



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

22-F-0015
December 29, 2021

Why We Did This Audit

We performed this audit pursuant to the Hazardous Waste Electronic Manifest Establishment Act. The Act requires the U.S. Environmental Protection Agency to prepare and the Office of Inspector General to audit the accompanying financial statements of the EPA's Hazardous Waste Electronic Manifest System Fund. Our primary objectives were to determine whether:

- The financial statements were fairly stated in all material respects.
- The EPA's internal controls over financial reporting were in place.
- EPA management complied with applicable laws, regulations, contracts, and grant agreements.

The Act also requires the OIG to analyze the fees collected and disbursed, fee structure, level of use of the system, and success of the system in operating on a self-sustaining basis.

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.*

Address inquiries to our public affairs office at (202) 566-2391 or OIG_WEBCOMMENTS@epa.gov.

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EPA's Fiscal Years 2020 and 2019 Hazardous Waste Electronic Manifest System Fund Financial Statements

EPA Receives a Qualified Opinion

We rendered a qualified opinion on the EPA's fiscal years 2020 and 2019 Hazardous Waste Electronic Manifest System Fund, known as the e-Manifest Fund, financial statements, meaning that, except for material differences in accounts receivable and earned revenue, the fiscal year 2020 financial statements were fairly presented.

We found the fund's financial statements, except for accounts receivable and earned revenue, to be fairly presented.

Material Weaknesses and Significant Deficiency Noted

We noted the following material weaknesses:

- The EPA continued to make errors in its financial statement preparation process.
- The EPA did not have adequate internal control over accounts receivable and earned revenue.

We noted the following significant deficiency: the EPA misstated its appropriated balances.

Compliance with Applicable Laws, Regulations, Contracts, and Grant Agreements

We did not identify any instances of noncompliance that would result in a material misstatement to the audited financial statements.

Other Governmental Reporting Requirements

During our user fee analysis, we identified various errors and discrepancies in EPA-provided billing data that limited our ability to perform certain audit requirements of the Hazardous Waste Electronic Manifest Establishment Act.

Recommendations and Planned Agency Corrective Actions

We recommend that the chief financial officer, in coordination with the assistant administrator for Land and Emergency Management, enhance internal control over accounting for expenses recorded under fund codes so that appropriation balances are accurate. The EPA provided acceptable planned corrective actions in response to this recommendation. This recommendation is resolved with corrective actions pending. We also recommend that the chief financial officer correct the expenses recorded in excess of appropriated balances. The EPA completed corrective actions in response to this recommendation. These recommendations address a significant deficiency finding related to misstated appropriation balances.