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## Memorandum

Date: November 24, 2020

Subject: INFORMATION: Audit Announcement | DOT's Fiscal Year 2020 Implementation of the Payment Integrity Information Act of 2019 | Project No. 21F3001F000  
Department of Transportation

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

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

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For fiscal year 2019, the Department of Transportation (DOT) reported approximately \$45 billion in payments for programs and activities susceptible to significant improper payments, and estimated \$396 million in improper payments. In March 2020, the Payment Integrity Information Act of 2019 (PIIA)<sup>1</sup> repealed the Improper Payments Elimination and Recovery Act of 2010<sup>2</sup> but establishes similar requirements, including annual reports by inspectors general on their agencies' compliance.

PIIA requires agencies to identify, report, and reduce improper payments in Federal Government programs and activities. In August 2020, the Council of the Inspectors General on Integrity and Efficiency issued guidance to assist inspectors general with the reviews of their agencies' compliance with PIIA. The Office of Management and Budget (OMB) is in the process of updating its Circular A-123, Appendix C, for PIIA's implementation, and expects to finalize the guidance by February 2021.

As PIIA requires, we are initiating an audit of DOT's fiscal year 2020 implementation of the act. Our audit objective will be to determine whether DOT complied with PIIA's requirements as prescribed by OMB. We plan to begin this audit immediately and will contact your audit liaison to schedule an entrance conference. We will conduct the audit at DOT Headquarters in Washington D.C. If

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<sup>1</sup> Pub. L. No. 116-117.

<sup>2</sup> Pub. L. No. 111-204.

you have any questions, please contact me at (202) 366-1407, or Dormayne Dillard-Christian, Program Director, at (202) 570-6381.

cc: DOT Audit Liaison, M-1