



At a Glance

Why We Did This Audit

On May 11, 2012, the Office of Management and Budget issued Memorandum M-12-12, *Promoting Efficient Spending to Support Agency Operations*. It calls for agencies to ensure that conference expenses are appropriate, necessary and managed in a manner that minimizes expenses to taxpayers. M-12-12 and Public Law 113-76, *Consolidated Appropriations Act, 2014*, set forth oversight and reporting requirements for agencies with conferences that cost over \$100,000.

In light of this scrutiny over conference spending, the U.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), sought to determine whether the EPA's internal controls and conference oversight ensure that conference expenses are appropriate and reported accurately.

This report addresses the following EPA goal or cross-agency strategy:

- *Embracing EPA as a high-performing organization.*

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EPA's Tracking and Reporting of Its Conference Costs Need Improvement

What We Found

The EPA established internal controls to report conferences both publicly and to the OIG as required by M-12-12 and Public Law 113-76. However, we found improvements are needed to address the following:

Accurate data on conference costs will provide the EPA with the information it needs to be more efficient in how funds are spent.

- We found \$6,916 of inappropriate expenses attributed to two conferences out of the \$985,851 of expenses reviewed for eight conferences.
- The EPA required the use of conference project codes to track and monitor conference spending, but this did not always occur.
- Conference costs were underreported.
- Two conferences totaling \$350,782 were in the EPA conference spending tool but were not reported publicly as required.
- Sixty-four percent of the 227 fiscal year 2014 conferences were reported late or not reported to the OIG as required. Two of the eight conferences sampled were not reported to the OIG at all.

Addressing these issues will result in more accurate reporting on types of costs for conferences and allow the EPA to better analyze costs and identify efficiencies.

Recommendations and Planned Corrective Actions

We recommend that the Office of the Chief Financial Officer (OCFO) provide additional guidance or training on how to identify unallowable conference costs, use correct conference project codes, identify all conference costs in the financial system, report all conference costs paid with EPA funds, and classify conferences properly. We also recommend that OCFO work with program offices to identify EPA Form 5170A cost reporting issues and revise the form as needed. The OCFO agreed with all recommendations and provided planned corrective actions with milestone dates. When implemented, the corrective actions should address the recommendations. The recommendations are considered open with agreed-to-corrective actions pending.

Noteworthy Achievements

The OCFO has proactively taken steps to improve the conference spending tool for conference reporting. In addition, refresher training sessions were held to address recent changes to the conference spending tool as well as concerns raised by the OIG during this audit.