



Office of Inspector General U.S. Environmental Protection Agency

At a Glance

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Why We Did This Evaluation

We conducted this evaluation to determine whether the U.S. Environmental Protection Agency's Office of the Chief Financial Officer has processes in place to ensure that EPA programs eliminated in the President's Budget but later funded by congressional appropriation have the required performance measures.

The President's Budget outlines an administration's yearly priorities. While the President's Budget eliminates federal programs that do not align with the administration's priorities, those programs may still be funded by Congress. In accordance with the Government Performance and Results Act Modernization Act of 2010, each agency must develop an annual performance plan that establishes performance goals for each funded program activity in the agency appropriation. The Act also specifies that performance goals be expressed in an objective, quantifiable, and measurable form unless an alternative format is authorized.

This evaluation supports an EPA mission-related effort:

- *Operating efficiently and effectively.*

This evaluation addresses a top EPA [management challenge](#):

- *Complying with key internal control requirements (policies and procedures).*

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EPA Needs to Measure and Track Performance of Programs Eliminated in President's Budget but Later Funded by Congress

What We Found

From fiscal years 2018 through 2020, the EPA was appropriated nearly \$2.4 billion for programs that were eliminated in the President's Budget but then later funded by congressional appropriation. During that time frame, the EPA did not have internal controls in place for these eliminated-then-funded, or ETF, programs to ensure that program activities were measured and tracked. In that same time period, the EPA saw a more than 1,400-percent increase in the average number of annual ETF programs. The Office of the Chief Financial Officer indicated that the repeated ETF nature of these programs contributed to the challenges in tracking performance.

Without internal controls to track ETF program performance, the EPA risks underreporting environmental and human health outcomes.

The OCFO does issue yearly guidance regarding the development and tracking of performance measures for EPA programs included in the Agency's annual performance plans and Congressional Justifications, which are written in conjunction with and in support of the President's Budget. The OCFO had not, however, issued written guidance that explicitly instructs ETF programs to develop and track performance measures after they receive funds from Congress. The OCFO also does not verify whether ETF programs have developed performance measures and, if so, where those measures are tracked. For the five ETF programs we reviewed, three were not centrally tracked in the EPA's system that houses Agency performance measurement data, one centrally tracked only partial performance measures, and one centrally tracked all performance measures.

Recommendations and Planned Agency Corrective Actions

We recommend that the OCFO develop (1) written guidance that explicitly states that ETF programs must develop performance measures if funded by congressional appropriations and (2) an annual process to verify that ETF programs have performance measures in place and identify where those measures are tracked. All recommendations are resolved with corrective actions pending.

Noteworthy Achievement

As a result of our evaluation, the OCFO surveyed program offices to better understand which ETF programs had developed performance measures. The OCFO reported that 35 of the 43 programs it identified as ETF in fiscal year 2021 are tracking performance measures and provided this documentation to the Office of Inspector General.