



Office of Inspector General U.S. Environmental Protection Agency **At a Glance**

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February 22, 2022

Why We Did This Audit

We conducted this audit to determine the extent to which the U.S. Environmental Protection Agency has implemented the coronavirus pandemic-related grant flexibilities permitted by the Office of Management and Budget. Specifically, we assessed the extent to which the EPA modified work plans, adjusted budgets, and extended periods of performance for grants; granted administrative relief or continued to compensate grant recipients whose work had been interrupted; and provided regulatory exceptions on a case-by-case basis.

In response to the coronavirus pandemic, the Office of Management and Budget issued several memorandums that provided temporary administrative, financial management, and audit requirement flexibilities for grants.

The EPA manages over \$20 billion in cumulative grant awards annually.

This audit supports an EPA mission-related effort:

- *Operating efficiently and effectively.*

This audit addresses a top EPA management challenge:

- *Managing infrastructure funding and business operations.*

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EPA Should Consistently Track Coronavirus Pandemic-Related Grant Flexibilities and Implement Plan for Electronic Grant File Storage

What We Found

The EPA Office of Grants and Debarment does not know the full extent to which program offices and regions have implemented grant flexibilities and exceptions permitted by the Office of Management and Budget due to the coronavirus pandemic—that is, the SARS-CoV-2 virus and resultant COVID-19 disease.

The EPA risks mismanaging over \$20 billion in cumulative grant funds by inconsistently tracking grants that were modified during the coronavirus pandemic and lacking an electronic data storage plan.

Program offices and regions inconsistently tracked pandemic-related flexibilities and exceptions. The Office of Grants and Debarment tracked grants that received flexibilities through its issued class waivers and regulatory exceptions but did not track grants that received flexibilities and exceptions approved by program offices and regions. The lack of agencywide tracking of grant flexibilities and exceptions hindered the Agency's ability to assess how the coronavirus pandemic impacted the grant process as it relates to the grant recipient's ability to accomplish its program mission to protect human health and the environment.

Additionally, the EPA should implement an official agencywide electronic grant file storage system that provides staff with consistent access to grant files in emergencies and while teleworking. Program offices and regions stored grant files inconsistently—such as on local computer hard drives, in the Agency's email system, on shared drives, and in grant-management systems—or had hard copies of the files, while teleworking during the pandemic. The Office of Grants and Debarment did not require program offices and regions to use a centralized electronic system to access and store official grant files. As a result, the Agency's grant data and documents are at risk of being lost, especially if they are stored on local hard drives, or could be inaccessible if the EPA staff member who stored the data or documents is unavailable.

Recommendations and Planned Agency Corrective Actions

We recommend that the assistant administrator for Mission Support develop a standard operating procedure that instructs program offices and regions on tracking and documenting grant flexibilities and exceptions for unanticipated events to ensure consistency in the information needed to manage grants, as well as develop a plan to implement, by December 2022, a uniform electronic record-keeping system for grants to meet the Office of Management and Budget's direction that all federal records be created, retained, and managed in electronic formats. The EPA agreed with our three recommendations, which are resolved with corrective actions pending.