

**Department of Homeland
Security's FY 2017
Compliance with the Improper
Payments Elimination and
Recovery Act of 2010**





DHS OIG HIGHLIGHTS

Department of Homeland Security's FY 2017 Compliance with the Improper Payments Elimination and Recovery Act of 2010

August 9, 2018

Why We Did This Audit

Our objective was to determine whether the Department of Homeland Security complied with the *Improper Payments Elimination and Recovery Act of 2010* (IPERA).

Additionally, we evaluated the accuracy and completeness of DHS' improper payment reporting.

What We Recommend

We recommend that DHS' Risk Management and Assurance Division (RM&A) strengthen its oversight and review procedures for IPERA risk assessments; and follow the Office of Management and Budget's requirements to comply with IPERA.

For Further Information:

Contact our Office of Public Affairs at (202) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

DHS did not comply with IPERA because it did not meet one of the six IPERA requirements. Specifically, DHS did not meet its annual reduction targets for 2 of 14 programs.

Additionally, we determined that DHS did not provide adequate oversight of the component's improper testing and reporting.

DHS Response

DHS concurred with all six of our recommendations and has already begun implementing corrective actions. DHS has indicated that it is committed to the responsible stewardship of taxpayer-provided resources; ensuring proper controls are in place to eliminate fraud, waste, and mismanagement; and continuing its focus on reducing improper payments.



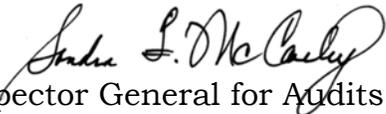
OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

August 9, 2018

MEMORANDUM FOR: Stacy Marcott
Acting Chief Financial Officer

FROM: Sondra F. McCauley 
Acting Assistant Inspector General for Audits

SUBJECT: *Department of Homeland Security's FY 2017
Compliance with the Improper Payments Elimination
and Recovery Act of 2010*

Attached for your action is our final report, *Department of Homeland Security's FY 2017 Compliance with the Improper Payments Elimination and Recovery Act of 2010*. We incorporated the formal comments provided by your office.

The report contains six recommendations aimed at improving the overall effectiveness of the improper payment reduction program. Your office concurred with the six recommendations. Based on information provided in your response to the draft report, we consider recommendations 1, 4, and 6 open and resolved. We have administratively closed recommendations 2, 3, and 5 since they are repeat recommendations from the FY 2014, FY 2015, and FY 2016 reports on the Department's compliance with the *Improper Payments Elimination and Recovery Act of 2010* (IPERA). See appendix E for the status of all prior years' recommendations related to IPERA.

Once your office has fully implemented the recommendations, please submit a formal closeout letter to us within 30 days of implementation. The memorandum should be accompanied by evidence of completion of agreed-upon corrective actions and of the disposition of any monetary amounts. We will review any requests for closure during our next scheduled audit of IPERA in FY 2018 and report the closure status in that report. Please send your response or closure request to OIGAuditsFollowup@oig.dhs.gov.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions at (202) 981-6000, or your staff may contact Maureen Duddy, Deputy Assistant Inspector General for Audits, at (617) 565-8723.



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Abbreviations

AFR	Agency Financial Report
CBP	Customs and Border Protection
Coast Guard	United States Coast Guard
DNDO	Domestic Nuclear Detention Office
ECD	Estimated Completion Date
FEMA	Federal Emergency Management Agency
ICE	Immigration and Customs Enforcement
IPERA	<i>Improper Payments Elimination and Recovery Act of 2010</i>
OIG	Office of Inspector General
OMB	Office of Management and Budget
RM&A	Risk Management & Assurance
S&T	Science & Technology Directorate



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Background

On July 22, 2010, the President signed Public Law 111-204, *Improper Payments Elimination and Recovery Act of 2010* (IPERA, or the Act), which requires agency heads to periodically review all programs and activities administered and identify those that may be susceptible to significant improper payments. IPERA defines an improper payment as one that should not have been made; or one that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. This includes any payment to an ineligible recipient, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments authorized by law), and any payment that does not account for credit for applicable discounts. For each program identified as susceptible to significant improper payments, the agency is required to produce a statistically valid or otherwise appropriate estimate of the improper payments made by each program and activity. The agency is also required to include those estimates in the materials accompanying the agency's annual financial statement.

On April 14, 2011, the Office of Management and Budget (OMB) issued Circular A-123, Appendix C, *Requirements for Effective Measurement and Remediation of Improper Payments*, revised parts I and II, as guidance for agencies to implement the requirements of IPERA. This guidance also describes the responsibilities of Inspectors General in determining their respective agency's compliance with IPERA. On October 20, 2014, OMB issued a revision to Appendix C through Memorandum 15-02, which changed the improper payment compliance framework to create a more unified, comprehensive, and less burdensome set of requirements. In accordance with OMB's guidance, the Inspector General should review improper payment reporting in the Agency Financial Report (AFR) and any accompanying information to ensure compliance with IPERA. As part of that review, the Inspector General may also evaluate the accuracy and completeness of agency reporting and evaluate the agency's efforts to reduce and recover improper payments.

Among other requirements, the agency must conduct risk assessments, and report and publish the results of selected program testing in its AFR to comply with IPERA. The agency must also achieve and report improper payment rates of less than 10 percent for each program. According to the fiscal year 2017 Department of Homeland Security AFR, DHS conducted risk assessments for nearly \$70 billion of FY 2016 payments made by 83 DHS programs in which total payments exceeded \$10 million.



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Results of Audit

According to OMB guidance, an agency must meet six specific requirements to comply with IPERA. If an agency does not meet one or more of these requirements, it is not compliant.

DHS did not comply with IPERA. Specifically, DHS did not meet all of its annual reduction targets (see table 1 for the components that contribute to IPERA noncompliance).

Table 1. IPERA Compliance Reporting Table

Component	Published an AFR and OMB-Required Accompanying Materials	Conducted Risk Assessment	Published Improper Payment Estimate	Published Corrective Action Plans	Published and Is Meeting Reduction Targets	Reported Improper Payment Rate of Less than 10%
Customs and Border Protection (CBP)	Yes	Yes	Yes	N/A	No	Yes
Departmental Management and Operations	N/A	Yes	N/A	N/A	N/A	N/A
Domestic Nuclear Detention Office (DNDO)	Yes	Yes	N/A	N/A	N/A	N/A
Federal Emergency Management Agency (FEMA)	Yes	Yes	Yes	Yes	Yes	Yes
Federal Law Enforcement Training Center (FLETC)	N/A	Yes	N/A	N/A	N/A	N/A
Immigration and Customs Enforcement (ICE)	Yes	Yes	Yes	N/A	Yes	Yes
National Protection and Programs Directorate	N/A	Yes	N/A	N/A	N/A	N/A
Office of Health Affairs	N/A	Yes	N/A	N/A	N/A	N/A
Office of Intelligence and Analysis	N/A	Yes	N/A	N/A	N/A	N/A
Office of Operations Coordination	N/A	Yes	N/A	N/A	N/A	N/A



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Component	Published an AFR and OMB-Required Accompanying Materials	Conducted Risk Assessment	Published Improper Payment Estimate	Published Corrective Action Plans	Published and Is Meeting Reduction Targets	Reported Improper Payment Rate of Less than 10%
Office of Inspector General (OIG)	Yes	Yes	N/A	N/A	N/A	N/A
Science and Technology Directorate (S&T)	Yes	Yes	Yes	N/A	Yes	Yes
Transportation Security Administration	N/A	Yes	N/A	N/A	N/A	N/A
U.S. Citizenship and Immigration Services	N/A	Yes	N/A	N/A	N/A	N/A
U.S. Secret Service	N/A	Yes	N/A	N/A	N/A	N/A
United States Coast Guard (Coast Guard)	Yes	Yes	Yes	N/A	No	Yes

Note: OIG was not subject to the review. The OIG results presented are for informational purposes only.
Source: Analysis of FY 2017 DHS Agency Financial Report and component data

Additionally, we reviewed DHS’ processes and procedures for estimating its annual improper payment rates. Based on our review, we determined that DHS did not provide adequate oversight of the components’ improper payment testing and reporting.

DHS’ Compliance with IPERA

We contracted with KPMG LLP (KPMG) to determine whether DHS complied with IPERA in FY 2017. KPMG performed an examination of DHS to determine whether it met the following IPERA requirements:

- a. Published an AFR for the most recent fiscal year and posted that report and any accompanying materials required by OMB on the agency website;
- b. Conducted a program-specific risk assessment for each program or activity that conforms with Section 2(a) of the *Improper Payments Information Act of 2002* (if required);
- c. Published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required);
- d. Published programmatic corrective action plans in the AFR (if required);
- e. Published, and is meeting, annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable); and



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- f. Reported a gross improper payment rate of less than 10 percent for each program and activity for which an improper payment estimate was obtained and published in the AFR.

KPMG determined that DHS did not fully comply with IPERA because it did not meet one of the six IPERA requirements. Specifically, KPMG determined that DHS did not meet its annual reduction targets for 2 of 14 programs.

Specific Results for DHS' Compliance with IPERA Requirements

The specific results for DHS' compliance with IPERA requirements are as follows:

1. Did DHS publish an AFR for the most recent fiscal year and post that report and any accompanying materials required by OMB on the agency website?

Yes. DHS published its FY 2017 AFR on its website. However, DHS incorrectly reported amounts in the accompanying materials required by OMB Circular A-136, *Financial Reporting Requirements*.

DHS incorrectly reported one underpayment rate in *Table 5: Improper Payment Results and Reduction Outlook – Other Information* section of the FY 2017 AFR. The FEMA-Vendor Payments program reported 0.00 percent on the AFR; however, the correct reporting is 0.02 percent.

2. Did DHS conduct a program-specific risk assessment for each program or activity that conforms with section 2(a) the *Improper Payments Information Act of 2002* (if required)?

Yes. DHS conducted a program-specific risk assessment for each program or activity that conforms with section 2(a) of the *Improper Payments Information Act of 2002*, when required.

3. Did DHS publish improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required)?

Yes. DHS published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment.

4. Did DHS publish programmatic corrective action plans in the AFR (if required)?

Yes. DHS published a required corrective action plan in *Table 7, Vendor Payment Program Corrective Actions*, in the FY 2017 DHS AFR for the FEMA — Vendor Payments program.



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5. Did DHS publish, and is it meeting, annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable)?

No. DHS did not meet reduction targets for 2 of 14 required programs (see table 2).

Table 2. Improper Payment Reduction Targets

Component	Program	Reduction Targets		
		FY 2017 Target	FY 2017 Actual	Target Met? (+/- .1%)
CBP	Refunds and Drawback	0.24%	0.79%	No
	Administratively Uncontrollable Overtime	0.20%	N/A	N/A – Waiver
DNDO	Hurricane Sandy Disbursements	0.00%	N/A	N/A – No Funding
FEMA	Assistance to Firefighters Grants	0.85%	0.09%	Yes
	Flood Hazard Mapping & Risk Analysis Program	5.00%	3.27%	Yes
	Homeland Security Grant Program	0.42%	0.38%	Yes
	National Flood Insurance Program	0.17%	0.01%	Yes
	Port Security Grant Program	0.94%	N/A	N/A – Waiver
	Transit Security Grant Program	0.70%	N/A	N/A – Waiver
	Public Assistance	1.30%	1.00%	Yes
	Vendor Payments	5.00%	4.42%	Yes
ICE	Enforcement and Removal Operations	1.25%	0.33%	Yes
S&T	Hurricane Sandy Disbursements	0.00%	0.00%	Yes
Coast Guard	Acquisition, Construction, and Improvement and Operating Expense: Hurricane Sandy Disbursements	0.50%	1.38%	No

Source: Analysis of FY 2017 DHS Agency Financial Report and FY 2016 DHS Agency Financial Report



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6. Did DHS report a gross improper payment rate of less than 10 percent for each program and activity for which an improper payment estimate was obtained and published in the AFR?

Yes. DHS did report a gross improper payment rate of less than 10 percent for each required program (see table 3).

Table 3. Gross Improper Payment Rate

Component	Program	Gross Improper Payment Rate	Less than 10%?
CBP	Refunds and Drawback	0.79%	Yes
	Administratively Uncontrollable Overtime	N/A	N/A – Waiver
DNDO	Hurricane Sandy Disbursements	N/A	N/A – No Funding
FEMA	Assistance to Firefighters Grants	0.09%	Yes
	Flood Hazard Mapping & Risk Analysis Program	3.27%	Yes
	Homeland Security Grant Program	0.38%	Yes
	National Flood Insurance Program	0.01%	Yes
	Port Security Grant Program	N/A	N/A – Waiver
	Transit Security Grant Program	N/A	N/A – Waiver
	Public Assistance	1.00%	Yes
	Vendor Payments	4.42%	Yes
ICE	Enforcement and Removal Operations	0.33%	Yes
S&T	Hurricane Sandy Disbursements	0.00%	Yes
Coast Guard	Acquisition, Construction, and Improvements and Operating Expense: Hurricane Sandy Disbursements	1.38%	Yes

Source: Analysis of FY 2017 DHS Agency Financial Report

DHS Actions to Resolve Noncompliance

DHS continues to be noncompliant with IPERA because it did not meet its FY 2017 annual reduction targets.



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Per OMB Circular A-123, *Appendix C, Requirements for Effective Estimation and Remediation of Improper Payments*, agencies that are not compliant for 1 fiscal year must submit a plan within 90 days of the determination of noncompliance to the Senate Committee on Homeland Security and Governmental Affairs, the House Committee on Oversight and Government Reform, and OMB, describing actions the agency will take to become compliant. DHS needs to develop a corrective action plan to ensure that the appropriate improper payment estimates are published for all programs.

Per OMB Circular A-123, agencies that are not compliant for 2 consecutive fiscal years for the same program or activity must have the Director of OMB review the program. The Director of OMB then determines if additional funding will help the agency come into compliance. Therefore, DHS should work with OMB to determine whether additional funding is needed to ensure the accompanying materials in the AFR are accurate.

OMB Circular A-123 also requires agencies not compliant for 3 consecutive fiscal years for the same program to submit to Congress the following within 30 days of the noncompliance determination, to bring the program in question into compliance:

- 1) Reauthorization proposals for each discretionary program that has not been in compliance for 3 or more consecutive fiscal years; or
- 2) Proposed statutory changes to bring the program into compliance.

The Refunds and Drawback (CBP) program did not meet reduction targets for the third consecutive fiscal year. Consequently, DHS should submit the previously mentioned materials for this program.

In addition, OMB may require agencies that are not compliant (for 1, 2, or 3 consecutive years) to complete additional requirements beyond those previously listed.

Update on DHS Actions to Resolve FY 2016 Noncompliance

DHS implemented corrective actions to resolve noncompliance findings identified in our report, *Department of Homeland Security's FY 2016 Compliance with the Improper Payments Elimination and Recovery Act of 2010 and Executive Order 13520, Reducing Improper Payments* (OIG-17-59).

For programs not compliant for 1 fiscal year:

On July 25, 2017, DHS notified the Committee on Homeland Security and Governmental Affairs, the Committee on Oversight and Government Reform, and OMB that it had completed actions required for programs that were noncompliant for 1 fiscal year. Specifically, DHS had corrected



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the presentation of the accompanying materials to the AFR. Additionally, DHS notified the Committees and OMB that it had also implemented corrective actions to address the noncompliance for the FEMA Flood Risk Map – Flood Hazard Mapping & Risk Analysis Program. Because both of the 1-year noncompliance issues had been resolved within 90 days of the OIG report, no further action was needed.

For programs not compliant for 2 consecutive fiscal years:

DHS provided us evidence that during FY 2017, management notified OMB that CBP's Refund and Drawback program had been noncompliant for a second consecutive fiscal year. In response to DHS, OMB decided that any funding decisions made by OMB would be a part of the next fiscal year's President's Budget.

Our FY 2016 report (OIG-17-59) also noted that if noncompliance continued for the Assistance to Firefighters Grants (FEMA), Public Assistance (FEMA), and Vendor Pay (FEMA) programs, DHS would be required to submit the following to Congress in order to bring these programs into compliance:

- 1) Reauthorization proposals for each (discretionary) program or activity that has not been in compliance for 3 or more consecutive fiscal years; or
- 2) Proposed statutory changes necessary to bring the program or activity into compliance.

As these programs were compliant in FY 2017, no further action was required.

Oversight of Improper Payment Testing and Reporting

DHS did not properly perform oversight of the components' improper payment testing and reporting. Specifically, the Risk Management and Assurance (RM&A) Division did not consistently perform its review and reconciliation of the risk assessments submitted by components, nor did it adequately enforce DHS' *Improper Payment Reduction Guidebook* (Guidebook) requirements. Prior-year reports reached similar conclusions and provided recommendations aimed at correcting this recurring problem.

DHS designed a detailed risk assessment process, as required by IPERA, as outlined in its Guidebook (see appendix B). The Comprehensive Risk Assessment assists components in determining whether programs are susceptible to making improper payments.



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In FY 2017, RM&A did not consistently perform its review and reconciliation of the risk assessments submitted by components.¹ During our review, we found RM&A did not:

- identify missing program assessments;
- identify errors and changes made within the risk assessment template;²
- ensure components properly disclosed transactions excluded from testing;
- ensure final versions of risk assessments were completed and submitted timely to support risk ratings;
- analyze criteria in the risk assessment completely and accurately;
- ensure populations subject to testing were complete;
- document its review and approval of the components' risk assessments.³

RM&A's failure to perform its review of risk assessments consistently is attributed to a number of factors, including staff shortages and turnovers and delays in receiving component deliverables. As a result, the window for conducting the required risk assessments was reduced, thereby limiting RM&A's ability to identify programs susceptible to significant improper payments. It also increased the risk of inaccurate disclosures of improper payments within the AFR.

In response to prior OIG recommendations, RM&A revised the Guidebook to further clarify component risk assessment processes and requirements. However, RM&A continues to experience difficulty enforcing these requirements, as evidenced by its failure to ensure components:

- provided all required documentation in support of the risk assessment;
- verified the sampling methodology documentation was complete and accurate; and
- submitted deliverables to RM&A by the established due dates.

As a result, there is an increased risk that RM&A would not identify programs susceptible to significant improper payments. If left unresolved, this could result in continued noncompliance with IPERA.

¹ Appendix B, Step 6

² Appendix B, Steps 2–3

³ Appendix B, Steps 7, 9, and 10



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Recommendations

Recommendation 1: We recommend the Chief Financial Officer, Department of Homeland Security, ensure that the most recent Agency Financial Report properly presents prior-year IPERA disbursements in a consistent manner. (Updated Recommendation from Report OIG-17-59: *Department of Homeland Security's FY 2016 Compliance with the Improper Payments Elimination and Recovery Act of 2010 and Executive Order 13520, Reducing Improper Payments.*)

Recommendation 2: We recommend the Chief Financial Officer, Department of Homeland Security, ensure that the Risk Management and Assurance Division strengthens its oversight to ensure proper documentation of its review of the components' risk assessments. (Recommendation remains open from Report OIG-16-88: *Department of Homeland Security's FY 2015 Compliance with the Improper Payments Elimination and Recovery Act of 2010.*)

Recommendation 3: We recommend the Chief Financial Officer, Department of Homeland Security, ensure that the Risk Management and Assurance Division properly follows existing DHS IPERA Guidance. (Repeat Recommendation from Report OIG-17-59: *Department of Homeland Security's FY 2016 Compliance with the Improper Payments Elimination and Recovery Act of 2010 and Executive Order 13520, Reducing Improper Payments.*)

Recommendation 4: We recommend the Chief Financial Officer, Department of Homeland Security, ensure that the Risk Management and Assurance Division strengthens its enforcement of the requirements of the *DHS Improper Payment Reduction Guidebook*. (New Recommendation in FY 2017)

Recommendation 5: We recommend the Chief Financial Officer, Department of Homeland Security, ensure that the Risk Management and Assurance Division follows Office of Management and Budget's requirements for agencies not compliant with IPERA as stated in Appendix C of OMB Circular No. A-123. DHS should also focus its resources on corrective actions that will help meet the OMB-approved reduction targets. (Recommendation remains open from Report OIG-15-94: *Department of Homeland Security's FY 2014 Compliance with the Improper Payments Elimination and Recovery Act of 2010 (Revised).*)

Recommendation 6: We recommend the Chief Financial Officer, Department of Homeland Security, ensure that Risk Management and Assurance Division has adequate personnel to ensure the Department's compliance with IPERA requirements. (New Recommendation in FY 2017)



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Management Response and OIG Analysis

DHS concurs with all of the recommendations. A copy of DHS' response in its entirety is included in appendix C. DHS also provided technical comments and suggested revisions to our report in a separate document. We reviewed the technical comments and made changes to the report when appropriate. A summary of our analysis follows.

DHS' Comments to Recommendation #1: Concur. The DHS Office of the Chief Financial Officer will make corrections to prior-year IPERA data in the FY 2018 Agency Financial Report. Estimated Completion Date (ECD): November 30, 2018.

OIG Analysis of DHS' Comments: DHS' corrective action is responsive to the recommendation. The recommendation will remain open and resolved until we have reviewed the FY 2018 Agency Financial Report. We will evaluate RM&A's implementation of the corrective action during our FY 2018 IPERA audit and report on DHS' progress closing this recommendation.

DHS' Comments to Recommendation #2: Concur. For each DHS component, RM&A has begun reviewing components' submitted risk assessments to ensure a response is obtained and adequately documented for all questions raised during RM&A's review process. Based on noted areas of improvement, RM&A will enhance its review process, strengthen supporting documentation requirements, and update the *DHS Improper Payment Reduction Guidebook*. ECD: June 30, 2018.

OIG Analysis of DHS' Comments: DHS' corrective action is responsive to the recommendation. The original recommendation from Report OIG-16-88: *Department of Homeland Security's FY 2015 Compliance with the Improper Payments Elimination and Recovery Act of 2010* will remain open and resolved (current year recommendation will be administratively closed) until we have evaluated RM&A's most recent review of each component's risk assessment. We will evaluate this during our FY 2018 IPERA audit and report on DHS' progress in closing this recommendation.

DHS' Comments to Recommendation #3: Concur. Previously, RM&A established and implemented an IPERA checklist to ensure that staff is following guidance prescribed in the IPERA guidebook. RM&A will continue to strengthen this process to ensure that all levels of review are sufficiently documented going forward. ECD: May 31, 2019.

OIG Analysis of DHS' Comments: DHS' corrective action is responsive to the recommendation. The original recommendation from Report OIG-17-59: *Department of Homeland Security's FY 2016 Compliance with the Improper Payments Elimination and Recovery Act of 2010 and Executive Order 13520*,
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Reducing Improper Payments, will remain open and resolved (current year recommendation will be administratively closed) until we have determined that RM&A is properly following existing DHS IPERA Guidance. We will evaluate this during our FY 2018 IPERA audit and report on DHS' progress in closing this recommendation.

DHS' Comments to Recommendation #4: Concur. RM&A has redefined the criteria used for the Financial Management Health Assessment scores for IPERA that include enhanced measurements around the quality and timeliness of submissions and, if applicable, responses from components. RM&A is providing supporting documentation corroborating these actions to OIG, under separate cover. DHS requests that OIG consider the recommendation resolved and closed.

OIG Analysis of DHS' Comments: DHS' corrective action is responsive to the recommendation. The recommendation will remain open and resolved until we have determined that RM&A is properly enforcing the requirements of the *DHS Improper Payment Reduction Guidebook*. We will evaluate this during our FY 2018 IPERA audit and report on DHS' progress in closing this recommendation.

DHS' Comments to Recommendation #5: Concur. RM&A will continue to work with the Office of Management and Budget (OMB) and OIG to ensure established reporting requirements are followed. Because DHS IPERA reviews are performed a year in arrears, the Department will not fully realize the benefit of the corrective actions until late FY 2019. RM&A will continue to focus its efforts on developing corrective action plans that address root causes with components in order to meet OMB-approved reduction targets. ECD: September 30, 2019.

OIG Analysis of DHS' Comments: DHS' corrective action is responsive to the recommendation. The original recommendation from Report OIG-15-94:*Department of Homeland Security's FY 2014 Compliance with the Improper Payments Elimination and Recovery Act of 2010* will remain open and resolved (current year recommendation will be administratively closed) until we have reviewed the corrective action plans and DHS' continued efforts to comply with IPERA. We will perform this review during our FY 2018 IPERA audit and report on DHS' progress closing this recommendation.

DHS' Comments to Recommendation #6: Concur. RM&A has undergone a division reorganization to realign oversight of the IPERA effort. In addition, RM&A has adjusted staff coverage to enhance knowledge transfer and provide surging capabilities during periods with a heavier IPERA level of effort. RM&A is providing supporting documentation corroborating these actions to OIG, under separate cover. DHS requests that OIG consider this recommendation resolved and closed.



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OIG Analysis of DHS' Comments: DHS' corrective action is responsive to the recommendation. The recommendation will remain open and resolved until we have evaluated RM&A's most recent review of the component's improper payment testing and reporting, and staff shortages no longer limit RM&A's ability to effectively perform their risk assessment reviews. We will perform this review during our FY 2018 IPERA audit and report on DHS' progress closing this recommendation.



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Appendix A

Objective, Scope, and Methodology

The Department of Homeland Security Office of Inspector General was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*.

The audit objective was to determine whether DHS complied with the *Improper Payments Elimination and Recovery Act of 2010* (IPERA). In addition, we evaluated the accuracy and completeness of DHS' improper payment reporting.

To help fulfill our audit responsibilities, we contracted with the independent public accounting firm of KPMG LLP (KPMG). KPMG performed an examination of DHS compliance with the *Improper Payments Elimination and Recovery Act of 2010*. The objective of the examination was to express an opinion on management's assertion about DHS' compliance with the following IPERA requirements:

1. Published an AFR for the most recent fiscal year and posted that report and any accompanying materials required by OMB on the agency website;
2. Conducted a program-specific risk assessment for each program or activity that conforms with Section 2(a) of the *Improper Payments Information Act of 2002* (if required);
3. Published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required);
4. Published programmatic corrective action plans in the AFR (if required);
5. Published, and is meeting, annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable); and
6. Reported a gross improper payment rate of less than 10 percent for each program and activity for which an improper payment estimate was obtained and published in the AFR.

KPMG also performed other agreed-upon procedures related to the accuracy and completeness of DHS' improper payment reporting. KPMG did not express an opinion on the agreed-upon procedures performed. We examined the results of the agreed-upon procedures to conclude on the accuracy and completeness of DHS' improper payment reporting.

KPMG is responsible for the Independent Accountants' Report, dated June 28, 2018, and the conclusions expressed in the report (see appendix D). KPMG conducted the examination and agreed-upon procedures in accordance with attestation standards established by the American Institute of Certified Public



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Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

To ensure the quality of the examination and agreed-upon procedures performed, we evaluated KPMG's qualifications and independence, reviewed the approach and planning of their work, monitored the progress of their work at key points, reviewed and accepted KPMG's reports, and performed other procedures that we deemed necessary. Additionally, we provided oversight of the procedures and activities conducted at key components within DHS.

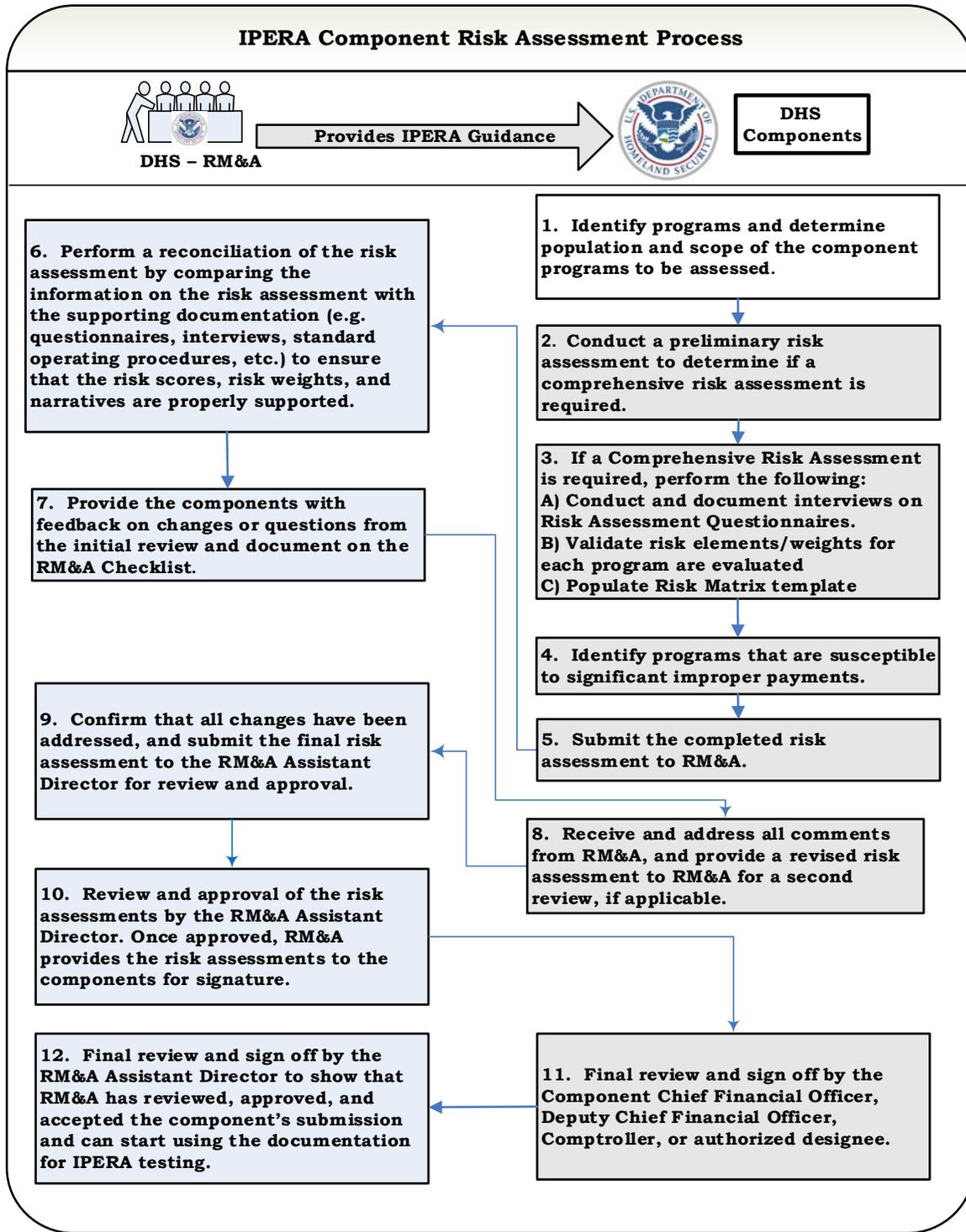
The audit was conducted between January 2018 and March 2018 pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards and audit standards established by the American Institute of Certified Public Accountants, except that we included OIG in our results in table 1, *IPERA Compliance Reporting Table*. The OIG results presented in this table are for informational purposes only as we did not perform any audit procedures on OIG. Generally accepted government auditing standards and audit standards established by the American Institute of Certified Public Accountants require that OIG and KPMG plan and perform the audit and attestations to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based upon the audit or attestations objectives. We believe that the evidence obtained provides a reasonable basis for the findings and conclusions based upon the examination objectives.



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Appendix B IPERA Component Risk Assessment Process



Source: Analysis of DHS Guidebook and RM&A Improper Payment Program Standard Operating Procedures.



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Appendix C
Management Comments to the Draft Report

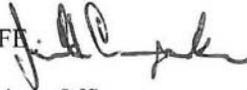
U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

May 24, 2018

MEMORANDUM FOR: John E. McCoy II
Assistant Inspector General for Audits

FROM: Jim H. Crumpacker, CIA, CFI 
Director
Departmental GAO-OIG Liaison Office

SUBJECT: Management's Response to OIG Draft Report: "Department of Homeland Security's FY 2017 Compliance with the Improper Payments Elimination and Recovery Act of 2010" (Project No. 18-027-AUD-DHS)

Thank you for the opportunity to review and comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the work of the Office of Inspector General (OIG) in planning and conducting its review and issuing this report.

The Department is pleased to note OIG's and the independent public accounting firm of KPMG LLP's positive recognition that DHS was compliant with five of the six key categories of "Improper Payments Elimination and Recovery Act of 2010"(IPERA) reviewed:

- 1) Publishing an Agency Financial Report (AFR) for the most recent fiscal year and posting that report and any accompanying materials;
- 2) Conducting a program-specific risk assessment for each program;
- 3) Publishing improper payment estimates for all programs and activities;
- 4) Publishing programmatic corrective action plans; and
- 5) Reporting a gross improper payment rate of less than 10 percent for each program and activity.

DHS is committed to the responsible stewardship taxpayer provided resources and ensuring proper controls are in place to eliminate fraud, waste, abuse, and mismanagement. DHS also continues to focus on reducing improper payments. More specifically, the DHS Office of the Chief Financial Officer's (OCFO) Risk Management and Assurance (RM&A) Division is charged with ensuring that resources are effectively and efficiently managed and applicable laws, regulations, and policies are complied with;



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processes are established to effectively and efficiently meet the objectives of operations; and program performance is measured and assessed.

The draft report contained six recommendations with which the Department concurs. Attached find our detailed response to each recommendation. Technical comments were previously provided under separate cover.

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you in the future.

Attachment



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Department of Homeland Security

Attachment: Management Response to Recommendations Contained in 18-027-AUD-DHS

The OIG recommended that the DHS Chief Financial Officer:

Recommendation 1: Ensure that the most recent AFR properly presents prior-year IPERA disbursements in a consistent manner.

Response: Concur. The DHS Office of the Chief Financial Officer will make corrections to prior year IPERA data in the FY 2018 AFR. Estimated Completion Date (ECD): November 30, 2018.

Recommendation 2: Ensure that RM&A strengthens its oversight to ensure proper documentation of its review of the components' risk assessments.

Response: Concur. For each DHS Component, RM&A has begun reviewing Component-submitted risk assessments to ensure a response is obtained and adequately documented for all questions raised during the RM&A-led review process. Based on noted areas of improvement, RM&A will enhance the review process and strengthen maintenance and supporting documentation for support actions taken as a result of the RM&A-led review, to include adjustments to the DHS Improper Payment Reduction Guidebook. ECD: June 30, 2018.

Recommendation 3: Ensure that RM&A properly follows existing DHS IPERA Guidance.

Response: Concur. Previously, RM&A established and implemented an IPERA package checklist to ensure that staff is following guidance prescribed in the IPERA guidebook. RM&A will continue to strengthen this process to ensure that all levels of review are sufficiently documented going forward. ECD: May 31, 2019.

Recommendation 4: Ensure that RM&A strengthens its enforcement of the requirements of the DHS Improper Payment Reduction Guidebook.

Response: Concur. RM&A has redefined the criteria used for the Financial Management Health Assessment scores for IPERA that include enhanced measurements around the quality and timeliness of submissions and, if applicable, responses from Components. Supporting documentation corroborating these actions is being provided to OIG under separate cover. DHS requests the OIG consider the recommendation resolved and closed.



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Recommendation 5: Ensure that RM&A follows Office of Management and Budget's requirements for agencies not compliant with IPERA as stated in Appendix C of OMB Circular No. A-123. DHS should also focus its resources on corrective actions that will help meet the OMB-approved reduction targets.

Response: Concur. RM&A will continue to work with the Office of Management and Budget (OMB) and the OIG to ensure established reporting requirements are followed. Because DHS IPERA reviews are performed a year in arrears, the Department will not fully realize the benefit of the corrective actions until late FY 2019. RM&A will continue to focus its efforts on developing corrective action plans that address root causes with Components in order to meet OMB-approved reduction targets. ECD: September 30, 2019.

Recommendation 6: Ensure that RM&A has adequate personnel to ensure the Department's compliance with IPERA requirements.

Response: Concur. RM&A has undergone a Division reorganization to realign oversight of the IPERA effort. In addition, RM&A has adjusted staff coverage to enhance knowledge transfer and provide surging capabilities during time periods with a heavier IPERA level of effort. Supporting documentation corroborating these actions is being provided to OIG under separate cover. DHS requests the OIG consider this recommendation resolved and closed.



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Department of Homeland Security

Appendix D
Independent Accountants' Report



KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Accountants' Report

Office of Inspector General
U.S. Department of Homeland Security

We have examined the Department of Homeland Security (DHS) management's assertion that DHS complied with the specified Improper Payments and Eliminations Recovery Act (IPERA) requirements, listed in Attachment A, during the period of October 1, 2016 to September 30, 2017. DHS's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about DHS's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on DHS's compliance with specified requirements.

In our opinion, management's assertion that DHS did not comply with the specified IPERA requirements, listed in Attachment A, is fairly stated, in all material respects. See Attachments A and B for a complete list of IPERA reporting requirements and results.

The purpose of this report is to report DHS's compliance with the IPERA requirements listed in Attachment A. Accordingly, this report is not suitable for any other purpose.

KPMG LLP

Washington, D.C.
June 28, 2018

KPMG LLP is a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



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Attachment A

Criteria:

Per Office of Management and Budget (OMB) Circular A-123, Appendix C, Requirements for Effective Measurement and Remediation of Improper Payments, compliance under IPERA means that the agency has met the following requirements:

- a. Published an Agency Financial Report (AFR) or Performance and Accountability Report (PAR) for the most recent fiscal year and posted that report and any accompanying materials required by OMB on the agency website;
- b. Conducted a program specific risk assessment for each program or activity that conforms with section 2(a) the *Improper Payments Information Act of 2002* (if required);
- c. Published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required);
- d. Published programmatic corrective action plans in the AFR or PAR (if required);
- e. Published, and is meeting, annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable); and
- f. Reported a gross improper payment rate of less than 10 percent for each program and activity for which an improper payment estimate was obtained and published in the AFR or PAR.

Results:

Procedures were performed in order to obtain evidence as to whether the agency's assertion of compliance with the IPERA requirements above, is fairly stated in all material respects. See results for each requirement below:

- a. Did DHS publish an AFR or PAR for the most recent fiscal year and posted that report and any accompanying materials required by OMB on the agency website?

Yes. DHS published an AFR for Fiscal Year 2017 (FY17). However, DHS did not accurately publish information presented in the AFR. As such, the published AFR did not meet all of OMB requirements.

We identified that the improper payment rate presented in the FY17 DHS AFR did not agree from the supporting documentation for one program listed in Attachment B, Exhibit 2.

In addition, we identified that the sampling methodology documentation (1) did not include any documentation regarding the completeness, accuracy and appropriateness of each program's relevant population; and (2) did not include consistent documentation over the error rate assumptions and simulated analysis.

- b. Did DHS conduct a program specific risk assessment for each program or activity that conforms with section 2(a) the *Improper Payments Information Act of 2002* (if required)?



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Attachment A

Yes. DHS conducted a program specific risk assessment for each program or activity that conformed with section 2(a) of the *Improper Payments Information Act of 2002*, when required.

- c. Did DHS publish improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required)?

Yes. DHS published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment, when required.

- d. Did DHS publish programmatic corrective action plans in the AFR or PAR (if required)?

Yes. DHS published a required corrective action plan in Table 7, *Vendor Payment Program Corrective Actions*, in the FY17 DHS AFR for the FEMA – Vendor Payments (VP) program.

- e. Did DHS publish, and is meeting, annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable)?

No. DHS did not meet reduction targets for 2 of 14 programs required. See Attachment B, Exhibit 3

- f. Did DHS report a gross improper payment rate of less than 10 percent for each program and activity for which an improper payment estimate was obtained and published in the AFR or PAR?

Yes. DHS reported a gross improper payment rate of less than 10 percent for each program required as shown in Table 5 of the FY17 DHS AFR and in Attachment B, Exhibit 4 below.

Conclusion:

DHS did not meet 1 of the 6 IPERA requirements. See Attachment B, Exhibit 1 for the IPERA Compliance Summary. In our opinion, management's assertion that DHS did not comply with the specified IPERA requirements is fairly stated, in all material respects.



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Attachment B

Exhibit 1: IPERA Compliance Summary

Component	Published AFR and OMB Required Accompanying Materials	Conducted Risk Assessment	Published Improper Payment Estimate	Published Corrective Action Plans	Published and is Meeting Reduction Targets	Reported Improper Payment Rate Less than 10%
Customs and Border Protection (CBP)	Yes	Yes	Yes	N/A	No	Yes
Departmental Management and Operations	N/A	Yes	N/A	N/A	N/A	N/A
Domestic Nuclear Detection Office (DNDO)	Yes	Yes	N/A	N/A	N/A	N/A
Federal Emergency Management Agency (FEMA)	Yes	Yes	Yes	Yes	Yes	Yes
Federal Law Enforcement Training Center	N/A	Yes	N/A	N/A	N/A	N/A
Immigration and Customs Enforcement (ICE)	Yes	Yes	Yes	N/A	Yes	Yes
National Protection and Programs Directorate	N/A	Yes	N/A	N/A	N/A	N/A
Office of Health Affairs	N/A	Yes	N/A	N/A	N/A	N/A
Office of Intelligence and Analysis	N/A	Yes	N/A	N/A	N/A	N/A
Office of Operations Coordination	N/A	Yes	N/A	N/A	N/A	N/A
Science and Technology Directorate (S&T)	Yes	Yes	Yes	N/A	Yes	Yes
Transportation Security Administration	N/A	Yes	N/A	N/A	N/A	N/A
U.S. Citizenship and Immigration Services	N/A	Yes	N/A	N/A	N/A	N/A
U.S. Secret Service	N/A	Yes	N/A	N/A	N/A	N/A
United States Coast Guard (USCG)	Yes	Yes	Yes	N/A	No	Yes



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Attachment B

Exhibit 2: Corrections to the FY 2017 AFR – Other Information

Component	Program	FY 2017 Under-Payment Rate (As Reported)	FY 2017 Under-Payment Rate (Correct Reporting)
FEMA	Vendor Payments	0.00%	0.02%

Exhibit 3: Improper Payment Reduction Targets

Component	Program	FY 17 Target	FY 17 Actual	Target Met? (+/- .1%)
CBP	Refunds and Drawback	0.24%	0.79%	No
	Administrative Uncontrollable Overtime	0.20%	N/A	N/A - Waiver
DNDO	Hurricane Sandy Disbursements	0.00%	N/A	N/A - Sandy
FEMA	Assistance to Firefighters Grants	0.85%	0.09%	Yes
	Flood Hazard Mapping & Risk Analysis Program	5.00%	3.27%	Yes
	Homeland Security Grant Program	0.42%	0.38%	Yes
	National Flood Insurance Program	0.17%	0.01%	Yes
	Port Security Grant Program	0.94%	N/A	N/A - Waiver
	Transit Security Grant Program	0.70%	N/A	N/A - Waiver
	Public Assistance	1.30%	1.00%	Yes
	Vendor Payments	5.00%	4.42%	Yes
ICE	Enforcement and Removal Operations	1.25%	0.33%	Yes
S&T	Hurricane Sandy Disbursements	0.00%	0.00%	Yes
USCG	Acquisition, Construction, and Improvement and Operating Expense: Hurricane Sandy Disbursements	0.50%	1.38%	No



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Attachment B

Exhibit 4: Gross Improper Payment Rate

Component	Program	Gross Improper Payment Rate	Less than 10%?
CBP	Refunds and Drawback	0.79%	Yes
	Administrative Uncontrollable Overtime	N/A	N/A - Waiver
DNDO	Hurricane Sandy Disbursements	N/A	N/A - Sandy
FEMA	Assistance to Firefighters Grants	0.09%	Yes
	Flood Hazard Mapping & Risk Analysis Program	3.27%	Yes
	Homeland Security Grant Program	0.38%	Yes
	National Flood Insurance Program	0.01%	Yes
	Port Security Grant Program	N/A	N/A - Waiver
	Transit Security Grant Program	N/A	N/A - Waiver
	Public Assistance Vendor Payments	1.00% 4.42%	Yes Yes
ICE	Enforcement and Removal Operations	0.33%	Yes
S&T	Hurricane Sandy Disbursements	0.00%	Yes
USCG	Acquisition, Construction, and Improvements and Operating Expense: Hurricane Sandy Disbursements	1.38%	Yes



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Appendix E
Recommendations and the Current Status of Each

Report Number	FY	#	Recommendation	Status
OIG-12-48	2011	1	To ensure that all payments for programs and activities identified as high risk are subject to selection for testing and reported, the Department must: <ul style="list-style-type: none"> • Enhance controls and processes used by components to reconcile their lists of fiscal year payments with their financial accounting system; and • Enhance controls and processes used by the Department to review components' lists of fiscal year payments to ensure that they are complete and that variances are investigated, accounted for, and substantiated. 	Closed
		2	Include the following corrections in the Department of Homeland Security's FY 2012 Annual Financial Report: <ul style="list-style-type: none"> • FY 2011 recovery audit reporting for Federal Protective Services under National Protection & Programs Directorate; and • Excluded payments from U.S. Customs and Border Protection's Secure Border Fencing program from the FY 2011 Annual Financial Report. 	Closed

Source: OIG analysis of OIG report, *Department of Homeland Security's Compliance with the Improper Payments Elimination and Recovery Act of 2010* (Revised), OIG-12-48.



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Report Number	FY	#	Recommendation	Status
OIG-12-48	2011	3	Develop and implement procedures to ensure that duties to determine the level of improper payments and to reduce improper payments are adequately segregated.	Closed
		4	Modify the <i>Department of Homeland Security's Improper Payment Reduction Guidebook</i> to provide guidance to components on how to treat results of testing using alternative methodologies. When seeking approval from the Office of Management and Budget for an alternate sampling methodology, DHS shall propose dollar thresholds that will be applicable to the results of testing using approved alternate sampling methodology.	Closed
		5	<ul style="list-style-type: none"> • Domestic Nuclear Detection Office, the Transportation Security Administration, and U.S. Secret Service conduct recovery audits as planned and reported in the Department's FY 2011 Annual Financial Report; and • Components follow the requirements of the <i>Improper Payments Elimination and Recovery Act of 2010</i> to perform recovery audits annually if conducting such recovery audits is cost-effective. 	Closed

Source: OIG analysis of OIG report, *Department of Homeland Security's Compliance with the Improper Payments Elimination and Recovery Act of 2010* (Revised), OIG-12-48.



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Report Number	FY	#	Recommendation	Status
OIG-12-48	2011	6	<ul style="list-style-type: none"> • Components target those improper payment categories that have a higher potential for overpayment and recoveries for recovery audits, when cost effective; and • Modify the Department's Payment Recapture Audit Plan to follow OMB guidance for prioritizing recovery audits. 	Closed
OIG-13-47	2012	1	DHS Risk Management and Assurance Division obtains and reviews the components' interviews to ensure that the risk weights and risk scores are accurate and supported.	Closed
		2	DHS Risk Management and Assurance Division requires all components to provide detailed explanations and references to supporting documentation as to how they determined each risk weight and risk score.	Closed
		3	U.S. Customs and Border Protection and the United States Coast Guard perform interviews as part of the risk assessment process.	Closed
		4	Federal Emergency Management Agency performs interviews of the program managers or senior management.	Closed
		5	U.S. Customs and Border Protection's risk assessment is reviewed and approved by the Chief Financial Officer.	Closed

Source: OIG analysis of OIG reports, *Department of Homeland Security's Compliance with the Improper Payments Elimination and Recovery Act of 2010* (Revised), OIG-12-48, and *Department of Homeland Security's FY 2012 Compliance with the Improper Payments Elimination and Recovery Act of 2010* (Revised), OIG-13-47.



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Report Number	FY	#	Recommendation	Status
OIG-13-47	2012	6	Modify the DHS Guidebook to add clarification that explicitly describes how to complete the components' risk assessments.	Closed
		7	Develop and implement procedures to ensure the approval of risk templates only after the components have made all corrections.	Closed
		8	Develop standard operating procedures that clearly identify how the IPERA reviews and approvals will be coordinated with the components.	Closed
		9	Ensure that DHS Risk Management and Assurance Division follows Office of Management and Budget's (OMB) requirements for agencies not compliant with IPERA as stated in Appendix C of OMB Circular No. A-123.	Closed
OIG-14-64	2013	1	Ensure that the DHS Risk Management and Assurance Division follows OMB requirements for agencies not compliant with IPERA, as stated in Appendix C of OMB Circular No. A-123. DHS should also focus its resources on corrective actions that will help meet the OMB-approved reduction targets.	Closed

Source: OIG analysis of OIG reports, *Department of Homeland Security's FY 2012 Compliance with the Improper Payments Elimination and Recovery Act of 2010 (Revised)*, OIG-13-47, and *Department of Homeland Security's FY 2013 Compliance with the Improper Payments Elimination and Recovery Act of 2010 (Revised)*, OIG-14-64.



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Report Number	FY	#	Recommendation	Status
OIG-15-94	2014	1	Ensure that the Risk Management and Assurance Division has adequate personnel succession plans to ensure the Department's compliance with IPERA requirements.	Closed
		2	Ensure that the Risk Management and Assurance Division strengthens its oversight and review procedures to ensure components' IPERA risk matrixes include all programs.	Closed
		3	Ensure that FEMA strengthens its preparation, review, and oversight processes to ensure compliance with risk assessment and risk matrix requirements and to ensure that responsible program officials are properly identified.	Closed
		4	Ensure that the DHS' Risk Management and Assurance Division follows OMB requirements for agencies not compliant with IPERA, as stated in Appendix C of OMB Circular No. A-123. DHS should also focus its resources on corrective actions that will help meet the OMB-approved reduction targets.	Open - Resolved

Source: OIG analysis of OIG report, *Department of Homeland Security's FY 2014 Compliance with the Improper Payments Elimination and Recovery Act of 2010 (Revised)*, OIG-15-94.



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Report Number	FY	#	Recommendation	Status
OIG-16-88	2015	1	Ensure that the Risk Management and Assurance Division strengthens its oversight to ensure proper documentation of its review of the components' risk assessments	Open - Resolved
		2	Ensure that the Risk Management and Assurance Division timely confirms its review and approval of the components' risk assessments.	Closed
		3	Ensure that the Risk Management and Assurance Division has adequate personnel to ensure the Department's compliance with IPERA requirements.	Closed
		4	Ensure that the Risk Management and Assurance Division clearly designates contract deliverables for the risk assessment reviews.	Closed
		5	Ensure that the Risk Management and Assurance Division follows Office of Management and Budget's requirements for agencies not compliant with IPERA, as stated in Appendix C of OMB Circular No. A-123. DHS should also focus its resources on corrective actions that will help meet the OMB-approved reduction targets.	Closed

Source: OIG analysis of OIG report, *Department of Homeland Security's FY 2015 Compliance with the Improper Payments Elimination and Recovery Act of 2010*, OIG-16-88.



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Report Number	FY	#	Recommendation	Status
OIG-17-59	2016	1	Ensure that the FY 2017 Agency Financial Report properly reports prior year IPERA disbursements in a consistent manner.	Closed
		2	Ensure that the Risk Management and Assurance Division strengthen its oversight to ensure proper documentation of its review of the components' risk assessments.	Closed
		3	Ensure that the Risk Management and Assurance Division has adequate personnel to ensure the Department's compliance with IPERA requirements.	Closed
		4	Ensure that the Risk Management and Assurance Division is properly following existing DHS IPERA Guidance.	Open - Resolved
		5	Ensure that the Risk Management and Assurance Division issues guidance that (1) strengthens RM&A's authority over the components' risk assessments process, and (2) requires components' to properly respond to RM&A's questions and concerns.	Closed

Source: OIG analysis of OIG report, *Department of Homeland Security's FY 2016 Compliance with the Improper Payments Elimination and Recovery Act of 2010 and Executive Order 13520, Reducing Improper Payments*, OIG-17-59.



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Report Number	FY	#	Recommendation	Status
OIG-17-59	2016	6	Ensure that the Risk Management and Assurance Division follows Office of Management and Budget's requirements for agencies not compliant with IPERA as stated in Appendix C of OMB Circular No. A-123. DHS should also focus its resources on corrective actions that will help meet the OMB-approved reduction targets.	Closed

Source: OIG analysis of OIG report, *Department of Homeland Security's FY 2016 Compliance with the Improper Payments Elimination and Recovery Act of 2010 and Executive Order 13520, Reducing Improper Payments*, OIG-17-59.



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Appendix F
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