

## FY 2020 OMB Supplemental Data Call

### DOI

#### FY 2019 Disaster Relief Program

##### Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

“Not Applicable”. The Department of the Interior has no program or activity determined under OMB Circular A-123, Appendix C, Part I.D - Sampling and Estimation, with improper payments that meet or exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B. The Department has no program or activity that when statistically sampled resulted in a finding of gross annual improper payments (i.e., the total amount of overpayments and underpayments) in the program exceeding (1) both 1.5 percent of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported or (2) \$100,000,000 (regardless of the improper payment percentage of total program outlays).

The FY 2016 statistical sample testing of *Hurricane Sandy Relief Act* funded program with \$137 million in net outlays resulted in \$565 thousand in estimated improper payments with an improper payment rate of 0.41% for total program outlays of \$127 million. The FY 2020 statistical sample testing of the FY 2019 *Disaster Relief Supplemental Appropriation (DRA)* funded program with \$27.44 million in net outlays resulted in \$18.48 thousand in estimated improper payments and an improper payment error rate of 0.07%. As the Department’s FY 2016 and FY 2020 testing of Hurricane Sandy FY 2016 and FY 2019 DRA funded programs demonstrate legislation, the Department continues to maintain an effective internal controls program resulting in a low improper payment rate for programs identified through legislation as susceptible to significant improper payments.

##### Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

*Please describe the steps the agency has taken to detect and recover improper payments.*

| Indicate root cause                      | Indicate mitigation strategy/corrective action(s) taken | Provide any additional detail (optional free text) | Select the actual completion date for action(s) taken |
|--|---|--|---|
| 9. Administrative or Process Errors Made | 3-Training (how to complete contracts)                  | See below narrative response                       | FY2020 Q3   |

| Indicate root cause | Indicate mitigation strategy/corrective action(s) taken | Provide any additional detail (optional free text) | Select the actual completion date for action(s) taken |
|---------------------|---|--|---|
| by: Federal Agency  |   |  |   |

## Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

In FY 2020, the Bipartisan Budget Act of 2018 initiated a new improper payment reporting requirement for DOI programs funded under the “emergency supplemental appropriations to respond to and recover from recent hurricanes, wildfires, and other disasters.” OMB M-18-14, Implementation of Internal Controls and Grant Expenditures for the Disaster-Related Appropriations (DRA), all programs and activities expending more than \$10,000,000 in any one fiscal year are deemed to be “susceptible to significant improper payments.” In FY 2020 DOI performed Payment Integrity sampling and estimation testing of two bureau programs that received +\$10M in FY 2019 DRA program payments. The testing results included: (1) the USGS CSS program did not identify any improper payments; and therefore, no payment recoveries were required; and (2) the NPS Construction program identified one excepted payment. The one NPS payment exception was determined to be a valid travel expense remitted to the correct entity, in the right amount, that tied back to valid supporting documentation (i.e. receipt, travel voucher, etc.). However, this charge was determined an exception incorrectly charged to a disaster relief account; that was corrected and reallocated to the correct non-DRA account. This was an administrative accounting error, without monetary loss to the government and no payment recovery efforts are unnecessary. In response to Question 2, the root cause would be #9. Administrative or Process Errors Made by Federal Agency or #14. Other. Mitigation strategy/corrective action(s) taken were #3. Training, and Completion Date for Action(s) Taken was August 2020.

## Question 3: Recovery Audits (PIIA Section: 3352)

*Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.*

In FY 2014, the DOI conducted Payment Recapture Audits for payments made in fiscal years 2010 through 2012 that resulted in a recapture rate of 0.0004 percent. Based on the low rate of improper payments, DOI concluded that the cost of executing a payment recapture audit program outweighed the benefits of finding and recovering erroneous payments. The staff resources needed to conduct the program, sustain the contract, and oversee vendor payments were a significant drain on limited agency resources with minimal benefits to the government. In April 2014, OMB was notified that DOI discontinued the payment recapture audit program. The DOI continues to have a low improper payment rate and circumstances have not changed within our programs to make a payment recapture audit cost effective. As such, DOI did not perform

recapture audits for improper payments this fiscal year. The DOI will continue complying with PIIA through the OMB Circular A-123 process as a more cost effective and efficient use of agency resources to identify, reduce, and recover improper payments

#### **Question 4: Excluded Programs (PIIA Section: 3352(e) (7))**

*Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.*

All DOI programs were excluded from review under a payment recapture audits program because that program was determined to not be cost-effective. Please see justification provided in Question 3 above.

#### **Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))**

*Please describe your agency's progress:*

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

| <b>Implementation of OMB Circular A-123</b> | <b>Implementation of GAO Green Book</b> | <b>Identifying Risk and Vulnerabilities</b> | <b>Establishing Strategies, Procedures and Other steps</b> |
|---|---|---|--|
| 3 – Fully Operational                       | 3 – Fully Operational                   | 3 – Fully Operational                       | 3 – Fully Operational                                      |

#### **Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

The DOI implemented the OMB's Circular A-123 Internal Controls guidance beginning in 2006. The DOI manages an agency level A-123 response including Internal Controls teams at both the agency and constituent bureaus levels under the direction of DOI's Office of Financial Management. Together this integrated team perform financial related A-123 responsibilities, which include an evaluation of fraud risk as part of its risk-based approach to design and implement financial and administrative control activities. Annually, all key financial business processes are reviewed and considered as part of an overarching risk assessment, key controls

are evaluated, transactions are tested, and results are communicated. As part of this process, control deficiencies are identified and corrective action plans are implemented accordingly to mitigate any material fraud risks, as appropriate. Annually, the bureaus' Internal Control Teams adhere to DOI's Office of Financial Management's (PFM) annual guidance to address any potential high risk/targeted areas, which have generally included consideration of fraud risks in prior years. DOI's constituent offices and bureaus adhere to annual guidance to design an internal control program applicable to headquarters, regional offices and field units (e.g., NPS park units and USGS cost centers) to incorporate the fraud risk principles per the Green Book, including coordination with the agency's offices and constituent bureau's headquarters and regional offices in carrying out a robust internal controls program with fraud considerations firmly embedded. This DOI internal controls program encompasses key deliverables in complying with A-123, through the use of self-assessments at both the agency headquarters, and bureau' regional and program level, annual self-assessments at local facility level, and annual full cycle internal control reviews of key programs.

**Question 6: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))**

*Please indicate the following:*

- *Any programs not listed in this collection which were recently assessed to determine susceptibility of improper payments.*
  - *Whether it was likely to be above or below the statutory threshold.*
- *The FY for any programs not listed in this collection which were most recently assessed to determine whether it was likely to be above or below the statutory threshold.*
- *If they had substantial changes to RA methodology.*

| <b>Program not listed</b>                                  | <b>Likely to be above or below threshold?</b> | <b>Assessment Date</b> | <b>Substantial RA methodology changes??</b> |
|--|---|------------------------|---|
| (3) "new programs assessed in FY 2020. See response below. | Likely to be Below Statutory Threshold        | FY2020 Q3              | NO  |

**Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Due to the DOI's historic low risk of improper payments, the DOI conducts comprehensive risk assessments on a three-year cycle of all agency programs with payments \$10 million or greater during the assessment period. In FY 2019, DOI performed the agency's most recent comprehensive risk assessment of 86 programs totaling \$23.3 billion in expenditures, with none determined to be of high risk for being susceptible to significant improper payments. In FY 2020, DOI performed an out of cycle risk assessment of three "new" programs totaling \$192.18 million in payments for the alternative assessment period of quarter 4 of FY 2019 through the

end of quarter 3 of FY 2020. This year's out of cycle risk assessments found none of the three programs of high risk for significant improper payments. The new programs risk assessed in FY2020 included: (1) Multinational Species Conservation Fund, USFWS; (2) Operation of Indian Education Programs, IA; and (3) Centennial Challenge, NPS.

**Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

"Not Applicable". The Department of the Interior has no program or activity determined under OMB Circular A-123, Appendix C, Part I.D - Sampling and Estimation, with improper payments that meet or exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B. Please see Question 1 above for full response.

**Question 8: Tolerable Rate**

*Do you believe the program has reached a tolerable rate of improper payments?*

| Indicate Yes or No |
|--------------------|
| N/A                |

**Question 8 Free Text: Tolerable Rate**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

"Not Applicable". The Department of the Interior has no program or activity determined under OMB Circular A-123, Appendix C, Part I.D - Sampling and Estimation, with improper payments that meet or exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B. Please see Question 1 above for full response.

**Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))**

*Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.*

| Indicate 'yes' or 'no' | Indicate program needs |
|------------------------|------------------------|
| N/A                    | 5. Other: Explain      |

**Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

“Not Applicable”. The Department of the Interior has no program or activity determined under OMB Circular A-123, Appendix C, Part I.D - Sampling and Estimation, with improper payments that meet or exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B. Please see Question 1 above for full response.

**Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

“Not Applicable”. The Department of the Interior has no program or activity determined under OMB Circular A-123, Appendix C, Part I.D - Sampling and Estimation, with improper payments that meet or exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B. Please see Question 1 above for full response.

**Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

“Not Applicable”. The Department of the Interior has no program or activity determined under OMB Circular A-123, Appendix C, Part I.D - Sampling and Estimation, with improper payments that meet or exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B. Please see Question 1 above for full response.

**Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.*

| Indicate compliant or non-compliant | Compliance criteria                         |
|-------------------------------------|---|
| Compliant                           | 1. Publish an AFR or PAR                    |
| Compliant                           | 2. Conduct Program-Specific Risk Assessment |

**Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

The OIG, in its most recent report *The U.S. Department of the Interior's Compliance with the Improper Payments Elimination and Recovery Act of 2010 in its Fiscal Year 2019 Agency Financial Report* dated July 2020, found that the Department complied with all applicable IPERA reporting requirements for FY 2019 including Publishing an AFR and Conducting a comprehensive risk assessment of all DOI programs \$10M or greater in payments during the assessment period. Items 3. through 6. listed in Question 12 above were not applicable to DOI in FY 2019, as DOI had no programs deemed susceptible to significant improper payments, with the exception of the FY 2015 Hurricane Sandy Relief program, and that program was granted a waiver from payment testing by OMB in FY 2017 due to the low improper payment rate based upon FY 2016 sampling of FY 2015 program outlays. In summary, no DOI program or activity was deemed non-compliant by the OIG in its FY 2019 report. A copy of this report is available on the DOI-OIG website.

**Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

“Not Applicable”. The OIG, in its most recent report *The U.S. Department of the Interior's Compliance with the Improper Payments Elimination and Recovery Act of 2010 in its Fiscal Year 2019 Agency Financial Report* dated July 2020, found that the Department complied with all applicable IPERA reporting requirements for FY 2019. No DOI program or activity was deemed to be non-compliant by the OIG. A copy of this report is available on the DOI-OIG website.

**Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

“Not Applicable”. The OIG, in its most recent report *The U.S. Department of the Interior's Compliance with the Improper Payments Elimination and Recovery Act of 2010 in its Fiscal Year 2019 Agency Financial Report* dated July 2020, found that the Department complied with all applicable IPERA reporting requirements for FY 2019. No DOI program or activity was deemed to be non-compliant by the OIG. A copy of this report is available on the DOI-OIG website.

**Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*



“Not Applicable”. The OIG, in its most recent report *The U.S. Department of the Interior’s Compliance with the Improper Payments Elimination and Recovery Act of 2010 in its Fiscal Year 2019 Agency Financial Report* dated July 2020, found that the Department complied with all applicable IPERA reporting requirements for FY 2019. No DOI program or activity was deemed to be non-compliant by the OIG. A copy of this report is available on the DOI-OIG website.

#### **Question 16: Do Not Pay Initiative (PIIA Section: 3354(b) (5))**

*Please indicate whether the program uses the DNP (yes/no) and whether the Do Not Pay Initiative has reduced/prevented improper payments (yes/no). Additionally, please provide the frequency of corrections (week/month range) or identification of incorrect information (range of false hits?).*

| <b>Does the program use the Do Not Pay Initiative (DNP) (yes/no)</b> | <b>Has the DNP reduced/prevented improper payments (yes/no)</b> | <b>How frequently are corrections made?</b> | <b>How frequently is incorrect information identified?</b> |
|--|---|---|--|
| YES  | N/A   | Quarterly                                   | Quarterly  |

#### **Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

DOI participates in the Do Not Pay program, but we have not experienced any negative findings after a payment has been made under our DNP reviews. In all cases in FY 2019 and FY 2020, the payments have been deemed proper under DNP after they have been processed, including all those verified by the Department under DNP.

#### **FY 2016 Disaster Relief Program**