



U.S. ENVIRONMENTAL PROTECTION AGENCY

**OFFICE OF INSPECTOR GENERAL**

# **The EPA Needs to Improve Timeliness and Documentation of Workforce and Workload Management Corrective Actions**

Report No. 13-P-0366

August 30, 2013



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## Abbreviations

AFC	Audit Follow-Up Coordinator
EPA	U.S. Environmental Protection Agency
FY	Fiscal Year
MATS	Management Audit Tracking System
OAM	Office of Acquisition Management
OARM	Office of Administration and Resources Management
OCFO	Office of the Chief Financial Officer
OIG	Office of Inspector General
RMD	Resource Management Directive

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# At a Glance

## Why We Did This Review

Within the past 3 years, the U.S. Environmental Protection Agency's Office of Inspector General issued three audit reports containing recommendations designed to improve the agency's workforce and workload management. We conducted this audit to determine whether the EPA effectively implemented corrective actions for issues identified in OIG reports relating to the agency's workforce and workload.

Deficiencies in workforce and workload management have been a longstanding issue at the EPA. Recent budget cuts due to sequestration have highlighted the need to improve workforce and workload management.

**This report addresses the following EPA Goal or Cross-Cutting Strategy:**

- *Strengthening EPA's workforce and capabilities.*

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**The full report is at:**  
[www.epa.gov/oig/reports/2013/20130830-13-P-0366.pdf](http://www.epa.gov/oig/reports/2013/20130830-13-P-0366.pdf)

## ***The EPA Needs to Improve Timeliness and Documentation of Workforce and Workload Management Corrective Actions***

### What We Found

The EPA did not complete the majority of the corrective actions relating to workload and workforce management within planned timeframes. Further, some corrective actions were delayed by more than 6 months and the EPA did not notify the OIG of those delays, as required by EPA Manual 2750. The Office of Management and Budget Circular A-50 requires agencies to establish systems to assure the timely implementation of corrective actions. Complex corrective action plans and implementing new workload and workforce management initiatives contributed to delays in completing the corrective actions. Program staff and managers from the Office of Administration and Resources Management and the Office of the Chief Financial Officer informed us they were not aware of the Manual 2750 requirement to notify the OIG if actions are delayed 6 months or more. Delaying corrective actions relating to workforce and workload management resulted in unfinished improvements to the EPA's management of its limited resources.

We also found that the EPA did not update the status for several of the corrective actions we reviewed. EPA Manual 2750 requires audit follow-up coordinators to manage audit data in the agency's Management Audit Tracking System. This includes entering and updating corrective actions and their associated due dates for each corrective action. However, the AFCs and other program staff did not believe it was necessary to update the status for completed actions since the completion date had been added in a separate field. There were some instances where the AFC could not update the status field because program staff had not provided certification that it was complete or had not provided a new planned date. If the EPA does not update MATS with current information, the OIG and other stakeholders do not have accurate information available regarding the status of corrective actions.

### Recommendations and Planned Corrective Actions

We recommend that the chief financial officer: (1) send notifications to all the EPA's action officials informing them that when corrective action dates will be extended by more than 6 months they must provide the OIG with written notification that includes the new milestone dates, and (2) ensure that training provided to staff on EPA Manual 2750 emphasizes that AFCs should update all fields in MATS and that program staff should provide timely information to AFCs. EPA agreed with both recommendations and proposed corrective actions that we believe will address our findings.



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

THE INSPECTOR GENERAL

August 30, 2013

**MEMORANDUM**

**SUBJECT:** The EPA Needs to Improve Timeliness and Documentation of Workforce and Workload Management Corrective Actions  
Report No. 13-P-0366

**FROM:** Arthur A. Elkins Jr.

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

**TO:** Maryann Froehlich, Acting Chief Financial Officer

This is our report on the subject audit conducted by the Office of Inspector General of the U.S. Environmental Protection Agency. This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. This report represents the opinion of the OIG and does not necessarily represent the final EPA position.

**Action Required**

The agency concurred with both of our recommendations. We accept EPA's response and planned corrective actions and no further response is needed. We will post this report to our website at <http://www.epa.gov/oig>.

If you or your staff have any questions regarding this report, please contact Richard Eyermann, acting assistant inspector general for the Office of Audit, at (202) 566-0565 or [Eyermann.Richard@epa.gov](mailto:Eyermann.Richard@epa.gov); or Patrick Gilbride, product line director, at (303) 312-6969 or [Gilbride.Patrick@epa.gov](mailto:Gilbride.Patrick@epa.gov).

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# Chapter 1

## Introduction

### Purpose

From 1999 through 2010 the U.S. Environmental Protection Agency's authorized full-time positions decreased from 18,366 to 17,417. Given the long-term federal budget crisis, along with the more recent sequestration budget cuts, this trend is likely to continue. Due to an inability to hire additional staff, it is crucial that the EPA make meaningful improvements to its workload management.

Within the past 3 years, the Office of Inspector General issued three audit reports containing recommendations designed to improve the agency's workforce and workload management. The purpose of this follow-up audit was to determine whether the EPA effectively implemented corrective actions for issues identified in OIG reports relating to the agency's workforce and workload.

### Background

Deficiencies in workforce and workload management have been a longstanding issue at the EPA and remain an important area for the agency to address. In 2002, the EPA acknowledged human capital as an agency internal control weakness. In 2008, the EPA removed human capital from the list of agency weaknesses and added the more specific topic of workforce planning as an office-level weakness for the Office of the Chief Financial Officer. However, our 2012 report to the agency on its key management challenges and internal control weaknesses noted that the EPA still has not developed analytical methods, nor does it collect data needed, to measure its workload and the corresponding workforce levels necessary to carry out that workload. Therefore, we elevated workforce planning to an agency management challenge in July 2012.

EPA Manual 2750, *Audit Management Procedures*, is the EPA's key framework for audit resolution. This manual assigns responsibilities and establishes agency policies and procedures for audit management and follow-up. It specifies the chief financial officer as the designated agency audit follow-up official. In compliance with the Office of Management and Budget Circular A-50, *Audit Followup*, the agency audit follow-up official is responsible for agencywide audit resolution and ensuring that action officials implement corrective actions. The agency audit follow-up coordinator is in the OCFO and supports the agency audit follow-up official. The agency AFC is responsible for maintaining and operating the agency's audit tracking system for OIG audits, coordinating with other office audit follow-up coordinators across the agency and training them on audit follow-up procedures. Office AFCs are responsible for helping office staff understand the

audit tracking system and managing OIG audit data in the agency's audit tracking system, including:

- Entering corrective actions and associated due dates per the corrective action plan.
- Tracking the implementation of corrective actions and ensuring that extensions to due dates are obtained from the action official as appropriate.
- Ensuring that the action official notifies the OIG in writing, with a copy to the agency management official and any office AFC(s) involved, if completion of any corrective action will be extended by more than 6 months past the date agreed to by the agency and the OIG.
- Entering past due comments into the agency's audit tracking system as needed prior to March 31 and September 30 for semiannual reporting.
- Entering the final action date into the agency's audit tracking system once a certification memo has been received, as well as the date of the certification memo and the name and title of the signer.

The EPA uses its Management Audit Tracking System to track and document audit resolution. OCFO is the primary office within the EPA responsible for administering MATS. According to OCFO's quality assurance plan, *Ensuring the Quality of Data in MATS*, "OCFO administers MATS and uses it to track information agency-wide on audit corrective actions, including financial information and reasons for missed deadlines." Regarding the role of office AFCs, the quality assurance plan states, "Designated Audit Follow-up Coordinators in program and regional offices then use MATS to track such key dates as the 180-day milestone for agreeing on corrective actions in response to OIG final report recommendations and the 365-day milestone for implementing corrective actions. Office AFCs are responsible for entering accurate, complete, and verifiable information into MATS."

## Scope and Methodology

We conducted our audit from November 2012 to June 2013 in accordance with generally accepted government auditing standards. Those standards require that we obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our evaluation objectives. We believe that the evidence we obtained during this audit provides a reasonable basis for our findings and conclusions.

We interviewed staff and managers from the OCFO's Office of Budget; and the Office of Administration and Resources Management's Office of Human

Resources, Office of Grants and Debarment, Office of Acquisition Management, and Office of Policy and Resources Management.

We reviewed the following OIG reports associated with the EPA's workforce and workload management issued from October 2010 to September 2011:

- *EPA's Contracts and Grants Workforce May Face Future Workload Issues*, Report No. 11-R-0005, October 25, 2010.
- *EPA Needs to Strengthen Internal Controls for Determining Workforce Levels*, Report No. 11-P-0031, December 20, 2010.
- *EPA Needs Workload Data to Better Justify Future Workforce Levels*, Report No. 11-P-0630, September 14, 2011.

Each report contained recommendations to address the EPA's workforce and/or workload management. We obtained and reviewed the EPA's corrective action plans associated with each of the subject audit reports. We also reviewed MATS reports associated with the corrective actions for each of the audit reports. We obtained the MATS reports in October 2012 just prior to starting the audit. A description of the recommendations and corrective actions associated with these reports is in appendix A.

In addition to the subject reports and corresponding corrective action plans, we reviewed EPA Manual 2750, *Audit Management Procedures*; OMB Circular A-50, *Audit Followup*; and other background and criteria relevant to the audit, including:

- MATS User Manual.
- MATS Quality Assurance Plan.
- OARM's Federal Managers' Financial Integrity Act Assurance Letter.
- OCFO's Federal Managers' Financial Integrity Act Assurance Letter.
- OIG's 2012 Management Challenges Letter to EPA.



## Chapter 2

# The EPA Did Not Complete Some Corrective Actions in a Timely Manner

The EPA did not complete the majority of its corrective actions relating to workload and workforce management in a timely manner. Further, for two audits we reviewed containing recommendations for OCFO, they did not notify the OIG when corrective actions were delayed more than six months. OMB Circular A-50 requires agencies to establish systems to assure the timely implementation of corrective actions that address audit recommendations. EPA Manual 2750 requires the EPA to notify the OIG in writing when a corrective action will be delayed by more than 6 months. For these audits, the EPA's staff did not notify the OIG when corrective actions were significantly delayed because they were not aware of that requirement. Improving workforce and workload management is important. Considering the present economic and budgetary climate and the increased need for the federal government to work with the utmost efficiency, it is important that the EPA continue to work on improving its workload and workforce management processes.

### Corrective Actions Should Be Taken Promptly

OMB Circular A-50 provides the policies and procedures agencies are required to use when responding to reports issued by inspectors general. The circular states, "Audit [follow-up] is an integral part of good management, and is a shared responsibility of agency management officials and auditors. Corrective action taken by management on resolved findings and recommendations is essential to improving the effectiveness and efficiency of Government operations. Each agency shall establish systems to assure the prompt and proper resolution and implementation of audit recommendations."

EPA Manual 2750, revised on September 28, 2012, also contains requirements relating to the timeliness of corrective actions. The manual requires the EPA to notify the appropriate assistant inspector general in writing if corrective action dates will be missed by more than 6 months. The action official must also document the reason(s) and revised dates in MATS.

### The EPA Did Not Complete Some Corrective Actions Timely

The EPA completed the two corrective actions associated with OIG report 11-R-0005, *EPA's Contracts and Grants Workforce May Face Future Workload Issues*, within the originally planned timeframes. However, the EPA extended the dates for completing 10 of the 17 corrective actions associated with the other two reports (see appendix A). For example, in OIG report 11-P-0630, we recommended that OCFO conduct a pilot project requiring the EPA's

organizations to collect and analyze workload data on key project activities. We also recommended that OCFO use information learned from the pilot and the ongoing contracted workload study to issue guidance to the EPA's program offices on workload analysis. The EPA agreed to address these recommendations by the end of fiscal year 2012. However, the EPA has not completed these corrective actions and does not plan to do so until the end of FY 2013.

Some actions were delayed because of the complexity of the actions. The AFC for OCFO explained that it can be very challenging to accurately input information into MATS when the corrective actions cited in the agency's corrective action plan are complex. For example, in response to recommendations in OIG report 11-P-0630, personnel from OCFO's Office of Budget spent time benchmarking other organizations and piloting processes with the EPA's program offices. During that process, the Office of Budget identified a process for collecting and analyzing workload data and proposed this approach to the Deputy Administrator. To test this approach and ensure cost effectiveness, the Deputy Administrator and the Office of Budget agreed it would be best to pilot this approach prior to implementing it nationwide. Though this was a reasonable business decision, the additional piloting delayed corrective actions.

Further, the EPA has not conducted workload analysis in over 20 years. It has therefore been difficult for the EPA to develop accurate timeframes for completing corrective actions without careful planning and identifying detailed actions that will contribute to effectively addressing recommendations.

Additionally, some of OARM's corrective actions were late because OARM agreed to complete the actions in conjunction with updates to Resources Management Directives 2520, *U.S. EPA's Administrative Control of Appropriated Funds*, which was also delayed. In OIG report 11-P-0031, recommendation 3-1 required OARM to amend its workforce planning guidance in conjunction with RMD 2520 and the annual planning and budget memoranda. To address this recommendation, OARM agreed to amend workforce planning guidance to request that program and regional offices provide relevant workforce information as part of the agency's annual budget process. OFCO delayed completion of its RMD 2520 update until the end of FY 2013. However, rather than continuing to delay its corrective action, OARM completed workforce planning guidance documents. Therefore, in spite of delays to RMD 2520, OARM worked proactively and found a way to complete its corrective action.

## **The EPA Did Not Notify the OIG on Two Audits When Corrective Actions Would Be Completed Beyond 6 Months of Planned Dates**

For two audits, OCFO did not notify the OIG when it delayed completion of some its corrective actions by more than 6 months. For example, in OIG report 11-P-0031, we recommended that OCFO amend RMD 2520 and the annual planning and budget memoranda to require using workload analysis to help

determine employment levels needed to accomplish agency goals. To address that recommendation, OCFO agreed to amend RMD 2520 to more fully describe workload planning needs. OCFO originally planned to complete that corrective action by the end of February, 2012. However, OCFO still has not completed the update to RMD 2520 and has delayed that planned completion date to the end of FY 2013.

The EPA did not provide the OIG with written notification of the delay in providing an update to RMD 2520. OCFO did not notify the OIG that some actions would be more than 6 months late because staff and managers were not aware of that requirement. The AFC for OCFO was not certain but thought that notification should have been sent to the OIG prior to making changes. However, that did not occur for the delays in our subject reports. The deputy director of OCFO's Office of Budget informed us she was not aware of any method other than MATS where offices communicate this information (changes to dates or actions) to the OIG. Even though OARM did not have any corrective actions more than 6 months late, some of its staff were not aware of this requirement either. The AFC for OARM stated she is not aware of any formal communications regarding corrective actions outside of what she puts into MATS.

## **Improving Workload and Workforce Management Is Important**

Considering the present economic and budgetary climate and the increased need for the federal government to work with the utmost efficiency, it is important that the EPA continue to work on improving its workload and workforce management processes. The EPA has yet to implement any agencywide workload analysis guidance or methodology. Given the significance of this issue and the need for progress agencywide, we elevated this issue from an internal control weakness to an agency management challenge in our 2012 Management Challenges Letter to EPA.

The corrective actions the EPA established to address the recommendations in our prior reports focus on important improvements needed to better manage the EPA's limited resources. Extending the completion of those corrective actions has resulted in a delay to these improvements. Further, we were not aware of the delayed corrective actions because the EPA did not notify us when it extended milestones by more than 6 months.

The EPA informed us that the agency has already addressed the specificity of corrective action plans through guidance in the updated EPA Manual 2750. Program staff and managers informed us that the guidance contained in the updated manual provides clear instructions on preparing quality corrective action plans. They also informed us that staff training is already underway on changes and additions to EPA Manual 2750.

## **Conclusions**

Audit follow-up is a shared responsibility between the EPA and the OIG and is an important component of sound program management. To help us monitor corrective actions, it is important for the EPA to notify us of significant delays that will exceed 6 months. To increase the effectiveness of its corrective action process, EPA should ensure that the training administered on the updated EPA Manual 2750 includes instruction on preparing concise corrective actions and notifying the OIG of any significant delays in planned completion dates.

## **Recommendation**

We recommend that the chief financial officer:

1. Notify all the EPA's action officials that when they extend planned completion dates for corrective actions by more than 6 months they must provide the OIG with written notification that includes the new milestone dates.

## **Agency Comments and OIG Evaluation**

The EPA concurred with recommendation 1 and provided three corrective actions it has taken or plans to take. First, OCFO held a quarterly conference call with agency AFCs in June 2013 regarding the audit finding. Second, OCFO plans to develop and provide MATS training to AFCs by December 31, 2013. Third, OCFO plans to also conduct management accountability reviews to ensure audit follow-up documentation and data in MATS is accurate. OCFO plans to complete such reviews within all regional and headquarters offices by September 30, 2015.

We concur with the EPA's corrective actions associated with recommendation 1 and consider the recommendation resolved with corrective action pending.

## **Chapter 3**

### **The EPA Did Not Always Record Corrective Actions Correctly in MATS**

The EPA did not update the status in MATS for several of the corrective actions we reviewed. EPA Manual 2750 specifies that AFCs manage audit data in MATS, including entering and updating corrective actions and associated due dates for each corrective action. MATS status was not updated because the AFCs and other program staff did not believe it was necessary for completed actions since the completion date had been added in a separate field. There were also instances where the AFC could not update the status field because program staff had not provided certification that it was complete or a new planned completion date was established. If MATS is not updated with current information, the OIG and other stakeholders do not have assurance that progress is being made to implement corrective action in a timely manner.

#### **The EPA Did Not Always Document the Correct Status for Corrective Actions**

According to OCFO's quality assurance plan, OCFO relies on program and regional offices to carry out corrective actions to which they have agreed in response to audit recommendations. The plan specifies that offices should document activities and report progress in MATS. OCFO administers MATS and uses it to track information agencywide on corrective actions.

EPA Manual 2750 establishes policies and procedures, and assigns agency responsibilities for audit management and follow-up. The manual specifies that the agency AFC is responsible for maintaining and operating the agency's audit tracking system. The agency AFC is also responsible for coordinating across the agency with other offices' AFCs as necessary to track audit reports from issuance through completion of corrective actions. Additionally, the agency AFC also trains office AFCs on audit follow-up procedures so that they can educate action officials in their offices. Office AFCs are responsible for managing audit data in MATS, including entering and updating corrective actions and associated due dates per the corrective action plan.

Based on MATS reports from October 2012, the status of several corrective actions was listed as "unspecified" for two of the three reports we reviewed: OIG Report 11-P-0031 and OIG Report 11-R-0005 (see appendix A). "Unspecified" is the default status in MATS when the AFC does not input any information into a status field. For example, the status of corrective actions associated with OIG report 11-P-0031 recommendations 4-1, 4-2, and 4-3 was listed as "Unspecified." However, we know from supporting documentation provided by OARM during

our review that OARM completed those corrective actions. In February 2013, we brought this to the attention of the AFC for OARM. Subsequently, that AFC updated MATS to show the current status of each of those corrective actions as complete.

## **The EPA Needs to Ensure Audit Follow-Up Status Is Accurately Updated**

The status of several corrective actions was not updated for two different reasons. First, OARM staff informed us they did not see the importance of updating the status field in MATS for completed corrective actions when the completion date had been entered. They believed the completion date adequately signified completion. However, stakeholders that review MATS may not understand this. To avoid confusion, AFCs should update all data fields within MATS.

A second reason the status field in MATS was not updated was because the AFC did not have enough information to determine the actual status. Two of OCFO's corrective actions were labeled "unspecified." Both of those corrective actions related to updating the OIG on the status of efforts to improve workload analysis. Although the AFC believed those corrective actions were complete, she could not label them as such because program staff had not provided her with certification that the corrective actions had been completed. Program staff and managers should ensure AFCs have all of the information they need to keep MATS accurate and up to date.

Audit follow-up is essential to good management and is a shared responsibility between the EPA and the OIG. If MATS is not updated with current information, the OIG does not have an accurate picture of the status of corrective actions. Further, OCFO relies on data contained in MATS to prepare semiannual reports and to compile an end-of-year audit follow-up report. The EPA includes this report in its annual Performance and Accountability Report to Congress and the President. Thus, the quality of the EPA's annual report to Congress depends on the accuracy and completeness of data that agency AFCs enter in MATS.

As mentioned in the previous chapter, the EPA informed us that it is already providing training on the updated version of EPA Manual 2750. The EPA should ensure that training emphasizes the importance of updating the status of all corrective actions in MATS.

## **Conclusions**

MATS is the primary way the EPA reports the status of corrective actions to the OIG. Although it seems clear to AFCs and others responsible for overseeing data in MATS that a corrective action is complete when the completion date is entered, it may not seem clear to other stakeholders who review the system. An unspecified status gives the appearance that a corrective action may not be complete. This

could lead to misinterpretations or incorrect conclusions about the status of corrective actions. To avoid this problem, AFCs need to ensure they regularly complete all fields in MATS with accurate and up-to-date information.

## **Recommendation**

We recommend that the chief financial officer:

2. Ensure that training provided on EPA Manual 2750 emphasizes that (a) AFCs should update all fields in MATS, and (b) program staff and managers should provide timely information to AFCs to ensure that they can update all fields within MATS.

## **Agency Comments and OIG Evaluation**

The EPA concurred with recommendation 2 and provided two corrective actions it has taken or plans to take. First, OCFO held a quarterly conference call with agency AFCs in June 2013 to address the audit finding. Second, OCFO plans to develop and provide MATS training to agency AFCs by December 31, 2013.

We concur with the EPA's corrective actions associated with recommendation 2 and consider the recommendation resolved with corrective action pending.

## **Status of Recommendations and Potential Monetary Benefits**

RECOMMENDATIONS						POTENTIAL MONETARY BENEFITS (in \$000s)	
Rec. No.	Page No.	Subject	Status <sup>1</sup>	Action Official	Planned Completion Date	Claimed Amount	Agreed To Amount
1	7	Notify all the EPA's action officials that when they extend planned completion dates by more than 6 months they must provide the OIG with written notification that includes the new milestone dates.	O	Chief Financial Officer	09/30/2015		
2	10	Ensure that training provided on EPA Manual 2750 emphasizes that (a) AFCs should update all fields in MATS, and (b) program staff and managers should provide timely information to AFCs to ensure that they can update all fields within MATS.	O	Chief Financial Officer	12/31/2013		

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



## Summary of Three OIG Reports on Workload and Workforce Management

- Recommendations and corrective actions for OCFO are highlighted in blue.
- Recommendations and corrective actions for OARM are highlighted in yellow.

### EPA Needs to Strengthen Internal Controls for Determining Workforce Levels, Report No. 11-P-0031, issued December 20, 2010

Recommendations	Corrective Actions	Planned Dates from Corrective Action Report	Planned Dates from MATS	Completed Dates from MATS	Status in MATS
2-1. Amend the Resource Management Directive 2520 and the annual planning and budget memoranda to require using workload analysis to help determine employment levels needed to accomplish Agency goals.	1-1. Amend RMD 2520 to more fully describe workload planning needs.	2/29/2012	9/30/2012	00-00-0000	Delayed (over 1 year until 9/30/2013)
2-2. Require the Agency to complete a workload analysis for all critical functions to coincide with developing the strategic plan.	2-1. Receive Final Results of Workload Survey/Benchmarking Study.	9/30/2011	9/30/2011	9/28/2011	Complete (on time)
	2-2. Begin Quarterly Progress Updates to the OIG.	Not in Corrective Action Report	10/31/2011	00-00-0000	Unspecified
	2-3. Review Final Study Results, Results from Region 1 and 6 pilots, and external variables analysis to develop Workload Analyses Options.	11/30/2011	11/30/2011	5/31/2012	Complete (6 months late)
	2-4. Circulate Draft Workload Analyses Options for Comment.	2/29/2012	2/28/2012	5/31/2012	Complete (3 months late)
	2-5. Present Options and Recommendation to Senior Leadership.	3/31/2012	3/31/2012	6/1/2012	Complete (2 months late)
	2-6. Option Approved by Senior Leadership (DECISION POINT).	4/28/2012	4/28/2012	6/1/2012	Complete (1 month late)
	2-7. Next Steps.	6/30/2012	6/30/2012	6/30/2012	Complete (on time)
	2-8. Update OIG on Next Steps and Major Milestones.	Not in Corrective Action Report	9/30/2012	00-00-0000	Unspecified
3-1. Amend its workforce planning guidance (in conjunction with Resource Management Directive 2520 and the annual planning and budget memoranda) to require that headquarters program offices and regions provide the number of positions for the current fiscal year in each MCO (see Appendix D), and the number projected to accomplish planned Agency goals.	3-1. Amend OARM's workforce planning guidance to request program and regional offices provide the number of positions by Mission Critical Occupation (MCO) and linkage to goals, where applicable, as part of the Agency's annual budget process (completion	2/29/2012	2/29/2012	8/30/2012	Complete (on time - MATS was incorrect. This action was actually completed 2/29/2012.)

Recommendations	Corrective Actions	Planned Dates from Corrective Action Report	Planned Dates from MATS	Completed Dates from MATS	Status in MATS
	contingent upon OCFO's update RMD 2520 and annual planning and budget memoranda).				
3-2. Report the MCO data gathered in conjunction with Resource Management Directive 2520 and OB's annual planning and budget memoranda, within the Human Capital Management Report.	3-2. Incorporate only current year (baseline) MCO data gathered as part of the Agency's annual budget process into the Human Capital (HC) Management Report.	12/15/2011	12/15/2011	12/15/2011	Complete (on time)
4-1. Upon development of the Agency's Strategic Plan, require Agency program and regional offices to provide local-level workforce-planning data, including current year and potential shifts in the numbers of MCO positions needed to meet strategic goals.	4-1. Revise Strategic Workforce Plan to improve the linkage with the Agency's Strategic Plan and describe how workforce planning will help the Agency achieve its strategic goals.	2/29/2012	2/29/2012	8/28/2012	Unspecified (almost 6 months late)
4-2. Summarize the local-level workforce-planning data needed to achieve each EPA strategic goal.	4-2. Summarize MCO data for planning purposes and linkage to strategic goals.	2/29/2012	2/29/2012	8/30/2012	Unspecified (6 months late)
4-3. Provide summarized local-level workforce-planning data, including data sorted by programmatic goal level, to OB.	4-3. Update workforce planning guidance and/or Strategic Workforce Plan, and summarize MCO data for planning purposes and linkage to strategic goals.	2/29/2012	2/29/2012	8/28/2012	Unspecified (almost 6 months late)

**EPA Needs Workload Data to Better Justify Future Workforce Levels, Report No. 11-P-0630, issued September 14, 2011**

Recommendations	Corrective Actions	Planned Dates from Corrective Action Report	Planned Dates from MATS	Completed Dates from MATS	Status in MATS
1. We recommend that the Chief Financial Officer conduct a pilot project requiring EPA organizations to collect and analyze workload data on key project activities.	1-1. Create a workload analysis model for air and water permitting programs.	9/30/2012	5/31/2012	5/31/2012	Complete (on time)
	1-2. Conduct Analyses of Grants and Superfund Cost Recovery.	9/30/2012	1/31/2013	00-00-0000	Adhering
2. We recommend that the Chief Financial Officer use information learned from the pilot and the ongoing contracted workload study to issue guidance to EPA program offices on: a. How to collect and analyze workload data b. The benefits of workload analysis c. How this information should be used to prepare budget requests	2-1. Revise RMD 2520 to incorporate workload planning guidance.	9/30/2012	9/30/2013	00-00-0000	Adhering

**EPA's Contracts and Grants Workforce May Face Future Workload Issues,  
Report No. 11-R-0005, issued: October 25, 2010**

Recommendations	Corrective Actions	Planned Dates from Corrective Action Report	Planned Dates from MATS	Completed Dates from MATS	Status in MATS
<p>2-1. OARM should direct OAM and OGD to establish procedures to review the metrics for Recovery Act and non-Recovery Act contract and grant activities with senior managers for the period ending September 30, 2010, and quarterly thereafter. For any metrics that do not meet performance goals, senior managers should examine the reasons the goals were not met, and where a control weakness is revealed, develop a plan with corrective actions, dates, and responsible offices to ensure that the goals are met in the future. If goals are not attained due to resource limitations, OAM and OGD should work with OCFO to reexamine the distribution of Recovery Act management resources.</p>	<p>2-1. OGD will review EPA's performance against applicable Recovery Act/non-Recovery Act metrics for grant activity beginning with the fourth quarter of FY 2010 and for each quarter thereafter through the end of FY 2011. Also, On February 1, 2011, OGD will have a kick-off meeting with Senior Resource Officials covering the fourth quarter of FY 2010 and the first quarter of FY 2011.</p>	<p>9/30/2011</p>	<p>11/30/2011</p>	<p>9/1/2011</p>	<p>Unspecified (1 month early)</p>
<p>3-1. We recommend that the Assistant Administrator for Administration and Resources Management, direct OAM to develop and implement organization-wide performance measures to better manage its activities.</p>	<p>3-1. OAM is in the process of implementing a Balanced Scorecard Initiative including performance measurement and performance management programs.</p>	<p>9/30/2011</p>	<p>9/30/2011</p>	<p>9/1/2011</p>	<p>Unspecified (1 month early)</p>

## ***Agency Response***

July 29, 2013

### **MEMORANDUM**

**SUBJECT:** EPA's Response to the Office of Inspector General Draft Report, Project Number OA-FY13-0047, "EPA Needs to Improve Timeliness and Documentation of Workforce and Workload Management Corrective Actions," dated June 18, 2013

**FROM:** Nanci E. Gelb, Principal Deputy Assistant Administrator  
Office of Administration and Resources Management

David A. Bloom, Acting Deputy Chief Financial Officer  
Office of the Chief Financial Officer

**TO:** Richard Eyermann, Acting Assistant Inspector General  
Office of Audit

Thank you for the opportunity to comment on the draft report, "EPA Needs to Improve Timeliness and Documentation of Workforce and Workload Management Corrective Actions," Project Number OA-FY13-0047. We appreciate your staff's efforts to continue to promote the agency's need for timely reporting in our corrective action tracking system. Since the report addressed both workforce and workload challenges, we have coordinated our review of the OIG report and its recommendations.

### **AGENCY'S OVERALL POSITION**

The EPA recognizes the need to more clearly communicate progress implementing OIG workforce and workload recommendations. Our offices concurred with the recommendations presented and have already begun to strengthen training and coordination to do so. The EPA agrees with the OIG on completing corrective actions in a timely fashion, notifying the OIG when corrective actions are delayed more than six months, and recording completed corrective actions accurately in the agency's Management Audit Tracking System.

**AGENCY’S RESPONSES TO REPORT RECOMMENDATIONS**

<b>No.</b>	<b>Recommendation</b>	<b>High-Level Intended Corrective Actions(s)</b>	<b>Estimated Completion Date</b>
1	Notify all the EPA’s action officials that when they extend planned completion dates for corrective actions by more than 6 months, they must provide the OIG with written notification that includes the new milestone dates	1.1 Hold conference call with agency Audit Follow-up Coordinators	Completed 6/18/2013; (Quarterly conference calls are ongoing)
		1.2 Develop training for AFC on using MATS	Q1 FY 2014
		1.3 Conduct Management Accountability Reviews to review audit follow-up documentation and QA/QC data in MATS	Ongoing (OCFO completed reviews of Region 1, OAR, and OW in June 2013; EPA expects to complete the full round of reviews of all regional and HQ offices every 3 years, e.g. Q4 FY 2015)
2	Ensure that training provided on EPA Manual 2750 emphasizes that (a) AFCs should update all fields in MATS and (b) program staff and managers should provide timely information to AFCs to ensure that they can update all fields within MATS	2.1 Hold conference call with agency Audit Follow-up Coordinators	Completed 6/18/2013; (Quarterly conference calls are ongoing)
		2.2 Develop training for AFC on using MATS	Q1 FY 2014

**CONTACT INFORMATION**

If you have workload questions, please contact Carol Terris, Acting Director, Office of Budget/OCFO at (202) 564-0533 or Hamilton Humes, senior advisor, Office of Budget/OCFO at (202) 564-2835. For workforce questions, please contact John Taylor, Director, Office of Human Capital Management Division/OHR/OARM, at (202) 564-0948 or Alan Bogus at (202) 564-0228. For questions regarding MATS data, please contact Bernadette Dunn, the agency audit follow-up coordinator at (202) 564-4963.

## CONCLUSION

We remain committed to partnering with your staff on findings and recommendations that help protect human health and the environment and support the agency's efforts to do so. We are always looking for innovative ideas to improve the ability of the EPA's programs to strengthen resource stewardship while also achieving better environmental results. We recommend this report be closed on issuance.

cc: Josh Baylson, Associate Chief Financial Officer, OCFO  
Susan Kantrowitz, Director, Office of Human Resources, OARM  
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