



OFFICE OF INSPECTOR GENERAL
U.S. ENVIRONMENTAL PROTECTION AGENCY

February 10, 2026

MEMORANDUM

SUBJECT: Reply to the Office of Water's Response to the Office of Inspector General Report No. 26-P-0001, *Audit of Compliance with the Clean Water and Drinking Water State Revolving Fund Financial Statement Audit Requirements*, issued October 15, 2025

FROM: Nicole N. Murley, Deputy Inspector General performing the duties of the Inspector General *Nicole N. Murley*

TO: Jessica Kramer, Assistant Administrator
Office of Water

Thank you for your memorandum dated December 18, 2025, which outlines the U.S. Environmental Protection Agency's response to the subject final report. A response was not required since the report contained no recommendations. The OIG acknowledges the requirements set forth for audits of the state revolving fund programs, including requirements in the Clean Water Act, Safe Drinking Water Act, and Single Audit Act. As stated in the report, according to the EPA's September 2002 *Audit Guide for Clean Water and Drinking Water State Revolving Fund Programs*, obtaining annual audited financial statements from state SRF programs is one of the best methods the EPA has to support its oversight role of the programs. The majority of states and the Commonwealth of Puerto Rico, respectively, had an annual audit of their Clean Water State Revolving Fund and Drinking Water State Revolving Fund financial statements for fiscal year 2022.

We will post this memorandum on our public website at www.epa.gov/oig.

cc: Carla Hagerman, Audit Follow-Up Coordinator, Office of Water
Susan Perkins, Agency Follow-Up Coordinator
Andrew LeBlanc, Agency Follow-Up Coordinator
José Kercado, Agency Follow-Up Coordinator
Shay Bracey, Agency Follow-Up Coordinator
Erica Kavanagh, Associate Deputy Inspector General