



January 29, 2016

**MEMORANDUM FOR:** Ellen Herbst  
Chief Financial Officer and Assistant Secretary for Administration

**FROM:** Richard L. Bachman  
Assistant Inspector General for Financial and Intellectual  
Property Audits

**SUBJECT:** Review of the Department's FY 2015 Compliance with Improper  
Payment Requirements

We are initiating a review of the Department's compliance with requirements of the Improper Payments Information Act of 2002 (IPIA), as amended by the Improper Payments Elimination and Recovery Act of 2010 (IPERA) and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) and reported in the "Other Information" section of the *U.S. Department of Commerce FY 2015 Agency Financial Report*. The Office of Management and Budget issued implementing guidance in the form of OMB Circular A-123, Appendix C, as revised by OMB Memorandum M-15-02, which requires federal inspectors general to review improper payment reporting annually.

We will evaluate the accuracy and completeness of the Department's reporting and its performance in reducing and recapturing improper payments. To comply with legislative requirements, this review must be completed by May 16, 2016.

We held our entrance conference on January 21, 2016. If you have any questions regarding this review, please contact me at (202) 482-2877 or Patricia McBarnette, Audit Director, at (202) 482-3391. We thank you in advance for your cooperation during this review.

cc: MaryAnn Mausser, Audit Liaison, Office of the Secretary