

FY 2020 OMB Supplemental Data Call

DHS

CBP - Refund and Drawback

FEMA - Assistance to Firefighters Grant Program

ICE - Enforcement and Removal Operations

FEMA – Flood Risk Map & Risk Analysis

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 by: Federal Agency	4-Change Process (instructions, checklist, policy)	DHS policy and procedure documentation is regularly reviewed and updated as necessary to limit administrative errors. Component updates to Component level procedures and implementation is expected to be adjusted, as necessary, to ensure alignment with Departmental requirements. This is standard DHS ongoing practice.	Other
9. Administrative or Process Errors Made by: Federal Agency	6-Audit (improve IC)	For areas with identified deficiencies, DHS sets expectations that Components establish corrective action plans, execute remediation, and perform assessments over controls to ensure processes are operating efficiently and effectively. This is standard DHS ongoing practice.	Other
10. Administrative or Process Errors Made by: State or	3-Training (how to complete contracts)	FEMA holds regular interaction with grants recipients to help drive compliance with policy and	Other

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
Local Agency		procedure requirements.	
13. Insufficient Documentation to Determine	3-Training (how to complete contracts)	At program level, Components with identified deficiencies hold training to ensure that program offices are aware of audit requirements and expectations for strong financial management. This is standard DHS ongoing practice.	Other
13. Insufficient Documentation to Determine	6-Audit (improve IC)	As needed, controls are added to business processes to help ensure that sufficient documentation is available and retained for auditability. This is standard DHS ongoing practice.	Other

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 accordance with the DHS Financial Management Policy Manual (FMPM), DHS Components are responsible for implementing procedures to ensure disbursements are in compliance with DHS policy requirements. This includes compliance with Federal Regulations (such as the Prompt Payment Act, the Federal Acquisition Regulation, etc.) as well as requirements to mitigate the potential for Antideficiency Act violations. Throughout DHS, payment review efforts have been established to identify possible duplicates and overpayments.

For any identified overpayments, the FMPM outlines general principles, standards and policies to ensure DHS receivables are measured, recorded, and reported in a manner that complies with the requisite Federal financial accounting and reporting standards, laws, and regulations. The Homeland Security Acquisition Manual provides additional policy with regards to contractor debt collection requirements. Components define oversight procedures and internal controls to comply with this policy, to include transferring non-tax debt over 120 days delinquent to Treasury for collection. Once debts are referred to Treasury, Components must cease collection activities. Based on the Component's agreement, Treasury shall determine whether the Treasury cross-servicing or the Treasury Offset Program (TOP) collection tool is more appropriate. In some cases, litigation may be required to collect delinquent debts. Delinquent debt accounts are referred to the Department of Justice (DOJ), in accordance with 31 CFR §904, or litigation

authority is used as soon as there is sufficient reason to conclude that full or partial recovery of the debt can best be achieved through litigation.

DHS is responsible for complying with the law and regulations and following OPM's policies and guidance to administer pay policies and programs for DHS employees. Upon discovery of an erroneous payment, the Component promptly notifies the employee of the debt. The employee has the opportunity to request a hearing concerning the validity and amount of the debt. If the employee timely requests a hearing, the procedures will be conducted in accordance with 6 CFR §11.4(d). An employee may request a waiver of a claim of overpayment after receiving written notice of the Government's intent to collect the overpayment through a salary offset. Waiver requests received more than three years after the date of issuance of the demand letter may not be accepted. Components consult with the Legal Counsel servicing the Component to ensure that the waiver conforms to applicable laws and regulations. Each Component maintains a register of waiver actions subject to Departmental review. The register covers each fiscal year and is submitted to DHS each year for the preceding fiscal year. DHS Financial Management conducts annual reviews of the Components' register of waiver actions to ensure compliance with DHS policy and other Federal Government regulations.

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.

Not Applicable (N/A) – In fiscal year (FY) 2020, DHS did not have any active recovery audit efforts executed. Please refer to the DHS internal efforts to detect and recover improper payments as noted in Question 2.

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.

DHS has not excluded any programs or activities from consideration for recovery audits. However, during FY 2020, the Department did not have any recapture audit activities conducted for any DHS programs. DHS has conducted multiple cost-analysis reviews over the past several years and determined that payment recapture audit programs are not cost-effective. The determination regarding cost-effectiveness considered recovery amounts, costs of audits exceeding recovery amounts identified for recapture, and no major changes to payment operations to justify performing a recapture audit. DHS is currently in the process of updating the cost-effectiveness analysis to ensure prior determinations remain valid going forward and anticipates that this analysis will be fully completed in FY 2021. Results of that updated analysis will drive recapture audit initiatives within DHS going forward.

Please refer to paymentaccuracy.gov for DHS funds that were identified and recaptured outside of a recapture audit program, as reported by the respective DHS Components. These overpayments were identified through efforts such as, but not limited to, grant and contract

closeout processes, high dollar overpayments reporting to include significant amounts identified during improper payments reviews, vendor identification, etc.

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.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
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 Fraud Reduction and Data Analytics Act (FRDAA) requires agencies to conduct an evaluation of fraud risks and use a risk-based approach to design and implement financial and administrative control activities to mitigate identified fraud risks; collect and analyze data from reporting mechanisms on detected fraud to monitor fraud trends and improve fraud prevention controls; and use the results of monitoring, evaluation, audits, and investigations to improve fraud prevention, detection, and response.

DHS continued implementation of several initiatives to comply with the FRDAA, manage fraud risks, and enhance fraud prevention and detection controls. The Department conducts annual evaluations of fraud risk across its Components and business processes and considers fraud when identifying, analyzing, and responding to risks in alignment with the GAO *Standards for Internal Control* fraud risk principle. DHS fraud risk assessments consider the inherent risk of various types of fraud that could occur, as well as risk tolerance, in determining appropriate risk responses. DHS Components also determine whether controls are in place and operating effectively to mitigate identified fraud risks to an acceptable level. DHS Component fraud risk assessments inform the Department's Fraud Risk Profile, in alignment with leading practices from the GAO *Framework for Managing Fraud Risks in Federal Programs*. The Department

also adhered to OMB Circular A-123 and continued to adopt leading practices from the GAO in its efforts to better assess, respond to, and manage fraud risk.

In FY 2020, the Components' fraud risk assessments identified areas of elevated risk related to grants management, insurance management, seized property, revenue and receivables management, and human resources and payroll management. Additionally, the fraud risk assessments indicated elevated risks with regards to purchase cards and travel related payment management. DHS utilized the results from these fraud risk assessments to monitor the potential risk of fraud at each of the Components and to plan additional control activities to further reduce fraud risk.

DHS continues to implement and utilize data analytics in areas of elevated fraud risk, as appropriate, to detect and prevent fraud. DHS has historically assessed fraud risk in purchase card programs due to higher inherent risk and environmental factors. To assist in mitigating these risks, DHS implemented a purchase card analytics process to identify potential misuse and non-compliance trends within the program. DHS is also initiating data analytics to analyze risks related to travel and payroll management. Going forward, DHS will continue to expand upon its data analytic capabilities to identify red flags, test targeted areas, and further enhance fraud risk management capabilities. In FY 2021, DHS plans to target COVID-19 response related purchase card disbursements and assess for anomalies and potential fraud.

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.*

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
CBP - Refund and Drawback	Likely to be Below Statutory Threshold	Other	NO
CBP - Construction	Likely to be Below Statutory Threshold	Other	NO
CBP - Operations and Support	Likely to be Below Statutory Threshold	Other	NO
CBP - Payroll	Likely to be Below	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
	Statutory Threshold		
CISA - Payroll	Likely to be Below Statutory Threshold	Other	NO
CWMD - Operations & Support	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants - Fire Prevention Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants - SAFER Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Commercial Bill of Lading	Likely to be Below Statutory Threshold	Other	NO
FEMA - DRF - Individuals and Households Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Emergency Food & Shelter	Likely to be Below Statutory Threshold	Other	NO
FEMA - FLOOD Hazard Map & Risk Analysis - Grants	Likely to be Below Statutory Threshold	Other	NO
FEMA - Urban Search & Rescue	Likely to be Below Statutory Threshold	Other	NO
FEMA - Travel	Likely to be Below Statutory Threshold	Other	NO
FEMA - Hazard Mitigation Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Homeland Security Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Nonprofit Security Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Payroll	Likely to be Below Statutory Threshold	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
FEMA - Purchase Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Enforcement and Removal Operations	Likely to be Below Statutory Threshold	Other	NO
ICE - Homeland Security Investigation	Likely to be Below Statutory Threshold	Other	NO
ICE - Office of the Assistant Secretary	Likely to be Below Statutory Threshold	Other	NO
ICE - Management	Likely to be Below Statutory Threshold	Other	NO
ICE - Travel	Likely to be Below Statutory Threshold	Other	NO
ICE - Purchase Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Fleet Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Payroll	Likely to be Below Statutory Threshold	Other	NO
MGMT - Management & Administration	Likely to be Below Statutory Threshold	Other	NO
MGMT - Federal Protective Service	Likely to be Below Statutory Threshold	Other	NO
USCG - Aviation Logistics Command	Likely to be Below Statutory Threshold	Other	NO
USCG - Surface Forces Logistics Command	Likely to be Below Statutory Threshold	Other	NO
USCG - Maritime Oil Spill Program	Likely to be Below Statutory Threshold	Other	NO
USCG - EC&R	Likely to be Below Statutory Threshold	Other	NO
USCG - Operations & Support	Likely to be Below Statutory Threshold	Other	NO
USCG - Procurement,	Likely to be Below	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Construction, & Improvement	Statutory Threshold		
USSS - Training	Likely to be Below Statutory Threshold	Other	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.

In accordance with PIIA, agency heads are required to periodically review all programs and activities that the relevant agency head administers and identify all programs and activities that may be susceptible to significant improper payments, and perform the review at least once every three years. In FY 2017, the Department established a two-part process comprised of a preliminary assessment followed by a comprehensive assessment if necessary. The preliminary risk assessment process is used on all programs not already reporting an improper payment estimate and that meet the minimum disbursement threshold of \$10 million. The comprehensive risk assessment process is required based on the preliminary risk assessment results and the program's three-year risk assessment cycle. In FY 2020, the Department conducted 37 comprehensive risk assessments, please refer to the table provided for specific programs assessed.

The Department assessed all payment types except for federal intragovernmental payments, which were excluded based on the definition of an improper payment per OMB Circular A-123, Appendix C, and other excluded payments to include non-disbursements, net \$0.00 payments, Journal Vouchers, etc. The Department's comprehensive risk assessment involved evaluating attributes that directly or indirectly affect the likelihood of improper payments using the GAO *Standards for Internal Control* framework as well as requirements from OMB Circular A-123, Appendix C. Based on that approach, DHS utilized risk factors associated with the following areas during in the 2020 comprehensive risk assessment process:

- 1) Control Environment (Payment Processing Controls, Human Capital, & Operational Environment)
- 2) Risk Assessment (Complexity of Program)
- 3) Control Activities (Complexity of Program and Payment Processing Control)
- 4) Information and Communication (Entity Level Control Assessment of Information and Communication)
- 5) Monitoring (Quality of Internal Monitoring Controls)

Program managers and Component's internal controls division assigned a risk rating to each risk factor based on their detailed understanding of the processes and risk of improper payment. Weighted percentages were assigned to each risk factor rating based on a judgmental determination of the direct or indirect impact on improper payments. An overall risk score was then computed for each program, calculated by the sum of the weighted scores for each risk factor and overall rating scale. Programs were assessed using both qualitative and quantitative risk factors to determine if they were susceptible to significant improper payments. Additionally, the Department conducted independent reviews of Component submissions to identify significant changes in the program compared to last year and assess the reasonableness of the risk ratings.

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
Compliant	3. Publish Improper Payment Estimates
Compliant	4. Publish Programmatic Corrective Action Plans
Compliant	5. Publish and Meet Annual Reduction Targets

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.

Per the DHS OIG final report, the specific results of the review of DHS' compliance with Improper Payment FY 2019 requirements are as follows:

1. Did DHS publish an AFR for the most recent fiscal year and post that report and any accompanying materials required by OMB on the agency website?

Yes. DHS published its AFR on its website and accompanying information required by OMB on the agency website.

2. Did DHS conduct a program-specific risk assessment for each program or activity that may be susceptible to significant improper payments (if required)?

Yes. DHS conducted a program-specific risk assessment for each program or activity that may be susceptible to significant improper payments, when required.

3. Did DHS publish improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required)?

Yes. DHS published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment.

4. Did DHS publish programmatic corrective action plans in the AFR (if required)?

Not Applicable. DHS was not required to publish programmatic corrective action plans as no programs met the OMB Memo M-18-20 definition of “significant improper payments.”

5. Did DHS publish, and is it meeting, annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable)?

Yes. DHS published and met reduction targets for each program assessed to be at risk.

6. Did DHS 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?

Yes. DHS reported gross improper payment rates of less than 10 percent for each required program.

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.

Please refer to the response provided on behalf of the Federal Emergency Management Administration (FEMA).

Federal Protective Service (FPS) Payroll

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 by: Federal Agency	4-Change Process (instructions, checklist, policy)	DHS policy and procedure documentation is regularly reviewed and updated as necessary to limit administrative errors. Component updates to Component level procedures and implementation is expected to be adjusted, as necessary, to ensure alignment with Departmental requirements. This is standard DHS ongoing practice.	Other
9. Administrative or Process Errors Made by: Federal Agency	6-Audit (improve IC)	For areas with identified deficiencies, DHS sets expectations that Components establish corrective action plans, execute remediation, and perform assessments over controls to ensure processes are operating efficiently and effectively. This is standard DHS ongoing practice.	Other
10. Administrative or Process Errors Made by: State or Local Agency	3-Training (how to complete contracts)	FEMA holds regular interaction with grants recipients to help drive compliance with policy and procedure requirements.	Other
13. Insufficient Documentation to Determine	3-Training (how to complete contracts)	At program level, Components with identified deficiencies hold training to ensure that program offices are aware of audit requirements and expectations for strong financial management. This is standard DHS ongoing practice.	Other
13. Insufficient Documentation to Determine	6-Audit (improve IC)	As needed, controls are added to business processes to help ensure that sufficient documentation is available and retained for auditability. This is standard DHS ongoing practice.	Other

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 accordance with the DHS Financial Management Policy Manual (FMPM), DHS Components are responsible for implementing procedures to ensure disbursements are in compliance with DHS policy requirements. This includes compliance with Federal Regulations (such as the Prompt Payment Act, the Federal Acquisition Regulation, etc.) as well as requirements to mitigate the potential for Antideficiency Act violations. Throughout DHS, payment review efforts have been established to identify possible duplicates and overpayments.

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DHS is responsible for complying with the law and regulations and following OPM's policies and guidance to administer pay policies and programs for DHS employees. Upon discovery of an erroneous payment, the Component promptly notifies the employee of the debt. The employee has the opportunity to request a hearing concerning the validity and amount of the debt. If the employee timely requests a hearing, the procedures will be conducted in accordance with 6 CFR §11.4(d). An employee may request a waiver of a claim of overpayment after receiving written notice of the Government's intent to collect the overpayment through a salary offset. Waiver requests received more than three years after the date of issuance of the demand letter may not be accepted. Components consult with the Legal Counsel servicing the Component to ensure that the waiver conforms to applicable laws and regulations. Each Component maintains a register of waiver actions subject to Departmental review. The register covers each fiscal year and is submitted to DHS each year for the preceding fiscal year. DHS Financial Management conducts annual reviews of the Components' register of waiver actions to ensure compliance with DHS policy and other Federal Government regulations.

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.

Not Applicable (N/A) – In fiscal year (FY) 2020, DHS did not have any active recovery audit efforts executed. Please refer to the DHS internal efforts to detect and recover improper payments as noted in Question 2.

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.

DHS has not excluded any programs or activities from consideration for recovery audits. However, during FY 2020, the Department did not have any recapture audit activities conducted for any DHS programs. DHS has conducted multiple cost-analysis reviews over the past several years and determined that payment recapture audit programs are not cost-effective. The determination regarding cost-effectiveness considered recovery amounts, costs of audits exceeding recovery amounts identified for recapture, and no major changes to payment operations to justify performing a recapture audit. DHS is currently in the process of updating the cost-effectiveness analysis to ensure prior determinations remain valid going forward and anticipates that this analysis will be fully completed in FY 2021. Results of that updated analysis will drive recapture audit initiatives within DHS going forward.

Please refer to paymentaccuracy.gov for DHS funds that were identified and recaptured outside of a recapture audit program, as reported by the respective DHS Components. These overpayments were identified through efforts such as, but not limited to, grant and contract closeout processes, high dollar overpayments reporting to include significant amounts identified during improper payments reviews, vendor identification, etc.

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.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
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 Fraud Reduction and Data Analytics Act (FRDAA) requires agencies to conduct an evaluation of fraud risks and use a risk-based approach to design and implement financial and administrative control activities to mitigate identified fraud risks; collect and analyze data from reporting mechanisms on detected fraud to monitor fraud trends and improve fraud prevention controls; and use the results of monitoring, evaluation, audits, and investigations to improve fraud prevention, detection, and response.

DHS continued implementation of several initiatives to comply with the FRDAA, manage fraud risks, and enhance fraud prevention and detection controls. The Department conducts annual evaluations of fraud risk across its Components and business processes and considers fraud when identifying, analyzing, and responding to risks in alignment with the GAO Standards for Internal Control fraud risk principle. DHS fraud risk assessments consider the inherent risk of various types of fraud that could occur, as well as risk tolerance, in determining appropriate risk responses. DHS Components also determine whether controls are in place and operating effectively to mitigate identified fraud risks to an acceptable level. DHS Component fraud risk assessments inform the Department's Fraud Risk Profile, in alignment with leading practices from the GAO Framework for Managing Fraud Risks in Federal Programs. The Department also adhered to OMB Circular A-123 and continued to adopt leading practices from the GAO in its efforts to better assess, respond to, and manage fraud risk.

In FY 2020, the Components' fraud risk assessments identified areas of elevated risk related to grants management, insurance management, seized property, revenue and receivables management, and human resources and payroll management. Additionally, the fraud risk assessments indicated elevated risks with regards to purchase cards and travel related payment management. DHS utilized the results from these fraud risk assessments to monitor the potential risk of fraud at each of the Components and to plan additional control activities to further reduce fraud risk.

DHS continues to implement and utilize data analytics in areas of elevated fraud risk, as appropriate, to detect and prevent fraud. DHS has historically assessed fraud risk in purchase card programs due to higher inherent risk and environmental factors. To assist in mitigating these risks, DHS implemented a purchase card analytics process to identify potential misuse and non-compliance trends within the program. DHS is also initiating data analytics to analyze risks related to travel and payroll management. Going forward, DHS will continue to expand upon its data analytic capabilities to identify red flags, test targeted areas, and further enhance fraud risk management capabilities. In FY 2021, DHS plans to target COVID-19 response related purchase card disbursements and assess for anomalies and potential fraud.

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.*

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
CBP - Refund and Drawback	Likely to be Below Statutory Threshold	Other	NO
CBP - Construction	Likely to be Below Statutory Threshold	Other	NO
CBP - Operations and Support	Likely to be Below Statutory Threshold	Other	NO
CBP - Payroll	Likely to be Below Statutory Threshold	Other	NO
CISA - Payroll	Likely to be Below Statutory Threshold	Other	NO
CWMD - Operations & Support	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants - Fire Prevention Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants - SAFER Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Commercial Bill of Lading	Likely to be Below Statutory Threshold	Other	NO
FEMA - DRF - Individuals and Households Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Emergency Food & Shelter	Likely to be Below Statutory Threshold	Other	NO
FEMA - FLOOD Hazard Map & Risk Analysis - Grants	Likely to be Below Statutory Threshold	Other	NO
FEMA - Urban Search &	Likely to be Below	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Rescue	Statutory Threshold		
FEMA - Travel	Likely to be Below Statutory Threshold	Other	NO
FEMA - Hazard Mitigation Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Homeland Security Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Nonprofit Security Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Payroll	Likely to be Below Statutory Threshold	Other	NO
FEMA - Purchase Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Enforcement and Removal Operations	Likely to be Below Statutory Threshold	Other	NO
ICE - Homeland Security Investigation	Likely to be Below Statutory Threshold	Other	NO
ICE - Office of the Assistant Secretary	Likely to be Below Statutory Threshold	Other	NO
ICE - Management	Likely to be Below Statutory Threshold	Other	NO
ICE - Travel	Likely to be Below Statutory Threshold	Other	NO
ICE - Purchase Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Fleet Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Payroll	Likely to be Below Statutory Threshold	Other	NO
MGMT - Management & Administration	Likely to be Below Statutory Threshold	Other	NO
MGMT - Federal Protective Service	Likely to be Below Statutory Threshold	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
USCG - Aviation Logistics Command	Likely to be Below Statutory Threshold	Other	NO
USCG - Surface Forces Logistics Command	Likely to be Below Statutory Threshold	Other	NO
USCG - Maritime Oil Spill Program	Likely to be Below Statutory Threshold	Other	NO
USCG - EC&R	Likely to be Below Statutory Threshold	Other	NO
USCG - Operations & Support	Likely to be Below Statutory Threshold	Other	NO
USCG - Procurement, Construction, & Improvement	Likely to be Below Statutory Threshold	Other	NO
USSS - Training	Likely to be Below Statutory Threshold	Other	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.

In accordance with PIIA, agency heads are required to periodically review all programs and activities that the relevant agency head administers and identify all programs and activities that may be susceptible to significant improper payments, and perform the review at least once every three years. In FY 2017, the Department established a two-part process comprised of a preliminary assessment followed by a comprehensive assessment if necessary. The preliminary risk assessment process is used on all programs not already reporting an improper payment estimate and that meet the minimum disbursement threshold of \$10 million. The comprehensive risk assessment process is required based on the preliminary risk assessment results and the program's three-year risk assessment cycle. In FY 2020, the Department conducted 37 comprehensive risk assessments, please refer to the table provided for specific programs assessed.

The Department assessed all payment types except for federal intragovernmental payments, which were excluded based on the definition of an improper payment per OMB Circular A-123, Appendix C, and other excluded payments to include non-disbursements, net \$0.00 payments, Journal Vouchers, etc. The Department's comprehensive risk assessment involved evaluating attributes that directly or indirectly affect the likelihood of improper payments using the GAO *Standards for Internal Control* framework as well as requirements from OMB Circular A-

123, Appendix C. Based on that approach, DHS utilized risk factors associated with the following areas during in the 2020 comprehensive risk assessment process:

- 1) Control Environment (Payment Processing Controls, Human Capital, & Operational Environment)
- 2) Risk Assessment (Complexity of Program)
- 3) Control Activities (Complexity of Program and Payment Processing Control)
- 4) Information and Communication (Entity Level Control Assessment of Information and Communication)
- 5) Monitoring (Quality of Internal Monitoring Controls)

Program managers and Component's internal controls division assigned a risk rating to each risk factor based on their detailed understanding of the processes and risk of improper payment. Weighted percentages were assigned to each risk factor rating based on a judgmental determination of the direct or indirect impact on improper payments. An overall risk score was then computed for each program, calculated by the sum of the weighted scores for each risk factor and overall rating scale. Programs were assessed using both qualitative and quantitative risk factors to determine if they were susceptible to significant improper payments. Additionally, the Department conducted independent reviews of Component submissions to identify significant changes in the program compared to last year and assess the reasonableness of the risk ratings.

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
Compliant	3. Publish Improper Payment Estimates
Compliant	4. Publish Programmatic Corrective Action Plans
Compliant	5. Publish and Meet Annual Reduction Targets
Compliant	6. Report a gross Improper Payment Rate of Less than 10%

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.

Per the DHS OIG final report, the specific results of the review of DHS' compliance with Improper Payment FY 2019 requirements are as follows:

1. Did DHS publish an AFR for the most recent fiscal year and post that report and any accompanying materials required by OMB on the agency website?

Yes. DHS published its AFR on its website and accompanying information required by OMB on the agency website.

2. Did DHS conduct a program-specific risk assessment for each program or activity that may be susceptible to significant improper payments (if required)?

Yes. DHS conducted a program-specific risk assessment for each program or activity that may be susceptible to significant improper payments, when required.

3. Did DHS publish improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required)?

Yes. DHS published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment.

4. Did DHS publish programmatic corrective action plans in the AFR (if required)?

Not Applicable. DHS was not required to publish programmatic corrective action plans as no programs met the OMB Memo M-18-20 definition of "significant improper payments."

5. Did DHS publish, and is it meeting, annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable)?

Yes. DHS published and met reduction targets for each program assessed to be at risk.

6. Did DHS 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?

Yes. DHS reported gross improper payment rates of less than 10 percent for each required program.

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.

Please refer to the response provided by Immigration and Customs Enforcement (ICE) as the financial service provider for FPS.

FEMA - Public Assistance Program

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 by: Federal Agency	4-Change Process (instructions, checklist, policy)	DHS policy and procedure documentation is regularly reviewed and updated as necessary to limit administrative errors. Component updates to Component level procedures and implementation is expected to be adjusted, as necessary, to ensure alignment with Departmental requirements. This is standard DHS ongoing practice.	Other
9. Administrative or Process Errors Made by: Federal Agency	6-Audit (improve IC)	For areas with identified deficiencies, DHS sets expectations that Components establish corrective action plans, execute remediation, and perform assessments over controls to ensure processes are operating efficiently and effectively. This is standard DHS ongoing practice.	Other
10. Administrative or Process Errors Made by: State or Local Agency	3-Training (how to complete contracts)	FEMA holds regular interaction with grants recipients to help drive compliance with policy and procedure requirements.	Other
13. Insufficient Documentation to Determine	3-Training (how to complete contracts)	At program level, Components with identified deficiencies hold training to ensure that program	Other

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
		offices are aware of audit requirements and expectations for strong financial management. This is standard DHS ongoing practice.	
13. Insufficient Documentation to Determine	6-Audit (improve IC)	As needed, controls are added to business processes to help ensure that sufficient documentation is available and retained for auditability. This is standard DHS ongoing practice.	Other

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 accordance with the DHS Financial Management Policy Manual (FMPM), DHS Components are responsible for implementing procedures to ensure disbursements are in compliance with DHS policy requirements. This includes compliance with Federal Regulations (such as the Prompt Payment Act, the Federal Acquisition Regulation, etc.) as well as requirements to mitigate the potential for Antideficiency Act violations. Throughout DHS, payment review efforts have been established to identify possible duplicates and overpayments.

For any identified overpayments, the FMPM outlines general principles, standards and policies to ensure DHS receivables are measured, recorded, and reported in a manner that complies with the requisite Federal financial accounting and reporting standards, laws, and regulations. The Homeland Security Acquisition Manual provides additional policy with regards to contractor debt collection requirements. Components define oversight procedures and internal controls to comply with this policy, to include transferring non-tax debt over 120 days delinquent to Treasury for collection. Once debts are referred to Treasury, Components must cease collection activities. Based on the Component's agreement, Treasury shall determine whether the Treasury cross-servicing or the Treasury Offset Program (TOP) collection tool is more appropriate. In some cases, litigation may be required to collect delinquent debts. Delinquent debt accounts are referred to the Department of Justice (DOJ), in accordance with 31 CFR §904, or litigation authority is used as soon as there is sufficient reason to conclude that full or partial recovery of the debt can best be achieved through litigation.

DHS is responsible for complying with the law and regulations and following OPM's policies and guidance to administer pay policies and programs for DHS employees. Upon discovery of an erroneous payment, the Component promptly notifies the employee of the debt. The employee

has the opportunity to request a hearing concerning the validity and amount of the debt. If the employee timely requests a hearing, the procedures will be conducted in accordance with 6 CFR §11.4(d). An employee may request a waiver of a claim of overpayment after receiving written notice of the Government's intent to collect the overpayment through a salary offset. Waiver requests received more than three years after the date of issuance of the demand letter may not be accepted. Components consult with the Legal Counsel servicing the Component to ensure that the waiver conforms to applicable laws and regulations. Each Component maintains a register of waiver actions subject to Departmental review. The register covers each fiscal year and is submitted to DHS each year for the preceding fiscal year. DHS Financial Management conducts annual reviews of the Components' register of waiver actions to ensure compliance with DHS policy and other Federal Government regulations.

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.

Not Applicable (N/A) – In fiscal year (FY) 2020, DHS did not have any active recovery audit efforts executed. Please refer to the DHS internal efforts to detect and recover improper payments as noted in Question 2.

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.

DHS has not excluded any programs or activities from consideration for recovery audits. However, during FY 2020, the Department did not have any recapture audit activities conducted for any DHS programs. DHS has conducted multiple cost-analysis reviews over the past several years and determined that payment recapture audit programs are not cost-effective. The determination regarding cost-effectiveness considered recovery amounts, costs of audits exceeding recovery amounts identified for recapture, and no major changes to payment operations to justify performing a recapture audit. DHS is currently in the process of updating the cost-effectiveness analysis to ensure prior determinations remain valid going forward and anticipates that this analysis will be fully completed in FY 2021. Results of that updated analysis will drive recapture audit initiatives within DHS going forward.

Please refer to paymentaccuracy.gov for DHS funds that were identified and recaptured outside of a recapture audit program, as reported by the respective DHS Components. These overpayments were identified through efforts such as, but not limited to, grant and contract closeout processes, high dollar overpayments reporting to include significant amounts identified during improper payments reviews, vendor identification, etc.

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.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
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 Fraud Reduction and Data Analytics Act (FRDAA) requires agencies to conduct an evaluation of fraud risks and use a risk-based approach to design and implement financial and administrative control activities to mitigate identified fraud risks; collect and analyze data from reporting mechanisms on detected fraud to monitor fraud trends and improve fraud prevention controls; and use the results of monitoring, evaluation, audits, and investigations to improve fraud prevention, detection, and response.

DHS continued implementation of several initiatives to comply with the FRDAA, manage fraud risks, and enhance fraud prevention and detection controls. The Department conducts annual evaluations of fraud risk across its Components and business processes and considers fraud when identifying, analyzing, and responding to risks in alignment with the GAO Standards for Internal Control fraud risk principle. DHS fraud risk assessments consider the inherent risk of various types of fraud that could occur, as well as risk tolerance, in determining appropriate risk responses. DHS Components also determine whether controls are in place and operating effectively to mitigate identified fraud risks to an acceptable level. DHS Component fraud risk assessments inform the Department's Fraud Risk Profile, in alignment with leading practices from the GAO Framework for Managing Fraud Risks in Federal Programs. The Department also adhered to OMB Circular A-123 and continued to adopt leading practices from the GAO in its efforts to better assess, respond to, and manage fraud risk.

In FY 2020, the Components' fraud risk assessments identified areas of elevated risk related to grants management, insurance management, seized property, revenue and receivables management, and human resources and payroll management. Additionally, the fraud risk assessments indicated elevated risks with regards to purchase cards and travel related payment

management. DHS utilized the results from these fraud risk assessments to monitor the potential risk of fraud at each of the Components and to plan additional control activities to further reduce fraud risk.

DHS continues to implement and utilize data analytics in areas of elevated fraud risk, as appropriate, to detect and prevent fraud. DHS has historically assessed fraud risk in purchase card programs due to higher inherent risk and environmental factors. To assist in mitigating these risks, DHS implemented a purchase card analytics process to identify potential misuse and non-compliance trends within the program. DHS is also initiating data analytics to analyze risks related to travel and payroll management. Going forward, DHS will continue to expand upon its data analytic capabilities to identify red flags, test targeted areas, and further enhance fraud risk management capabilities. In FY 2021, DHS plans to target COVID-19 response related purchase card disbursements and assess for anomalies and potential fraud.

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.*

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
CBP - Refund and Drawback	Likely to be Below Statutory Threshold	Other	NO
CBP - Construction	Likely to be Below Statutory Threshold	Other	NO
CBP - Operations and Support	Likely to be Below Statutory Threshold	Other	NO
CBP - Payroll	Likely to be Below Statutory Threshold	Other	NO
CISA - Payroll	Likely to be Below Statutory Threshold	Other	NO
CWMD - Operations & Support	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants	Likely to be Below Statutory Threshold	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
FEMA - Assistance to Firefighter Grants - Fire Prevention Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants - SAFER Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Commercial Bill of Lading	Likely to be Below Statutory Threshold	Other	NO
FEMA - DRF - Individuals and Households Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Emergency Food & Shelter	Likely to be Below Statutory Threshold	Other	NO
FEMA - FLOOD Hazard Map & Risk Analysis - Grants	Likely to be Below Statutory Threshold	Other	NO
FEMA - Urban Search & Rescue	Likely to be Below Statutory Threshold	Other	NO
FEMA - Travel	Likely to be Below Statutory Threshold	Other	NO
FEMA - Hazard Mitigation Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Homeland Security Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Nonprofit Security Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Payroll	Likely to be Below Statutory Threshold	Other	NO
FEMA - Purchase Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Enforcement and Removal Operations	Likely to be Below Statutory Threshold	Other	NO
ICE - Homeland Security Investigation	Likely to be Below Statutory Threshold	Other	NO
ICE - Office of the Assistant	Likely to be Below	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Secretary	Statutory Threshold		
ICE - Management	Likely to be Below Statutory Threshold	Other	NO
ICE - Travel	Likely to be Below Statutory Threshold	Other	NO
ICE - Purchase Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Fleet Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Payroll	Likely to be Below Statutory Threshold	Other	NO
MGMT - Management & Administration	Likely to be Below Statutory Threshold	Other	NO
MGMT - Federal Protective Service	Likely to be Below Statutory Threshold	Other	NO
USCG - Aviation Logistics Command	Likely to be Below Statutory Threshold	Other	NO
USCG - Surface Forces Logistics Command	Likely to be Below Statutory Threshold	Other	NO
USCG - Maritime Oil Spill Program	Likely to be Below Statutory Threshold	Other	NO
USCG - EC&R	Likely to be Below Statutory Threshold	Other	NO
USCG - Operations & Support	Likely to be Below Statutory Threshold	Other	NO
USCG - Procurement, Construction, & Improvement	Likely to be Below Statutory Threshold	Other	NO
USSS - Training	Likely to be Below Statutory Threshold	Other	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.

In accordance with PIIA, agency heads are required to periodically review all programs and activities that the relevant agency head administers and identify all programs and activities that may be susceptible to significant improper payments, and perform the review at least once every three years. In FY 2017, the Department established a two-part process comprised of a preliminary assessment followed by a comprehensive assessment if necessary. The preliminary risk assessment process is used on all programs not already reporting an improper payment estimate and that meet the minimum disbursement threshold of \$10 million. The comprehensive risk assessment process is required based on the preliminary risk assessment results and the program's three-year risk assessment cycle. In FY 2020, the Department conducted 37 comprehensive risk assessments, please refer to the table provided for specific programs assessed.

The Department assessed all payment types except for federal intragovernmental payments, which were excluded based on the definition of an improper payment per OMB Circular A-123, Appendix C, and other excluded payments to include non-disbursements, net \$0.00 payments, Journal Vouchers, etc. The Department's comprehensive risk assessment involved evaluating attributes that directly or indirectly affect the likelihood of improper payments using the GAO *Standards for Internal Control* framework as well as requirements from OMB Circular A-123, Appendix C. Based on that approach, DHS utilized risk factors associated with the following areas during in the 2020 comprehensive risk assessment process:

- 1) Control Environment (Payment Processing Controls, Human Capital, & Operational Environment)
- 2) Risk Assessment (Complexity of Program)
- 3) Control Activities (Complexity of Program and Payment Processing Control)
- 4) Information and Communication (Entity Level Control Assessment of Information and Communication)
- 5) Monitoring (Quality of Internal Monitoring Controls)

Program managers and Component's internal controls division assigned a risk rating to each risk factor based on their detailed understanding of the processes and risk of improper payment. Weighted percentages were assigned to each risk factor rating based on a judgmental determination of the direct or indirect impact on improper payments. An overall risk score was then computed for each program, calculated by the sum of the weighted scores for each risk factor and overall rating scale. Programs were assessed using both qualitative and quantitative risk factors to determine if they were susceptible to significant improper payments. Additionally, the Department conducted independent reviews of Component submissions to identify significant changes in the program compared to last year and assess the reasonableness of the risk ratings.

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
Compliant	3. Publish Improper Payment Estimates
Compliant	4. Publish Programmatic Corrective Action Plans
Compliant	5. Publish and Meet Annual Reduction Targets
Compliant	6. Report a gross Improper Payment Rate of Less than 10%

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.

Per the DHS OIG final report, the specific results of the review of DHS' compliance with Improper Payment FY 2019 requirements are as follows:

1. Did DHS publish an AFR for the most recent fiscal year and post that report and any accompanying materials required by OMB on the agency website?

Yes. DHS published its AFR on its website and accompanying information required by OMB on the agency website.

2. Did DHS conduct a program-specific risk assessment for each program or activity that may be susceptible to significant improper payments (if required)?

Yes. DHS conducted a program-specific risk assessment for each program or activity that may be susceptible to significant improper payments, when required.

3. Did DHS publish improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required)?

Yes. DHS published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment.

4. Did DHS publish programmatic corrective action plans in the AFR (if required)?

Not Applicable. DHS was not required to publish programmatic corrective action plans as no programs met the OMB Memo M-18-20 definition of “significant improper payments.”

5. Did DHS publish, and is it meeting, annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable)?

Yes. DHS published and met reduction targets for each program assessed to be at risk.

6. Did DHS 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?

Yes. DHS reported gross improper payment rates of less than 10 percent for each required program.

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.

Please refer to the response provided by the Federal Emergency Management Administration (FEMA).

FEMA - Vendor Pay

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 by: Federal Agency	4-Change Process (instructions, checklist, policy)	DHS policy and procedure documentation is regularly reviewed and updated as necessary to limit administrative errors. Component updates to Component level procedures and implementation is expected to be adjusted, as necessary, to ensure	Other

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
		alignment with Departmental requirements. This is standard DHS ongoing practice.	
9. Administrative or Process Errors Made by: Federal Agency	6-Audit (improve IC)	For areas with identified deficiencies, DHS sets expectations that Components establish corrective action plans, execute remediation, and perform assessments over controls to ensure processes are operating efficiently and effectively. This is standard DHS ongoing practice.	Other
10. Administrative or Process Errors Made by: State or Local Agency	3-Training (how to complete contracts)	FEMA holds regular interaction with grants recipients to help drive compliance with policy and procedure requirements.	Other
13. Insufficient Documentation to Determine	3-Training (how to complete contracts)	At program level, Components with identified deficiencies hold training to ensure that program offices are aware of audit requirements and expectations for strong financial management. This is standard DHS ongoing practice.	Other
13. Insufficient Documentation to Determine	6-Audit (improve IC)	As needed, controls are added to business processes to help ensure that sufficient documentation is available and retained for auditability. This is standard DHS ongoing practice.	Other

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 accordance with the DHS Financial Management Policy Manual (FMPM), DHS Components are responsible for implementing procedures to ensure disbursements are in compliance with DHS policy requirements. This includes compliance with Federal Regulations (such as the Prompt Payment Act, the Federal Acquisition Regulation, etc.) as well as requirements to mitigate the potential for Antideficiency Act violations. Throughout DHS, payment review efforts have been established to identify possible duplicates and overpayments.

For any identified overpayments, the FMPM outlines general principles, standards and policies to ensure DHS receivables are measured, recorded, and reported in a manner that complies with the requisite Federal financial accounting and reporting standards, laws, and regulations. The Homeland Security Acquisition Manual provides additional policy with regards to contractor debt collection requirements. Components define oversight procedures and internal controls to comply with this policy, to include transferring non-tax debt over 120 days delinquent to Treasury for collection. Once debts are referred to Treasury, Components must cease collection activities. Based on the Component's agreement, Treasury shall determine whether the Treasury cross-servicing or the Treasury Offset Program (TOP) collection tool is more appropriate. In some cases, litigation may be required to collect delinquent debts. Delinquent debt accounts are referred to the Department of Justice (DOJ), in accordance with 31 CFR §904, or litigation authority is used as soon as there is sufficient reason to conclude that full or partial recovery of the debt can best be achieved through litigation.

DHS is responsible for complying with the law and regulations and following OPM's policies and guidance to administer pay policies and programs for DHS employees. Upon discovery of an erroneous payment, the Component promptly notifies the employee of the debt. The employee has the opportunity to request a hearing concerning the validity and amount of the debt. If the employee timely requests a hearing, the procedures will be conducted in accordance with 6 CFR §11.4(d). An employee may request a waiver of a claim of overpayment after receiving written notice of the Government's intent to collect the overpayment through a salary offset. Waiver requests received more than three years after the date of issuance of the demand letter may not be accepted. Components consult with the Legal Counsel servicing the Component to ensure that the waiver conforms to applicable laws and regulations. Each Component maintains a register of waiver actions subject to Departmental review. The register covers each fiscal year and is submitted to DHS each year for the preceding fiscal year. DHS Financial Management conducts annual reviews of the Components' register of waiver actions to ensure compliance with DHS policy and other Federal Government regulations.

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.

Not Applicable (N/A) – In fiscal year (FY) 2020, DHS did not have any active recovery audit efforts executed. Please refer to the DHS internal efforts to detect and recover improper payments as noted in Question 2.

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.

DHS has not excluded any programs or activities from consideration for recovery audits. However, during FY 2020, the Department did not have any recapture audit activities conducted for any DHS programs. DHS has conducted multiple cost-analysis reviews over the past several years and determined that payment recapture audit programs are not cost-effective. The determination regarding cost-effectiveness considered recovery amounts, costs of audits exceeding recovery amounts identified for recapture, and no major changes to payment operations to justify performing a recapture audit. DHS is currently in the process of updating the cost-effectiveness analysis to ensure prior determinations remain valid going forward and anticipates that this analysis will be fully completed in FY 2021. Results of that updated analysis will drive recapture audit initiatives within DHS going forward.

Please refer to paymentaccuracy.gov for DHS funds that were identified and recaptured outside of a recapture audit program, as reported by the respective DHS Components. These overpayments were identified through efforts such as, but not limited to, grant and contract closeout processes, high dollar overpayments reporting to include significant amounts identified during improper payments reviews, vendor identification, etc.

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.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
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 Fraud Reduction and Data Analytics Act (FRDAA) requires agencies to conduct an evaluation of fraud risks and use a risk-based approach to design and implement financial and administrative control activities to mitigate identified fraud risks; collect and analyze data from reporting mechanisms on detected fraud to monitor fraud trends and improve fraud prevention controls; and use the results of monitoring, evaluation, audits, and investigations to improve fraud prevention, detection, and response.

DHS continued implementation of several initiatives to comply with the FRDAA, manage fraud risks, and enhance fraud prevention and detection controls. The Department conducts annual evaluations of fraud risk across its Components and business processes and considers fraud when identifying, analyzing, and responding to risks in alignment with the GAO Standards for Internal Control fraud risk principle. DHS fraud risk assessments consider the inherent risk of various types of fraud that could occur, as well as risk tolerance, in determining appropriate risk responses. DHS Components also determine whether controls are in place and operating effectively to mitigate identified fraud risks to an acceptable level. DHS Component fraud risk assessments inform the Department's Fraud Risk Profile, in alignment with leading practices from the GAO Framework for Managing Fraud Risks in Federal Programs. The Department also adhered to OMB Circular A-123 and continued to adopt leading practices from the GAO in its efforts to better assess, respond to, and manage fraud risk.

In FY 2020, the Components' fraud risk assessments identified areas of elevated risk related to grants management, insurance management, seized property, revenue and receivables management, and human resources and payroll management. Additionally, the fraud risk assessments indicated elevated risks with regards to purchase cards and travel related payment management. DHS utilized the results from these fraud risk assessments to monitor the potential risk of fraud at each of the Components and to plan additional control activities to further reduce fraud risk.

DHS continues to implement and utilize data analytics in areas of elevated fraud risk, as appropriate, to detect and prevent fraud. DHS has historically assessed fraud risk in purchase card programs due to higher inherent risk and environmental factors. To assist in mitigating these risks, DHS implemented a purchase card analytics process to identify potential misuse and non-compliance trends within the program. DHS is also initiating data analytics to analyze risks related to travel and payroll management. Going forward, DHS will continue to expand upon its data analytic capabilities to identify red flags, test targeted areas, and further enhance fraud risk management capabilities. In FY 2021, DHS plans to target COVID-19 response related purchase card disbursements and assess for anomalies and potential fraud.

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.*

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
CBP - Refund and Drawback	Likely to be Below Statutory Threshold	Other	NO
CBP - Construction	Likely to be Below Statutory Threshold	Other	NO
CBP - Operations and Support	Likely to be Below Statutory Threshold	Other	NO
CBP - Payroll	Likely to be Below Statutory Threshold	Other	NO
CISA - Payroll	Likely to be Below Statutory Threshold	Other	NO
CWMD - Operations & Support	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants - Fire Prevention Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants - SAFER Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Commercial Bill of Lading	Likely to be Below Statutory Threshold	Other	NO
FEMA - DRF - Individuals and Households Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Emergency Food & Shelter	Likely to be Below Statutory Threshold	Other	NO
FEMA - FLOOD Hazard Map & Risk Analysis - Grants	Likely to be Below Statutory Threshold	Other	NO
FEMA - Urban Search & Rescue	Likely to be Below Statutory Threshold	Other	NO
FEMA - Travel	Likely to be Below Statutory Threshold	Other	NO
FEMA - Hazard Mitigation	Likely to be Below	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Grant Program	Statutory Threshold		
FEMA - Homeland Security Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Nonprofit Security Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Payroll	Likely to be Below Statutory Threshold	Other	NO
FEMA - Purchase Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Enforcement and Removal Operations	Likely to be Below Statutory Threshold	Other	NO
ICE - Homeland Security Investigation	Likely to be Below Statutory Threshold	Other	NO
ICE - Office of the Assistant Secretary	Likely to be Below Statutory Threshold	Other	NO
ICE - Management	Likely to be Below Statutory Threshold	Other	NO
ICE - Travel	Likely to be Below Statutory Threshold	Other	NO
ICE - Purchase Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Fleet Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Payroll	Likely to be Below Statutory Threshold	Other	NO
MGMT - Management & Administration	Likely to be Below Statutory Threshold	Other	NO
MGMT - Federal Protective Service	Likely to be Below Statutory Threshold	Other	NO
USCG - Aviation Logisites Command	Likely to be Below Statutory Threshold	Other	NO
USCG - Surface Forces Logistics Command	Likely to be Below Statutory Threshold	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
USCG - Maritime Oil Spill Program	Likely to be Below Statutory Threshold	Other	NO
USCG - EC&R	Likely to be Below Statutory Threshold	Other	NO
USCG - Operations & Support	Likely to be Below Statutory Threshold	Other	NO
USCG - Procurement, Construction, & Improvement	Likely to be Below Statutory Threshold	Other	NO
USSS - Training	Likely to be Below Statutory Threshold	Other	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.

In accordance with PIIA, agency heads are required to periodically review all programs and activities that the relevant agency head administers and identify all programs and activities that may be susceptible to significant improper payments, and perform the review at least once every three years. In FY 2017, the Department established a two-part process comprised of a preliminary assessment followed by a comprehensive assessment if necessary. The preliminary risk assessment process is used on all programs not already reporting an improper payment estimate and that meet the minimum disbursement threshold of \$10 million. The comprehensive risk assessment process is required based on the preliminary risk assessment results and the program's three-year risk assessment cycle. In FY 2020, the Department conducted 37 comprehensive risk assessments, please refer to the table provided for specific programs assessed.

The Department assessed all payment types except for federal intragovernmental payments, which were excluded based on the definition of an improper payment per OMB Circular A-123, Appendix C, and other excluded payments to include non-disbursements, net \$0.00 payments, Journal Vouchers, etc. The Department's comprehensive risk assessment involved evaluating attributes that directly or indirectly affect the likelihood of improper payments using the GAO *Standards for Internal Control* framework as well as requirements from OMB Circular A-123, Appendix C. Based on that approach, DHS utilized risk factors associated with the following areas during in the 2020 comprehensive risk assessment process:

1) Control Environment (Payment Processing Controls, Human Capital, & Operational Environment)

- 2) Risk Assessment (Complexity of Program)
- 3) Control Activities (Complexity of Program and Payment Processing Control)
- 4) Information and Communication (Entity Level Control Assessment of Information and Communication)
- 5) Monitoring (Quality of Internal Monitoring Controls)

Program managers and Component's internal controls division assigned a risk rating to each risk factor based on their detailed understanding of the processes and risk of improper payment. Weighted percentages were assigned to each risk factor rating based on a judgmental determination of the direct or indirect impact on improper payments. An overall risk score was then computed for each program, calculated by the sum of the weighted scores for each risk factor and overall rating scale. Programs were assessed using both qualitative and quantitative risk factors to determine if they were susceptible to significant improper payments. Additionally, the Department conducted independent reviews of Component submissions to identify significant changes in the program compared to last year and assess the reasonableness of the risk ratings.

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
Compliant	3. Publish Improper Payment Estimates
Compliant	4. Publish Programmatic Corrective Action Plans
Compliant	5. Publish and Meet Annual Reduction Targets
Compliant	6. Report a gross Improper Payment Rate of Less than 10%

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.

Per the DHS OIG final report, the specific results of the review of DHS' compliance with Improper Payment FY 2019 requirements are as follows:

1. Did DHS publish an AFR for the most recent fiscal year and post that report and any accompanying materials required by OMB on the agency website?

Yes. DHS published its AFR on its website and accompanying information required by OMB on the agency website.

2. Did DHS conduct a program-specific risk assessment for each program or activity that may be susceptible to significant improper payments (if required)?

Yes. DHS conducted a program-specific risk assessment for each program or activity that may be susceptible to significant improper payments, when required.

3. Did DHS publish improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required)?

Yes. DHS published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment.

4. Did DHS publish programmatic corrective action plans in the AFR (if required)?

Not Applicable. DHS was not required to publish programmatic corrective action plans as no programs met the OMB Memo M-18-20 definition of "significant improper payments."

5. Did DHS publish, and is it meeting, annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable)?

Yes. DHS published and met reduction targets for each program assessed to be at risk.

6. Did DHS 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?

Yes. DHS reported gross improper payment rates of less than 10 percent for each required program.

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?).

Does the program use the Do Not Pay Initiative (DNP) (yes/no)	Has the DNP reduced/prevented improper payments (yes/no)	How frequently are corrections made?	How frequently is incorrect information identified?
YES	YES	Monthly	Monthly

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.

Response is reflective of DHS at agency level.

The Do Not Pay (DNP) Initiative is a government-wide initiative mandated by OMB Memorandum M-12-11 to match payments against DNP databases, prior to any payment of a grant or contract award. The Treasury Department performs post-payment matches on DHS disbursements using the General Service Administration's System for Awards Management and Social Security Administration's Death Master File (DMF) to identify improper payments. Treasury also performs post-payment matches using System for Award Management (SAM), Debt Check, Credit Alert Interactive Voice Response System, List of Excluded Individuals/Entities, and the Prisoner Update Processing System.

The Department continues its efforts to prevent and detect improper payments via the DNP Business Center portal by implementing the screening of payments through the Treasury Do Not Pay Portal and, as appropriate, screen payments via the DNP databases directly. Specifically, the Office of the Chief Procurement Officer (OCPO) ensures that its contracting staff complies with Federal Acquisition Regulation (FAR), applicable areas of the DHS Homeland Security Acquisition Regulation (HSAR) and Homeland Security Acquisition Manual (HSAM) through its internal control processes and procedures. OCPO supplements the DHS HSAR and HSAM through the issuance of internal operating procedures for the review and approval of specific pre-award, award, and post-award documentation to ensure that acquisition staff checks data in SAM and the Federal Awardee Performance and Integrity Information System (FAPIS). DHS and its finance centers' program managers work with Treasury to leverage the Portal's capabilities including analyzing current end-to-end payment processes and controls, and engaging with Treasury to ensure additional DNP databases are utilized effectively.

Accordingly, DHS complies with the DNP initiative through its internal control and oversight practices and review procedures. From the period of October 2019 through September 2020, DHS conducted reviews on over 1.62 million payments, totaling over \$31.62 billion dollars in disbursements under DNP. Based on this review, there were no payments stopped and only 117 payments with matches flagged. The total amount associated with matches flagged equated to a dollar value of \$0.43 million, well under 0.1% of the total payments reviewed.

Based on the 109 payments adjudicated as of September 2020, only 8 payments, equating to only 7.34% of the payments adjudicated, have been found to be improper. In addition, only \$0.15

million of the adjudicated total has been identified as improper. Therefore, the efforts from all DHS Components has shown that over 99% of the payments analyzed through DNP are not resulting in a flagged match and for those matches that were adjudicated in FY 2020, over 92% of the number of payments were found to be proper.

FEMA - National Flood Insurance Program

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 by: Federal Agency	4-Change Process (instructions, checklist, policy)	DHS policy and procedure documentation is regularly reviewed and updated as necessary to limit administrative errors. Component updates to Component level procedures and implementation is expected to be adjusted, as necessary, to ensure alignment with Departmental requirements. This is standard DHS ongoing practice.	Other
9. Administrative or Process Errors Made by: Federal Agency	6-Audit (improve IC)	For areas with identified deficiencies, DHS sets expectations that Components establish corrective action plans, execute remediation, and perform assessments over controls to ensure processes are operating efficiently and effectively. This is standard DHS ongoing practice.	Other
10. Administrative or Process Errors	3-Training (how to complete contracts)	FEMA holds regular interaction with grants recipients to help drive	Other

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
Made by: State or Local Agency		compliance with policy and procedure requirements.	
13. Insufficient Documentation to Determine	3-Training (how to complete contracts)	At program level, Components with identified deficiencies hold training to ensure that program offices are aware of audit requirements and expectations for strong financial management. This is standard DHS ongoing practice.	Other
13. Insufficient Documentation to Determine	6-Audit (improve IC)	As needed, controls are added to business processes to help ensure that sufficient documentation is available and retained for auditability. This is standard DHS ongoing practice.	Other

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 accordance with the DHS Financial Management Policy Manual (FMPM), DHS Components are responsible for implementing procedures to ensure disbursements are in compliance with DHS policy requirements. This includes compliance with Federal Regulations (such as the Prompt Payment Act, the Federal Acquisition Regulation, etc.) as well as requirements to mitigate the potential for Antideficiency Act violations. Throughout DHS, payment review efforts have been established to identify possible duplicates and overpayments.

For any identified overpayments, the FMPM outlines general principles, standards and policies to ensure DHS receivables are measured, recorded, and reported in a manner that complies with the requisite Federal financial accounting and reporting standards, laws, and regulations. The Homeland Security Acquisition Manual provides additional policy with regards to contractor debt collection requirements. Components define oversight procedures and internal controls to comply with this policy, to include transferring non-tax debt over 120 days delinquent to Treasury for collection. Once debts are referred to Treasury, Components must cease collection activities. Based on the Component's agreement, Treasury shall determine whether the Treasury cross-servicing or the Treasury Offset Program (TOP) collection tool is more appropriate. In some cases, litigation may be required to collect delinquent debts. Delinquent debt accounts are

referred to the Department of Justice (DOJ), in accordance with 31 CFR §904, or litigation authority is used as soon as there is sufficient reason to conclude that full or partial recovery of the debt can best be achieved through litigation.

DHS is responsible for complying with the law and regulations and following OPM's policies and guidance to administer pay policies and programs for DHS employees. Upon discovery of an erroneous payment, the Component promptly notifies the employee of the debt. The employee has the opportunity to request a hearing concerning the validity and amount of the debt. If the employee timely requests a hearing, the procedures will be conducted in accordance with 6 CFR §11.4(d). An employee may request a waiver of a claim of overpayment after receiving written notice of the Government's intent to collect the overpayment through a salary offset. Waiver requests received more than three years after the date of issuance of the demand letter may not be accepted. Components consult with the Legal Counsel servicing the Component to ensure that the waiver conforms to applicable laws and regulations. Each Component maintains a register of waiver actions subject to Departmental review. The register covers each fiscal year and is submitted to DHS each year for the preceding fiscal year. DHS Financial Management conducts annual reviews of the Components' register of waiver actions to ensure compliance with DHS policy and other Federal Government regulations.

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.

Not Applicable (N/A) – In fiscal year (FY) 2020, DHS did not have any active recovery audit efforts executed. Please refer to the DHS internal efforts to detect and recover improper payments as noted in Question 2.

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.

DHS has not excluded any programs or activities from consideration for recovery audits. However, during FY 2020, the Department did not have any recapture audit activities conducted for any DHS programs. DHS has conducted multiple cost-analysis reviews over the past several years and determined that payment recapture audit programs are not cost-effective. The determination regarding cost-effectiveness considered recovery amounts, costs of audits exceeding recovery amounts identified for recapture, and no major changes to payment operations to justify performing a recapture audit. DHS is currently in the process of updating the cost-effectiveness analysis to ensure prior determinations remain valid going forward and anticipates that this analysis will be fully completed in FY 2021. Results of that updated analysis will drive recapture audit initiatives within DHS going forward.

Please refer to paymentaccuracy.gov for DHS funds that were identified and recaptured outside of a recapture audit program, as reported by the respective DHS Components. These

overpayments were identified though efforts such as, but not limited to, grant and contract closeout processes, high dollar overpayments reporting to include significant amounts identified during improper payments reviews, vendor identification, etc.

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.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
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 Fraud Reduction and Data Analytics Act (FRDAA) requires agencies to conduct an evaluation of fraud risks and use a risk-based approach to design and implement financial and administrative control activities to mitigate identified fraud risks; collect and analyze data from reporting mechanisms on detected fraud to monitor fraud trends and improve fraud prevention controls; and use the results of monitoring, evaluation, audits, and investigations to improve fraud prevention, detection, and response.

DHS continued implementation of several initiatives to comply with the FRDAA, manage fraud risks, and enhance fraud prevention and detection controls. The Department conducts annual evaluations of fraud risk across its Components and business processes and considers fraud when identifying, analyzing, and responding to risks in alignment with the GAO Standards for Internal Control fraud risk principle. DHS fraud risk assessments consider the inherent risk of various types of fraud that could occur, as well as risk tolerance, in determining appropriate risk responses. DHS Components also determine whether controls are in place and operating effectively to mitigate identified fraud risks to an acceptable level. DHS Component fraud risk assessments inform the Department's Fraud Risk Profile, in alignment with leading practices from the GAO Framework for Managing Fraud Risks in Federal Programs. The Department also

adhered to OMB Circular A-123 and continued to adopt leading practices from the GAO in its efforts to better assess, respond to, and manage fraud risk.

In FY 2020, the Components' fraud risk assessments identified areas of elevated risk related to grants management, insurance management, seized property, revenue and receivables management, and human resources and payroll management. Additionally, the fraud risk assessments indicated elevated risks with regards to purchase cards and travel related payment management. DHS utilized the results from these fraud risk assessments to monitor the potential risk of fraud at each of the Components and to plan additional control activities to further reduce fraud risk.

DHS continues to implement and utilize data analytics in areas of elevated fraud risk, as appropriate, to detect and prevent fraud. DHS has historically assessed fraud risk in purchase card programs due to higher inherent risk and environmental factors. To assist in mitigating these risks, DHS implemented a purchase card analytics process to identify potential misuse and non-compliance trends within the program. DHS is also initiating data analytics to analyze risks related to travel and payroll management. Going forward, DHS will continue to expand upon its data analytic capabilities to identify red flags, test targeted areas, and further enhance fraud risk management capabilities. In FY 2021, DHS plans to target COVID-19 response related purchase card disbursements and assess for anomalies and potential fraud.

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.*

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
CBP - Refund and Drawback	Likely to be Below Statutory Threshold	Other	NO
CBP - Construction	Likely to be Below Statutory Threshold	Other	NO
CBP - Operations and Support	Likely to be Below Statutory Threshold	Other	NO
CBP - Payroll	Likely to be Below Statutory Threshold	Other	NO
CISA - Payroll	Likely to be Below	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
	Statutory Threshold		
CWMD - Operations & Support	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants - Fire Prevention Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants - SAFER Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Commercial Bill of Lading	Likely to be Below Statutory Threshold	Other	NO
FEMA - DRF - Individuals and Households Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Emergency Food & Shelter	Likely to be Below Statutory Threshold	Other	NO
FEMA - FLOOD Hazard Map & Risk Analysis - Grants	Likely to be Below Statutory Threshold	Other	NO
FEMA - Urban Search & Rescue	Likely to be Below Statutory Threshold	Other	NO
FEMA - Travel	Likely to be Below Statutory Threshold	Other	NO
FEMA - Hazard Mitigation Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Homeland Security Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Nonprofit Security Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Payroll	Likely to be Below Statutory Threshold	Other	NO
FEMA - Purchase Card	Likely to be Below Statutory Threshold	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
ICE - Enforcement and Removal Operations	Likely to be Below Statutory Threshold	Other	NO
ICE - Homeland Security Investigation	Likely to be Below Statutory Threshold	Other	NO
ICE - Office of the Assistant Secretary	Likely to be Below Statutory Threshold	Other	NO
ICE - Management	Likely to be Below Statutory Threshold	Other	NO
ICE - Travel	Likely to be Below Statutory Threshold	Other	NO
ICE - Purchase Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Fleet Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Payroll	Likely to be Below Statutory Threshold	Other	NO
MGMT - Management & Administration	Likely to be Below Statutory Threshold	Other	NO
MGMT - Federal Protective Service	Likely to be Below Statutory Threshold	Other	NO
USCG - Aviation Logistics Command	Likely to be Below Statutory Threshold	Other	NO
USCG - Surface Forces Logistics Command	Likely to be Below Statutory Threshold	Other	NO
USCG - Maritime Oil Spill Program	Likely to be Below Statutory Threshold	Other	NO
USCG - EC&R	Likely to be Below Statutory Threshold	Other	NO
USCG - Operations & Support	Likely to be Below Statutory Threshold	Other	NO
USCG - Procurement, Construction, & Improvement	Likely to be Below Statutory Threshold	Other	NO
USSS - Training	Likely to be Below	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
	Statutory Threshold		

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.

In accordance with PIIA, agency heads are required to periodically review all programs and activities that the relevant agency head administers and identify all programs and activities that may be susceptible to significant improper payments, and perform the review at least once every three years. In FY 2017, the Department established a two-part process comprised of a preliminary assessment followed by a comprehensive assessment if necessary. The preliminary risk assessment process is used on all programs not already reporting an improper payment estimate and that meet the minimum disbursement threshold of \$10 million. The comprehensive risk assessment process is required based on the preliminary risk assessment results and the program's three-year risk assessment cycle. In FY 2020, the Department conducted 37 comprehensive risk assessments, please refer to the table provided for specific programs assessed.

The Department assessed all payment types except for federal intragovernmental payments, which were excluded based on the definition of an improper payment per OMB Circular A-123, Appendix C, and other excluded payments to include non-disbursements, net \$0.00 payments, Journal Vouchers, etc. The Department's comprehensive risk assessment involved evaluating attributes that directly or indirectly affect the likelihood of improper payments using the GAO *Standards for Internal Control* framework as well as requirements from OMB Circular A-123, Appendix C. Based on that approach, DHS utilized risk factors associated with the following areas during in the 2020 comprehensive risk assessment process:

- 1) Control Environment (Payment Processing Controls, Human Capital, & Operational Environment)
- 2) Risk Assessment (Complexity of Program)
- 3) Control Activities (Complexity of Program and Payment Processing Control)
- 4) Information and Communication (Entity Level Control Assessment of Information and Communication)
- 5) Monitoring (Quality of Internal Monitoring Controls)

Program managers and Component's internal controls division assigned a risk rating to each risk factor based on their detailed understanding of the processes and risk of improper payment. Weighted percentages were assigned to each risk factor rating based on a judgmental determination of the direct or indirect impact on improper payments. An overall risk score was then computed for each program, calculated by the sum of the weighted scores for each risk factor and overall rating scale. Programs were assessed using both qualitative and quantitative risk factors to determine if they were susceptible to significant improper payments. Additionally, the Department conducted independent reviews of Component submissions to identify significant changes in the program compared to last year and assess the reasonableness of the risk ratings.

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
Compliant	3. Publish Improper Payment Estimates
Compliant	4. Publish Programmatic Corrective Action Plans
Compliant	5. Publish and Meet Annual Reduction Targets

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.

Per the DHS OIG final report, the specific results of the review of DHS' compliance with Improper Payment FY 2019 requirements are as follows:

1. Did DHS publish an AFR for the most recent fiscal year and post that report and any accompanying materials required by OMB on the agency website?

Yes. DHS published its AFR on its website and accompanying information required by OMB on the agency website.

2. Did DHS conduct a program-specific risk assessment for each program or activity that may be susceptible to significant improper payments (if required)?

Yes. DHS conducted a program-specific risk assessment for each program or activity that may be susceptible to significant improper payments, when required.

3. Did DHS publish improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required)?

Yes. DHS published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment.

4. Did DHS publish programmatic corrective action plans in the AFR (if required)?

Not Applicable. DHS was not required to publish programmatic corrective action plans as no programs met the OMB Memo M-18-20 definition of “significant improper payments.”

5. Did DHS publish, and is it meeting, annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable)?

Yes. DHS published and met reduction targets for each program assessed to be at risk.

6. Did DHS 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?

Yes. DHS reported gross improper payment rates of less than 10 percent for each required program.

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.

Please refer to the response provided by FEMA.

Acquisition, Construction, & Improvements, Operating Expenses-Hurricane Sandy (USCG-Sandy)

CBP - Administratively Uncontrollable Overtime

CBP - Hurricane Sandy Payments

CBP Border Security Fencing

Disaster Case Management (FEMA)

DNDO - Hurricane Sandy Payments

Federal Protective Service

FEMA - Hazard Mitigation Hurricane Sandy Payments

FEMA - Individual and Households Program

FEMA - Port Security Grant Program

FEMA - Transit Security Grant Program

FEMA Emergency Food and Shelter Program
Hurricane Sandy Payments Payroll (FEMA)
Hurricane Sandy Payments Purchase Card&Fleet Card (FEMA)
Hurricane Sandy Payments Travel (FEMA)
Individuals & Households Program
NPPD - Hurricane Sandy Payments
OIG - Hurricane Sandy Payments
S&T - Hurricane Sandy Payments
Urban Search & Rescue Grant (FEMA)
FEMA Public Assistance–Disaster Supplemental Funds

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

Please describe the steps the program has taken and plans to take (including timeline) to ensure that agency managers (including the agency head), accountable officers, program official/owner, and States and localities (where appropriate) are held accountable for reducing and recapturing IPs through annual performance appraisal criteria for each of the following:

- *Meeting applicable improper payments reduction targets;*
- *Preventing improper payments from being made; and*
- *Promptly detecting and recovering improper payments that are made.*

Performance Appraisal Criteria
meeting applicable improper payments reduction targets
prevent improper payments from being made
promptly detect and recover improper payments that are made

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.

The goals and requirements of PIIA are communicated to all levels of staff throughout the Office of the Chief Financial Officer (OCFO) and to relevant program office and procurement staff. The Department has taken extensive measures to ensure that managers, accountable officers, to include Component CFOs, programs, States, and localities are held accountable for reducing and recapturing improper payments. The Department's CFO and senior staff have incorporated improper payment expectations and performance in their annual performance plans. Component managers are responsible for completing internal control work on payment processing as part of the Department's OMB Circular A-123 effort. They are further responsible for establishing and maintaining sufficient internal controls, including a control environment that prevents improper payments from being made, effectively managing improper payment risks, and promptly detecting and recovering any improper payments that may occur. Management's

efforts, to include within DHS Headquarters as well Components, around improper payments are subject to an annual compliance review by the DHS's Office of Inspector General. These measures are designed to hold the appropriate personnel accountable for meeting applicable improper payment reduction targets and establishing and maintaining strong internal controls around payment management.

For the FEMA Public Assistance program solely related to the Disaster Supplemental Funding received, improper payments with respect to FY 2018 disbursement were primarily driven by Puerto Rico and the U.S. Virgin Islands (USVI). In FY 2019, FEMA enforced additional requirements on the Government of Puerto Rico (GPR) until policy, procedures, systems, and resources were put into place to create an acceptable control environment. As part of this effort, the GPR was tasked to create an internal control plan that addresses grants management, cash management compliance and sub-recipient monitoring process. Collaboration with FEMA, GPR and Central Recovery and Reconstruction Office (COR3) presented a comprehensive cash management, internal control and sub-recipient monitoring approach and, as such, FEMA lifted the Manual Drawdown restrictions in April 2019. Due to the high error rate noted for the USVI with respect to FY 2018 disbursements, many of the same requirements have been established. In FY 2021, FEMA plans to conduct a review of the USVI internal controls and staffing plan to substantiate the ability of USVI and Virgin Island Territory Emergency Management Agency to administer the FEMA disaster grants effectively.

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 by: Federal Agency	4-Change Process (instructions, checklist, policy)	DHS policy and procedure documentation is regularly reviewed and updated as necessary to limit administrative errors. Component updates to Component level procedures and implementation is expected to be adjusted, as necessary, to ensure alignment with Departmental requirements. This is standard DHS ongoing practice.	Other

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 by: Federal Agency	6-Audit (improve IC)	For areas with identified deficiencies, DHS sets expectations that Components establish corrective action plans, execute remediation, and perform assessments over controls to ensure processes are operating efficiently and effectively. This is standard DHS ongoing practice.	Other
10. Administrative or Process Errors Made by: State or Local Agency	3-Training (how to complete contracts)	FEMA holds regular interaction with grants recipients to help drive compliance with policy and procedure requirements.	Other
13. Insufficient Documentation to Determine	3-Training (how to complete contracts)	At program level, Components with identified deficiencies hold training to ensure that program offices are aware of audit requirements and expectations for strong financial management. This is standard DHS ongoing practice.	Other
13. Insufficient Documentation to Determine	6-Audit (improve IC)	As needed, controls are added to business processes to help ensure that sufficient documentation is available and retained for auditability. This is standard DHS ongoing practice.	Other

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 accordance with the DHS Financial Management Policy Manual (FMPM), DHS Components are responsible for implementing procedures to ensure disbursements are in compliance with DHS policy requirements. This includes compliance with Federal Regulations (such as the Prompt Payment Act, the Federal Acquisition Regulation, etc.) as well as requirements to

mitigate the potential for Antideficiency Act violations. Throughout DHS, payment review efforts have been established to identify possible duplicates and overpayments.

For any identified overpayments, the FMPM outlines general principles, standards and policies to ensure DHS receivables are measured, recorded, and reported in a manner that complies with the requisite Federal financial accounting and reporting standards, laws, and regulations. The Homeland Security Acquisition Manual provides additional policy with regards to contractor debt collection requirements. Components define oversight procedures and internal controls to comply with this policy, to include transferring non-tax debt over 120 days delinquent to Treasury for collection. Once debts are referred to Treasury, Components must cease collection activities. Based on the Component's agreement, Treasury shall determine whether the Treasury cross-servicing or the Treasury Offset Program (TOP) collection tool is more appropriate. In some cases, litigation may be required to collect delinquent debts. Delinquent debt accounts are referred to the Department of Justice (DOJ), in accordance with 31 CFR §904, or litigation authority is used as soon as there is sufficient reason to conclude that full or partial recovery of the debt can best be achieved through litigation.

DHS is responsible for complying with the law and regulations and following OPM's policies and guidance to administer pay policies and programs for DHS employees. Upon discovery of an erroneous payment, the Component promptly notifies the employee of the debt. The employee has the opportunity to request a hearing concerning the validity and amount of the debt. If the employee timely requests a hearing, the procedures will be conducted in accordance with 6 CFR §11.4(d). An employee may request a waiver of a claim of overpayment after receiving written notice of the Government's intent to collect the overpayment through a salary offset. Waiver requests received more than three years after the date of issuance of the demand letter may not be accepted. Components consult with the Legal Counsel servicing the Component to ensure that the waiver conforms to applicable laws and regulations. Each Component maintains a register of waiver actions subject to Departmental review. The register covers each fiscal year and is submitted to DHS each year for the preceding fiscal year. DHS Financial Management conducts annual reviews of the Components' register of waiver actions to ensure compliance with DHS policy and other Federal Government regulations.

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.

Not Applicable (N/A) – In fiscal year (FY) 2020, DHS did not have any active recovery audit efforts executed. Please refer to the DHS internal efforts to detect and recover improper payments as noted in Question 2.

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.

DHS has not excluded any programs or activities from consideration for recovery audits. However, during FY 2020, the Department did not have any recapture audit activities conducted for any DHS programs. DHS has conducted multiple cost-analysis reviews over the past several years and determined that payment recapture audit programs are not cost-effective. The determination regarding cost-effectiveness considered recovery amounts, costs of audits exceeding recovery amounts identified for recapture, and no major changes to payment operations to justify performing a recapture audit. DHS is currently in the process of updating the cost-effectiveness analysis to ensure prior determinations remain valid going forward and anticipates that this analysis will be fully completed in FY 2021. Results of that updated analysis will drive recapture audit initiatives within DHS going forward.

Please refer to paymentaccuracy.gov for DHS funds that were identified and recaptured outside of a recapture audit program, as reported by the respective DHS Components. These overpayments were identified through efforts such as, but not limited to, grant and contract closeout processes, high dollar overpayments reporting to include significant amounts identified during improper payments reviews, vendor identification, etc.

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.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
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 Fraud Reduction and Data Analytics Act (FRDAA) requires agencies to conduct an evaluation of fraud risks and use a risk-based approach to design and implement financial and administrative control activities to mitigate identified fraud risks; collect and analyze data from reporting mechanisms on detected fraud to monitor fraud trends and improve fraud prevention

controls; and use the results of monitoring, evaluation, audits, and investigations to improve fraud prevention, detection, and response.

DHS continued implementation of several initiatives to comply with the FRDAA, manage fraud risks, and enhance fraud prevention and detection controls. The Department conducts annual evaluations of fraud risk across its Components and business processes and considers fraud when identifying, analyzing, and responding to risks in alignment with the GAO Standards for Internal Control fraud risk principle. DHS fraud risk assessments consider the inherent risk of various types of fraud that could occur, as well as risk tolerance, in determining appropriate risk responses. DHS Components also determine whether controls are in place and operating effectively to mitigate identified fraud risks to an acceptable level. DHS Component fraud risk assessments inform the Department's Fraud Risk Profile, in alignment with leading practices from the GAO Framework for Managing Fraud Risks in Federal Programs. The Department also adhered to OMB Circular A-123 and continued to adopt leading practices from the GAO in its efforts to better assess, respond to, and manage fraud risk.

In FY 2020, the Components' fraud risk assessments identified areas of elevated risk related to grants management, insurance management, seized property, revenue and receivables management, and human resources and payroll management. Additionally, the fraud risk assessments indicated elevated risks with regards to purchase cards and travel related payment management. DHS utilized the results from these fraud risk assessments to monitor the potential risk of fraud at each of the Components and to plan additional control activities to further reduce fraud risk.

DHS continues to implement and utilize data analytics in areas of elevated fraud risk, as appropriate, to detect and prevent fraud. DHS has historically assessed fraud risk in purchase card programs due to higher inherent risk and environmental factors. To assist in mitigating these risks, DHS implemented a purchase card analytics process to identify potential misuse and non-compliance trends within the program. DHS is also initiating data analytics to analyze risks related to travel and payroll management. Going forward, DHS will continue to expand upon its data analytic capabilities to identify red flags, test targeted areas, and further enhance fraud risk management capabilities. In FY 2021, DHS plans to target COVID-19 response related purchase card disbursements and assess for anomalies and potential fraud.

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.*

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
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Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
CBP - Refund and Drawback	Likely to be Below Statutory Threshold	Other	NO
CBP - Construction	Likely to be Below Statutory Threshold	Other	NO
CBP - Operations and Support	Likely to be Below Statutory Threshold	Other	NO
CBP - Payroll	Likely to be Below Statutory Threshold	Other	NO
CISA - Payroll	Likely to be Below Statutory Threshold	Other	NO
CWMD - Operations & Support	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants - Fire Prevention Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Assistance to Firefighter Grants - SAFER Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Commercial Bill of Lading	Likely to be Below Statutory Threshold	Other	NO
FEMA - DRF - Individuals and Households Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Emergency Food & Shelter	Likely to be Below Statutory Threshold	Other	NO
FEMA - FLOOD Hazard Map & Risk Analysis - Grants	Likely to be Below Statutory Threshold	Other	NO
FEMA - Urban Search & Rescue	Likely to be Below Statutory Threshold	Other	NO
FEMA - Travel	Likely to be Below Statutory Threshold	Other	NO
FEMA - Hazard Mitigation	Likely to be Below	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Grant Program	Statutory Threshold		
FEMA - Homeland Security Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Nonprofit Security Grant Program	Likely to be Below Statutory Threshold	Other	NO
FEMA - Payroll	Likely to be Below Statutory Threshold	Other	NO
FEMA - Purchase Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Enforcement and Removal Operations	Likely to be Below Statutory Threshold	Other	NO
ICE - Homeland Security Investigation	Likely to be Below Statutory Threshold	Other	NO
ICE - Office of the Assistant Secretary	Likely to be Below Statutory Threshold	Other	NO
ICE - Management	Likely to be Below Statutory Threshold	Other	NO
ICE - Travel	Likely to be Below Statutory Threshold	Other	NO
ICE - Purchase Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Fleet Card	Likely to be Below Statutory Threshold	Other	NO
ICE - Payroll	Likely to be Below Statutory Threshold	Other	NO
MGMT - Management & Administration	Likely to be Below Statutory Threshold	Other	NO
MGMT - Federal Protective Service	Likely to be Below Statutory Threshold	Other	NO
USCG - Aviation Logistics Command	Likely to be Below Statutory Threshold	Other	NO
USCG - Surface Forces Logistics Command	Likely to be Below Statutory Threshold	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
USCG - Maritime Oil Spill Program	Likely to be Below Statutory Threshold	Other	NO
USCG - EC&R	Likely to be Below Statutory Threshold	Other	NO
USCG - Operations & Support	Likely to be Below Statutory Threshold	Other	NO
USCG - Procurement, Construction, & Improvement	Likely to be Below Statutory Threshold	Other	NO
USSS - Training	Likely to be Below Statutory Threshold	Other	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.

In accordance with PIIA, agency heads are required to periodically review all programs and activities that the relevant agency head administers and identify all programs and activities that may be susceptible to significant improper payments, and perform the review at least once every three years. In FY 2017, the Department established a two-part process comprised of a preliminary assessment followed by a comprehensive assessment if necessary. The preliminary risk assessment process is used on all programs not already reporting an improper payment estimate and that meet the minimum disbursement threshold of \$10 million. The comprehensive risk assessment process is required based on the preliminary risk assessment results and the program's three-year risk assessment cycle. In FY 2020, the Department conducted 37 comprehensive risk assessments, please refer to the table provided for specific programs assessed.

The Department assessed all payment types except for federal intragovernmental payments, which were excluded based on the definition of an improper payment per OMB Circular A-123, Appendix C, and other excluded payments to include non-disbursements, net \$0.00 payments, Journal Vouchers, etc. The Department's comprehensive risk assessment involved evaluating attributes that directly or indirectly affect the likelihood of improper payments using the GAO Standards for Internal Control framework as well as requirements from OMB Circular A-123, Appendix C. Based on that approach, DHS utilized risk factors associated with the following areas during in the 2020 comprehensive risk assessment process:

1) Control Environment (Payment Processing Controls, Human Capital, & Operational Environment)

- 2) Risk Assessment (Complexity of Program)
- 3) Control Activities (Complexity of Program and Payment Processing Control)
- 4) Information and Communication (Entity Level Control Assessment of Information and Communication)
- 5) Monitoring (Quality of Internal Monitoring Controls)

Program managers and Component's internal controls division assigned a risk rating to each risk factor based on their detailed understanding of the processes and risk of improper payment. Weighted percentages were assigned to each risk factor rating based on a judgmental determination of the direct or indirect impact on improper payments. An overall risk score was then computed for each program, calculated by the sum of the weighted scores for each risk factor and overall rating scale. Programs were assessed using both qualitative and quantitative risk factors to determine if they were susceptible to significant improper payments. Additionally, the Department conducted independent reviews of Component submissions to identify significant changes in the program compared to last year and assess the reasonableness of the risk ratings.

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

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
NO	2. Inability to Authenticate Eligibility: Inability to Access Data	6-Audit (improve IC)
YES	3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	Other (free text)
NO	5. Failure to Verify: Financial Data	6-Audit (improve IC)
YES	10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)
NO	13. Insufficient Documentation to Determine	3-Training (how to complete contracts)
NO	13. Insufficient Documentation to Determine	4-Change Process (instructions, checklist, policy)
NO	13. Insufficient Documentation to Determine	6-Audit (improve IC)

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.

For the FEMA Public Assistance program solely related to the Disaster Supplemental Funding received in response to the 2017 Harvey, Irma, and Maria hurricanes, the program identified the root cause of the errors to be attributed primarily to “Insufficient Documentation to Determine”. In this area, FEMA fully intends to continue to implement corrective actions to resolve the noted issues that have led to the current improper payment rate. Corrective actions taken to date have included specifically requiring the Government of Puerto Rico (GPR) and the United States Virgin Islands (USVI) Virgin Island Territory Emergency Management Agency to develop, execute, and monitor internal control plans that addresses grants management, cash management compliance and sub-recipient monitoring processes. Until FEMA has confidence that grant recipients can administer FEMA disaster grants effectively, FEMA also has implemented measures to include Manual Drawdown restrictions until grant recipients show sufficient progress in the management of the grant programs and execution.

FEMA has implemented Validate as You Go (VAYGo) for Public Assistance sub-awards for all Harvey, Irma and Maria declared disasters. VAYGo is focused on ensuring drawdowns and disbursements are in compliance with all applicable Federal laws, regulations, and policies. FEMA has implemented VAYGo sample reviews to use methodology that is compliant with improper payment requirements but also to ensure that costs are eligible (compliance) and that documentation supports the drawdown amount (completeness).

To help enforce strong grants management, FEMA has also planned and substantially completed training efforts with respect to expectations for reimbursement packages and VAYGo reviews and is working to further standardize reimbursement templates and instructional guidance to be utilized by recipients and sub-recipients when requesting funds.

Question 8: Tolerable Rate

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

Indicate Yes or No
NO

Question 8 Free Text: Tolerable Rate

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

The Sandy Recovery Improvement Act of 2013 (SRIA) authorized the use of alternative procedures in administering the Public Assistance program, thereby providing new flexibilities to FEMA, states, and local governments for debris removal, infrastructure repair, and rebuilding

projects using funds from this program. The stated goals of the alternative procedures are to reduce the costs to the federal government, increase flexibility in the administration of the Public Assistance program, expedite the provision of assistance under the program, and provide financial incentives for recipients of the program for the timely and cost-effective completion of projects. As a result of the SRIA, FEMA developed and adopted a new delivery model that represented a significant process and cultural shift towards a streamlined and standardized way of delivering Public Assistance. In September 2017, FEMA decided to begin using the new delivery model nationwide for all subsequent declared disasters, including hurricanes Harvey and Irma in Texas and Florida and the wildfires in California.

For FEMA Public Assistance operations and disbursements that are related to normal program processing, FEMA has proven through historical testing efforts that improper payment rates can sufficiently be within the statutory threshold of 1.5% or less. Due to repeated reporting below the statutory threshold in the past, FEMA has documented that an error rate maximum goal of 1.5% would be tolerable when aligned to Public Assistance operations and disbursements that are related to normal program processing.

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
NO	1. Internal Controls
YES	2. Human Capital
YES	3. Information Systems
NO	4. Resources

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.

For the FEMA Public Assistance program solely related to the Disaster Supplemental Funding received in response to the 2017 Harvey, Irma, and Maria hurricanes, the program identified the root cause of the errors to be attributed primarily to “Insufficient Documentation to Determine” and noted that the majority of the improper payment errors associated with FY18 disbursements were aligned to Puerto Rico and the U.S. Virgin Islands (USVI). To help resolve this issue going forward, FEMA has tasked each of those recipients to develop, execute, and monitor internal

control plans that addresses grants management, cash management compliance and sub-recipient monitoring processes. As the Public Assistance program is administered through a partnership between FEMA and the state, tribal or territorial grantee, which provides funding to local or tribal entities who are the subrecipients of a Public Assistance grant award, the internal control systems of each of the recipients needs to be sufficient in order to prevent and mitigate grant management deficiencies. The Government of Puerto Rico completed this task in 2019 by establishing the Central Recovery and Reconstruction Office and presenting a comprehensive cash management, internal control and sub-recipient monitoring approach that FEMA supported. The USVI is currently substantially complete in the development of its own internal control plan. Once presented by USVI, FEMA will conduct a test over the USVI internal control and staffing plan to substantiate the ability of USVI and Virgin Island Territory Emergency Management Agency to administer the FEMA disaster grants effectively. Recipient compliance for all disbursements associated with the 2017 Harvey, Irma, and Maria hurricane disaster supplemental funding will continue to be subject to the FEMA Validate as You Go (VAYGo) reviews in order to provide FEMA incremental monitoring.

Due to the inherent nature FEMA Public Assistance operations and disbursements that are related catastrophic events, such as the 2017 Harvey, Irma, and Maria hurricanes, FEMA recognizes that the mission need to provide timely assistance to an impacted population may potentially result in additional challenges. In these instances, it is not uncommon for recipients of funding, such as states and U.S. territories, to not have sufficient resources, such as manpower and infrastructure, to commit and fully satisfy all requirements for auditability as focus is prioritized on disaster response. To assist in alleviating the impact of these resourcing shortages, FEMA has incorporated remediation milestones associated with training and standardized templates and instructional guidance to streamline and increase the efficiency and effectiveness of recipient programs going forward. These efforts are currently underway so that FEMA is able to institutionalize these enhancements when recipients are facing an immediate disaster response due to a catastrophic event.

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

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
2. Inability to Authenticate Eligibility: Inability to Access Data	4-Change Process (instructions, checklist, policy)	Other	06/30/2019
5. Failure to Verify: Financial Data	4-Change Process (instructions, checklist, policy)	Other	06/30/2019
8. Failure to Verify: Other Eligibility Data (explain)	4-Change Process (instructions, checklist, policy)	Other	06/30/2019

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
10. Administrative or Process Errors Made by: State or Local Agency	4-Change Process (instructions, checklist, policy)	Other	06/30/2019
13. Insufficient Documentation to Determine	4-Change Process (instructions, checklist, policy)	Other	06/30/2019
13. Insufficient Documentation to Determine	6-Audit (improve IC)	Other	09/20/2019

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.

Table completion dates were set as the last day of the associated fiscal year quarter in which the corrective actions were completed. VAYGo testing is ongoing.

For the FEMA Public Assistance program solely related to the Disaster Supplemental Funding received in response to the 2017 Harvey, Irma, and Maria hurricanes, the program has diligently worked to execute corrective actions. Improper payments with respect to FY 2018 disbursement were primarily driven by Puerto Rico and the U.S. Virgin Islands (USVI). In FY 2019, FEMA enforced additional requirements on the Government of Puerto Rico (GPR) until policy, procedures, systems, and resources were put into place to create an acceptable control environment. As part of this effort, the GPR was tasked to create an internal control plan that addresses grants management, cash management compliance and sub-recipient monitoring process. Collaboration with FEMA, GPR and Central Recovery and Reconstruction Office (COR3) presented a comprehensive cash management, internal control and sub-recipient monitoring approach and, as such, FEMA lifted the Manual Drawdown restrictions in April 2019. Due to the issues noted in the USVI grant management, FEMA has enforced a Manual Drawdown requirement.

FEMA has implemented Validate as You Go (VAYGo) for Public Assistance sub-awards for all Harvey, Irma and Maria declared disasters. VAYGo is focused on ensuring drawdowns and disbursements are in compliance with all applicable Federal laws, regulations, and policies. FEMA has implemented VAYGo sample reviews to use methodology that is compliant with improper payment requirements but also to ensure that costs are eligible (compliance) and that documentation supports the drawdown amount (completeness).

FEMA has been able to recoup \$27M of identified improper payments thus far as a result of the VAYGo testing.

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

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
2. Inability to Authenticate Eligibility: Inability to Access Data	4-Change Process (instructions, checklist, policy)	FY2021	
2. Inability to Authenticate Eligibility: Inability to Access Data	3-Training (how to complete contracts)	FY2021	
5. Failure to Verify: Financial Data	4-Change Process (instructions, checklist, policy)	FY2021	
5. Failure to Verify: Financial Data	3-Training (how to complete contracts)	FY2021	
8. Failure to Verify: Other Eligibility Data (explain)	4-Change Process (instructions, checklist, policy)	FY2021	
8. Failure to Verify: Other Eligibility Data (explain)	3-Training (how to complete contracts)	FY2021	
10. Administrative or Process Errors Made by: State or Local Agency	4-Change Process (instructions, checklist, policy)	FY2021	
10. Administrative or Process Errors Made by: State or Local Agency	3-Training (how to complete contracts)	FY2021	
13. Insufficient Documentation to Determine	4-Change Process (instructions, checklist, policy)	FY2021	
13. Insufficient Documentation to Determine	6-Audit (improve IC)	FY2021	
13. Insufficient Documentation to Determine	3-Training (how to complete contracts)	FY2021	

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.

For the FEMA Public Assistance program solely related to the Disaster Supplemental Funding received in response to the 2017 Harvey, Irma, and Maria hurricanes, the program has diligently worked to develop and execute corrective actions. Improper payments with respect to FY 2018 disbursement were primarily driven by Puerto Rico and the U.S. Virgin Islands (USVI). In addition to the corrective actions that have already been completed, primarily for Puerto Rico, FEMA has corrective actions planned for the USVI and overall program enhancements. FEMA has enforced additional requirements on the USVI until policy, procedures, systems, and resources are put into place to create an acceptable control environment. As part of this effort, the USVI has been tasked to create an internal control plan that addresses grants management, cash management compliance and sub-recipient monitoring process. The USVI is currently substantially complete in the development of its internal control plan. Once presented by USVI, FEMA will conduct a test over the USVI internal control and staffing plan to substantiate the ability of USVI and Virgin Island Territory Emergency Management Agency to administer the FEMA disaster grants effectively.

FEMA has implemented Validate as You Go (VAYGo) for Public Assistance subawards for all Harvey, Irma and Maria declared disasters. VAYGo is focused on ensuring drawdowns and disbursements are in compliance with all applicable Federal laws, regulations, and policies. FEMA has implemented and will continue to implement VAYGo sample reviews to use methodology that is compliant with improper payment requirements but also to ensure that costs are eligible and that documentation supports the drawdown amount. As final reviews are completed, FEMA plans to issue Debt letters in accordance with FEMA Debt Directive Procedures. Recipients have a right to appeal in order to drive the final determination and debt recoupment amount(s).

Due to the inherent nature FEMA Public Assistance operations and disbursements that are related catastrophic events, FEMA recognizes that the mission need to provide timely assistance to an impacted population may potentially result in additional challenges. In these instances, it is not uncommon for recipients of funding, such as states and U.S. territories, to not have sufficient resources, such as manpower and infrastructure, to commit and fully satisfy all requirements for auditability as focus is prioritized on disaster response. To assist in alleviating the impact of these resourcing shortages, FEMA has incorporated remediation milestones associated with training and standardized templates and instructional guidance to streamline and increase the efficiency and effectiveness of recipient programs going forward. These efforts are currently underway so that FEMA is able to institutionalize these enhancements when recipients are facing an immediate disaster response due to a catastrophic event.

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?).

Does the program use the Do Not Pay Initiative (DNP) (yes/no)	Has the DNP reduced/prevented improper payments (yes/no)	How frequently are corrections made?	How frequently is incorrect information identified?
YES	YES	Monthly	Monthly

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.

Answer is reflective of the DHS agency.

The Do Not Pay (DNP) Initiative is a government-wide initiative mandated by OMB Memorandum M-12-11 to match payments against DNP databases, prior to any payment of a grant or contract award. The Treasury Department performs post-payment matches on DHS disbursements using the General Service Administration's System for Awards Management and Social Security Administration's Death Master File (DMF) to identify improper payments. Treasury also performs post-payment matches using System for Award Management (SAM), Debt Check, Credit Alert Interactive Voice Response System, List of Excluded Individuals/Entities, and the Prisoner Update Processing System.

The Department continues its efforts to prevent and detect improper payments via the DNP Business Center portal by implementing the screening of payments through the Treasury Do Not Pay Portal and, as appropriate, screen payments via the DNP databases directly. Specifically, the Office of the Chief Procurement Officer (OCPO) ensures that its contracting staff complies with Federal Acquisition Regulation (FAR), applicable areas of the DHS Homeland Security Acquisition Regulation (HSAR) and Homeland Security Acquisition Manual (HSAM) through its internal control processes and procedures. OCPO supplements the DHS HSAR and HSAM through the issuance of internal operating procedures for the review and approval of specific pre-award, award, and post-award documentation to ensure that acquisition staff checks data in SAM and the Federal Awardee Performance and Integrity Information System (FAPIS). DHS and its finance centers' program managers work with Treasury to leverage the Portal's capabilities including analyzing current end-to-end payment processes and controls, and engaging with Treasury to ensure additional DNP databases are utilized effectively.

Accordingly, DHS complies with the DNP initiative through its internal control and oversight practices and review procedures. From the period of October 2019 through September 2020, DHS conducted reviews on over 1.62 million payments, totaling over \$31.62 billion dollars in disbursements under DNP. Based on this review, there were no payments stopped and only 117 payments with matches flagged. The total amount associated with matches flagged equated to a dollar value of \$0.43 million, well under 0.1% of the total payments reviewed.

Based on the 109 payments adjudicated as of September 2020, only 8 payments, equating to only 7.34% of the payments adjudicated, have been found to be improper. In addition, only \$0.15

million of the adjudicated total has been identified as improper. Therefore, the efforts from all DHS Components has shown that over 99% of the payments analyzed through DNP are not resulting in a flagged match and for those matches that were adjudicated in FY 2020, over 92% of the number of payments were found to be proper.