



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We conducted this review as part of a national review coordinated by the U.S. Department of Agriculture Office of Inspector General. The effort was designed to respond to concerns raised by Members of Congress and the U.S. Government Accountability Office regarding reporting errors in the October 2009 recipient reports.

Background

The American Recovery and Reinvestment Act of 2009 states that the use of Recovery Act funds should be transparent and reported clearly, accurately, and in a timely manner. The Office of Management and Budget (OMB) issued government-wide guidance for carrying out the reporting requirements included in Section 1512 of the Recovery Act.

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

To view the full report, click on the following link:
www.epa.gov/oig/reports/2010/20100927-10-R-0234.pdf

EPA Effectively Reviewed Recovery Act Recipient Data but Opportunities for Improvement Exist

What We Found

The U.S. Environmental Protection Agency's (EPA's) controls for reviewing recipient-reported data pursuant to the Recovery Act resulted in low error rates. For the fields that OMB identified as those for which there are major concerns for significant reporting errors, we identified errors in 3 percent of recipient entries. While EPA did not identify any of these errors as significant, we believe two of the errors are significant. We also identified errors in other fields that OMB did not identify as major concerns for significant reporting errors. Significant errors could mislead the public about how much money the recipients are receiving.

OMB guidance requires federal agencies to provide Recovery Act recipients with a list of key award information. EPA prepared a reference guide that instructed recipients where to find this information. However, the reference guide was not specific for some key data fields, leaving recipients to interpret how to report information. As a result, some recipients reported inaccurate data.

OMB guidance identified the award amount data element as a major concern for significant reporting errors. Instead of adopting an Agency-wide action limit for identifying errors, EPA allowed program offices to adopt their own action limits. As a result, there were some discrepancies between recipient-reported data and EPA award amounts that were not corrected.

What We Recommend

We recommend that the Assistant Administrator for Administration and Resources Management develop an Agency-wide threshold for identifying significant errors for those fields OMB identified as major concerns, clarify the reference guide to reduce the incidence of varying interpretations, and adopt a policy to investigate all award amount differences. EPA agreed with the findings and provided corrective action plans or acceptable alternatives for addressing the recommendations in the report.