



January 10, 2017

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 2016 Compliance
with Improper Payment Requirements

We are initiating a review to determine the Department's compliance with the Improper Payments Information Act of 2002, as amended by the Improper Payments Elimination and Recovery Act of 2010 and the Improper Payments Elimination and Recovery Improvement Act of 2012. The Office of Management and Budget (OMB) issued implementing guidance, OMB Circular A-123, Appendix C, *Requirements for Effective Estimation and Remediation of Improper Payments*, as amended, which requires federal inspectors general to review improper payment reporting annually.

In addition to determining compliance, we will evaluate the accuracy and completeness of the Department's reporting and its performance in recapturing improper payments identified. To comply with legislative requirements, this review must be completed by May 15, 2017.

We will hold our entrance conference on January 19, 2017. 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