



# At a Glance

## Why We Did This Review

The Pesticide Registration Improvement Act requires that we perform an annual audit of the Pesticide Registration Fund (known as the PRIA Fund) financial statements.

To expedite the registration of certain pesticides, Congress authorized the U.S. Environmental Protection Agency to assess and collect pesticide registration fees. The fees collected are deposited into the PRIA Fund. The agency is required to prepare financial statements that present financial information about the PRIA Fund. PRIA also requires the establishment of decision time review periods for pesticide registration actions, and requires the Office of Inspector General to perform an analysis of the agency's compliance with those review periods.

**This report addresses the following EPA goal or cross-agency strategy:**

- *Embracing EPA as a high-performing organization.*

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The full report is at:  
[www.epa.gov/oig/reports/2015/20150710-15-1-0181.pdf](http://www.epa.gov/oig/reports/2015/20150710-15-1-0181.pdf)

## ***Fiscal Years 2013 and 2012 Financial Statements for the Pesticide Registration Fund***

### **EPA Receives an Unmodified Opinion**

We rendered an unmodified, or clean, opinion on the EPA's Pesticide Registration Fund financial statements for fiscal years 2013 and 2012, meaning they are fairly presented and free of material misstatement.

### **Internal Control Material Weakness Noted**

We noted a material weakness in internal controls. The EPA could not initially produce accurate, timely and complete financial statements for the PRIA Fund. The agency was not preparing a complete set of financial statements for fiscal year 2013 because of its view that such statements were not required. This delayed the preparation of the first complete set of fiscal year 2013 PRIA financial statements until July 2014. Material errors in those statements and subsequent versions delayed the audit.

### **Compliance with Laws and Regulations**

We did not identify any noncompliances that would result in a material misstatement to the audited financial statements. For compliance with decision time review periods, the agency was in substantial compliance with the statutory decision time frames.

### **Recommendations and Planned Corrective Actions**

We recommend that the Chief Financial Officer evaluate its process for preparing PRIA financial statements and make necessary improvements for submission of accurate, timely and complete financial statements; and develop a systematic method to address all Office of Inspector General comments on the PRIA financial statements.

The agency agreed with our findings and recommendations. The agency has developed a project plan with new controls and processes to ensure that the financial statement preparation for PRIA is accurate and submitted timely. We have not confirmed that the new process is effective. The agency will also work with the Office of Inspector General to develop a more formal process for communicating corrections and changes in future PRIA audits.