

Appendix D
Report of the
Inspector General



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

JANUARY 27, 1999

THE INSPECTOR GENERAL

MEMORANDUM

SUBJECT: Review of the Superfund Annual Report to Congress
for Fiscal Year 1997
Audit Report E1SFF9-11-0007-9100084

TO: Carol M. Browner
Administrator

Purpose, Background and Summary of Results

Section 301 (h)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986, requires EPA (the Agency) to submit to Congress, by January 1 of each year, a report on its progress in implementing Superfund during the prior fiscal year.

We have completed our mandated review of the fiscal year 1997 Annual Report to Congress (Annual Report), Progress Toward Implementing Superfund. In accordance with Section 301 (h)(2), we reviewed the Annual Report for reasonableness and accuracy. This report becomes part of the Annual Report.

After conducting a limited scope review, we determined that the fiscal year 1997 Annual Report was reasonable and accurate. Therefore, we are closing this report on issuance. Accordingly, no written response to the report is necessary.

Scope and Methodology

We conducted our review at EPA Headquarters' Office of Emergency and Remedial Response (OERR) in the Office of Solid Waste and Emergency Response. We began our review on November 9, 1998, and completed field work on January 6, 1999. For purposes of this review, we defined "reasonableness" as information that was rationally grounded and not excessive in nature. We defined "accuracy" as consistent with supporting documentation and not contradicting past or similar information.

Objectives

The overall objective of our review was to determine whether the Agency's fiscal year 1997 Annual Report was reasonable and accurate, as required by the statute. Sub-objectives we pursued to meet our overall objective were to determine whether:

- 1) the Annual Report presented consistent accomplishment information within the report, between this report and prior reports, and with supporting documentation;
- 2) construction completion accomplishments, one of the Agency's main indicators of site progress, were supported by source documentation; and
- 3) five-year reviews, which determine whether selected remedies continue to protect human health and the environment, were supported by the Agency's tracking system.

With respect to the first sub-objective, we reviewed a judgmental sample of key accomplishment data in the Annual Report's executive summary exhibits ("Summary of Fiscal Year 1997 Superfund Activities" and "Summary of Program Activity by Fiscal Year") and compared the data in the exhibits to the data within the text of the Annual Report itself. We also compared the data in the fiscal year 1997 report and prior Annual Reports to identify apparent inconsistencies.

For the second sub-objective, we determined whether Superfund site construction completion data for fiscal year 1997 was supported by source documentation. Properly supported construction completions would be an indicator that the accomplishments under this category were reasonable and accurate. For this review, acceptable support consisted of preliminary or final close out reports, no-further-action Records of Decision, or deletion notices. These are documents the Agency would sign to confirm that the criteria for a construction completion has been met. We used earlier work performed by our office in this area to support construction completions for the first half of fiscal year 1997. For the latter half of the fiscal year, we reviewed source documents to determine whether supporting documentation existed for the remaining construction completions.

We addressed the third sub-objective by comparing five-year review data presented in the fiscal year 1997 Annual Report against information in the Agency's Five-Year Review Tracking System. We did not conduct a review of the controls over the automated tracking system.

Results of the Review

Based on our limited scope review, we believe the Annual Report for fiscal year 1997 is accurate and reasonable. Below are the review results individually addressing each of our three specific sub-objectives.

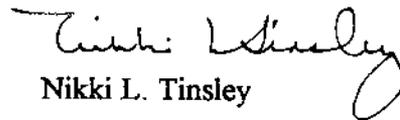
Concerning our first sub-objective, we identified inconsistencies: (1) within the Agency's draft report, (2) between that report and prior years' reports, and (3) with supporting documentation. We communicated our concerns, which we considered minor, to OERR staff who made the necessary corrections.

Concerning our second sub-objective, we determined that source documentation supported 100 percent of the construction completion accomplishments, one of the Agency's main indicators of site progress. (See our report entitled "Superfund Construction Completion Reporting," audit report number 8100030, December 30, 1997, which further details our work in this area.)

For the third sub-objective, we identified minor discrepancies between the data in the draft fiscal year 1997 Annual Report and the automated tracking system. We therefore expanded our scope to include five-year review data for fiscal 1995 and 1996 because the Agency had not issued the Annual Reports for those years and our prior review did not involve verification of such data. We found that the Annual Reports for fiscal 1995 and 1996 understated the number of five-year reviews completed. We communicated our concerns to OERR who made the necessary corrections for each fiscal year.

Conclusion

Prior to issuance of the final Agency Annual Report, OERR took the necessary actions to correct and clarify information identified during our limited scope review. Therefore, as of the date of this report, we believe the fiscal year 1997 Annual Report is reasonable and accurate.


Nikki L. Tinsley