



At a Glance

Why We Did This Project

The Improper Payments Elimination and Recovery Act of 2010 (IPERA), as modified by the Improper Payments Elimination and Recovery Improvement Act of 2012, requires that each fiscal year the Inspector General of each agency determine whether the agency is in compliance with the law. In addition, Office of Management and Budget (OMB) Memorandum M-15-02 states that the Office of Inspector General may evaluate the accuracy and completeness of agency reporting. Our audit focused on the U.S. Environmental Protection Agency's (EPA's) compliance with these requirements.

This report addresses the following:

- *Compliance with the law.*

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EPA Complied With Improper Payments Elimination and Recovery Act Requirements

What We Found

The EPA complied with IPERA and OMB Memorandum M-15-02 requirements when reporting improper payments in its fiscal year 2017 Agency Financial Report (AFR). IPERA and OMB Memorandum M-15-02 established six mandatory steps for agency compliance:

Through compliance with IPERA, the EPA provides better assurance that efforts are being made to reduce improper payments.

- Publish an AFR or Performance and Accountability Report for the most recent fiscal year and post that reporting and any accompanying materials required by OMB on the agency website.
- Conduct a program-specific risk assessment for each program or activity that conforms with 31 U.S.C. Section 3321 (if required).
- Publish improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required).
- Publish programmatic corrective action plans in the AFR or Performance and Accountability Report (if required).
- Publish, and meet, annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable).
- 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 Performance and Accountability Report.

In its fiscal year 2017 AFR, the EPA reported an estimated \$15.79 million of improper payments. We found that the EPA reported accurate and complete data. Also, the EPA's reported current reduction targets should assist in reducing future estimated improper payments. According to the fiscal year 2017 AFR, the information, data and analyses presented in the AFR provide assistance to the President, Congress and the public in evaluating the agency's yearly activities and accomplishments.

There are no recommendations for corrective action in this report.