

# **EPA Management Integrity at EPA**

## **A Managers “How To” Guide for Program Reviews:**



**Seeing the Forest *and* the Trees**

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# INTRODUCTION

Understanding a concept like management integrity requires a little imagination. Too often concepts get buried in technical jargon or are burdened by past associations. In complying with the Federal Managers' Financial Integrity Act [P.L. 97-255], many Federal managers historically never saw the "Big Picture." Most focused on filling out checklists and performing other routine compliance tests, rather than considering management controls in light of broader program issues and EPA's overall mission. In short, they got lost in the trees and never saw the forest!

Federal programs cannot afford the time or money spent getting lost in the trees. In fact, the public and Congress want less bureaucracy, more customer focus, and improved management. One way of achieving these goals is to enhance the flexibility of management oversight while strengthening accountability. The White House and Congress have worked together in recent years to implement legislation that provides for both.

The June 1995 revision of the Office of Management and Budget Circular A-123, which implements the *Integrity Act*, strengthens management accountability by linking management controls with planning and budgeting decisions. In fact, the change in the Circular's title from *Internal Controls* to *Management Accountability and Control* speaks volumes! Managers are now responsible for making both accountability and control an integral part of day-to-day program management.

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# PURPOSE

Effective EPA program managers appreciate both the broad mission and goals **and** the operational mechanics of their programs. In effect, such managers are capable of seeing **both** the forest and the trees as they manage for results. The purpose of this Guide is to show how managers can monitor and manage both overall program progress (the forest) and the effectiveness of day-to-day operations (the trees).

This Guide will:

- ❖ *Provide* you with a systematic approach and framework for conducting program reviews that address *Integrity Act* issues
- ❖ *Promote* your consistent attention to EPA's Management Integrity Principles and best management practices in performing program reviews
- ❖ *Support* your effective implementation of EPA's *Integrity Act* policy

But first, we present EPA's Management Integrity Principles as the essential guideposts for performing a good program review. Using this framework will promote more effective integration of the Integrity Act across EPA, and will lead to successful results-oriented program management.

We have developed a little fable to help illustrate the steps to a good program review. We hope you enjoy the story of *Howell the Owl and the Mystery at Sunnyside Stream*, as you read through this Guide.



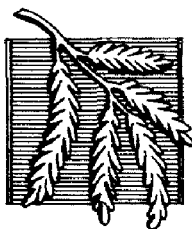
***T**radition portrays the owl as the wisest of all forest animals, always exercising sound reasoning and good judgment. Given its reputation for intelligence and good judgment, let's follow a wise old owl named Howell during a day with his forest friends. During this busy day, Howell will identify, analyze, report on, and help to solve a serious problem in the forest. Along the way this Guide describes a parallel approach to performing program reviews, including tools and techniques useful at each stage of the review.*

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# EPA's MANAGEMENT INTEGRITY PRINCIPLES:

## *Guideposts for a Good Program Review*

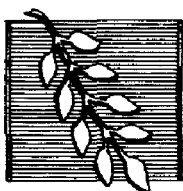
EPA's integrity policy advocates that managers incorporate EPA's Management Integrity Principles into existing management processes, program strategies, and guidance to strengthen program operations. Use these Principles to guide your program review and in developing your review objectives and methodology. *The Principles are the desired condition that you want to verify or meet.*



"The **Guidance** Principle" — Develop written strategies, policies, guidance, procedures, and performance measures to achieve EPA's mission and safeguard programs and resources against waste, loss, unauthorized use, and misappropriation.



"The **Accountability** Principle" — Establish an organizational structure and delegate authority, responsibility, and accountability in accordance with Agency guidelines to achieve the mission of the organization.



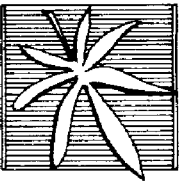
"The **Feedback** Principle" — Carry out program activities, consistent with established policies, strategies, guidance and procedures, and report significant, emerging management problems through the chain of command to the appropriate national program manager for action.



"The **Competency** Principle" — Demonstrate personal integrity, provide quality supervision, and sustain a level of professional competence to accomplish assignments and to ensure that management objectives are achieved.



“The ***Quality Data*** Principle” — Collect and assure the quality of data and other information necessary to manage environmental programs and continuously improve the basis for the Agency’s scientific, technical, legal, enforcement, or management decisions.



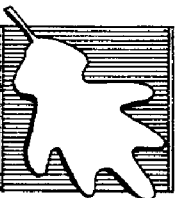
“The ***Separation*** Principle” — Separate key duties and responsibilities in authorizing, reviewing and approving payment, and maintain individual accountability for the custody and use of resources.



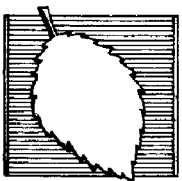
“The ***Comparison*** Principle” — Periodically compare written records of actual and planned activities for budget expenditures, program operations, property inventory, and staffing levels, to identify discrepancies and take appropriate action, where vulnerabilities exist.



“The ***Identification*** Principle” — Use all available information sources to identify and routinely assess program areas that are vulnerable to fraud, mismanagement, and noncompliance with law.



“The ***Review*** Principle” — Develop and carry out a systematic review strategy, comprised of internal program reviews, Office of Inspector General (OIG) audits, and General Accounting Office (GAO) studies, to assess the effectiveness of program guidance and procedures, and revise, as necessary.

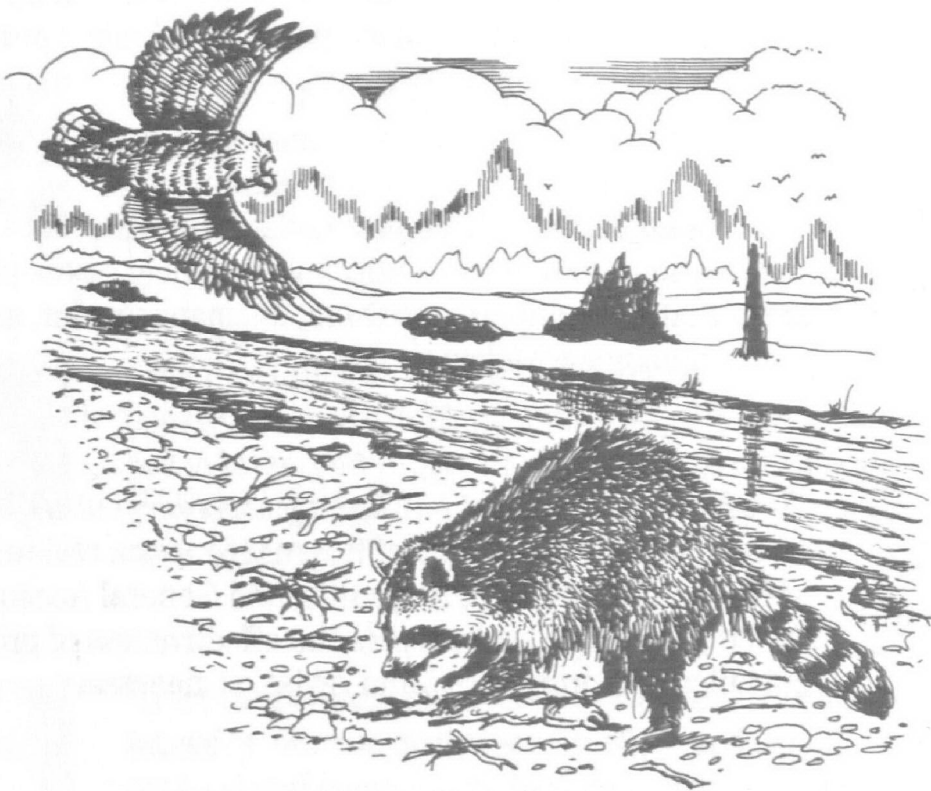


“The ***Correction*** Principle” — Promptly determine, and carry out management actions to correct, within established time frames, significant problems identified by internal program, OIG, and GAO reviews.

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## *Howell the Owl and the Mystery at Sunnyside Stream*

**W**hile flying through the forest one day, Howell the Owl noticed that the water in Sunnyside Stream appeared unusually low. In fact, he could see many rocks and pebbles that were normally covered by water. He also saw a lot of debris, including tree limbs and twigs, strewn on the banks of the stream. And he noticed several fish, half-submerged, struggling to get to the few remaining pools. Then he saw a raccoon standing on the shore feasting on a trout. The raccoon admitted that the stream bed was awfully dry, but said he liked the easy pickings! Howell knew that probably only the raccoon and his cousins would appreciate this drastic change at Sunnyside Stream, and even *they* wouldn't like it after all the easy pickings were gone...



So, thinking back on all of the problems he had encountered in the forest over the years, Howell decided to approach this puzzle much as he had others. His basic approach followed seven steps, each of which had served him well in the past...

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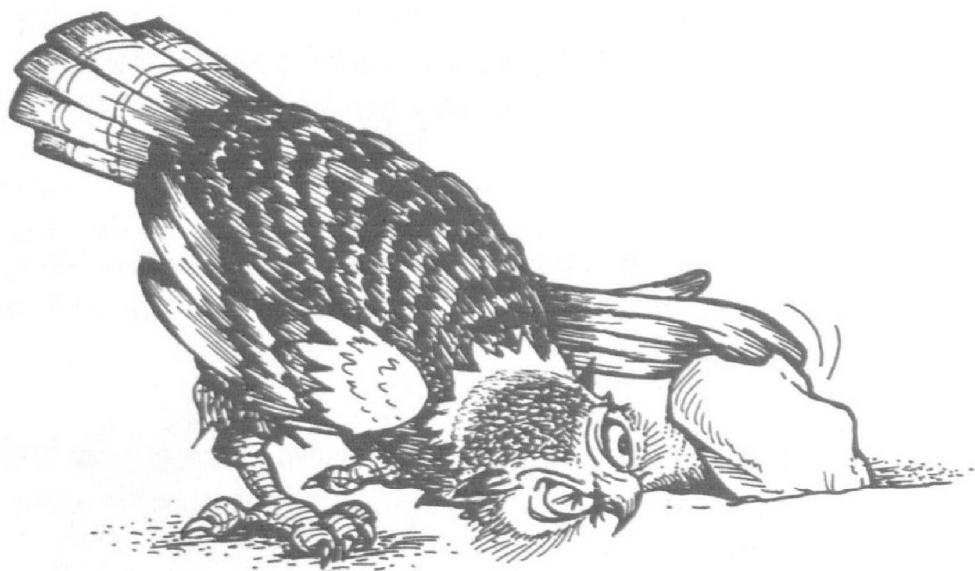
# BASIC STEPS TO CONDUCTING PROGRAM REVIEWS

The following steps are basic to a good program review. In some cases, there are a variety of alternative approaches to performing a step. For example, in **STEP 2**, there are several tools and techniques you can use to examine details.

- STEP 1**     **IDENTIFY POTENTIAL PROBLEMS:** Survey the *scene for information sources, develop key questions, and identify red flags.*
- STEP 2**     **EXAMINE THE DETAILS:** Collect high quality information by *observing, inquiring, inspecting, re-performing, and walking through* activities.
- STEP 3**     **ANALYZE DATA/DEFINE PROBLEM:** Assess progress in achieving goals according to laws, regulations, and administrative procedures.
- STEP 4**     **DOCUMENT THE ISSUE:** Describe the identified problem in writing.
- STEP 5**     **DEVELOP A CORRECTIVE ACTION STRATEGY:** Describe the necessary actions to correct the problem.
- STEP 6**     **IMPLEMENT THE PLAN:** Set the corrective action plan in motion.
- STEP 7**     **ASSESS RESULTS:** Verify that corrective actions achieve results.

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***H**owell wanted to get a “hands on” look at the changes at Sunnyside Stream. So he flew down to the stream bed and he walked around a bit, picking up some stones and looking underneath them to get some idea of the extent of the problem.*



*But Howell also strongly believes in getting the whole story. So, in order to investigate fully, he decided to fly further upstream, survey the scene, and ask a few questions.*

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## STEP 1 — IDENTIFY POTENTIAL PROBLEMS:

### *Survey the Scene for Information Sources*

EPA's integrity policy advocates that managers tap a variety of information sources when reviewing programs. Consider the following information in determining top problems, and where to focus your review:

- ❖ Knowledge gained from the daily operations of EPA programs and systems
- ❖ Feedback from state, county, municipal or tribal customers, and/or the regulated community
- ❖ Annual strategic plans, performance plans and reports prepared in conformance with the Government Performance and Results Act (GPRA) of 1993
- ❖ Reports and other information provided by the Congressional committees of jurisdiction
- ❖ Office of Inspector General (OIG) and General Accounting Office (GAO) reports, including audits, inspections, reviews, investigations, and hotline complaints
- ❖ Audits of financial statements conducted pursuant to the Chief Financial Officers (CFO) Act of 1990
- ❖ Any other internal or external reviews or reports relating to EPA operations
- ❖ Reviews of financial systems which consider whether the requirements of OMB Circular A-127-Revised, *Financial Management Systems*, are being met
- ❖ Reviews of systems and applications conducted in accordance with the Computer Security Act of 1987 and OMB Circular A-130, *Management of Federal Information Resources*

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## **STEP 1 — IDENTIFY POTENTIAL PROBLEMS:**

### ***Develop Key Questions***

In addition to the specific objectives of your review, use EPA's Management Integrity Principles to formulate questions to sharpen the issues. For example,

- ❖ Are the requirements for program participants reasonable, or are they so complicated and cumbersome that they are difficult to understand and carry out? (*Guidance Principle*)
- ❖ Does the activity have many complex decision or approval points or transactions? These may increase the likelihood of errors or irregularities. (*Separation Principle*)
- ❖ Have important activities/programs been contracted out with appropriate systems of checks and balances? (*Accountability Principle*)
- ❖ Has the recent Agency *Integrity Act* report included material weaknesses pertaining to the activity? Such information may indicate a high degree of susceptibility. (*Identification Principle*)
- ❖ Does the activity involve liquid assets that are readily marketable (e.g., cash or securities) or could be misappropriated for personal use (e.g., tools or computers)? (*Guidance and Separation Principles*)
- ❖ Does the program contain financial or other inherent incentives that may be conducive to fraud, waste, abuse or misappropriation? (*Guidance and Separation Principles*)

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## STEP 1 — IDENTIFY POTENTIAL PROBLEMS:

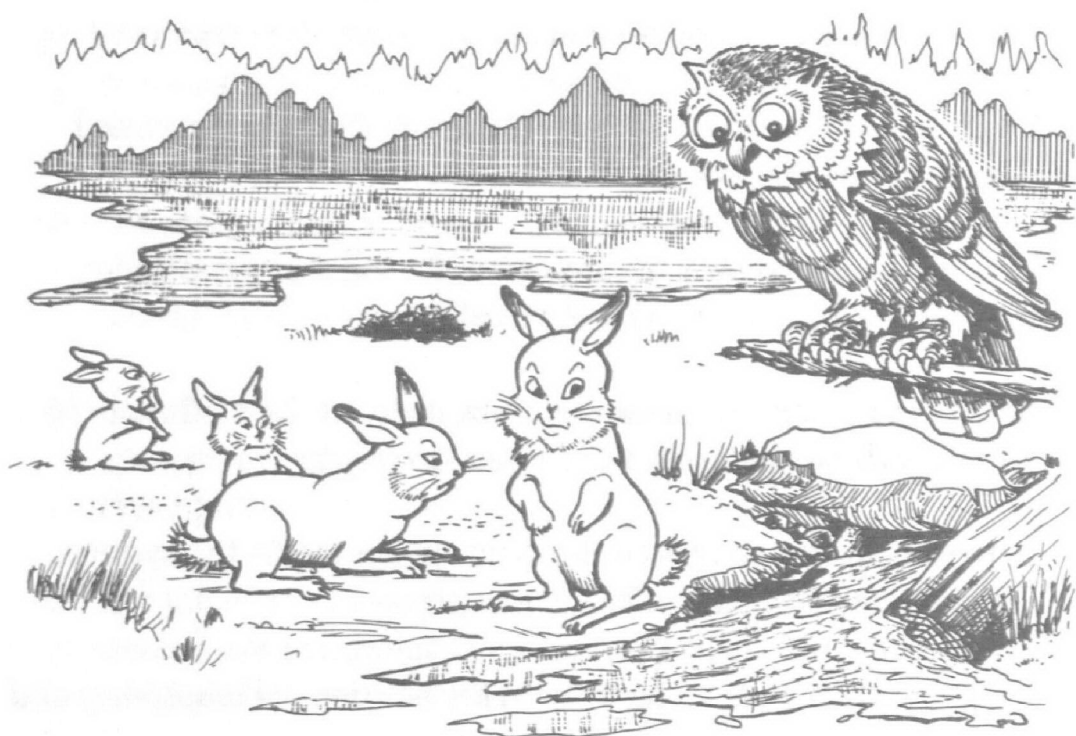
### *Identify Red Flags*

Be alert to any “red flags,” that may set the stage for future problems:

- ❖ Unclear program mission and goals (*Guidance Principle*)
- ❖ Complex procedures and programs (*Accountability Principle*)
- ❖ Poorly defined and documented program guidance, policies, and procedures (*Guidance Principle*)
- ❖ Lack of specific performance measures for the program/activity (*Guidance and Quality Data Principles*)
- ❖ Lack of a systematic framework to establish priorities (*Guidance, Accountability, Feedback, and Review Principles*)
- ❖ Duplicate, inefficient, poorly designed, and/or ineffective systems (*Separation and Quality Data Principles*)
- ❖ A high rate of personnel turnover in key positions (*Competency and Separation Principles*)
- ❖ A history of material management control weaknesses described in annual Agency *Integrity Act* reports (*Identification, Review, and Correction Principles*)

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**A**s he flew upstream, Howell came upon a family of rabbits huddled near the mouth of its burrow. The baby bunnies were clearly upset, and Howell soon found out why. With the water level so low in Sunnyside Stream, all of the tender shoots of grass along the stream bank were dying away. And the tougher weeds left behind were hard on their little bunny tummies!



*Well, thought Howell, let me look at this in more detail...*

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## STEP 2 — EXAMINE THE DETAILS BY: *Collecting High Quality Information*

Based on your understanding of the problem areas identified in **Step 1**, determine relevant key activities and processes, and specify program review objectives. Within your review scope and objectives, collect information in various ways. For example, observe people doing their work or ask them about their job responsibilities. Inspect files or reports. Let your judgment dictate the best methods.

Obtain evidence directly as it provides a higher level of assurance than evidence obtained indirectly. For this reason, at a minimum, observe and ask questions of EPA managers and staff. Try to collect information that has relevance, objectivity, persuasiveness, and freedom from bias:

- ❖ ***Relevance:*** Evidence must support the procedure being tested
- ❖ ***Objectivity:*** Two or more reviewers should reach essentially the same conclusion based on the same evidence
- ❖ ***Persuasiveness:*** Evidence must be adequate to form a conclusion
- ❖ ***Freedom from Bias:*** Evidence should not unfairly support one alternative conclusion over another

Depending on the quality of evidence—the results of testing—derived from data gathering techniques, the availability of different types of evidence, the nature and purpose of the test, and the significance of the problem being examined, you can determine which type of testing, and how much, is most appropriate to your review.

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***L**eaving the rabbit family, Howell flew off to find a deer because a deer's range is much wider than most of the animals in the forest. Finding a deer not too far away, Howell asked the deer what he knew about the problems at Sunnyside Stream. The deer reported that he had been away visiting friends in another forest, and had not been to the stream for several days. But he said that some of the animals had mentioned a beautiful new pond that had recently appeared in the northern part of the woods. "Mmmm," thought Howell, "I think I'll go see this pond for myself, walk around a bit, and ask a few more questions..."*



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## **STEP 2 — EXAMINE THE DETAILS BY:**

### ***Observing***

#### ***Description***

See first hand. If appropriate, watch people doing their job assignments. Try to get a sense of the organizational culture through direct observation. Look at the physical space — are the desks occupied? Are people open? Do they speak with candor? Observation, like inquiry, is an essential review technique. If you do nothing else, at least observe operations and ask questions of EPA managers and staff responsible for the operations.

#### ***Attributes***

- ❖ Provides highly reliable evidence at a point in time
- ❖ Provides no evidence about any other time
- ❖ Requires supplemental testing (e.g., inquiry) of operations at other times

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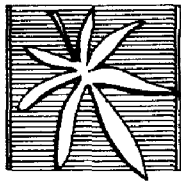
## ***Sample Tests***

Review EPA's Management Integrity Principles and identify those Principles relevant to your review methodology and objectives. Here are some examples for you to consider:



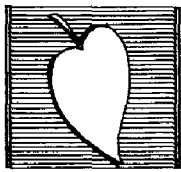
### The ***Comparison*** Principle

- ❖ Observe grantees' actual on-board employees, equipment, etc., compared to their grant agreement.



### The ***Separation*** Principle

- ❖ Observe that controlled custody exists over critical forms (e.g., blank checks, purchase orders, signature plates, master file change forms, vouchers, check requests).



### The ***Quality Data*** Principle

- ❖ Observe whether the laboratory is complying with environmental health and safety standards to support sound scientific research and data collection methods.

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## **STEP 2 — EXAMINE THE DETAILS BY:**

### ***Inquiring***

#### ***Description***

Managers and staff involved in day-to-day operations are the best resources available. They are also the personnel who must incorporate management's best practices and EPA's Management Integrity Principles into their daily work. Ask EPA personnel, either in person or in writing, about how they perform their activities and responsibilities. This is a basic, but essential review technique.

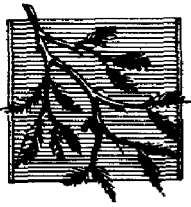
#### ***Attributes***

- ❖ Provides least reliable type of evidence
- ❖ Typically requires open-ended questions
- ❖ Reliability depends on competence, experience, knowledge, independence, and integrity of the personnel questioned
- ❖ Evidence corroborates best through observation and/or inspection

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## ***Sample Tests***

Hear it for yourself. Ask people about their job responsibilities. Are people open? Do they speak with candor? Inquiry, like observation, is an essential review technique. Again, if you do nothing else, at least observe operations and ask questions of EPA managers and staff responsible for the operations. Remember to review EPA's Management Integrity Principles. Here are some examples for you to consider:



### **The *Accountability* Principle**

- ❖ Interview senior managers and staff regarding the organization's methods of assigning authority and responsibility. Determine how authority, responsibility and accountability are delegated to address organizational goals and objectives, operating functions, and other requirements.



### **The *Competency* Principle**

- ❖ Interview various program staff regarding training policies and procedures. Assess how staff are trained to meet their job responsibilities.



### **The *Guidance* Principle**

- ❖ Interview key managers regarding guidance, rules or regulations developed to achieve EPA's mission and the program's objectives. Is the guidance clear? Easily understood? Is it effective in meeting the program's goals and objectives? Should it be modified or changed to be more effective?

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## **STEP 2 — EXAMINE THE DETAILS BY:**

### ***Inspecting***

#### ***Description***

Inspection is an optional review technique. Use inspections to supplement observations and inquiries. View, examine, read, and compare information and data contained in documents and records with actual procedures performed, and operating policies and guidance.

#### ***Attributes***

- ❖ Is generally a reliable procedure
- ❖ Can be performed at any time
- ❖ Does not provide information on effectiveness of action taken
- ❖ Works best when supplemented with observation and/or inquiry of persons performing the activity

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## *Sample Tests*

Examine it yourself. Handle relevant documents and analyze the data contained therein. Use the Integrity Principles. Here are some examples for you to consider:



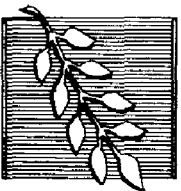
### The *Accountability* Principle

- ❖ Review functional statements to determine whether they are current, in writing, and consistent with actual operations.



### The *Correction* Principle

- ❖ Determine how management identifies significant problems, and tracks corrective actions. Inspect the system to ensure that it is complete, current, and reasonable.



### The *Feedback* Principle

- ❖ Determine how the results of operations are systematically monitored against plans and budgets, and variances investigated. Examine an example of a variance and its resolution.

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## **STEP 2 — EXAMINE THE DETAILS BY:**

### ***Re-performing***

#### ***Description***

Use re-performance of selected procedures and activities as an optional review technique to supplement other review work. Re-performance may be particularly helpful for activities of a computational nature.

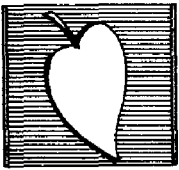
#### ***Attributes***

- ❖ Provides evidence that the expected outcome resulted
- ❖ Does not provide evidence of how the procedure was actually applied
- ❖ Should be used in conjunction with other procedures

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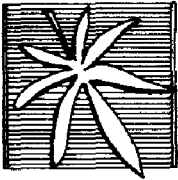
## ***Sample Tests***

Examples for you to consider are provided below:



### **The *Quality Data* Principle**

- ❖ Recalculate unit cost extensions in an inventory list, foot the list, and trace the total to the general ledger amount.



### **The *Separation* Principle**

- ❖ Select a sample of invoices. Compare invoice terms with agreed-upon prices. Confirm that authorized individuals have approved the invoices. Validate that exceptions were reviewed by someone authorized to approve them. Also, confirm that invoices were processed by designated staff who are independent of the authorizing, reviewing, approving, purchasing, and receiving functions.



### **The *Comparison* Principle**

- ❖ Test the periodic physical inventory counts made by Agency personnel by re-performing the counts yourself. Relatively heavier test counting should be performed on high value areas of inventory. Compare your counts with the inventory listing.

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## STEP 2 — EXAMINE THE DETAILS BY: *“Walking Through”*

### *Description*

Follow transactions from initiation to completion by “walking through” them. Combine observations and inquiries with optional inspections and re-performance of selected activities. If appropriate, actually observe a transaction being processed by the respective personnel. Discuss with these staff their responsibilities in applying key procedures in the selected activities. Gain, through inquiry, management’s perspective of these transactions. Inspect the documents to determine how they have been modified as they have been processed. Re-perform key procedures, as necessary.

### *Attributes*

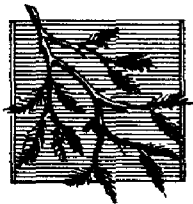
- ❖ Serves as a comprehensive test procedure
- ❖ Is usually more time consuming than other independent review procedures



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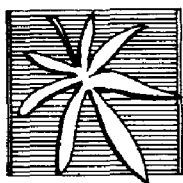
## ***Sample Tests***

See hear, handle, analyze, and re-do selected procedures. Pick activities and/or processes and determine the key procedures to evaluate. Use the Integrity Principles and develop relevant tests. Listed below are some examples for you to consider:



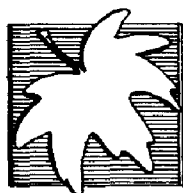
### **The *Accountability* Principle**

- ❖ Determine whether staff job descriptions delineate specific duties, reporting relationships, and constraints. Review selected personnel position descriptions. Interview the respective employees to determine whether the job descriptions are descriptive of the jobs actually performed. If appropriate, observe the employees performing their duties, or review selected work products that are substantially representative of the employee's duties.



### **The *Separation* Principle**

- ❖ Ascertain how policies and procedures for authorization of transactions are established. Determine whether all processed invoices and supporting documents have been approved by designated employees before payment. Review selected invoices for proper approval. Observe processing of a sample of invoices.



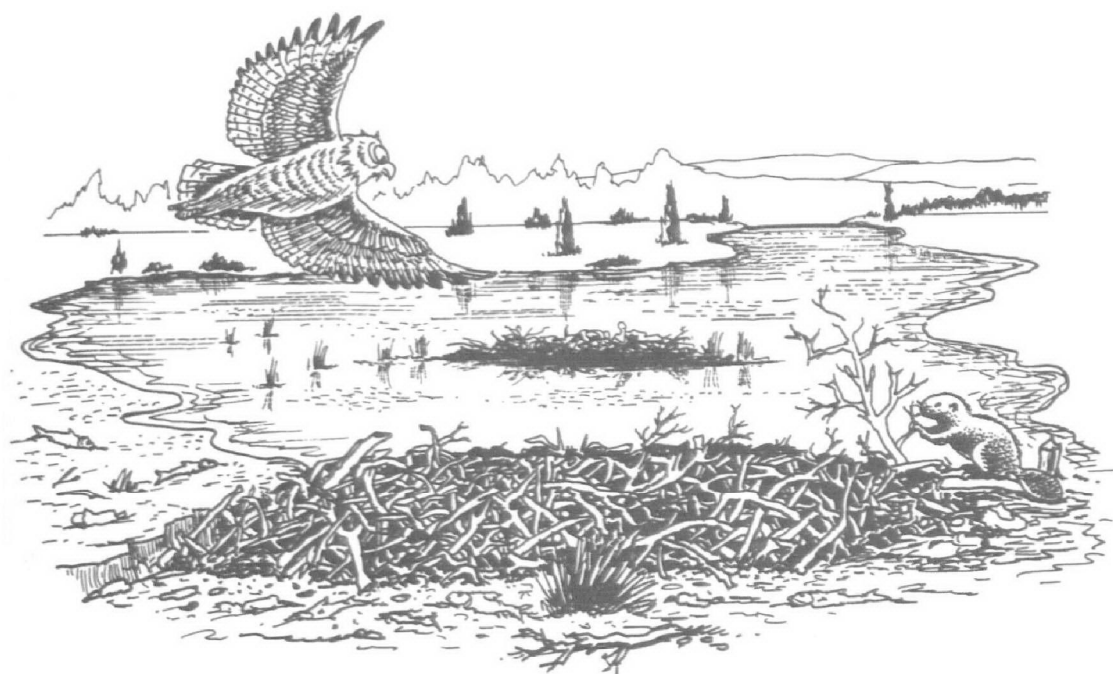
### **The *Comparison* Principle**

- ❖ Determine how the organizational unit is organized to achieve its goals and objectives. Inspect a unit's organization chart. Observe managers and staff and compare them with the organization chart.

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***F**lying further upstream, Howell came upon a very big pond that he had never seen before. Sure enough, a family of eager beavers was busily putting its finishing touches on a dam right on the stream! Howell introduced himself to the beaver family, and described all that was happening downstream from the pond. The beavers were very friendly, and said they were sorry if their dam had become a problem for the forest animals living downstream.*

*Howell thanked the beavers for their time. The wise old owl decided to contemplate all that he had seen and heard in the forest that day and then determine the best way of achieving his goal.*



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## **STEP 3 — ANALYZE DATA/DEFINE PROBLEM:**

### ***Assess Progress in Achieving Goals***

As indicated by the *Identification* Principle, use all available information sources to collect information. Interpret the data and information developed while examining details. You may apply several criteria in this process, including:

- ❖ Assess compliance with laws and regulations
- ❖ Assess compliance with administrative procedures

Interpret these criteria broadly. For instance, when evaluating procedures for achieving goals, consider a variety of elements, such as customer service, timeliness, and availability of resources.

Consider whether timely, accurate information is available for management's use, and whether the procedures are cost-effective for the benefits received. Determine whether other procedures may be more cost-effective. Focus on the substance rather than the form of management's policies, procedures, and actions.

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Assess compliance with administrative and programmatic laws and regulations. You should also reassess the quality of applicable strategies and guidance to determine their effectiveness in achieving mission goals and guarding against fraud, waste, abuse, and misappropriation.

When evaluating achievement of mission goals, consider the following questions:

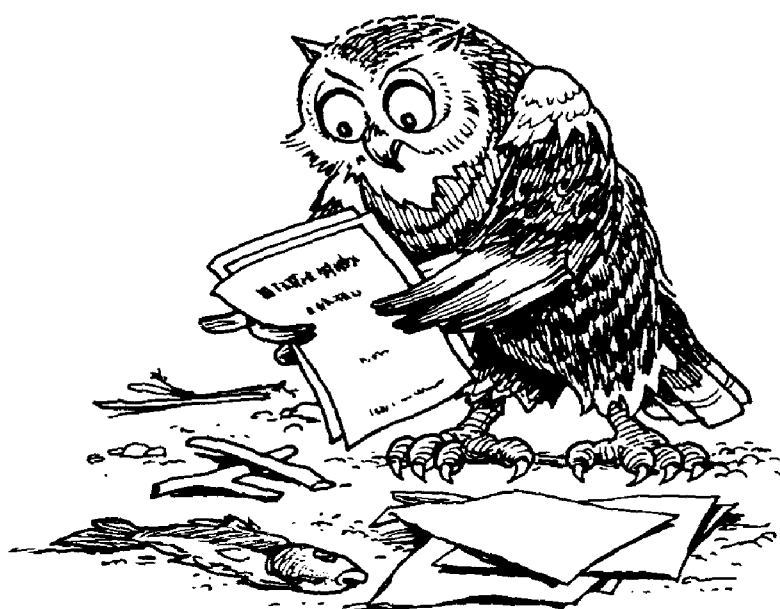
- ❖ Are the policies and procedures readily understandable or are they vague, complex, or seemingly contradictory? Those that are clear, understandable, and consistent with laws and regulations are easier to follow than those lacking these characteristics.
- ❖ Are policies and procedures consistent with current requirements of laws or regulations? Is the program carrying out the requirements according to law? Are there management systems in place to measure this?

Determine whether administrative strategies and guidance were followed in achieving program objectives. For example, you could determine whether proper contracting practices are being followed. Proper attention to administrative requirements supports the achievement of program goals and protects the integrity of the program.

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**A**fter collecting what he believed was enough information, Howell decided it was time to address the problems at Sunnyside Stream. Fortunately, he had taken good notes of all that he had seen and done so far. After all, he wanted to be quite convincing when it came to describing the problem to the other animals, and to getting help with a good solution!



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## STEP 4 — DOCUMENT THE ISSUE:

### *Describe the Identified Problem in Writing*

Consistent with the *Guidance* Principle, ensure that written review results and recommendations are prepared and provided to senior management. Written reports should clearly summarize review results and present a plan of action to correct identified problems. You should also file and maintain supporting documentation for review results and recommendations. Include the following fundamental elements in your report:

- ❖ **Scope** of the work conducted: why areas were selected for review; the organization that performed the work; and how the review was conducted (who was interviewed; what records were reviewed; and the extent and type of sampling conducted)
- ❖ **Results** of review: what was found, including details and explanations of deficiencies
- ❖ **Recommendations:** how the problem affects the decision-making system; changes that are needed within an office or in EPA-wide systems



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## **STEP 5 — DEVELOP A CORRECTIVE ACTION STRATEGY:**

### ***Describe the Necessary Actions to Correct the Problem***

Develop your overall strategy to correct the problem identified in your review, and how you will check to ensure that your corrective actions will solve the problem. Corrective actions state what an organization should do to accomplish beneficial results. Corrective actions should be action-oriented, convincing, well-supported, and effective. To be effective, corrective actions must identify a specific course of action that will correct problems or cause significant improvements. Consider the following when developing your corrective action strategy and milestones:

- ❖ Describe how the corrective action strategy will successfully solve the identified problem
- ❖ Ensure a logical flow from the review evidence to conclusions
- ❖ Address the underlying causes that allowed the situation to arise
- ❖ State specifically what actions are to be taken, by whom, and in what time frame
- ❖ Direct corroborative action to those who have authority and responsibility to act
- ❖ State prescribed actions positively and constructively
- ❖ Call for corrective actions consistent with findings and conclusions
- ❖ Emphasize awareness of costs and risks
- ❖ Consider practical constraints (financial and other priorities)
- ❖ Present alternative solutions when possible
- ❖ Avoid recommending additional studies

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*Howell politely asked the beavers why they needed such a large pond, whether the height of the dam could be lowered to allow more water to pass, or whether a better location for the dam could be found. The beavers explained that they needed such a big pond to float new limbs in from the surrounding forest. And since they had just finished building their new lodge, they would be happy to release more water over the dam again! They apologized for the problems their dam had caused for the other forest animals and said they had no idea the impact downstream would be so great.*



*They then invited Howell and some of his friends to help remove some of the limbs from the dam. What a relief it was to see how quickly the water came pouring into Sunnyside Stream again!*

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## **STEP 6 — IMPLEMENT THE PLAN:**

### ***Set the Corrective Action Plan In Motion***

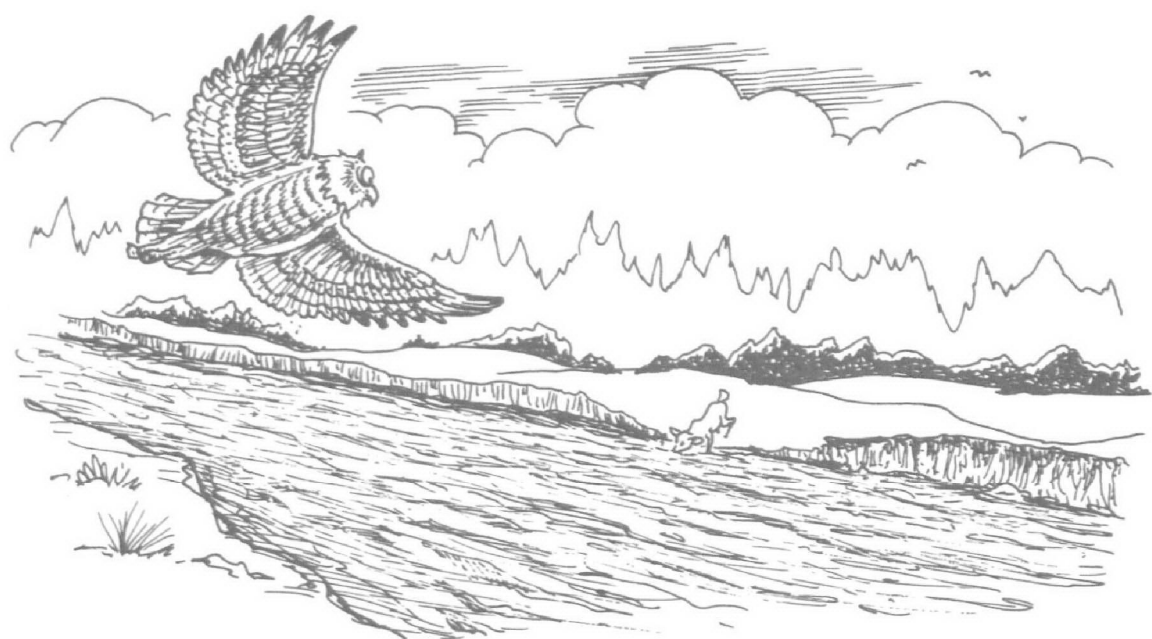
Take timely and effective action to correct deficiencies identified during the course of reviews — precisely the intent of the *Correction* Principle. Consider the correction of deficiencies an integral part of management accountability. Treat the development of corrective action plans as a priority. Depending on the severity of the identified problems, reporting and tracking of deficiencies may vary. To the extent that corrective actions require resources, give them high-level consideration in the program planning and budgeting process.

If progress on proposed corrective actions is slow, promptly consider additional steps. Elevation of outstanding issues to progressively higher levels of Agency management may be appropriate. Agency management at the highest levels should be made aware of the significance of the corrective action and the need for prompt action.

If possible, put systems and procedures into effect to prevent problems from occurring in the first place. Sound systems and procedures assist management in identifying problems early, and help prevent problems from developing into major weaknesses that may undermine EPA's mission.

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**A** couple of days after lowering the beaver dam, Howell flew out to make sure that Sunnyside Stream was flowing smoothly and was providing ample water for all the forest animals. He was very happy to find lots of cool, clear water throughout Sunnyside Stream. All the fish were swimming freely again and all the forest animals could enjoy a nice refreshing drink.



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## **STEP 7 — ASSESS RESULTS:**

### ***Verify that Corrective Actions Achieve Results***

Answer the following two questions to validate the extent to which corrective actions remedy identified problems:

- ❖ What improvements were made as a result of review work?
- ❖ Did those improvements achieve the desired result?

If the answers to these questions are “none” and “no” respectively, reassess your findings and corrective action plan.

Using the *Feedback Principle*, try to incorporate validation systems in your corrective action strategy. For example, consider piloting solutions to identified problems, then applying lessons learned from the pilot to a wider solution to the problem. Experience derived from a pilot program can be instrumental in confirming that a proposed solution to a problem actually works in practice.

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Your corrective action monitoring and follow-up system should help accomplish improvements. Incorporate the following basic elements of successful monitoring and follow-up in your system:

- ❖ Obtain a clear commitment to achieving action
- ❖ Identify basic ground rules and minimum required actions
- ❖ Define individual responsibility, accountability, and authority
- ❖ Identify what each recommendation is expected to accomplish
- ❖ Determine continuously whether progress is being made
  - Review implementation plans and timeframes for consistency with recommended actions
- ❖ Take actions to foster effective implementation
  - Adjust corrective action strategy, plans, and milestones as necessary to achieve the objectives of the program

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## INTEGRATE RESULTS WITH POLICY AND DECISION SYSTEMS

Remember the importance of seeing both the forest *and* the trees. Do not conduct your program reviews in a vacuum. Channel program review results into EPA decision making systems. For example, make sure that EPA policies reflect the results of your program reviews. Assess the impact of reviews on your program procedures. Elevate issues that are complex, cross cutting, and/or outside of your span of control. Ensure that program review results are part of your continuous program improvement cycle.

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# YOUR GOOD JUDGMENT IS ESSENTIAL

Every decision, regardless of its nature, requires judgment and involves considering options, weighing the pros and the cons of each option, and deciding which option is best. It is important to realize that you should always exercise your own good judgment in assessing your program. This Guide provides you with tools and techniques but ***you must decide how best to use them.***

In these times of fiscal austerity, you must conduct work in the most economical and efficient manner. That's why you must discern the most pressing program priorities and problems. Address and solve them in the most expedient and effective manner. Obtain a level of reasonable—not absolute—assurance that problems have been solved!

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We hope that this Guide is useful to you and your staff in reviewing your programs and operations and using EPA's Management Integrity Principles as part of your daily work. And we hope you have enjoyed the story of *Howell the Owl and the Mystery at Sunnyside Stream*. Please contact your office's Senior Resource Official or management integrity staff for assistance. You may also contact EPA's Office of the Comptroller in Headquarters for further guidance, or additional copies of this Guide.

