



At a Glance

Why We Did This Review

We initiated this audit to determine whether the U.S. Chemical Safety and Hazard Investigation Board (CSB) was following its internal controls through board governance over operational and management activities. Specifically, we reviewed administration and management of operations, which includes the budgeting process, office leasing, and consulting services.

CSB, which began operating in 1998, is an independent federal agency, authorized by the Clean Air Act Amendments of 1990. CSB's headquarters is in Washington, D.C., and CSB has an investigation office in Denver, Colorado. CSB has board orders that govern its operations and management activities. The orders define the policies and procedures for specific areas.

The U.S. Environmental Protection Agency Office of Inspector General is also the Inspector General for CSB.

This report addresses the following CSB goal:

- *Preserve the public trust by maintaining and improving organizational excellence.*

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CSB Needs to Continue to Improve Agency Governance and Operations

What We Found

CSB is not following federal or agency internal control guidance or required federal regulations. CSB did not:

- Prepare quorum session summaries on time (written summaries of briefings or informal discussions with three or fewer board members).
- Post four of nine public meeting transcripts in a timely fashion on the CSB website.
- Create internal guidance over its annual operating budget process.
- Have documentation supporting its decisions to award contracts (written agreements enforceable by law) for legal services after making micro-purchases (purchases with a government credit card), and to lease public building space.

The lack of internal guidance and implementation of controls puts CSB's \$11 million budget at risk.

Office of Management and Budget Circular A-123 holds federal agency management responsible for establishing and maintaining internal controls to achieve the objectives of effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. CSB's former Chairperson did not enforce federal guidance, which resulted in the need for improved internal controls governing CSB operations. The lack of internal controls made CSB's \$11 million budget vulnerable to mismanagement.

Recommendations and Planned Agency Corrective Actions

We recommended that the CSB Chairperson improve internal controls and governance. Specifically, the CSB Chairperson should:

- Prepare written quorum session summaries within the required 5 business days.
- Develop and implement internal procedures for posting documents to the CSB website.
- Establish internal guidance that documents the annual operating budget process.
- Document decisions in the acquisition file in accordance with the Federal Acquisition Regulation.

CSB indicated that it will implement the recommendations and provided corrective actions with planned completion dates.