



OFFICE OF INSPECTOR GENERAL

U.S. Election Assistance Commission

DATE: May 3, 2022

TO: Paul Repak, Financial Director
Kinza Ghaznavi, Grants Director

FROM: Brianna Schletz, Inspector General

SUBJECT: Review of EAC's Compliance with the Payment Integrity Information Act for Fiscal Year 2021

The Payment Integrity Information Act of 2019 (PIIA) requires the Office of Inspector General (OIG) to annually review the agency's improper payment reporting made in the annual financial statement to determine compliance.¹ PIIA defines an improper payment as "any payment that should not have been made or that was made in an incorrect amount, including an overpayment or underpayment."² OIG performed this review to determine whether the U.S. Election Assistance Commission (EAC) complied with the PIIA reporting requirements for fiscal year (FY) 2021.

Results

We determined that EAC was not compliant for one of the PIIA reporting requirements for FY 2021. The agency published improper payment information in the Agency Financial Report (AFR) for FY 2021 and posted the AFR on the agency website but did not include the required link to accompanying materials on PaymentAccuracy.gov. EAC was not required to conduct a risk assessment in FY 2021. It is unlikely that EAC reached the significant improper payment threshold in FY 2021.³ The six PIIA requirements and EAC compliance are listed in the table below.

Requirement	EAC Compliant
1. Published improper payment information with the AFR in accordance with OMB guidance and posted it on the agency website.	No
2. Conducted improper payment risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years and	Not Applicable

¹ Payment Integrity Information Act of 2019, Pub. L. No. 116–117 (March 20, 2020)(codified at 31 U.S.C.A §§ 3351–3358).

² 31 U.S.C.A. § 3351(4).

³ A significant improper payment is defined as exceeding \$10,000,000 of all reported program or activity payments of the executive agency made during that fiscal year and 1.5 percent of program outlays or \$100,000,000. 31 U.S.C.A. § 3352(a)(3)(A).

Requirement	EAC Compliant
adequately concluded whether the program is likely to make improper payments above or below the statutory threshold.	
3. Published improper payment estimates for programs susceptible to significant improper payments.	Not applicable
4. Published corrective action plans.	Not applicable
5. Published reduction targets, demonstrated improvements to reach a tolerable rate, and developed a plan to meet target rate.	Not applicable
6. Reported an improper payment estimate of less than 10% for each estimate published.	Not applicable

Published Improper Payment Information

EAC published its FY 2021 AFR on the budget and finance page of the EAC [public website](#). The FY 2021 report included information about improper payments at the end of the report. Specifically, EAC reported “for Fiscal Year 2021, the EAC does not believe that it has any programs where the erroneous payments could exceed 1.5 percent of program payments or \$10.0 million threshold (set in OMB Guidance) to trigger further agency action EAC did not have any improper payments identified for FY 2021 in its annual review by Treasury’s Bureau of Fiscal Service.”

Link to PaymentAccuracy.gov. OMB Circular A-123 (Appendix C) requires the agency to include a link to PaymentAccuracy.gov within its AFR. However, EAC did not provide a link to the website within its report. To be compliant, we recommend that EAC include a link to PaymentAccuracy.gov within future AFRs.

Data call reporting. The OMB Annual Data Call guidance includes a flowchart that states which requirements apply for reporting on PaymentAccuracy.gov. At a minimum, agencies are required to report actions to recover overpayments, compliance with PIIA, and fraud. For FY 2021, EAC responded to the OMB Annual Data Call with the required fields of information.

Data call information on actions to recover overpayments. We reviewed EAC’s entries via PaymentAccuracy.gov and found that for reporting actions to recover overpayments, EAC included information on the payment recapture audit results performed by Treasury’s Bureau of Fiscal Service (BFS). We reviewed the 2021 BFS payment recapture audit results and confirmed that BFS found no improper payments. EAC compiles information on improper payments related to the grant program manually. Next year EAC will have a grant system to extract data more easily. To improve the completeness of information reported in the AFR and on PaymentAccuracy.gov, we recommend that EAC document the process for identifying improper payments from both BFS and EAC’s grant program.

Risk Assessment

PIIA requires the agency conduct an improper payment risk assessment at least once every three years, for each program with annual outlays greater than \$10,000,000 to determine whether the program is likely to make improper payments that would be in total above the statutory threshold. The previous risk assessment for EAC was conducted by BFS, and the next scheduled

risk assessment is due in fiscal year 2023. Therefore, a risk assessment was not required for EAC in fiscal year 2021.

Additional factors. Guidance requires that OIG consider factors such as timing when there are new programs and whether the program has been fluctuating back and forth above and below \$10,000,000 in annual outlays. According to EAC, there are two programs with annual outlays that meet or fluctuate above and below the threshold for a risk assessment—salaries and expenses and grants. Salaries and expenses have traditionally been captured in the risk assessment and were considered during the last risk assessment.

For grants, in FY 2021, EAC did not receive any grant program funds. However, in FY 2020 EAC received over \$800 million in grant funding, well above the \$10 million threshold for a risk assessment. The EAC grant program is not new; however, EAC does not receive grants every year. The program was assessed as part of the last risk assessment process and OIG review as not susceptible to meeting or exceeding the threshold for improper payments.

Scope and Methodology

To perform the FY 2021 compliance review, we gained an understanding of the requirements in OMB Circular A-123, Appendix C (M-21-19, March 2021), OMB Circular A-136 (August 10, 2021), OMB Annual Data Call Instructions, and the OMB Payment Integrity Question and Answer Platform. We performed this review using the Council of the Inspectors General on Integrity and Efficiency (CIGIE) *Guidance for Payment Integrity Information Act Compliance Reviews*.

To answer our objective, we reviewed the payment integrity information in EAC's financial statement and the accompanying materials to the financial statement posted on PaymentAccuracy.gov for FY 2021. We obtained and reviewed supporting data related to improper payments from the independent public accounting firm that conducted the 2021 Financial Statement Audit and the BFS 2021 recapture audit results for EAC. We conducted interviews with the EAC personnel in the finance and grants department to understand the process for compiling and reporting improper payment information. Additionally, we reviewed the most recent risk assessment performed in FY 2020 that was reviewed as part of the OIG's last improper payment compliance [report](#) and contained no recommendations.

Conclusion

For FY 2021, we determined EAC was not compliant for one of the six reporting requirements outlined in the Payment Integrity Information Act of 2019. We made two recommendations to ensure compliance and improve the completeness of reported improper payment information.

Recommendations

1. EAC include a link to PaymentAccuracy.gov within its Agency Financial Report.
2. EAC document the process used to compile improper payment information from both the Department of Treasury's Bureau of Fiscal Service and EAC's Grants Division for annual reporting in the Agency Financial Report and on PaymentAccuracy.gov.

OIG Response to Agency Comments

We provided a draft memo to EAC on April 1, 2022. We acknowledge management decisions for both recommendations and consider the recommendations resolved but open pending completion of planned activities. EAC's response is included in Appendix A on the following page.

APPENDIX A



U.S. ELECTION ASSISTANCE COMMISSION
633 3rd St. NW, Suite 200
Washington, DC 20001

DATE: April 26, 2022

TO: Brianna Schletz, Inspector General

FROM: Paul Repak, Financial Director and Kinza Ghaznavi, Grants Director

SUBJECT: Response to the Office of Inspector General's review of EAC's Compliance with the Payment Integrity Information Act (PIIA) for Fiscal Year 2021

The US Election Assistance Commission (EAC) Finance and Grants Divisions acknowledge and accept the EAC Office of Inspector General's (OIG) findings and recommendations as it relates to compliance with the Payment Integrity Information Act for Fiscal Year 2021.

While the EAC did not have any improper payments to report following its 2021 review done by the Bureau of Fiscal Service (BFS) and properly submitted all necessary information to www.paymentaccuracy.gov, the EAC did not include a link to www.paymentaccuracy.gov in its AFR in accordance with OMB Circular A-123 (Appendix C). Going forward, we will include that link in the AFR's improper payments section.

Additionally, the agency intends to document the process used to compile improper payment information from both the Department of Treasury's Bureau of Fiscal Service and EAC's Grants Division for annual reporting in the Agency Financial Report and on PaymentAccuracy.gov. The EAC Grants and Finance Divisions are in frequent communication regarding grants activities as it relates to finance and reporting. For this particular year, there were no applicable grants that fell within the 2021 reporting period as the last grants appropriation occurred in 2020. With that, as we go into Fiscal Year 2023, the EAC will ensure continued cooperation between the Grants and Finance Divisions and document the process in the AFR's improper payment section when compiling improper payment data from various sources.

We appreciate the OIG's review of the agency's PIIA compliance for FY 2021 and welcome any other positive feedback that ensures the agency's processes and procedures are appropriate as it relates to improper payment reporting going forward.

Sincerely,

Paul Repak, Financial Director

Kinza Ghaznavi, Grants Director