

Environmental Protection Agency



Highlights of [GAO-03-112](#), a report to Congress included as part of GAO's Performance and Accountability Series

Why GAO Did This Report

In its 2001 performance and accountability report on the Environmental Protection Agency (EPA), GAO identified important challenges facing the agency in improving environmental information, developing a comprehensive human capital approach, and strengthening working relationships with the states. The information GAO presents in this report is intended to help to sustain congressional attention and an agency focus on continuing to make progress in addressing these challenges—and others that have arisen since 2001—and ultimately overcoming them. This report is part of a special series of reports on governmentwide and agency-specific issues.

What Remains to Be Done

GAO believes that EPA should:

- Ensure that recent steps to improve environmental information receive sustained top management support.
- Implement a systematic and comprehensive human capital approach.
- Articulate a clear and specific endorsement of legislation that would address statutory obstacles to the agency's regulatory reinvention efforts.
- Strengthen its grants planning and management to better achieve environmental results.
- Improve its internal controls over financial reporting.

www.gao.gov/cgi-bin/getrpt?GAO-03-112.

To view the full report, click on the link above. For more information, contact Robert A. Robinson, at (202) 512-3841 or robinsonr@gao.gov.

What GAO Found

The Environmental Protection Agency has made progress toward resolving the specific performance and management challenges that GAO previously identified. However, each of these challenges requires more work and vigilance to be overcome. In addition, the agency must face emerging challenges in managing grant resources to better achieve environmental results and in correcting weaknesses in controls over its financial reporting.

- **Improving environmental information.** EPA has taken important steps to improve the environmental information it uses to set priorities and measure progress. For example, EPA has embarked on a major effort to determine the overall status of the nation's environment. EPA has also taken steps to improve the compatibility and security of its data systems. However, EPA must work to further improve its environmental information, fill significant data gaps, and incorporate better scientific understanding into its performance measures.
- **Strengthening human capital management.** EPA has conducted a study of its workforce and issued a human capital strategy. However, the agency still must determine the number of employees it needs to accomplish its mission, the technical skills required, and how best to allocate employees among EPA's strategic goals and geographic locations. Similarly, EPA needs to fully prepare for the loss of leadership, institutional knowledge, and scientific expertise that will likely result from upcoming retirements.
- **Making regulatory innovation successful.** EPA has invested considerable time and resources in a variety of initiatives to encourage more effective and cost-efficient environmental protection. However, these initiatives have yielded limited results. Our work shows that current environmental statutes significantly impede regulatory innovation. If the statutory obstacles to innovation are not addressed, EPA's future regulatory initiatives may not fare better than past ones.
- **Improving grants planning and management.** EPA annually spends over half its budget on grants. However, the agency has often not focused its planning and performance measurement for grants on achieving environmental results. In addition, EPA must address persistent problems in its management and oversight of grants.
- **Strengthening controls over financial reporting.** EPA's Inspector General issued an unqualified opinion on EPA's consolidated financial statements for fiscal year 2001. However, the Inspector General identified several internal control weaknesses that EPA needs to address to improve its ability to process, summarize, and report financial data.