



BUREAU OF THE  
**Fiscal Service**  
U.S. DEPARTMENT OF THE TREASURY

# IPERA

## Improper Payment Elimination and Recovery Act

Brian Adams  
May 10, 2017



# What is IPERA?

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- **Improper Payments Information Act of 2002**

- Commonly abbreviated as IPIA
- Improve integrity of gov't payments and efficiency of its programs
- Requires agency head to:
  - Identify programs and activities susceptible to significant improper payments
  - Estimate and report on the annual amount of improper payments
  - Report on actions to reduce improper payments

- **Improper Payments Elimination and Recovery Act of 2010**

- Signed into Law on July 22, 2010 by President Obama
- Directive of OMB Circular A-123, Appendix C
- Amended IPIA and repealed the Recovery Auditing Act
- Significantly increased agency payment recapture efforts by:
  - Expanding the types of payments that are in scope for review
  - Lowers threshold of annual outlays required for recapture audit programs

# Guidance and Attachments

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- **Guidance**

- Received from Toya Craig at Treasury Departmental Offices
- Arrives in late May or early June
- Contains:
  - Instructions for completing attachments
  - Timeline for improper payment deliverables
- Non-Treasury agencies follow similar process for audit purposes

- **Attachments**

Standard

A: Baseline Inventory Report  
B: Risk Assessment  
C: Payment Recapture Audit

High Risk

D: Reduction Outlook  
E: Classification  
F: Root Cause Category Matrix  
G: Status of Internal Controls

# Baseline Inventory Report

- **Attachment A**

- Due Date for FY 2016 was June 17, 2016
- Based upon all Treasury Fund Symbols (TFS) resident in the Treasury Information Executive Repository (TIER) as of 9/30/15

Improper Payment Baseline Inventory Report FY 2016								
For Fiscal Year: 2015								
Reporting Bureau: ALL								
Run Date: 06/01/2016 12:18:36 PM								
Environment: DR								
Bureau	Reporting Entity	Treasury Fund Symbol and Title		Total Funding	Total Disbursements	Total Non-Federal Disbursements	Risk Assessment Required	Payment Recapture Audit >\$1M
DFF	DFF	020	X4560010 Administrative Resource Center	768,452,152.71	512,458,171.00	333,269,060.34		
				768,452,152.71	512,458,171.00	333,269,060.34	X	X

- Verify fund symbol and title are accurate
- Reconcile “Total Funding” column using lines 1910 + 3100 on SF-133, *Report of Budget Execution*
- Reconcile “Total Disbursements” column using lines 4020 + 4110 on SF-133

# Risk Assessment

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- **Attachment B**

- Due date for FY 2016 was July 18, 2016
- Required for TFS with Disbursements or Total Funding equal to or greater than \$10 million
- Also required for TFS that have been identified as special interest programs initially classified as Risk Assessment Required

- **Questionnaire**

- Completed for each payment type applicable to the TFS where risk is being assessed
- Common payment types include:
  - Contract Payments and/or Invoices
  - Purchase Card
  - Travel Card
  - Federal Employee Payments, including Payroll

# Risk Assessment (cont'd)

- **Questionnaire Categories**
  - Internal Control Environment
  - Risk Assessment
  - Internal Control Activities
  - Information and Communication
  - Monitoring

Attachment B - IPERA Risk Assessment for FY 2016				
Bureau/Office: <input type="text" value="Select Bureau or Office"/>				
Fund Group Name: <input type="text"/> Assigned by Your Bureau or Office				
Payment Type: <input type="text" value="Select Payment Type"/> All Payment Types within a Fund Group must be completed				
<b>WARNING! You have not answered all of the questions</b>				
Question Number	Risk Assessment Question	Yes	No	N/A
<b>INTERNAL CONTROL ENVIRONMENT</b>				
<i>The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.</i>				
1	Do program management and staff adhere to applicable laws and regulations?			
2	Are employees encouraged to bring internal control problems to management's attention?			

# Risk Assessment (cont'd)

- Questionnaire Results

Response Totals	TOTAL SCORE FROM ANSWERS ABOVE			0	
Risk Assessment Results	If Total Score is 0 through 11 = LOW RISK      If Total Score is 12 through 28 = MEDIUM RISK      If Total Score is 29 or Greater = HIGH RISK			Low Risk	
Reviewed By:		Title:		Phone:	
Signature:				Date:	

- Payment Type Summary

- Completed for each payment type (Contracts & Invoices, Travel card etc.) within a given TFS for which a questionnaire was answered
- Use Discoverer report to reconcile trial balance data for Payment Type Summary to the Baseline Inventory Report

# Risk Assessment (cont'd)

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- **Payment Type Summary (cont'd)**

- Report focus is on the following USSGL obligation activity
  - 4802 – Undelivered orders, obligations prepaid/advanced
  - 4882 – Upward adjustments of prior-year undelivered orders prepaid/advanced
  - 4902 – Delivered orders, obligations paid
  - 4982 – Upward adjustments of prior-year delivered orders, obligations paid
- Additional parameters:
  - Vendor Name
  - Vendor Number
  - Vendor Type
  - MOC/BOC



# Risk Assessment (cont'd)

- Payment Type Summary (cont'd)

Attachment B - IPERA Risk Assessment Payment Type Summary for FY 2016			
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p><b>Bureau/Office:</b> <span style="border: 1px solid black; padding: 2px 10px; color: blue;">Select Bureau or Office</span></p> <p><b>Fund Group Name:</b> <span style="border: 1px solid black; padding: 2px 10px;">0</span></p> <p><b>Payment Type:</b> <span style="border: 1px solid black; padding: 2px 10px; color: green;">Payment Type Summary</span></p> </div> <div style="width: 35%; font-size: small;"> <p>Assigned by Your Bureau or Office</p> </div> </div>			
Risk Assessment Rating	Payment Types	Annual Payment Amount	Annual Percentage
Low Risk	Select Payment Type	\$0.00	0.0%
Low Risk	Select Payment Type	\$0.00	0.0%
	<b>Total Fund Group Annual Payments</b>	<b>\$0.00</b>	<b>0.0%</b>

# Payment Recapture Audit

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- **Attachment C**

- Due date for FY 2016 was October 3, 2016
- Required for each program or activity that expends \$1 million or more annually
- Review and analysis of a bureau or program's accounting and financial records, supporting documentation, and other pertinent information designed to identify overpayments
- Data is based on recaptured payments in current fiscal year

- **Questionnaire**

- Reviewed for changes
- Completed using responses from previous year's submission

# Payment Recapture Audit (cont'd)

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- **Results tab**

- Sections include:

- Scope
    - Results
    - Disposition
    - Balance
    - Costs
    - Targets

- Data is entered into the applicable section based on backup documentation provided by payment type areas

# Payment Recapture Audit (cont'd)

- **Disposition from Results tab**
  - Lines 22-26, 32-36, 42-51

DISPOSITION	Payment Off-Set			Number	Dollar Amount
	Amount of Erroneous or Improper Contract Payments Identified on Line 12 Offset from Other Payments or Collected before A/R		22	0	\$0.00
	Amount of Erroneous or Improper Grant Payments Identified on Line 13 Offset from Other Payments or Collected before A/R		23	0	\$0.00
	Amount of Erroneous or Improper Benefit Payments Identified on Line 14 Offset from Other Payments or Collected before A/R		24	0	\$0.00
	Amount of Erroneous or Improper Loan Payments Identified on Line 15 Offset from Other Payments or Collected before A/R		25	0	\$0.00
	Amount of Erroneous or Improper Other Payments Identified on Line 16 Offset from Other Payments or Collected before A/R		26	0	\$0.00
	Collections - Current Year Amounts			Number	Dollar Amount
	Amount of Accounts Receivable Identified on Line 27 Collected		32	0	\$0.00
	Amount of Accounts Receivable Identified on Line 28 Collected		33	0	\$0.00
	Amount of Accounts Receivable Identified on Line 29 Collected		34	0	\$0.00
	Amount of Accounts Receivable Identified on Line 30 Collected		35	0	\$0.00
	Amount of Accounts Receivable Identified on Line 31 Collected		36	0	\$0.00
	Collections - From Prior Years			Number	Dollar Amount
	Amount of Contract Payments from FY 2015 Collected in FY 2016		42	0	\$0.00
	Amount of Grant Payments from FY 2015 Collected in FY 2016		43	0	\$0.00
	Amount of Benefit Payments from FY 2015 Collected in FY 2016		44	0	\$0.00
	Amount of Loan Payments from FY 2015 Collected in FY 2016		45	0	\$0.00
	Amount of Other Payments from FY 2015 Collected in FY 2016		46	0	\$0.00
	Amount of Contract Payments from Prior Years Collected in FY 2016		47	0	\$0.00
	Amount of Grant Payments from Prior Years Collected in FY 2016		48	0	\$0.00
	Amount of Benefit Payments from Prior Years Collected in FY 2016		49	0	\$0.00
	Amount of Loan Payments from Prior Years Collected in FY 2016		50	0	\$0.00
	Amount of Other Payments from Prior Years Collected in FY 2016		51	0	\$0.00

# Payment Recapture Audit (cont'd)

- **Tables tab**

- Reflects treatment of recaptured improper payments
- Three sections
  - Aging schedule
  - Disposition table
  - Overpayments recaptured outside of payment recapture audits

Aging of Outstanding Overpayments - CY Amount Outstanding*						
Type	Total CY O/S	0-6 Mos.	6 Mos. To 1 Yr.	Over 1 Year	Amount determined to not be collectable	Comments/Explanations, including justifications
Contracts	\$0.00					
Grants	\$0.00					
Benefits	\$0.00					
Loans	\$0.00					
Other	\$0.00					

Disposition of Recaptured Funds**								
Type	Total Recaptured Funds	Agency Expenses	Auditor Fees	Financial Management Improvement (Up to 25%)	Original Purpose (Up to 25%)	Office of IG (Up to 5%)	Expired Account	Returned to Treasury
Contracts	\$0.00							
Grants	\$0.00							
Benefits	\$0.00							
Loans	\$0.00							
Other	\$0.00							

# Payment Recapture Audit (cont'd)

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- **Tables tab**

- Backup/Supporting Documentation should tie
  - Original Purpose: Current year funds
  - Expired Account: Any funds other than current year
- Other Line
  - Combines Payroll and Travel data
  - Use formulas for total (separates data)

# Ideas for Efficiency

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- **Review and understand backup documentation**
  - Where it ties on disposition etc.
- **Save backup documentation and attachments to provide auditors**
  - Auditor asks for
    - Attachment
    - Support/Backup for Attachment
    - Questionnaire
- **Supporting Documents will be saved on MAX.gov**
  - Web address: [www.max.gov](http://www.max.gov)
  - Applicable customer parent page; IPERA child page
- **BFS/ARC will consolidate backup into one file**
  - We will use one excel sheet with multiple tabs this year
    - Contracts/Invoices
    - Payroll
    - Travel

# Contact Information

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## Contacts:

Brian Adams

Accountant

304-480-8739

[Brian.Adams@fiscal.treasury.gov](mailto:Brian.Adams@fiscal.treasury.gov)

Candace Jarrell

Accountant

304-480-5188

[Candace.Jarrell@fiscal.treasury.gov](mailto:Candace.Jarrell@fiscal.treasury.gov)

Bill Richebacher

Accountant

304-480-7028

[William.Richebacher@fiscal.treasury.gov](mailto:William.Richebacher@fiscal.treasury.gov)