



At a Glance

The EPA Needs to Improve the Completeness and Accuracy of the Obligation and Outlay Information That It Reports in USAspending.gov

Why We Did This Audit

To accomplish this objective:

The U.S. Environmental Protection Agency Office of Inspector General conducted this audit to determine whether the EPA's reporting of fiscal year 2022 Infrastructure Investment and Jobs Act obligations and outlays in USAspending.gov was complete and accurate. Although our objective focused on the EPA's reporting of Infrastructure Investment and Jobs Act obligations and outlays, the issues we identified were not limited to those obligations and outlays. Therefore, this report includes findings on the EPA's overall fiscal year 2022 reporting of obligations and outlays.

USAspending.gov is the federal government's official public source of spending information. The Digital Accountability and Transparency Act of 2014 requires federal agencies to report complete and accurate spending data to USAspending.gov to facilitate transparency into how they spend taxpayer dollars. Spending encompasses both **obligations**, which are promises made by the government to spend money, and **outlays**, which are money actually paid. Both summary-level spending data and more detailed award-level data must be reported.

To support these EPA mission-related efforts:

- *Compliance with the law.*
- *Operating efficiently and effectively.*

To address this top EPA [management challenge](#):

- *Managing grants, contracts, and data systems.*

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

[List of OIG reports.](#)

What We Found

The EPA's initial reporting of its fiscal year 2022 spending in USAspending.gov was not complete or accurate. This occurred because the EPA's Office of the Chief Financial Officer, or OCFO, did not follow its information technology configuration management procedures. Consequently, necessary changes to the OCFO's DATA Act Evaluation and Approval Repository, the system that facilitates the Agency's USAspending.gov reporting, were either unimplemented or incorrectly implemented, and these issues were not identified via configuration audits. Additionally, the OCFO lacked procedures to detect errors and to confirm the completeness and accuracy of the data that it reported to USAspending.gov. For example, the process of moving data between the systems involved in the EPA's USAspending.gov reporting process is manual, fragmented, and overly complex, and the OCFO's procedures do not require its staff to confirm the accuracy and completeness of the data throughout the process. As a result, the EPA's fiscal year 2022 award-level obligations were underreported by \$1.2 billion, and its fiscal year 2022 award-level outlays were underreported by \$5.8 billion. This means that 12.9 percent of the EPA's total award-level obligations and 99.9 percent of the EPA's total award-level outlays were not reported in fiscal year 2022. The EPA also did not report any of its Infrastructure Investment and Jobs Act outlays and underreported its coronavirus pandemic-related outlays.

The lack of complete and accurate reporting also led to taxpayers being initially misinformed about the EPA's spending, and policy-makers who relied on the data may not have been able to effectively track federal spending. Because of our audit, the EPA corrected its fiscal year 2022 reporting in USAspending.gov in May 2023 and made the necessary configuration changes in June 2023 to improve the accuracy and completeness of its future reporting. Although the EPA has since made the necessary corrections, the EPA's initial reporting of its fiscal year 2022 spending was not complete or accurate.

Complete and accurate reporting in USAspending.gov is critical, as it is the primary way the EPA informs the public of the purpose of its federal awards and where its funding ultimately goes.

Recommendations and Planned Agency Corrective Actions

We make five recommendations to the chief financial officer, including updating the OCFO's standard operating procedures related to configuration management, configuration audits, and data quality; developing and conducting training on the requirements of the updated standard operating procedures; conducting periodic configuration audits of OCFO systems to determine whether configuration changes were properly implemented, documented, and approved; and evaluating the manual process used to transfer data among systems involved in the EPA's USAspending.gov reporting process to determine how to reduce vulnerabilities. The Agency agreed with all our recommendations and provided acceptable corrective actions and estimated completion dates. We consider the recommendations resolved with corrective actions pending.