

# GAO Highlights

Highlights of [GAO-17-484](#), a report to the Ranking Member, Committee on Homeland Security and Governmental Affairs, U.S. Senate

## Why GAO Did This Study

Fiscal year 2015 marked the fifth year of the implementation of IPERA, which requires IGs to annually assess and report on whether executive branch agencies complied with six IPERA criteria related to the estimation of improper payments. Improper payments have been estimated to total over \$1.2 trillion government-wide from 2003 through 2016.

This report examines (1) the extent to which the 24 CFO Act agency IGs reported that agencies complied with the six IPERA criteria for fiscal years 2011 through 2015 and the programs reported as noncompliant for 3 or more consecutive years; (2) the extent to which the IGs reported that they performed optional procedures during their fiscal year 2015 reviews; and (3) the number and status of the IGs' fiscal years 2011 through 2015 IPERA compliance review recommendations. To conduct this work, GAO analyzed the IGs' fiscal years 2011 through 2015 IPERA compliance reports and corroborated the findings with OMB and all 24 CFO Act agencies and their IGs.

## What GAO Recommends

GAO recommends that the (1) Director of OMB coordinate with CIGIE to develop and issue guidance, either jointly or independently, to specify what procedures should be conducted as part of the IGs' IPERA compliance determinations and (2) Department of Agriculture submit a proposal to Congress, as required in response to 3 years of IPERA noncompliance. In response to the draft report, OMB had no comments and CIGIE stated that it would coordinate with OMB. Also, the Department of Agriculture concurred with the recommendation to it.

View [GAO-17-484](#). For more information, contact Beryl H. Davis at (202) 512-2623 or [davisbh@gao.gov](mailto:davisbh@gao.gov)

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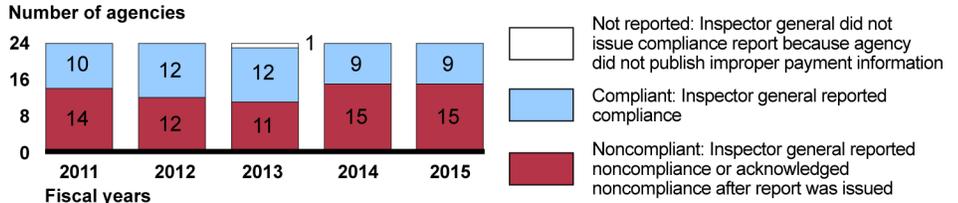
## IMPROPER PAYMENTS

# Additional Guidance Could Provide More Consistent Compliance Determinations and Reporting by Inspectors General

## What GAO Found

Five years after the implementation of the Improper Payments Elimination and Recovery Act of 2010 (IPERA), 15 of the 24 Chief Financial Officers Act of 1990 (CFO Act) agencies were reported by their inspectors general (IG) as noncompliant under IPERA for fiscal year 2015. The programs associated with these 15 agencies accounted for \$132 billion (or about 96 percent) of the reported \$136.7 billion government-wide improper payment estimate for fiscal year 2015. In addition, the inconsistent IG compliance determinations in the IGs' fiscal year 2015 IPERA compliance reports may present potentially misleading information. Specifically, certain IGs reported compliance based on the presence or absence of the required analysis or reporting, regardless of whether the IGs identified flaws, whereas certain other IGs reported agencies as noncompliant based on their performance of some degree of evaluative procedures to determine whether the analysis or reporting that the agency produced was substantively adequate. While the severity of the IGs' findings may have resulted in the IGs reporting noncompliance for some agencies, similar findings were identified for both the compliant and noncompliant agencies. IPERA and Office of Management and Budget (OMB) guidance does not specify what, if any, evaluative procedures should be conducted as part of the IGs' compliance determinations. The Council of the Inspectors General on Integrity and Efficiency (CIGIE), which represents the IGs, has also not issued such guidance.

**Number of Chief Financial Officers Act Agencies Compliant and Noncompliant under IPERA for Fiscal Years 2011 through 2015, as Reported/Acknowledged by Their Inspectors General**



Source: GAO analysis of Inspector General Improper Payments Elimination and Recovery Act of 2010 (IPERA) compliance reports from fiscal years 2011 through 2015. | GAO-17-484

IGs reported programs at 7 agencies as noncompliant for 3 or more consecutive years as of the end of fiscal year 2015 and, as a result, were required to submit certain information to Congress. However, the Department of Agriculture had not submitted the required information, despite prior recommendations from its IG and GAO. When agencies do not submit the required information, Congress may lack the information necessary to effectively monitor the implementation of IPERA and take action to address problematic programs in a timely manner.

The IGs' IPERA compliance reviews serve a key function: to reasonably assure that federal dollars are not misspent and that improper payment estimates are accurate, reliable, and complete. To that end, 20 of the 24 IGs reported in their fiscal year 2015 IPERA compliance reports that they also performed one or more optional procedures, which included evaluating the accuracy and completeness of their agencies' reporting. The IGs made 425 recommendations in their fiscal years 2011 through 2015 IPERA compliance reports, and 320 of these recommendations were closed as of December 31, 2016.