

About This Report

PURPOSE OF THE REPORT

The U.S. Environmental Protection Agency's *FY 2008 Performance and Accountability Report* (PAR) describes the Agency's many accomplishments and challenges in both program performance and overall management. Specifically, the Performance and Accountability Report presents results in meeting the 219 performance measures established in the FY 2008 Annual Performance Plan and Budget and explains advances made toward the long-term goals set forward in the [2006-2011 Strategic Plan](http://www.epa.gov/ocfo/plan/2006/entire_report.pdf) (www.epa.gov/ocfo/plan/2006/entire_report.pdf). The report also shares ideas for future directions and offers opportunities for comments and questions. Readers will learn how EPA has made a difference and where the Agency has met and overcome obstacles. This document satisfies reporting requirements of the following statutes:

- Federal Managers' Financial Integrity Act of 1982 (FMFIA)
- Inspector General Act Amendments of 1988
- Chief Financial Officers Act of 1990
- Government Performance and Results Act of 1993 (GPRA)
- Government Management Reform Act of 1994
- Federal Financial Management Improvement Act of 1996 (FFMIA)
- Reports Consolidation Act of 2000
- Improper Payments Information Act of 2002

HOW THE REPORT IS ORGANIZED

Transmittal Letter to the President

The transmittal letter transmits EPA's *FY 2008 Performance and Accountability Report* from the Administrator to the President and the Congress. The letter states in general terms the Administrator's priorities, FY 2008 Agency accomplishments and indicates future directions. The letter also provides an assessment of the reliability and completeness of the financial and performance data contained in this report and a statement of assurance, as required by the Federal Managers' Financial Integrity Act, the Federal Financial Management Improvement Act, and the Office of Management and Budget Circular A-123, "Internal Control Systems."

Message from the Chief Financial Officer

The Chief Financial Officer's message describes progress and challenges pertaining to EPA's performance and financial management. It discusses EPA's efforts to integrate budget and

performance information, and it provides information on the Agency's management and financial reportable controls program under the Federal Managers' Financial Integrity Act and financial management systems under the Federal Financial Management Improvement Act.

Section I – Management's Discussion and Analysis (MD&A)

The Management's Discussion and Analysis provides an overview of the full *FY 2008 Performance and Accountability Report*. It outlines the Agency's organization, discusses significant FY 2008 environmental performance results, and points out challenges the Agency encounters in carrying out its work. The Management's Discussion and Analysis also describes EPA's framework for performance management, briefly analyzes the Agency's financial performance, and summarizes progress in implementing the President's Management Agenda. Lastly, this section discusses EPA's progress in strengthening its management practices and compliance with laws and regulations (the Federal Managers' Financial Integrity Act, the Federal Financial Management Improvement Act and others) to ensure the integrity of its programs and operations. It contains the Administrator's assurance statement on the soundness of EPA's overall internal controls and its internal controls over financial reporting. The Management's Discussion and Analysis is supported and supplemented by detailed information provided in the Performance, Financial, and Other Accompanying Information sections of this report and the appendices.

Section II – Performance Results

This section presents performance results for each of the Agency's five strategic goals outlined in the *EPA 2006-2011 Strategic Plan*. A "Goal at a Glance" table is presented for each goal, which summarizes investments, outlines the objectives, and gives an overview of results achieved in FY 2008. Each section discusses progress toward achieving the strategic objectives and targets and offers a table of detailed performance results for each of the FY 2008 performance measures contained in the FY 2008 Annual Performance Plan and Budget. This performance section addresses all of the elements of an annual performance report as specified under OMB Circular A-11, "Preparing and Submitting the Annual Performance Report."

Section III – Financial Statements

This section contains the Agency's financial statements and related Independent Auditor's Report, as well as other information on the Agency's financial management.

Section IV – Other Accompanying Information

This section provides additional material as specified under OMB Circular A-136, "Financial Reporting Requirements." The section entitled "Management Challenges" discusses EPA's progress in strengthening management practices to achieve program results, including the Inspector General's list of top management challenges and the Agency's progress in responding to each issue. This section also contains a "Summary of Financial Statement Audit and Management Assurances" and information on Improper Payments Information Act reporting.

Appendices

The appendices include summaries of program evaluation results, a list of relevant EPA Internet links, and a glossary of acronyms.