



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

23-P-0018
May 17, 2023

The CSB Complied with Improper Payments Requirements in Fiscal Year 2022 but Should Improve Internal Controls for Improper Payments Reporting

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 U.S. Chemical Safety and Hazard Investigation Board complied with the Payment Integrity Information Act of 2019 in fiscal year 2022.

The Payment Integrity Information Act aims to improve efforts to identify and reduce governmentwide improper payments. The Office of Management and Budget directs agencies to identify all programs and activities they administer that expend more than \$10 million annually and perform a risk assessment to determine whether they are susceptible to significant improper payments. Office of Management and Budget Circular A-123, Appendix C, requires each agency to publish payment integrity information with its annual financial statements. Agency inspectors general are to review payment integrity reporting for compliance and issue an annual report.

To support this CSB mission-related effort:

- *Creating and maintaining an engaged, high-performing workforce.*

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What We Found

In fiscal year 2022, the CSB complied with the requirements of the Payment Integrity Information Act of 2019, or PIIA, and the applicable Office of Management and Budget guidance. Because the CSB had less than \$10 million in annual program outlays for FY 2022, the Board was only required to publish its performance and accountability report and post the report on its website. Additionally, the CSB performed an improper payments risk assessment for FY 2022, even though it was not required to do so because none of its annual program outlays exceeded \$10 million.

Effective internal controls reduce the risk of improper payment inaccuracies and increase confidence in the CSB's ability to achieve its mission.

Despite the CSB's overall compliance with the PIIA, we identified deficiencies in its processes for determining and recording improper payments. In FY 2022, the CSB made \$1,036 in improper payments related to sales tax and \$10,878 in improper payments related to payroll transactions, for a total of \$11,914 in improper payments. The CSB, however, did not account for the improper payments related to payroll transactions when determining the total value of its improper payments. It also did not accurately record its improper payments related to sales tax. Furthermore, the CSB erroneously included amounts paid pursuant to interagency agreements when determining its program outlays, and it misidentified the improper payments statute in its payment integrity-related reporting.

Inadequate controls, including a lack of written guidance, insufficient supervisory reviews, and no training on PIIA requirements, contributed to these inaccuracies. These inaccuracies did not impact our conclusion that the CSB is compliant with the PIIA, but without improvements in internal controls, the CSB may continue to make similar mistakes. Accurate improper payments reporting is important for the CSB to demonstrate its commitment to financial integrity and transparency.

Recommendations and Planned CSB Corrective Actions

We recommend that the CSB establish and implement written procedures on the PIIA and improper payments reporting, including an internal review for errors and a process for making corrections. Additionally, we recommend that the CSB provide training to applicable CSB staff about the PIIA, improper payments, and the associated procedures. The CSB agreed with our recommendations. All recommendations are resolved with corrective actions pending.