



Memorandum

Date: October 18, 2019

Subject: INFORMATION: Audit Announcement | DOT's Fiscal Year 2019 Implementation of the Improper Payments Elimination and Recovery Act of 2010 | Project No. 20F3004F000
Department of Transportation

From: Louis C. King *Louis C. King*
Assistant Inspector General for Financial and Information Technology Audits

To: Assistant Secretary for Budget and Programs/Chief Financial Officer

The Improper Payments Elimination and Recovery Act of 2010 (IPERA)¹ requires agencies to assess all Federal programs for improper payment risk, annually measure payment accuracy, and initiate program improvements to ensure payment errors are reduced. The act also mandates improper payment reporting for agencies and oversight for inspectors general. The Office of Management and Budget (OMB) provides guidance on implementing IPERA in its Circular A-123, Appendix C.²

For fiscal year 2018, the Department of Transportation (DOT) reported approximately \$46 billion in payments in programs and activities susceptible to significant improper payments. DOT also estimated \$1 billion in improper payments in these programs and activities.

As IPERA requires, we are initiating an audit of DOT's implementation of IPERA during fiscal year 2019. Our objective will be to determine whether DOT complied with IPERA's requirements as prescribed by OMB. We will begin the audit this month and conduct it at DOT's Headquarters in Washington D.C. We will contact your audit liaison to schedule an entrance conference. If you have any questions, please contact me at (202) 366-1407, or Kevin Dorsey, Program Director, at (202) 366-1518.

cc: DOT Audit Liaison, M-1

¹ Pub. Law No. 111-204.

² OMB M-18-20, *Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement*, June 26, 2018.