenced audit reports) | CSB ACTIONS TAKEN | Completed | Not Completed | Completed but Additional Improvements Needed | ADDITIONAL IMPROVEMENTS NEEDED |
|----|--|---|--|-----------|---------------|--|---------------------------------------|
| 34 | (f) use the Strategic Management of Human Capital portion of the President's Management Agenda to provide criteria for developing a comprehensive human capital plan, with input from investigators that includes specific objectives and performance measures to improve accountability for results and to assist the agency in its goal of improving its human capital and infrastructure. | The CSB agrees to use the Strategic Management of Human Capital portion of the President's Management Agenda as a guide for developing a comprehensive human capital plan. The CSB will also continue to work with the Office of Personnel Management's Small Agencies Human Capital Leadership and Merit System Accountability Office to develop the human capital plan. ... Developing the plan will be included in the CSB's FY2009 action plan. | CSB included the development of a human capital plan in its 2009 action plan. CSB submitted the draft plan to the Office of Personnel Management in December 2009, and work continues to finalize and implement the plan and gain the board's approval. CSB's management of its human capital will be dependent on its investigative jurisdiction. Congress will clarify CSB's investigative jurisdiction. | | X | | |
| | | | | 14 | 7 | 13 | |

Details on Scope and Methodology

We followed up on GAO and FEMA, DHS, and EPA OIG performance audit recommendations made to CSB from FYs 2000 through 2008 (Financial Statement and Federal Information Security Management Act reports were excluded). A total of 34 audit recommendations were made in six prior audit reports issued by the four audit organizations. The reports were:

- GAO, *Chemical Safety Board: Improved Policies and Additional Oversight Are Needed*, GAO/RCED-00-192, July 1, 2000
- FEMA OIG, *Issues Regarding Management Accountability, Control, and Direction Have Not Been Resolved*, IC-01-02, March 2002
- DHS OIG, *A Report on the Continuing Development of the U.S. Chemical Safety and Hazard Investigation Board*, OIG-04-04, January 7, 2004
- EPA OIG, *U.S. Chemical Safety and Hazard investigation Board Should Track Adherence to Closed Recommendations*, Report No. 2007-P-00010, March 26, 2007
- EPA OIG, *U.S. Chemical Safety and Hazard investigation Board Did Not Adhere to Its Merit Promotion Plan*, Report No. 2007-S-00001, June 4, 2007
- GAO, *Chemical Safety Board: Improvements in Management and Oversight Are Needed*, GAO-08-864R, August 22, 2008

The EPA OIG closed all the audit recommendations contained in the January 7, 2004, DHS OIG report. The EPA OIG closed the recommendations based on satisfactory actions taken to address the recommendations as well as planned corrective actions. We followed up on those audit recommendations to assess the effectiveness of actions taken by CSB to address issues identified in the report.

We interviewed members of CSB, including the Chairman/Chief Executive Officer, and CSB's office directors, to identify the actions taken to address prior audit recommendations. We obtained and reviewed documentation that supports the board's corrective actions. We conducted tests of the corrective actions taken to determine whether those actions were effective in mitigating the weaknesses identified during prior audits.

We selected 18 of CSB's 70 investigations (13 completed investigations and 5 ongoing investigations) from 1998 through 2009 to assess various aspects of the investigative process, including data quality. As of May 27, 2010, 60 of the 70 investigations were completed and 10 were ongoing. Our sample represented approximately 25 percent of the total completed and ongoing investigations from 1998 through 2009.

To determine whether CSB prioritized its resources to ensure execution of all actions related to its investigative performance goal, including hiring new investigators and conducting more incident investigations, we reviewed CSB's recruitment packages, dated from 2006 through 2008, at the National Business Center (CSB's Human Resources Servicing Center) and at CSB. All job announcements were reviewed. We analyzed the responses to announcements for CSB's headquarters in Washington, DC, and for its Denver, Colorado, office to substantiate CSB's assertions that it had difficulty recruiting for headquarters positions due to the high cost of living. We also reviewed interview score sheets for each announcement to determine whether there were biases in the selection process.

CSB Response to Draft Report

December 23, 2010

Arthur A. Elkins, Jr.
Inspector General
U.S. Environmental Protection Agency
1200 Pennsylvania Ave, NW (2410T)
Washington, DC 20460

Dear Inspector General Elkins:

Thank you for the opportunity to comment on your draft report on the actions the Chemical Safety and Hazard Investigation Board (CSB) took to address prior audit recommendations. You reviewed a total of 34 prior audit recommendations issued from fiscal years 2000 and 2008, and found that CSB actions on 7 recommendations were not yet completed, and identified additional corrective actions for 13 recommendations closed by prior auditors. You also recognized CSB's September 2010 appointment of a Managing Director, who will oversee CSB's operations and ensure accountability.

We agree that the CSB will take further action on the prior audit recommendations you identified, and believe that our September 2010 reorganization is the first step in establishing and implementing an effective management control program. The following discussion addresses each of your recommendations.

OIG RECOMMENDATION 1

Develop and implement a management control plan that documents and addresses the five internal control standards in accordance with OMB Circular A-123 and GAO's *Standards for Internal Controls in the Federal Government*. The plan should include an effective monitoring system to track corrective actions to address and implement audit recommendations. The plan is to include:

- a. A database to track all prior audit recommendations, planned milestone completion dates, and corrective actions taken.
- b. Procedures for conducting periodic internal control reviews and properly documenting those reviews, including verifying and ensuring that audit recommendations are resolved promptly.

CSB Response. We agree with the recommendation and developing a management control plan will be an initiative in our fiscal year (FY) 2011 Action Plan.

OIG RECOMMENDATION 2

Develop and publish a regulation requiring persons to report chemical accidents, as required by the CAA.

CSB Response. We agree with the recommendation and issuing a proposed rule on accident reporting will be an initiative in our FY 2011 Action Plan.

OIG RECOMMENDATION 3

Follow up with Congress on the CSB request for clarification of its statutory mandate. Upon receipt of the response, develop a plan to describe and address the investigative gap, address prior audit recommendations (appendix A, audit recommendations 8, 13, 14, 16, 29, 32, and 34), and request the necessary resources to meet CSB's statutory mandate.

CSB Response. We agree with the recommendation. Under our 2011 action plan, we will transmit a formal package of suggested legislative improvements to the CSB's Congressional authorizing committees. The package will include language to clarify the statutory mandate to investigate. The CSB is not in a position, however, to guarantee a Congressional response as indicated in the OIG recommendation.

OIG RECOMMENDATION 4

Ensure that the responsibilities of the Managing Director include:

- a. Establishing performance goals, holding program managers accountable for meeting those goals, and demonstrating improvement in the board's ability to meet its statutory mandates over time, as recommended by a GAO.
- b. Developing and implementing an executive succession and transition planning strategy that ensures a sustained commitment and continuity of leadership operations.

CSB Response. We agree with the recommendation. We will review the Managing Director's position description and make any necessary modifications to ensure these responsibilities are included.

OIG RECOMMENDATION 5

Develop and implement a system for periodic reviews of Board Orders to ensure they remain updated (i.e., effective date of the policy and scheduled review date) and include the requirement for such a system in the management control plan.

CSB Response. We agree with the recommendation. A system for periodic reviews of Board Orders will be developed and included in the management control plan.

OIG RECOMMENDATION 6

Take corrective actions that will satisfy prior audit recommendations by updating and formalizing Board orders that are essential to facilitate and manage effective and efficient control activities. Specifically, update:

- a. Board Order 036, "Incident Selection Process," to reflect current changes, such as its data sources, changes due to technology improvements, and the incident selection process decision-making flowchart, to improve the incident screening and deployment decision-making process. In addition, formalize the Incident Screeners Guide (appendix A, audit recommendation 17, 18, 19, 20, and 31).
- b. Board Order 040, "Investigation Protocol," to govern employees retaining memberships in societies or organizations to which the CSB issues recommendations (appendix A, audit recommendation 21).
- c. Board Order 027, "Roles, Responsibilities, and Standards of Conduct in Procurement Activities," to reflect current procurement practices and processes to ensure consistency in the procurement process (appendix A, audit recommendation 7).
- d. Board Order 022, "Recommendation Program," to include new practices adopted for following up on safety recommendations, to include a quality review program to ensure timely follow-up on closed safety recommendations (appendix A, audit recommendations 12 and 15).
- e. Board Order 028, "Executive Administrative Functions of the Board," to document the role and responsibility of the Managing Director position.

CSB Response. We agree with the recommendation. Specifically:

- a. Updating Board Order 036 will be included as an initiative in our FY 2011 action plan.
- b. We will either update Board Order 40 or develop a specific Board Order to address employee participation and memberships in professional associations.
- c. Improving the procurement program will be an initiative in the FY 2011 action plan. As part of this initiative we will update Board Order 027 as appropriate.
- d. Board Order 022, "Recommendation Program," is currently under review and we will consider including a quality review program to ensure timely follow-up on safety recommendations. We are also updating our Recommendations Office "Standards of Practice" document and expect that the Board Order will contain general guidance and the Standards of Practice will include detailed procedures.
- e. We will review Board Order 028, and update it as appropriate to reflect the role and responsibility of the Managing Director position.

OIG RECOMMENDATION 7

Finalize and issue the human capital plan currently under development.

CSB Response. We agree with the recommendation. Updating and approving the human capital plan is an initiative in our FY 2011 Action Plan.

If you or your staff has any questions regarding this response, please contact Bea Robinson, audit liaison, at 202-261-7627. I thank you and your staff for your efforts on this evaluation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rafael Moure-Eraso', written in a cursive style.

Rafael Moure-Eraso, Ph.D.
Chairperson & CEO