



Why This Matters

In fiscal year (FY) 2010, the Federal government's total improper payment amount was at a high of \$121 billion. In that same year, Congress passed the Improper Payments Elimination and Recovery Act of 2010 (IPERA or the Act) in an effort to reduce improper payments. In addition to reducing improper payments, the Act requires each agency's Inspector General to determine if the agency complies with the Act annually.

DHS' FY 2013 Compliance with the *Improper Payments Elimination and Recovery Act of 2010*

What We Determined

To comply with IPERA, an agency is required to conduct risk assessments and report and publish the results of selected program testing in its Annual Financial Report. It must also achieve and report improper payment rates of less than 10 percent for each program. KPMG LLP (KPMG) did not find any instances of noncompliance with IPERA.

Additionally, we reviewed the Department of Homeland Security's (DHS) processes and procedures for estimating its annual improper payment rates. Based on our review, DHS has made progress in improving its internal controls over the accuracy and completeness of agency reporting and in its efforts to reduce and recapture improper payments. Specifically, no new internal control weaknesses were identified in FY 2013. Also, DHS and the components' efforts in the past year have closed all but one of the open recommendations from the reports — Department of Homeland Security's Compliance with the Improper Payments Elimination and Recovery Act of 2010, OIG-12-48, issued March 2012; and Department of Homeland Security's FY 2012 Compliance with the Improper Payments Elimination and Recovery Act of 2010, OIG-13-47, issued March 2013.

We also determined that the U.S. Customs and Border Protection properly performed IPERA disbursement testing for the Border Security Fencing program.

What We Recommend

This report does not contain any new recommendations. However, one recommendation from our report, Department of Homeland Security's FY 2012 Compliance with the Improper Payments Elimination and Recovery Act of 2010, OIG-13-47, March 2013, remains open and resolved.

For Further Information:

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