

Why GAO Did This Study

In 2014, EPA disbursed about \$4.6 billion in grants through its headquarters and 10 regional offices to states and others, in part to implement laws. In 2006, GAO identified weaknesses in EPA's grants management program, including the absence of goals, and made recommendations to address them. As part of its response to GAO's 2006 recommendations, EPA issued a 2009–2013 grants management plan.

GAO was asked to follow up on its 2006 review. This report examines (1) the extent to which EPA met the goals in its 2009–2013 plan, (2) the extent to which its draft 2016–2020 plan follows relevant leading practices for strategic grants management planning, and (3) the progress EPA has made since 2006 in monitoring agencywide compliance with grants directives.

GAO analyzed EPA's 2009–2013 plan and obtained EPA officials' responses to a standard set of questions regarding progress in achieving the goals; compared the draft 2016–2020 plan to four leading strategic planning practices relevant to grants management; compared 212 requirements from relevant grants directives to requirements tracked in EPA's grants management systems; and interviewed agency officials.

What GAO Recommends

GAO recommends, among other things, that EPA fully follow leading strategic planning practices in its draft 2016–2020 plan and develop ways to more effectively use its web-based tools for monitoring compliance with directives. EPA generally agreed with GAO's findings and recommendations.

View [GAO-15-618](#). For more information, contact J. Alfredo Gómez at (202) 512-3841 or gomezj@gao.gov.

GRANTS MANAGEMENT

EPA Has Opportunities to Improve Planning and Compliance Monitoring

What GAO Found

Of the 17 performance goals in its 2009–2013 grants management plan, the Environmental Protection Agency (EPA) fully met 2, partially met 6, and did not meet 1. EPA did not measure its progress for the other 8 goals. EPA officials provided several reasons for meeting relatively few of the performance goals and not measuring the others. For example, according to officials, EPA did not measure progress for some goals because it redirected resources from achieving grants management goals to managing American Recovery and Reinvestment Act of 2009 grants, under which EPA more than doubled its grants in 2009. For 5 goals where EPA either did not meet the goal or did not measure performance, officials reported that there was no impact on the grants management program because EPA took mitigating actions or the negative effect of missing the goal was minimal. However, for 10 goals, GAO found a negative effect of EPA not measuring or partially meeting the goals, including an absence of data on compliance with policies, inefficient processes that increased workload, delayed processes for awarding grants, and delayed training and policy implementation.

As of May 2015, EPA's draft 2016–2020 grants management plan partially follows four relevant leading practices for federal strategic planning that GAO identified from prior work and Office of Management and Budget (OMB) guidance. Specifically, the draft plan

- sets 5 strategic goals but has yet to link them to an overarching mission statement,
- includes strategic objectives but has yet to define strategies to address management challenges or identify resources needed to achieve the goals,
- ensures leadership accountability for just 1 of the 5 strategic goals, and
- includes 11 performance measures but has so far only one measurable target.

By fully incorporating these leading practices, EPA could have better assurance that it has established an effective framework to guide and assess its efforts to meet its grants management goals and help address long-standing grants management weaknesses.

EPA has made progress monitoring grants management directives agencywide since GAO's 2006 report. For instance, EPA electronically tracks unspent grant funds and the timely submission of grantee reports. However, two key challenges hamper EPA's efforts to monitor such directives. First, 8 out of 10 regional offices use paper files to document compliance with grants management directives, so monitoring these offices' compliance requires resource-intensive manual file reviews. Second, the limited reporting and analysis capabilities of its IT systems leave EPA without agencywide information for most of the 212 directive requirements GAO reviewed. Although EPA deployed two web-based reporting tools to pull data from its IT system, it uses them to track 8 percent, or 17, of the 212 grants directive requirements GAO reviewed, making it difficult for managers to compare actual performance to expected results agencywide. EPA plans to fully implement an updated IT system by 2017, but it has had similar plans since 2009 and has not yet done so. By developing ways to more effectively use existing web-based tools until it implements its new IT system, EPA could better monitor compliance with grants management directives agencywide.