



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

The U.S. Environmental Protection Agency (EPA) oversees water program assistance agreements as part of its efforts to protect human health and the environment. Our objectives were to determine whether EPA has adequate controls in place to identify and deobligate unneeded funds for water program assistance agreements, and to determine the amount of unliquidated obligations for selected states that could potentially be deobligated.

Background

To achieve clean and safe water goals, EPA provides funds through assistance agreements to states, local governments, and tribes under the water program. Timely review and deobligation of unneeded funds allows these funds to be used on other environmental projects.

For further information, contact our Office of Congressional, Public Affairs and Management at (202) 566-2391.

The full report is at:
www.epa.gov/oig/reports/2011/20110315-11-P-0170.pdf

EPA Region 3 Reduced Unliquidated Obligations Under Water Program Assistance Agreements

What We Found

We identified \$6,130,166 of unneeded funds for three assistance agreements awarded by EPA Region 3 to the District of Columbia, and the region deobligated those funds during the course of the audit. An EPA official said the unneeded funds could not be deobligated sooner because of a construction dispute, nonperformance issues, technical issues, or equipment problems. Further, an EPA project officer and a District of Columbia Water and Sewer Authority official stated that they had not deobligated the unneeded funds because they directed most of their resources to projects related to the American Recovery and Reinvestment Act of 2009. As the funds on these three grants were not needed, they could have been deobligated earlier and awarded to the District of Columbia for other environmental projects.

Because Region 3 deobligated funds remaining on the assistance agreements during the course of our audit, we have no recommendations.

During our audit, we determined that Region 3's escalation process for addressing project delays should be considered a best practice. While EPA has policies for baseline monitoring of assistance agreements, Region 3 accelerates the award or dispute resolution process, and directly contacts the recipient expressing concerns about lack of progress and requests they perform specific tasks to move the project. For example, Region 3 sent a letter informing the recipient of its concern regarding the lack of work progress under the assistance agreement and required the recipient to take specific actions. The letter also informed the recipient that EPA would terminate the assistance agreement if the recipient did not take the required actions. As a result, the recipient took actions to resolve the issues and the project proceeded to construction.