



# 1994 Integrity Act Report To The President And Congress

Federal Managers'  
Financial Integrity Act (P.L. 97-255)  
October 1, 1993—September 30, 1994



***Cover photo by:  
Scott Mullin Photography  
Ridgefield, Connecticut***



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

DEC 30 1994

THE ADMINISTRATOR

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

I am pleased to advise you that the Environmental Protection Agency's (EPA) management control and financial systems, except as noted below, reasonably assure the protection of our programs and resources from fraud, waste and abuse. In my judgment, EPA has achieved the intent of the *Federal Managers' Financial Integrity Act*. EPA's Inspector General concurs that the Agency has implemented the Act in a reasonable and prudent manner this year.

EPA's newly reengineered process under the *Integrity Act* reflects my strong belief in managers' personal accountability for effectively planning, budgeting, and managing their programs to achieve results within the boundaries of law. Consistent with the call of the Administration's *National Performance Review*, EPA studied, and then created its new approach to management integrity, which "works better and costs less." Our tangible savings to date include an annual reduction of over 50,000 pages of original documents, recapturing over 60,000 valuable work hours in the process. EPA's approach boldly links integrity with new management goals of the *Government Performance and Results Act (GPRA)*, the recently enacted *Government Management Reform Act*, and the *Chief Financial Officers Act*. Together, these statutes establish a sound basis for a new framework of management accountability, which we are working to develop at EPA, and which may be a model that could be applied across the Federal government.

In conducting our self-assessment under EPA's new integrity approach this year, each of my Assistant and Regional Administrators exercised personal judgment in reviewing their programs and operations, and in identifying, correcting, and reporting significant management weaknesses. In September, my Senior Leadership Council (SLC) met with, and thoroughly reviewed new material weaknesses proposed by the Office of Management and Budget (OMB), and the General Accounting Office, as well as EPA's Inspector General. The SLC convened again in December to consider the positions of our principal oversight colleagues, and the results of EPA's Assistant and Regional Administrators' annual self-assessments. Based on their concerted deliberations, the SLC then developed its own independent recommendations for my final decision.



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As a result of the Agency's comprehensive annual assessment and my personal decisions, I am pleased to report that EPA has corrected four material weaknesses: 1) *Accelerating Remedial Cleanup*; 2) *Alternative Remedial Contract Strategy (ARCS) Contracts Management*; 3) *Pesticides Antimicrobial Program*; and 4) *Federal Facilities*. OMB is deleting the Superfund area from its High Risk List, based on a determination that timely cleanup of National Priorities List sites has been impeded by structural problems that the Administration has proposed to correct through reauthorization legislation. OMB will continue to track management of ARCS contracts under EPA's separate Contract Management High Risk Area.

While I am not identifying any new material weaknesses for your attention, my senior managers and I are addressing several key program issues raised during our self-assessment. These include EPA's use of science in making policy and regulatory decisions, and the Agency's development and implementation of sound and useful environmental program performance measures under *GPRA*. The Agency is also working to prioritize, audit, and close out the most vulnerable of the remaining \$20.7 billion in grants under EPA's Wastewater Treatment Construction Grants program. With this early and ongoing management attention, we expect to prevent these areas from developing into serious management control problems.

Finally, Agency managers are taking strong action to correct EPA's fourteen carryover material weaknesses, including the two that remain on OMB's High Risk List: 1) *Agency Contract Management*; and 2) *Agency Financial System*. EPA is on schedule to correct its three remaining material financial system non-conformances. These areas are fully described in the enclosures.

I intend to work closely with the new Congress and our state partners to develop effective environmental legislation, implement EPA's national programs, and enhance our mutual ability to protect human health and the environment.

Sincerely,

A handwritten signature in dark ink, appearing to read "Carol M. Browner", written in a cursive, flowing style.

Carol M. Browner

Enclosures

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

**FISCAL YEAR 1994**

**INTEGRITY ACT REPORT**

**TO THE**

**PRESIDENT AND CONGRESS**



**Federal Managers' Financial Integrity Act  
(P.L. 97-255)**

**October 1, 1993 - September 30, 1994**

# 1994 INTEGRITY ACT REPORT

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**Enclosure A - Statistical Summary of Performance**

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U.S ENVIRONMENTAL PROTECTION AGENCY**

**STATISTICAL SUMMARY OF PERFORMANCE**

**SECTION 2, INTERNAL CONTROL**

	Number of Material Weaknesses		
	Number reported for the first time in:	For that year, number that have been corrected:	For that year, number still pending:
Prior Years	34	28	6
1992 Report	8	0	8
1993 Report	0	0	0
1994 Report	0	0	0
Total	42	28	14
Of the total number corrected, how many were corrected in 1994? <u>4</u>			

**SECTION 4, FINANCIAL MANAGEMENT SYSTEMS**

	Number of Material Non-conformances		
	Number reported for the first time in:	For that year, number that have been corrected:	For that year, number still pending:
Prior Years	18	15	3
1992 Report	0	0	0
1993 Report	0	0	0
1994 Report	0	0	0
Total	18	15	3
Of the total number corrected, how many were corrected in 1994? <u>0</u>			



**Enclosure B - Progress Report on High Risk Areas**

**1994 INTEGRITY ACT REPORT**  
**U.S. ENVIRONMENTAL PROTECTION AGENCY**  
**PROGRESS REPORT ON HIGH RISK AREAS**

**Title and Status: Financial Systems**

EPA's financial system does not provide timely data and does not fully automate accounting for receivables. *(See Enclosure B, page 2, for a detailed description of the Agency's corrective action strategy, milestones and results indicators.)*

**Title and Status: Contracts Management**

EPA is implementing a comprehensive plan to address Agency-wide contract management problems. The Agency has completed 31 of the 40 recommendations for strengthening contracts management and is making substantial progress to complete the remaining actions. This High Risk Area is also a material weakness. *(See Enclosure C, page 12 for a detailed description of the Agency's corrective action strategy, milestones and results indicators.)*

**Title and Status: Superfund**

This High Risk area has two components: (1) Alternative Remedial Contract Strategy (ARCS) Contracts Management, and (2) Accelerating Remedial Cleanup. EPA has significantly improved management of the ARCS contracts and completed major corrective action workplans to accelerate cleanups of Superfund sites. This High Risk Area was declared as two material weaknesses, which EPA is reporting corrected in FY 1994. OMB has removed Superfund from its High Risk List. *(See Enclosure C, pages 30 and 32, for a detailed description of the Agency's corrective action strategy, milestones and results indicators.)*



# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

☒ OMB High Risk Area

☐ Material Weakness

☐ Non-conformance

☐ New

☐ Corrected

☒ Carryover

**TITLE:** *Financial Systems*

**DESCRIPTION:**

GAO, OIG, and internal Agency reviews found non-conformances and deficiencies in EPA's Integrated Financial Management System (IFMS). IFMS is not fully automated to account for receivables and does not provide timely data.

**RESPONSIBLE MANAGER:**

Kathryn S. Schmoll, Comptroller, Office of the Comptroller  
Office of Administration and Resources Management (OARM)

**APPROPRIATIONS/ACCOUNTS:**

☒ PRO

☒ SF

☒ B&F

☒ CG

☒ Oil Spill

☒ AC&C

☒ LUST

☒ IG

☒ R&D

☒ Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1989
Original Targeted Correction Date:	1990
Correction Date In Last Year's Report:	1994
Current Correction Date:	1995
Explanation for Change in Date: Programming delayed availability of reports.	

**1994 INTEGRITY ACT REPORT  
U.S. ENVIRONMENTAL PROTECTION AGENCY**

**CORRECTIVE ACTION STRATEGY:**

The Agency's corrective action strategy for FY 1995 includes developing enhanced central Agency reports. EPA will request OIG validation that corrective actions eliminated management control weaknesses as a result of its annual audit of EPA's financial statement required by the Chief Financial Officers Act. Pending OIG concurrence, EPA plans to recommend removal of financial systems from OMB's High Risk List in FY 1995.

**RESULTS INDICATORS:**

Key results indicators include accurate and timely accounting of receivables and improved IFMS capability to produce OMB and EPA management reports.

<b>MAJOR CORRECTIVE ACTION MILESTONES</b>	<b>ORIGINAL TARGET DATE</b>	<b>CURRENT TARGET DATE</b>	<b>ACTUAL COMPLETION DATE</b>
1. Update policies for recording General Ledger transactions in IFMS.	10/92	N/A	11/92
2. Install enhancements to Accounts Receivable Module to handle debt servicing.	12/92	N/A	5/93
3. Complete third round of on-site verification reviews for Accounts Receivable.	6/93	N/A	6/93
4. Reconcile FY 1989 General Ledger conversion adjustments.	10/92	N/A	10/93
5. Implement Version 5.1e of IFMS, user manuals, and system documentation.	2/94	N/A	5/94
6. Complete enhancements to produce complete and accurate OMB and Treasury reports, financial statements, and supplemental accounts receivable reports.	6/94	1/95	

**Enclosure C - Schedule of Corrective Actions  
Material Weaknesses**

**1994 INTEGRITY ACT REPORT  
U.S. ENVIRONMENTAL PROTECTION AGENCY**

**RANKED MATERIAL WEAKNESSES SUMMARY**

<i>Carryover Material Weaknesses</i>	<i>Fiscal Year First Reported</i>	<i>Last Year's Correction Date (FY)</i>	<i>Current Correction Date (FY)</i>	<i>Page</i>
1. Research & Development Facilities	1989	1994	1997	C-2
2. Environmental Data Quality	1992	1994	1997	C-4
3. Research & Development Extramural Resources	1990	1995	1996	C-6
4. Research & Development Equipment	1988	1994	1999	C-8
5. Drinking Water Primacy	1992	1997	1997	C-10
6. Contracts Management	1992	1997	1996	C-12
7. Accounting System-Related Financial Management Problems	1992	1995	1995	C-14
8. Information Resources Planning & Security	1992	1995	1995	C-16
9. Accounts Receivable	1992	1994	1995	C-18
10. Research & Development Operating Expenses	1990	1995	1996	C-20
11. Pesticides Data Integrity	1991	1994	1995	C-22
12. Storm Water Permitting	1991	1994	1995	C-24
13. Superfund Cost Recovery	1992	1995	1995	C-26
14. Integrated Data for Enforcement Analysis (IDEA) System	1992	1994	1995	C-28
<i>Corrected Material Weaknesses</i>	<i>Fiscal Year First Reported</i>	<i>Last Year's Correction Date (FY)</i>	<i>Correction Date (FY)</i>	<i>Page</i>
1. Accelerating Remedial Cleanup	1991	1993	1994	C-30
2. Alternative Remedial Contract Strategy (ARCS) Contracts Management	1991	1993	1994	C-32
3. Federal Facilities	1991	1994	1994	C-34
4. Pesticides Antimicrobial Program	1990	1994	1994	C-36



# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

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<input type="checkbox"/> OMB High Risk Area	<input checked="" type="checkbox"/> Material Weakness	<input type="checkbox"/> Non-conformance
<input type="checkbox"/> New	<input type="checkbox"/> Corrected	<input checked="" type="checkbox"/> Carryover

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**TITLE:** *Research & Development Facilities*

**DESCRIPTION:**

The majority of ORD's twelve research laboratories and five field stations, which provide scientific expertise for the Agency's regulatory program, are over thirty years old and in various stages of disrepair. No valid Agency Masterplan exists to promote systematic upkeep and maintenance of these EPA-owned assets. The disrepair results in health, safety, and environmental violations and vulnerabilities in EPA's science program.

**RESPONSIBLE MANAGER:**

Clarence Mahan, Director, Office of Research Program Management  
Office of Research and Development (ORD)

**APPROPRIATIONS/ACCOUNTS:**

<input type="checkbox"/> PRO	<input type="checkbox"/> SF	<input checked="" type="checkbox"/> B&F	<input type="checkbox"/> CG	<input type="checkbox"/> Oil Spill
<input type="checkbox"/> AC&C	<input type="checkbox"/> LUST	<input type="checkbox"/> IG	<input checked="" type="checkbox"/> R&D	<input type="checkbox"/> Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1989
Original Targeted Correction Date:	1990
Correction Date In Last Year's Report:	1994
Current Correction Date:	1997
Explanation for Change in Date: Agency Masterplan contingent on implementation of Laboratory Study.	

# **1994 INTEGRITY ACT REPORT**

## **U.S. ENVIRONMENTAL PROTECTION AGENCY**

### **CORRECTIVE ACTION STRATEGY:**

ORD created a Buildings and Facilities (B&F) Committee comprised of ORD Laboratory Directors to focus senior management attention on B&F projects, priorities, and budget strategies to ensure systematic upkeep and repair of ORD laboratories. Results to date include an automated ORD internal data collection process to identify annual B&F requirements, an automated methodology to rank B&F projects by category and improve decision and allocation processes, and Congressional authority to use R&D allocations to fund B&F projects costing \$75,000 or less. EPA also developed and implemented a Masterplan effort to address B&F needs and strategic research requirements at three ORD laboratories and has scheduled remaining ORD laboratories for FY 1994.

### **RESULTS INDICATORS:**

ORD's goal is efficient and fully operational laboratories consistent with a Masterplan strategy for systematic maintenance and upkeep. ORD is an ardent supporter of Masterplan initiatives and continues to work with the Agency in this area.

<b>MAJOR CORRECTIVE ACTION MILESTONES</b>	<b>ORIGINAL TARGET DATE</b>	<b>CURRENT TARGET DATE</b>	<b>ACTUAL COMPLETION DATE</b>
1. Obtain input for the Masterplan effort from ORD senior managers to ensure strategic planning is included.	9/92	5/95	
2. Establish policies for the appropriate management of B&F procurement costing \$75,000 or less.	6/92	4/95	
3. Develop FY 1995 budget initiatives to support increased funding for facility repairs, maintenance and construction.	6/92	N/A	4/94
3. Implement Masterplan.	9/94	1/97	





# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

☐ OMB High Risk Area

☒ Material Weakness

☐ Non-conformance

☐ New

☐ Corrected

☒ Carryover

**TITLE:** *Environmental Data Quality*

### **DESCRIPTION:**

EPA organizations that make or use environmental measurements are required to maintain a Quality Assurance (QA) program to assure that environmental data of the appropriate type and quality are collected to support Agency decisions. GAO and OIG have criticized the Agency for failing to systematically assess the integrity of the Agency's environmental data measurement program.

### **RESPONSIBLE MANAGER:**

H. Matthew Bills, Director, Office of Modeling, Monitoring Systems, and Quality Assurance  
Office of Research and Development (ORD)

### **APPROPRIATIONS/ACCOUNTS:**

☒ PRO  
☒ AC&C

☒ SF  
☒ LUST

☐ B&F  
☐ IG

☐ CG  
☒ R&D

☒ Oil Spill  
☐ Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1992
Original Targeted Correction Date:	1994
Correction Date In Last Year's Report:	1994
Current Correction Date:	1997
Explanation for Change in Date: Deficiencies detected in implementing quality assurance programs must be addressed by organizations.	

# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### CORRECTIVE ACTION STRATEGY:

ORD has focused top management attention on the importance of quality assurance to increase environmental data quality supporting Agency decisions. ORD has provided QA compliance status reports and distributed policies and regulations to all senior managers. ORD has also developed QA performance standards, required for all managers responsible for environmental data collection activities. During FY 1994, ORD initiated an on-site review process to provide technical assistance to managers in developing QA management plans and strengthening their QA programs.

### RESULTS INDICATORS:

ORD is aggressively working with Agency offices to achieve full compliance in developing required QA management plans. Site review results will provide indicators of accuracy in environmental measurements.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Conduct Alternative Management Control Review of the Agency's contract files for QA documentation.	12/93	N/A	12/93
2. Develop, along with the Office of Human Resource Management, generic language to address QA responsibilities for Agency managers' Performance Standards.	4/94	4/95	
3. Distribute schedule for Management Systems Reviews planned for 1994. Report quarterly on progress.	1/94	N/A	1/94
4. New EPA Quality Manual, to include EPA Order on QA and revised QA requirements and in green border.	4/94	4/95	
5. Present updated status and action plan to the Administrator's Senior Leadership Council.	5/94	N/A	5/94
6. Distribute schedule for Management Systems Reviews planned for 1995. Report quarterly on progress.	1/95	1/95	



# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

<input type="checkbox"/> OMB High Risk Area	<input checked="" type="checkbox"/> Material Weakness	<input type="checkbox"/> Non-conformance
<input type="checkbox"/> New	<input type="checkbox"/> Corrected	<input checked="" type="checkbox"/> Carryover

**TITLE:** *Research & Development Extramural Resources*

**DESCRIPTION:**

Internal ORD assessments and OIG audits and related reviews identified a number of vulnerabilities in ORD's management of extramural resources, which account for nearly seventy percent of total ORD funds. The vulnerabilities include a wide range of programmatic, administrative, and financial issues. These deficiencies in ORD laboratories significantly impair the ORD mission.

**RESPONSIBLE MANAGER:**

Clarence Mahan, Director, Office of Research Program Management  
Office of Research and Development (ORD)

**APPROPRIATIONS/ACCOUNTS:**

<input type="checkbox"/> PRO	<input checked="" type="checkbox"/> SF	<input type="checkbox"/> B&F	<input type="checkbox"/> CG	<input type="checkbox"/> Oil Spill
<input checked="" type="checkbox"/> AC&C	<input type="checkbox"/> LUST	<input type="checkbox"/> IG	<input checked="" type="checkbox"/> R&D	<input type="checkbox"/> Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1990
Original Targeted Correction Date:	1992
Correction Date In Last Year's Report:	Internal ORD Actions 1994 External Actions 1995
Current Correction Date:	1996
Explanation for Change in Date: Development of ORD-specific policies and courses extended the initiation of training.	

**1994 INTEGRITY ACT REPORT  
U.S. ENVIRONMENTAL PROTECTION AGENCY**

**CORRECTIVE ACTION STRATEGY:**

ORD's comprehensive strategy to strengthen extramural resource management and ensure compliance with all ORD, EPA, and Federal policies and requirements is to: 1) assign executive-level oversight; 2) conduct comprehensive staff training; 3) develop and implement new policies and procedures and evaluate their effectiveness; 4) conduct indepth management reviews and analyses; and 5) establish Extramural Management Specialist positions in all ORD offices and laboratories. These types of initiatives and efforts will continue and will be further enhanced with improved quality control procedures.

**RESULTS INDICATORS:**

ORD is striving to achieve effective, efficient extramural resource management in full compliance with EPA and Federal policies and requirements.

<b>MAJOR CORRECTIVE ACTION MILESTONES</b>	<b>ORIGINAL TARGET DATE</b>	<b>CURRENT TARGET DATE</b>	<b>ACTUAL COMPLETION DATE</b>
1. Complete training sessions for POs, DOPOs, and WAMs with contract management responsibilities.	9/91	9/96	
2. Develop policy guidance on generic issues and problems.	12/91	N/A	10/94
3. Implement management oversight throughout ORD and provide proactive approaches in identifying and correcting problems.	12/91	N/A	9/94



## 1994 INTEGRITY ACT REPORT U.S. ENVIRONMENTAL PROTECTION AGENCY

☐ OMB High Risk Area  
☐ New

☒ Material Weakness  
☐ Corrected

☐ Non-conformance  
☒ Carryover

**TITLE:** *Research & Development Equipment*

**DESCRIPTION:**

As a result of internal reviews, ORD discovered that its scientific equipment, the basis for vital assessments and analyses supporting EPA's mission and regulatory program, is aged and obsolete by industry standards. There is no Agency strategy for equipment planning or budgeting to strengthen laboratory scientific capability.

**RESPONSIBLE MANAGER:**

Clarence Mahan, Director, Office of Research Program Management  
Office of Research and Development (ORD)

**APPROPRIATIONS/ACCOUNTS:**

☐ PRO                      ☒ SF                      ☐ B&F                      ☐ CG                      ☐ Oil Spill  
☐ AC&C                      ☐ LUST                      ☐ IG                      ☒ R&D                      ☐ Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1988
Original Targeted Correction Date:	1990
Correction Date In Last Year's Report:	1999
Current Correction Date:	1999
Explanation for Change in Date: Not Applicable	

**1994 INTEGRITY ACT REPORT  
U.S. ENVIRONMENTAL PROTECTION AGENCY**

**CORRECTIVE ACTION STRATEGY:**

During FY 1995, ORD will: 1) reassess its equipment inventory to ensure accuracy; 2) assess the impact of previous year's funding of equipment inventory; and 3) sustain replacement/upgrade of antiquated equipment in each laboratory that provides the necessary capability to support critical research programs.

**RESULTS INDICATORS:**

EPA increased resources for scientific equipment from \$2 million to \$13 million annually in its efforts to improve the quality of ORD's scientific equipment. The long range goal is state-of-the-art scientific equipment at all ORD laboratories.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Update inventory and perform analysis for replacement vs. upgrade needs.	3/94	1/95	
2. Submit annual budget initiatives.	4/94	4/95	
3. Develop a replacement/upgrade scientific equipment plan for 1995-1999 based on current funding level.	6/94	N/A	8/94
4. Verify that management control weakness has been corrected.	9/94	9/99	



## 1994 INTEGRITY ACT REPORT U.S. ENVIRONMENTAL PROTECTION AGENCY

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<input type="checkbox"/> OMB High Risk Area	<input checked="" type="checkbox"/> Material Weakness	<input type="checkbox"/> Non-conformance
<input type="checkbox"/> New	<input type="checkbox"/> Corrected	<input checked="" type="checkbox"/> Carryover

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**TITLE:** *Drinking Water Primacy*

**DESCRIPTION:**

The Agency requires states to adopt and implement all EPA drinking water regulations to retain primacy. Expansion in the number and complexity of drinking water regulations has increased workload demands and threatened states' ability to retain primacy. EPA lacks capacity and expertise to implement programs withdrawn or returned from the states, as required under current law. Unless strong steps are taken, the Federal/state partnership in the drinking water program is in serious jeopardy.

**RESPONSIBLE MANAGER:**

Robert Blanco, Director, Drinking Water Implementation Division  
Office of Ground Water and Drinking Water, Office of Water (OW)

**APPROPRIATIONS/ACCOUNTS:**

<input checked="" type="checkbox"/> PRO	<input type="checkbox"/> SF	<input type="checkbox"/> B&F	<input type="checkbox"/> CG	<input type="checkbox"/> Oil Spill
<input checked="" type="checkbox"/> AC&C	<input type="checkbox"/> LUST	<input type="checkbox"/> IG	<input type="checkbox"/> R&D	<input type="checkbox"/> Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1992
Original Targeted Correction Date:	1997
Correction Date In Last Year's Report:	1997
Current Correction Date:	1997
Explanation for Change in Date: Not Applicable	

# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### CORRECTIVE ACTION STRATEGY:

EPA is working to: 1) increase Public Water Systems Supervision grants to states; 2) allocate resources to the greatest public health threats first; 3) allow more time for states to build capacity for primacy; 4) provide training and technical assistance to states on the use of alternative financial mechanisms; and 5) promote innovation and flexibility in program implementation. EPA developed a contingency plan, including use of third parties, to directly implement state programs. EPA also prepared a report on key issues for the Congress in reauthorizing the Safe Drinking Water Act.

### RESULTS INDICATORS:

States' ability to generate resources projected as needed for primacy is the key success measure.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Revise state resource needs assessment to estimate shortfall by year and by regulation.	3/93	12/94	
2. Implement the priorities guidance with each state through the annual work planning process.	annually	annually	annually
3. Assess state abilities to meet priority one activities.	9/93	N/A	9/93
4. Identify/work to resolve state capacity needs, work to resolve.	ongoing	ongoing	ongoing
5. Develop contingency plan for directly implementing state primacy programs.	3/93	N/A	1/93
6. Identify EPA resource needs to directly implement state programs.	6/93	3/95	
7. Elevate state capacity efforts in FY '94 contract plan.	8/93	N/A	11/93
8. Validate that states have implemented new rules included in the priority strategy.	9/97	9/97	





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☒ OMB High Risk Area

☐ New

☒ Material Weakness

☐ Corrected

☐ Non-conformance

☒ Carryover

**TITLE:** *Contracts Management*

**DESCRIPTION:**

In 1992, OIG reported widespread and systemic problems with EPA contracts management, including: 1) personal services relationships between contractors and EPA staff; 2) contractor performance of inherently governmental functions; 3) loss of EPA staff expertise which could jeopardize Agency control over major programs; 4) unqualified contractor staff; 5) inadequate assurance of cost-effective Agency operations; and 6) weaknesses in EPA property administration. The Agency established the Standing Committee on Contracts Management (SCCM) to identify and begin to correct widespread problems identified by OIG and recommend corrective actions to address the problem's root causes. In FY 1993 the SCCM was renamed the Resources Management Committee (RMC) comprised of Agency Senior Resource Officials to focus on all extramural resource management responsibilities.

**RESPONSIBLE MANAGER:**

Betty L. Bailey, Director, Office of Acquisition Management  
Office of Administration and Resources Management (OARM)

**APPROPRIATIONS/ACCOUNTS:**

☒ PRO  
☒ AC&C

☒ SF  
☒ LUST

☒ B&F  
☒ IG

☒ CG  
☒ R&D

☒ Oil Spill  
☒ Miscellaneous

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1992
Original Targeted Correction Date:	1996
Correction Date In Last Year's Report:	1996
Current Correction Date:	1996
Explanation for Change in Date: Not Applicable	

# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### CORRECTIVE ACTION STRATEGY:

The SCCM identified seven key deficiencies in EPA contracts management and recommended improvements in each of the following areas: 1) the organizational standing of the Agency contracts management function; 2) management accountability; 3) resources allocation; 4) training; 5) policy and guidance; 6) human resource development; and 7) control of contractor cost and performance.

### RESULTS INDICATORS:

EPA's goal is effective contracts management practices in compliance with EPA and Federal policies and regulations.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Develop Milestone Plan.	10/92	N/A	10/92
2. Restructure EPA's central contracts function.	11/94	N/A	2/94
3. Integrate accountability for program results and contract management at strategic, operational, and project levels.	3/96	N/A	7/94
4. Allocate resources to ensure efficiency and integrity of acquisition function.	6/93	N/A	6/93
5. Develop a comprehensive training program.	6/94	3/95	
6. Revamp EPA procurement guidance documents and policies.	6/93	N/A	6/94
7. Revise human resource policies to emphasize acquisition management.	6/93	N/A	6/94
8. Adopt aggressive policies and programs to ensure effective contractor performance and rigorous control of contractor costs.	9/94	6/96	
9. Develop and implement the Integrated Contract Management System (ICMS).	9/95	9/95	



# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

☒ OMB High Risk Area

☒ Material Weakness

☐ Non-conformance

☐ New

☐ Corrected

☒ Carryover

**TITLE:** *Accounting System-Related Financial Management Problems*

**DESCRIPTION:**

While EPA's Integrated Financial Management System (IFMS) meets the Joint Financial Management Improvement Program core accounting system requirements, specific systems-related problems impair EPA's ability to provide complete, reliable, and timely data for Agency decision-making and control of assets. These problems include: 1) incomplete user manuals and system documentation; 2) inadequate automated project cost accounting capability; 3) incomplete interfaces with programmatic and administrative systems; and 4) inadequate financial management reports. EPA's Financial Systems is also reported on the Office of Management and Budget's High Risk List and in Enclosure D, Financial Systems Non-conformances, of EPA's 1994 Integrity Act Report.

**RESPONSIBLE MANAGER:**

Kathryn S. Schmoll, Comptroller, Office of the Comptroller  
Office of Administration and Resources Management (OARM)

**APPROPRIATIONS/ACCOUNTS:**

☒ PRO  
☒ AC&C

☒ SF  
☒ LUST

☒ B&F  
☒ IG

☒ CG  
☒ R&D

☒ Oil Spill  
☒ Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1992
Original Targeted Correction Date:	1995
Correction Date In Last Year's Report:	1995
Current Correction Date:	1995
Explanation for Change in Date: Not Applicable	

# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### CORRECTIVE ACTION STRATEGY:

EPA will update and issue policy guidance based on the newly implemented software and complete enhancements to the IFMS to produce complete and accurate reports. We will also develop project cost accounting and property systems capability requirements and an interface with Grants Information and Control System (GICS). During FY 1995 OIG will validate the effectiveness of corrective actions as part of its annual audit of EPA's financial statement required by the Chief Financial Officers Act.

### RESULTS INDICATORS:

EPA's key success measure is complete, reliable, and timely financial data to support effective Agency decision-making.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Complete final on-site verification reviews.	6/93	N/A	6/93
2. Conduct Strategic and Master Plan Study.	3/93	N/A	7/93
3. Complete Property System Requirement Study.	1/94	N/A	6/94
4. Implement Version 5.1e of IFMS. - User Manuals and System Documentation	2/94	N/A	5/94
5. Develop Funds Management Requirements.	9/93	N/A	9/94
6. Complete enhancements to produce accurate reports.	6/94	N/A	9/94
7. Develop Project Cost Accounting Requirements.	9/93	N/A	9/94
8. Implement interface between IFMS and GICS.	9/94	12/94	
9. Eliminate ADCR.	6/94	N/A	9/94
10. Replace FMS functions in CPARS.	2/95	2/95	
11. Install Project Cost Accounting System.	9/95	9/95	
12. Implement Property Accounting System.	7/96	7/96	



# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

<input type="checkbox"/> OMB High Risk Area	<input checked="" type="checkbox"/> Material Weakness	<input type="checkbox"/> Non-conformance
<input type="checkbox"/> New	<input type="checkbox"/> Corrected	<input checked="" type="checkbox"/> Carryover

**TITLE:** *Information Resources Planning and Security*

**DESCRIPTION:**

OIG and GAO believe that material management control weaknesses have resulted in duplication, inefficiency, cost overruns, and delays in developing and implementing EPA systems, ineffective Agency management of ADP contracts, data quality deficiencies, exposure of sensitive data to unnecessary risk, and inability to support EPA's cross-media mission. They indicate that lack of top management commitment and sufficient resources to support Information Resources Management (IRM) impede comprehensive EPA assessment of environmental risks and solutions.

**RESPONSIBLE MANAGER:**

Alvin M. Pesachowitz, Director, Office of Information Resources Management  
Office of Administration and Resources Management (OARM)

**APPROPRIATIONS/ACCOUNTS:**

<input checked="" type="checkbox"/> PRO	<input checked="" type="checkbox"/> SF	<input checked="" type="checkbox"/> B&F	<input checked="" type="checkbox"/> CG	<input checked="" type="checkbox"/> Oil Spill
<input checked="" type="checkbox"/> AC&C	<input checked="" type="checkbox"/> LUST	<input checked="" type="checkbox"/> IG	<input checked="" type="checkbox"/> R&D	<input checked="" type="checkbox"/> Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1992
Original Targeted Correction Date:	1995
Correction Date In Last Year's Report:	1995
Current Correction Date:	1996
Explanation for Change in Date: Corrective actions expanded to include an indepth Strategic IRM Plan.	

# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### CORRECTIVE ACTION STRATEGY:

The strategy for improving IRM planning and security is progressing on schedule. Program offices are effective participants in the process and a central authority was established with Agency-wide representation to oversee and direct planning -- the Executive Steering Committee (ESC) for IRM. Instead of piloting the IRM planning process as originally identified, we undertook completion of a formal and indepth strategic IRM planning process. We established an external advisory group under the National Advisory Council for Environmental Policy and Technology (NACEPT) and procedures and guidance will be developed to aid those involved in IRM multi-year planning. The ESC will review progress and ensure that EPA is taking the proper actions to integrate IRM planning and budgeting.

### RESULTS INDICATORS:

Key EPA success measures for IRM planning and security include reduced risk of data security fraud, increased data quality for better decision-making, and reduced costs from integrated planning and budgeting and coordinated systems development.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Designate security officers.	4/93	N/A	9/93
2. Establish program offices' planning process.	9/93	N/A	9/93
3. Update information security policies/standards.	12/93	12/94	
4. Secure sensitive system's risk analysis and plans.	12/93	N/A	6/93
5. Implement a security monitoring program.	6/93	N/A	6/93
6. Establish central review capability.	12/93	N/A	12/93
7. Provide mandatory security awareness training.	6/93	N/A	6/93
8. Validate information security milestones.	4/94	12/94	
9. Initiate pilot integrated planning cycle.	5/94	N/A	5/94
10. Revise and finalize IRM planning procedures and guidance.	2/95	2/95	
11. Initiate Agency-wide IRM Multi-year Plan.	5/95	5/95	
12. Publish Agency-wide Integrated IRM Plan.	12/95	12/95	
13. Validate information planning milestones.	12/95	12/95	



# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

☐ OMB High Risk Area

☒ Material Weakness

☐ Non-conformance

☐ New

☐ Corrected

☒ Carryover

**TITLE:** *Accounts Receivable*

**DESCRIPTION:**

EPA internal reviews and OIG audits identified technical shortfalls in EPA's accounts receivable module. These shortfalls consist of inaccurate and incomplete automated reports and lack of flexibility for automatically accounting for installment payments and calculating superfund compound interest. These shortfalls continue to prevent the Agency from achieving maximum efficiency in managing its receivables.

**RESPONSIBLE MANAGER:**

Kathryn S. Schmoll, Comptroller, Office of the Comptroller  
Office of Administration and Resources Management (OARM)

**APPROPRIATIONS/ACCOUNTS:**

☒ PRO  
☒ AC&C

☒ SF  
☒ LUST

☒ B&F  
☒ IG

☒ CG  
☒ R&D

☒ Oil Spill  
☒ Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1992
Original Targeted Correction Date:	1994
Correction Date In Last Year's Report:	1994
Current Correction Date:	1995
Explanation for Change in Date: Programming problem delayed availability of reports.	

# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### CORRECTIVE ACTION STRATEGY:

EPA's strategy in FY 1995 includes: 1) updating and issuing policy guidance based on the new software version; and 2) completing enhancements to the IFMS to produce complete and accurate reports. OIG will validate the effectiveness of completed corrective actions as part of its annual audit of EPA's financial statement required by the Chief Financial Officers Act.

### RESULTS INDICATORS:

Key results indicators include accurate and timely accounting of accounts receivables and improved IFMS capability to produce OMB and EPA management reports.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Update policies for recording transactions in IFMS.	10/92	N/A	11/92
2. Complete final on-site accounts receivable (A/R) verification reviews.	6/93	N/A	6/93
3. Install debt service enhancements to A/R Module.	12/92	N/A	5/93
4. Implement Version 5.1e of IFMS: - User Manuals; - System Documentation; and - A/R Installment Enhancement.	2/94 2/94 2/94	N/A N/A 5/95	5/94 5/94
5. Complete enhancements to produce complete and accurate reports.	6/94	1/95	
6. Train staff on accounting and managing receivables.	8/94	N/A	5/94





# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

☐ OMB High Risk Area

☒ Material Weakness

☐ Non-conformance

☐ New

☐ Corrected

☒ Carryover

**TITLE:** *Research & Development Operating Expenses*

**DESCRIPTION:**

Internal EPA reviews identified that the lack of sufficient resources for research and development laboratory operating expenses prevents the Agency from maintaining adequate and up-to-date research materials and services for vital scientific studies and analytical activities. This significantly impairs fulfillment of the Agency's research mission.

**RESPONSIBLE MANAGER:**

Clarence Mahan, Director, Office of Research Program Management  
Office of Research and Development (ORD)

**APPROPRIATIONS/ACCOUNTS:**

☐ PRO

☒ SF

☐ B&F

☐ CG

☐ Oil Spill

☐ AC&C

☐ LUST

☐ IG

☒ R&D

☐ Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1990
Original Targeted Correction Date:	1992
Correction Date In Last Year's Report:	1995
Current Correction Date:	1996
Explanation for Change in Date: Corrective actions were delayed pending EPA Lab Study recommendations. Full correction is contingent on resources appropriated through the budget process.	

**1994 INTEGRITY ACT REPORT  
U.S. ENVIRONMENTAL PROTECTION AGENCY**

**CORRECTIVE ACTION STRATEGY:**

The Agency's strategy is to: 1) obtain Congressional approval for increased flexibility in use of the Research and Development appropriation; 2) consolidate ORD's budget structure to allow more efficient allocation of resources; 3) include ORD laboratory funding requirements in Agency budget and planning processes; and 4) issue new policy initiatives, specialized financial management reviews and evaluations, and improve monitoring and reporting techniques. These initiatives will continue and will be further enhanced by improved quality control procedures.

**RESULTS INDICATORS:**

Corrective actions resulted in increases in ORD laboratory operating expense funds from \$22 million in FY 1990 to over \$50 million in FY 1994. A key measure of success is obtaining an overall reduction of risk to the Agency's scientific and research mission through improved funding of EPA's R&D laboratories.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Reassess overall weakness to determine the propriety of Integrity Act reporting.	3/94	3/95	
2. Submit a proposal to the Agency based on "1." above.	4/94	4/95	
3. Develop policy directives for financial management operations.	6/94	6/95	
4. Conduct financial management reviews.	7/94	7/95	
5. Validate effectiveness of corrective action in reducing the risk to the Agency.	8/94	8/95	



# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

<input type="checkbox"/> OMB High Risk Area	<input checked="" type="checkbox"/> Material Weakness	<input type="checkbox"/> Non-conformance
<input type="checkbox"/> New	<input type="checkbox"/> Corrected	<input checked="" type="checkbox"/> Carryover

**TITLE:** *Pesticides Data Integrity*

**DESCRIPTION:**

An Agency internal review and the OIG's special Good Laboratory Practices (GLP) program review identified the following problems in the laboratory data integrity portion of the pesticides and toxic substances enforcement program: 1) inspectors lacked training in laboratory fraud detection; 2) too much advance notice prepared laboratories for upcoming inspections; 3) the GLP program lacked the means of identifying laboratories based on their contracted scientific studies; and 4) poor internal office coordination.

**RESPONSIBLE MANAGER:**

Elaine Stanley, Director, Office of Compliance  
Office of Enforcement and Compliance Assurance (OECA)

**APPROPRIATIONS/ACCOUNTS:**

<input checked="" type="checkbox"/> PRO	<input type="checkbox"/> SF	<input type="checkbox"/> B&F	<input type="checkbox"/> CG	<input type="checkbox"/> Oil Spill
<input checked="" type="checkbox"/> AC&C	<input type="checkbox"/> LUST	<input type="checkbox"/> IG	<input type="checkbox"/> R&D	<input type="checkbox"/> Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1991
Original Targeted Correction Date:	1992
Correction Date In Last Year's Report:	1994
Current Correction Date:	1995
Explanation for Change in Date: Reorganization of the Office of Enforcement and Compliance Assurance resulted in a delay of final decision on GLP lab accreditation program.	

# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### CORRECTIVE ACTION STRATEGY:

EPA's strategy to strengthen data integrity of pesticides and toxic substances includes: 1) training Headquarters, Regional, and National Enforcement Investigations Center GLP inspectors; 2) implementing a laboratory targeting system; and 3) implementing OIG recommendations on the Federal Insecticide, Fungicide and Rodenticide Act GLP program. In FY 1995, EPA will validate the effectiveness of corrective actions by completing feasibility studies of a laboratory registration program and automated laboratory selection system.

### RESULTS INDICATORS:

Key success measures are reduced risk of data fraud and increased data quality for better decision-making.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Pilot test revised inspection notification procedures.	12/91	N/A	12/91
2. Implement a revised neutral administrative scheme for laboratory selection procedures.	2/92	N/A	9/93
3. Initiate an inspector training program.	9/92	N/A	8/92
4. Conduct a feasibility analysis of laboratory accreditation.	4/93	9/95	
5. Identify pivotal studies for audit process.	4/93	N/A	9/93
6. Improve coordination between OPP/OCM for GLP program effectiveness through increased use of OPP auditors.	1993	9/95	
7. Validate effectiveness of corrective actions by assessing selected laboratory inspections, training program evaluations, and inspector performance.	9/92	9/95	



# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

<input type="checkbox"/> OMB High Risk Area	<input checked="" type="checkbox"/> Material Weakness	<input type="checkbox"/> Non-conformance
<input type="checkbox"/> New	<input type="checkbox"/> Corrected	<input checked="" type="checkbox"/> Carryover

**TITLE:** *Storm Water Permitting*

**DESCRIPTION:**

The Clean Water Act (CWA) Amendments of 1987 require EPA to implement a permit program for storm water drainage. Internal Agency reviews found delays in implementing this National Pollutant Discharge Elimination System (NPDES) permit program, depriving the public of improved water quality required by the Act.

**RESPONSIBLE MANAGER:**

Cynthia C. Dougherty, Director, Permits Division, Office of Wastewater Management  
Office of Water (OW)

**APPROPRIATIONS/ACCOUNTS:**

<input checked="" type="checkbox"/> PRO	<input type="checkbox"/> SF	<input type="checkbox"/> B&F	<input type="checkbox"/> CG	<input type="checkbox"/> Oil Spill
<input checked="" type="checkbox"/> AC&C	<input type="checkbox"/> LUST	<input type="checkbox"/> IG	<input type="checkbox"/> R&D	<input type="checkbox"/> Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1991
Original Targeted Correction Date:	1993
Correction Date In Last Year's Report:	1994
Current Correction Date:	1995
Explanation for Change in Date: OMB final review and approval of report before submission to Congress.	

# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### CORRECTIVE ACTION STRATEGY:

EPA's strategy for meeting CWA Amendments of 1987 storm water permitting requirements is to: 1) increase Agency resources devoted to storm water program activities; 2) revise and promulgate NPDES storm water regulations; 3) initiate issuance of permits; and 4) study current and future storm water permit programs and prepare a report to Congress. OMB has offered comments and approval is expected for submission of the final report to Congress in December 1994. In FY 1995, EPA will track milestones on the Agency's Semiannual Regulatory Agenda and the quarterly OWEC agenda. These tracking systems will validate the effectiveness of OW's planned actions, report the status of accomplishments, and verify results.

### RESULTS INDICATORS:

Because this material weakness results from the Agency's failure to perform activities required by the CWA Amendments, completion of those activities constitutes successful correction. A key success measure is improved water quality as a result of implementing the NPDES storm water permitting program.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Reorganize to create a storm water unit.	1/91	N/A	1/91
2. Allocate increased FY 1992 extramural funds.	12/91	N/A	12/91
3. Provide EPA Regions with increased contract support for storm water permit programs.	1/92	N/A	1/92
4. Complete initial comprehensive outreach activities.	10/92	N/A	9/92
5. Establish Notice of Intent Processing Center in operation.	10/92	N/A	9/92
6. Issue 12 EPA storm water general permits.	6/92	N/A	9/92
7. Complete Report to Congress.	3/93	12/94	



# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

<input type="checkbox"/> OMB High Risk Area	<input checked="" type="checkbox"/> Material Weakness	<input type="checkbox"/> Non-conformance
<input type="checkbox"/> New	<input type="checkbox"/> Corrected	<input checked="" type="checkbox"/> Carryover

**TITLE:** *Superfund Cost Recovery*

**DESCRIPTION:**

EPA is authorized under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) to recover all response action costs incurred by the Government from responsible parties. OIG and GAO FY 1990-92 audits and reviews of the Agency's Superfund cost recovery program identified problems in: 1) cost documentation; 2) data accuracy; and 3) accounting for all past costs of cleanups.

**RESPONSIBLE MANAGER:**

Bruce M. Diamond, Director, Office of Site Remediation Enforcement  
Office Enforcement and Compliance Assurance (OECA)

**APPROPRIATIONS/ACCOUNTS:**

<input type="checkbox"/> PRO	<input checked="" type="checkbox"/> SF	<input type="checkbox"/> B&F	<input type="checkbox"/> CG	<input type="checkbox"/> Oil Spill
<input type="checkbox"/> AC&C	<input type="checkbox"/> LUST	<input type="checkbox"/> IG	<input type="checkbox"/> R&D	<input type="checkbox"/> Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1992
Original Targeted Correction Date:	1995
Correction Date In Last Year's Report:	1995
Current Correction Date:	1995
Explanation for Change in Date: Not Applicable	

**1994 INTEGRITY ACT REPORT  
U.S. ENVIRONMENTAL PROTECTION AGENCY**

**CORRECTIVE ACTION STRATEGY:**

EPA's strategy to improve the performance of the cost recovery program is to: 1) promulgate a Cost Recovery Rule, which establishes a methodology for calculating full recovery of EPA indirect costs, requires documentation supporting response actions, clarifies CERCLA statute of limitations for cost recovery actions, and sets cost recovery legal standards; 2) develop a Cost Recovery Procedures Manual to provide users with information on preparing cost and work-performed documents to support cost recovery actions; 3) enhance Cost Recovery Data Tracking by automating Superfund time sheets and Contract Lab Program documents; and 4) develop guidance and procedures to standardize presentation of settlement data.

**RESULTS INDICATORS:**

Success measures include increased accuracy of Superfund cost recovery accounting and documentation and increases in the levels of funds recovered from responsible parties. EPA is developing validation procedures to assess effectiveness of corrective actions.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Promulgate Cost Recovery Rule	11/93	9/95	
2. Develop Procedures Manual	6/93	9/95	
3. Enhance Data Tracking	9/95	9/95	
4. Settlement Documentation	9/95	9/95	





# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

☐ OMB High Risk Area

☒ Material Weakness

☐ Non-conformance

☐ New

☐ Corrected

☒ Carryover

**TITLE:** *Integrated Data for Enforcement Analysis (IDEA) System*

**DESCRIPTION:**

GAO identified continuing weaknesses in the Agency's information system to provide integrated enforcement data, both in documentation and testing of system software, and training IDEA system end users.

**RESPONSIBLE MANAGER:**

Elaine Stanley, Director, Office of Compliance  
Office of Enforcement and Compliance Assurance (OECA)

**APPROPRIATIONS/ACCOUNTS:**

☒ PRO

☒ SF

☐ B&F

☐ CG

☐ Oil Spill

☒ AC&C

☐ LUST

☐ IG

☐ R&D

☐ Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1992
Original Targeted Correction Date:	1992
Correction Date In Last Year's Report:	1994
Current Correction Date:	1995
Explanation for Change in Date: Review of a draft testing protocol resulted in more extensive updates than originally planned.	

# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### CORRECTIVE ACTION STRATEGY:

The Agency's corrective action strategy is to develop: 1) systems and program documentation; 2) a system testing approach and methodology; and 3) an intensive on-site training program for end users. In FY 1995, EPA will validate effectiveness of corrective actions by establishing a documentation library and instituting procedures for updating system documentation, software, maintenance, testing and training.

### RESULTS INDICATORS:

A key success measure is an increase in the number of EPA Headquarters and Regional users of the IDEA system, which will result in more effective multi-media enforcement.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Develop a project plan for documentation and review corrective action milestones.	6/93	N/A	6/93
2. Project review and evaluation of status.	6/93	N/A	6/93
3. Submit testing-documentation procedures.	6/93	12/94	9/94
4. Update documentation and implement testing procedures.	9/93	3/95	
5. Develop IDEA training plan.	12/92	N/A	12/92
6. Develop and test user friendly interface and user manual.	3/93	N/A	9/93
7. Training provided for OECA and HQ media program office staff and EPA regional office staff.	6/93	N/A	9/93
8. Provide ongoing support and reports to Agency targeting and screening efforts.	9/93	N/A	9/93



**1994 INTEGRITY ACT REPORT**  
**U.S. ENVIRONMENTAL PROTECTION AGENCY**

<input checked="" type="checkbox"/> OMB High Risk Area	<input checked="" type="checkbox"/> Material Weakness	<input type="checkbox"/> Non-conformance
<input type="checkbox"/> New	<input checked="" type="checkbox"/> Corrected	<input type="checkbox"/> Carryover

**TITLE:** *Accelerating Remedial Cleanup*

**DESCRIPTION:**

A 1991 internal Agency review by the Superfund 30-Day Task Force identified management control weaknesses causing a slow rate of cleanup of Superfund sites.

**RESPONSIBLE MANAGER:**

Henry L. Longest, Director, Office of Emergency and Remedial Response  
Office of Solid Waste and Emergency Response (OSWER)

**APPROPRIATIONS/ACCOUNTS:**

<input type="checkbox"/> PRO	<input checked="" type="checkbox"/> SF	<input type="checkbox"/> B&F	<input type="checkbox"/> CG	<input type="checkbox"/> Oil Spill
<input type="checkbox"/> AC&C	<input type="checkbox"/> LUST	<input type="checkbox"/> IG	<input type="checkbox"/> R&D	<input type="checkbox"/> Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1991
Original Targeted Correction Date:	1992
Correction Date In Last Year's Report:	1994
Current Correction Date:	Corrected
Explanation for Change in Date: N/A	

# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### CORRECTIVE ACTION STRATEGY:

The Agency's corrective action strategy was to standardize the remedial planning/remedy selection process by developing presumptive remedies for selected site types, developing and issuing standards for contaminated soils, and developing and implementing a model management process for accelerating cleanups -- the Superfund Accelerated Cleanup Model.

### RESULTS INDICATORS:

Corrective actions have increased site cleanups from 63 in FY 1991 to 278 by September 1994; presumptive remedy pilots have demonstrated up to a one-year acceleration in the Remedial Investigation/Feasibility Study process, and up to three years in the remedy selection process at selected facility types. Other presumptive remedy pilots have demonstrated overall reduction in time to identify remedial actions. Effectiveness of presumptive remedies were validated through field demonstrations, monitoring and reporting results. National guidance was modified based on results of pilots.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Segregate Federal Facilities from the National Priorities List.	12/91	9/92	2/92
2. Expand Superfund's measures of success.	9/92	12/92	7/92
3. Expand flexibility of design/construction contracts.	9/93	9/93	9/92
4. Standardize the remedial planning process.	9/92	9/93	9/93
5. Set aggressive cleanup targets.	9/93	9/93	9/93
6. Elevate issues causing delays.	9/93	9/93	9/93
7. Draft ground water presumptive remedy.	3/94	3/94	9/94
8. Draft other presumptive remedy guidance.	9/94	9/94	Deferred: contingent on passage of 1994 SRA
9. Complete technical analysis.	9/94	9/94	6/94
10. Finalize soil screening level guidance.	9/94	9/94	8/94



# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

<input checked="" type="checkbox"/> OMB High Risk Area	<input checked="" type="checkbox"/> Material Weakness	<input type="checkbox"/> Non-conformance
<input type="checkbox"/> New	<input checked="" type="checkbox"/> Corrected	<input type="checkbox"/> Carryover

**TITLE:** *Alternative Remedial Contract Strategy (ARCS) Contract Management*

**DESCRIPTION:**

ARCS contracts support the Superfund cleanup program with a total potential value in excess of \$350 million per year over their ten-year term. A 1991 internal Agency review by the Superfund Management Task Force found weaknesses in: 1) program management and organization; 2) contract capacity and utilization; 3) contract controls; 4) financial audits and reviews; and 5) the contract award fee process. Ineffective contract administration and oversight resulted in excessive contractor and program management costs.

**RESPONSIBLE MANAGER:**

Henry L. Longest, Director, Office of Emergency and Remedial Response  
Office of Solid Waste and Emergency Response (OSWER)

**APPROPRIATIONS/ACCOUNTS:**

<input type="checkbox"/> PRO	<input checked="" type="checkbox"/> SF	<input type="checkbox"/> B&F	<input type="checkbox"/> CG	<input type="checkbox"/> Oil Spill
<input type="checkbox"/> AC&C	<input type="checkbox"/> LUST	<input type="checkbox"/> IG	<input type="checkbox"/> R&D	<input type="checkbox"/> Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1991
Original Targeted Correction Date:	1992
Correction Date In Last Year's Report:	1994
Current Correction Date:	Corrected
Explanation for Change in Date: N/A	

# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### CORRECTIVE ACTION STRATEGY:

EPA created the Superfund Revitalization Office and Regional Management Teams to focus management attention to ARCS contract issues. EPA's corrective actions were designed to: 1) establish decreasing national program management cost targets to lower overhead expense ratios; 2) increase Regional flexibility in selecting ARCS contractors or Army Corps of Engineers (COE) to balance ARCS usage; 3) monitor actual contract utilization and take timely action to reduce or redistribute excess contract capacity; 4) initiate independent government cost estimates (IGCE) to better control costs; and 5) improve the award fee process to ensure best contractor efforts.

### RESULTS INDICATORS:

EPA corrective actions steadily reduced program management costs from 20 percent in 1991 to 11.7 percent by 1994; balanced the ARCS/COE construction management system, with no extant excess contract capacity; and, instituted IGCEs for work assignments over \$25,000. EPA Headquarters completed Regional reviews to validate corrective actions in FY 1994. Headquarters developed and distributed a validation template survey that the Regions completed in FY 1994, and which confirmed the effectiveness of corrective actions.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Assess the apparent excess contract capacity.	4/92	8/92	8/92
2. Ensure balanced Construction Mgt. System.	7/92	7/92	4/92
3. Examine HQ/Regional mgt. responsibilities.	9/92	9/92	7/92
4. Revise the Program Management Concept.	7/92	7/92	9/92
5. Assess the current workload assumption.	11/92	11/92	11/92
6. Facilitate revised policy implementation.	9/92	12/92	12/92
7. Assess and reinforce award fee policy.	9/92	12/92	12/92
8. Establish Regional capacity for IGCEs.	8/93	8/93	8/93
9. Send validation template to Regions.	11/93	11/93	11/93
10. Regions return completed templates.	2/94	2/94	2/94
11. Analyze results of Regional surveys.	4/94	4/94	4/94
12. Discuss survey results with Regions.	6/94	6/94	6/94
13. Take corrective action as needed.	9/94	9/94	9/94



# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

☐ OMB High Risk Area

☒ Material Weakness

☐ Non-conformance

☐ New

☒ Corrected

☐ Carryover

**TITLE:** *Federal Facilities*

**DESCRIPTION:**

Internal reviews found vulnerabilities in Agency oversight and enforcement of Federal facility cleanup under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, further exacerbated by the unfunded mandates of the Base Realignment and Closures Act (BRAC I, II, and III). Resource projections included additional Agency workyears to perform new work and remedial site assessments at one thousand sites. EPA's FY 1994 budget reflected only about forty percent of the projected need.

**RESPONSIBLE MANAGER:**

Barry Breen, Director, Federal Facilities Enforcement Office  
Office of Enforcement and Compliance Assurance (OECA)

**APPROPRIATIONS/ACCOUNTS:**

☐ PRO  
☐ AC&C

☒ SF  
☐ LUST

☐ B&F  
☐ IG

☐ CG  
☐ R&D

☐ Oil Spill  
☐ Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1991
Original Targeted Correction Date:	1993
Correction Date In Last Year's Report:	1994
Current Correction Date:	Corrected
Explanation for Change in Date: N/A	

**1994 INTEGRITY ACT REPORT**  
**U.S. ENVIRONMENTAL PROTECTION AGENCY**

**CORRECTIVE ACTION STRATEGY:**

In FY 1994, EPA completed the accelerated cleanup strategy and developed the base closure Model Accelerated Cleanup (MAC) program to concentrate efforts on bases where the Department of Defense (DOD) has developed reuse plans.

**RESULTS INDICATORS:**

EPA's goal was to increase the number of base closures and property transfers resulting from more timely and effective EPA oversight and enforcement of Federal facility cleanup. In FY 1994 the Agency obtained 100 workyears and \$7 million in funding through an interagency agreement with DOD for activities related to the President's Fast Track Cleanup Program at selected BRAC bases. The Agency's potential liability for addressing additional Federal Superfund sites was limited by court action to the Northeastern United States, resulting in only ten additional Federal facilities considered for listing on the National Priorities List. EPA has completed evaluation and listing of these sites.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Seek increase in workyears and Administrative ceiling.	12/91	12/93	2/94
2. Develop strategy for program efficiencies.	12/91	12/94	10/94
3. Develop strategy for streamlining cleanup process.	12/91	12/94	8/94
4. Conduct validation to ensure corrective action is successful.	12/92	12/94	9/94





# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

<input type="checkbox"/> OMB High Risk Area	<input checked="" type="checkbox"/> Material Weakness	<input type="checkbox"/> Non-conformance
<input type="checkbox"/> New	<input checked="" type="checkbox"/> Corrected	<input type="checkbox"/> Carryover

**TITLE:** *Pesticides Antimicrobial Program*

**DESCRIPTION:**

A 1990 GAO review found weaknesses in the Agency's antimicrobial program, including: 1) the integrity and quality of EPA databases; 2) validity of test methods; and 3) lack of a plan for enforcement and follow-up actions regarding efficacy claims. These management problems increase the potential risk of infection to patients in the health care system from ineffective disinfectant products.

**RESPONSIBLE MANAGER:**

Daniel M. Barolo, Director, Office of Pesticide Programs  
Office of Prevention, Pesticides, and Toxic Substances (OPPTS)

**APPROPRIATIONS/ACCOUNTS:**

<input type="checkbox"/> PRO	<input type="checkbox"/> SF	<input type="checkbox"/> B&F	<input type="checkbox"/> CG	<input type="checkbox"/> Oil Spill
<input checked="" type="checkbox"/> AC&C	<input type="checkbox"/> LUST	<input type="checkbox"/> IG	<input type="checkbox"/> R&D	<input type="checkbox"/> Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1990
Original Targeted Correction Date:	1992
Correction Date In Last Year's Report:	1994
Current Correction Date:	1994
Explanation for Change in Date: Not Applicable	

# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### CORRECTIVE ACTION STRATEGY:

EPA implemented a comprehensive product testing program, researched major antimicrobial test methods, and allocated sufficient funds to correct identified problems. In FY 1994, EPA conducted an Alternative Management Control Review which confirmed that the program addressed remaining weaknesses.

### RESULTS INDICATORS:

The key success measure for correcting the antimicrobial program weaknesses is improved test methods for determining the efficacy of antimicrobial products, resulting in the removal of ineffective sterilants from the marketplace. Fourteen ineffective sterilant products used on critical medical instruments have been removed from the market; several others have been referred for enforcement.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Issue public notice of testing programs/results.	9/91	N/A	9/91
2. Finalize process to handle failing data results.	12/91	N/A	9/91
3. Complete screening testing for sterilant products under Food & Drug Administration Interagency Agreement (IAG).	9/91	N/A	6/92
4. Expand EPA/state cooperative agreements.	6/92	N/A	6/92
5. Extend IAG on enforcement testing of sterilants.	9/92	N/A	9/92
6. Refine antimicrobial testing strategy.	9/92	N/A	9/92
7. Initiate tuberculocidal & hospital disinfectant product testing at EPA Environmental Monitoring Systems Laboratories.	9/93	N/A	6/93
8. Initiate cooperative agreements to validate test methods, statistical support, injured cells tests.	9/91	N/A	9/92
9. Develop policies to clarify registration data review and acceptance of new protocols.	9/91	N/A	9/92
10. Initiate refinements to tracking data bases.	9/92	N/A	9/92
11. Establish antimicrobial complaint system.	9/91	N/A	9/91
12. Validate ongoing corrective actions.	9/94	N/A	9/94

**Enclosure D - Schedule of Corrective Actions  
Material Non-Conformances**

**1994 INTEGRITY ACT REPORT**  
**U.S. ENVIRONMENTAL PROTECTION AGENCY**  
**MATERIAL NON-CONFORMANCES SUMMARY**

<i>Carryover Material Non-conformances</i>	<i>Year First Reported</i>	<i>Last Year's Correction Date</i>	<i>Current Correction Date</i>	<i>Page</i>
1. Regional/General Ledger Accounts Receivables	1989	1994	1995	D-2
2. Property Accounting Process	1983	N/A	1996	D-4
3. Accounting System Interfaces	1985	1993	1995	D-6



# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

<input type="checkbox"/> OMB High Risk Area	<input type="checkbox"/> Material Weakness	<input checked="" type="checkbox"/> Non-conformance
<input type="checkbox"/> New	<input type="checkbox"/> Corrected	<input checked="" type="checkbox"/> Carryover

**TITLE:** *Regional/General Ledger Accounts Receivables*

**NON-CONFORMANCE TYPE AND DESCRIPTION:** Core Financial System

Internal reviews found several potential unrecorded accounts receivable in the Regions resulting from program officials not promptly notifying the servicing finance office of the creation and disposition of receivables. The IFMS accounts receivable module lacks the capabilities to automatically process the unique Superfund requirements of compound interest and flexible installment receivables.

**RESPONSIBLE MANAGER:**

Kathryn S. Schmoll, Comptroller, Office of the Comptroller  
Office of Administration and Resources Management (OARM)

**APPROPRIATIONS/ACCOUNTS:**

<input checked="" type="checkbox"/> PRO	<input checked="" type="checkbox"/> SF	<input checked="" type="checkbox"/> B&F	<input checked="" type="checkbox"/> CG	<input checked="" type="checkbox"/> Oil Spill
<input checked="" type="checkbox"/> AC&C	<input checked="" type="checkbox"/> LUST	<input checked="" type="checkbox"/> IG	<input checked="" type="checkbox"/> R&D	<input checked="" type="checkbox"/> Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1989
Original Targeted Correction Date:	1990
Correction Date In Last Year's Report:	1994
Current Correction Date:	1995
Explanation for Change in Date: Programming problems delayed availability of reports.	

# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### CORRECTIVE ACTION STRATEGY:

The Agency now requires each Servicing Finance Office to reconcile the recorded accounts receivable with the program office and the Office of Regional Council to assure that all receivables are recorded in IFMS. Discussions were held with the Department of Justice to identify alternative measures for obtaining account receivable documents more expeditiously and we are developing an automated function to handle installment receivables.

### RESULTS INDICATORS:

Key results indicators include updated and accurate IFMS user documentation, enhanced accounts receivable installment functions within IFMS, and financial information in reporting formats that meet user requirements.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Install enhancements to Accounts Receivable module to handle debt servicing.	12/92	N/A	5/93
2. Third round of on-site verification reviews.	6/93	N/A	6/93
3. Implement Version 5.1e of IFMS: - User Manuals; - System Documentation; and - Accounts Receivable Installment Enhancements.	2/94 2/94 2/94	N/A N/A 5/95	5/94 5/94
4. Complete enhancements to produce needed reports: - Standard Form 220.9; and - Supplemental Accounts Receivable Reports.	6/94 6/94	1/95 1/95	
5. Provide training on accounting and managing receivables.	8/94	N/A	5/94



# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

<input type="checkbox"/> OMB High Risk Area	<input type="checkbox"/> Material Weakness	<input checked="" type="checkbox"/> Non-conformance
<input type="checkbox"/> New	<input type="checkbox"/> Corrected	<input checked="" type="checkbox"/> Carryover

**TITLE:** *Property Accounting Process*

**NON-CONFORMANCE TYPE AND DESCRIPTION:** Core Financial Subsidiary System

Property values are recorded in the Agency's General Ledger accounts and reconciled with data contained in the Personal Property Accountability System (PPAS). Internal reviews identified continuing problems with recording property in the Agency's General Ledger. The Agency formed a Quality Action Team (QAT) which recommended procuring a property module compatible with IFMS, and developed an implementation strategy.

**RESPONSIBLE MANAGER:**

Kathryn S. Schmoll, Comptroller, Office of the Comptroller  
Office of Administration and Resources Management (OARM)

**APPROPRIATIONS/ACCOUNTS:**

<input checked="" type="checkbox"/> PRO	<input checked="" type="checkbox"/> SF	<input checked="" type="checkbox"/> B&F	<input checked="" type="checkbox"/> CG	<input checked="" type="checkbox"/> Oil Spill
<input checked="" type="checkbox"/> AC&C	<input checked="" type="checkbox"/> LUST	<input checked="" type="checkbox"/> IG	<input checked="" type="checkbox"/> R&D	<input checked="" type="checkbox"/> Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1983
Original Targeted Correction Date:	1989
Correction Date In Last Year's Report:	Target date was deferred pending development of fixed assets module
Current Correction Date:	1996
Explanation for Change in Date: Development of correction date was deferred in FY 1993 pending outcome of development of enhanced fixed assets module for Federal financial system users.	

**1994 INTEGRITY ACT REPORT  
U.S. ENVIRONMENTAL PROTECTION AGENCY**

**CORRECTIVE ACTION STRATEGY:**

The QAT recommended a module compatible with IFMS and an implementation strategy which was accepted by EPA management. The strategy contains steps to: 1) examine policies, procedures and EPA requirements; 2) reconcile data; and 3) develop user manuals and provide training prior to installing the system.

**RESULTS INDICATORS:**

EPA's key success measures are full accounting for capitalized property and increased accuracy of property accounting records.

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Revise policy and procedures for identifying and capitalizing property and recommending opportunities for automated interface between IFMS and PPAS.	9/93	N/A	3/93
2. Present QAT recommendations to process owners.	7/93	N/A	7/93
3. Develop implementation strategy for recommendations accepted by process owners.	1/94	N/A	6/94
4. Install Property Accounting System Module.	7/96	7/96	





## 1994 INTEGRITY ACT REPORT U.S. ENVIRONMENTAL PROTECTION AGENCY

<input type="checkbox"/> OMB High Risk Area	<input type="checkbox"/> Material Weakness	<input checked="" type="checkbox"/> Non-conformance
<input type="checkbox"/> New	<input type="checkbox"/> Corrected	<input checked="" type="checkbox"/> Carryover

**TITLE:** *Accounting System Interfaces*

**NON-CONFORMANCE TYPE AND DESCRIPTION:** Core Financial System

Internal reviews identified problems with capability of key Agency administrative systems to electronically interface with the Integrated Financial Management System (IFMS), as required by OMB Financial Management System Objectives to avoid duplication of data entry. Currently, EPA has identified only one system, Grants Information and Control System (GICS) as requiring an interface with IFMS. The other systems are not fully developed for an interface to IFMS.

**RESPONSIBLE MANAGER:**

Kathryn S. Schmoll, Comptroller, Office of the Comptroller  
Office of Administration and Resources Management (OARM)

**APPROPRIATIONS/ACCOUNTS:**

<input checked="" type="checkbox"/> PRO	<input checked="" type="checkbox"/> SF	<input checked="" type="checkbox"/> B&F	<input checked="" type="checkbox"/> CG	<input checked="" type="checkbox"/> Oil Spill
<input checked="" type="checkbox"/> AC&C	<input checked="" type="checkbox"/> LUST	<input checked="" type="checkbox"/> IG	<input checked="" type="checkbox"/> R&D	<input checked="" type="checkbox"/> Other

PACE OF CORRECTIVE ACTION:	
Fiscal Year First Identified:	1985
Original Targeted Correction Date:	1990
Correction Date In Last Year's Report:	1995
Current Correction Date:	1996
Explanation for Change in Date: Property Accounting System requirements and implementation plan were not known last year.	

# 1994 INTEGRITY ACT REPORT

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### CORRECTIVE ACTION STRATEGY:

EPA's corrective action strategy to complete the electronic interface between IFMS and EPA's other administrative systems includes: 1) expanding the Agency's Account Code structure; 2) reprogramming systems that interface with IFMS; 3) converting historical accounting information to IFMS/Management and Accounting Reporting System (MARS); 4) implementing cost accounting capability; and implementing Property Accounting System. We plan to terminate the legacy systems at the end of FY 1995. OIG will validate the effectiveness of these corrective actions as part of its annual audit of EPA's financial statements as required by the Chief Financial Officers Act.

### RESULTS INDICATORS:

Results indicators include automated interface between IFMS and GICS, installation of Property Accounting System, and elimination of dependency on the Financial Management System (FMS), the Automated Document Control Register (ADCR), and the Resource Management Information System (RMIS).

MAJOR CORRECTIVE ACTION MILESTONES	ORIGINAL TARGET DATE	CURRENT TARGET DATE	ACTUAL COMPLETION DATE
1. Analyze disposition of historical FMS data.	9/93	N/A	10/93
2. Eliminate ADCR.	6/94	N/A	9/94
3. Finalize project cost accounting requirements.	9/93	N/A	9/94
4. Implement project cost accounting requirements.	9/95	9/95	
5. Implement interface between IFMS and regional GICS.	9/93	12/94	
6. Implement Property Accounting System.	10/92	7/96	
7. Implement replacement for FMS historical data.	3/95	9/95	
8. Replace FMS function in CPARS.	2/95	2/95	
9. Implement MARS view of historical data.	7/95	7/95	
10. Automate Superfund layoff.	8/95	8/95	
11. Implement accounting number changes.	10/95	10/95	

***For additional copies of this report, please write to:***

Environmental Protection Agency  
Resource Management Division 3304  
Quality and Management Integrity Branch  
401 M Street, S.W.  
Washington, DC 20460

***or call:***

Phone: (202) 260-9650

Fax: (202) 260-0400

***and request EPA's 1994 Integrity Act Report.***