



# Environmental Protection Agency

## Auto Emissions Audit

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**Audit Period: July through December 2012**

### Results Summary:

Objective	Conclusion
Reporting Process	Well-Controlled
Program Monitoring	Well-Controlled with Improvement Needed

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## **Executive Summary**

### **Background**

The Division of Air Pollution Control ensures compliance with the federal Clean Air Act and the Emergency Planning and Community Right-to-Know Act as part of its mission to attain and maintain air quality at a level that protects the environment and public health. This division includes the Mobile Sources Section which administers the automobile emission testing program, E-Check, to minimize emissions from mobile sources, such as cars and light trucks.

During the audit, OIA identified opportunities for the Environmental Protection Agency (EPA) to strengthen internal controls and improve business operations. This audit conforms with the *International Standards for the Professional Practice of Internal Auditing*. OIA would like to thank EPA staff and management for their cooperation and time in support of this audit.

This report is solely intended for the information and use of agency management and the State Audit Committee. It is not intended for anyone other than these specified parties.

### **Scope and Objectives**

OIA staff performed assurance work related to the E-Check program at EPA. This work was completed between January and March 2013. The audit scope included key processes for monitoring the program from July through December 2012 and a review of the E-Check program annual reporting related to calendar year 2011. Audit objectives included the following:

- Evaluate the design and effectiveness of controls over the process of monitoring the E-Check program
- Evaluate the design and effectiveness of controls over the process of reporting E-Check program performance in accordance with US EPA requirements

### **Detailed Observations and Recommendations**

The Observations and Recommendations include only those risks which were deemed high or moderate. There were no high or moderate risk observations and recommendations identified as a result of this audit. Low risk observations were discussed with individual agency management and are not part of this report. However, the low risk observations were considered as part of the audit objective conclusions.



## Appendix A – Classification of Conclusions and Observations

### Classification of Audit Objective Conclusions

Conclusion	Description of Factors
<b>Well-Controlled</b>	The processes are appropriately designed and/or are operating effectively to manage risks. Control issues may exist, but are minor.
<b>Well-Controlled with Improvement Needed</b>	The processes have design or operating effectiveness deficiencies but do not compromise achievement of important control objectives.
<b>Improvement Needed</b>	Weaknesses are present that compromise achievement of one or more control objectives but do not prevent the process from achieving its overall purpose. While important weaknesses exist, their impact is not widespread.
<b>Major Improvement Needed</b>	Weaknesses are present that could potentially compromise achievement of its overall purpose. The impact of weaknesses on management of risks is widespread due to the number or nature of the weaknesses.

### Classification of Audit Observations

Rating	Description of Factors	Reporting Level
<b>Low</b>	Observation poses relatively minor exposure to an agency under review. Represents a process improvement opportunity.	Agency Management; State Audit Committee (Not reported)
<b>Moderate</b>	Observation has moderate impact to the agency. Exposure may be significant to unit within an agency, but not to the agency as a whole. Compensating controls may exist but are not operating as designed. Requires near-term agency attention.	Agency Management and State Audit Committee
<b>High</b>	Observation has broad (state or agency wide) impact and possible or existing material exposure requiring immediate agency attention and remediation.	Agency Management and State Audit Committee