



OFFICE OF INSPECTOR GENERAL

U.S. International Development Finance Corporation

DFC's Fiscal Year 2024 Compliance with Payment Integrity Information Act of 2019

May 14, 2025
Audit Report DFC-25-003-C

1100 New York Avenue NW
Washington, D.C. 20527
<https://www.dfc.gov/oig>



Report Highlights

Office of Inspector General International Development Finance Corporation

DFC's Fiscal Year 2024 Compliance with Payment Integrity Information Act of 2019

What Was Reviewed

The U.S. International Development Finance Corporation Office of Inspector General (OIG) contracted with the independent public accounting firm RMA Associates, LLC (RMA) to conduct a review of DFC's compliance with *Payment Integrity Information Act of 2019* (PIIA) for fiscal year (FY) ending September 30, 2024. The review was conducted in accordance with 1) the Office of Management and Budget (OMB) Memorandum M-21-19, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement* and 2) OMB Circular A-136, *Financial Reporting Requirements*, May 30, 2024. Our review period was from February through April 2025.

RMA also reviewed DFC's risk assessment process and efforts in preventing and reducing improper payments (IPs) and unknown payments (UPs).

Our objective was to determine if DFC complied with PIIA for fiscal year 2024.

What Was Found

In its review of DFC, RMA determined that DFC complied with PIIA for FY 2024. DFC was compliant with requirements applicable to the agency for FY 2024. RMA also noted that DFC performed risk assessments in FY 2024 using criteria defined by OMB Circular A-123 and conformed to this guidance for preventing and reducing IPs and UPs. RMA found DFC had completely and accurately reported payment recapture reporting information on PaymentAccuracy.gov.



Office of Inspector General

U.S. International Development Finance Corporation

MEMORANDUM:

DATE: May 14, 2025

TO: MS. MILDRED O. CALLEAR
VICE PRESIDENT AND CHIEF FINANCIAL OFFICER (CFO)

FROM: Ms. Erika L. Ersland
Acting Assistant Inspector General for Audit

SUBJECT: DFC's Fiscal Year 2024 Compliance with Payment Integrity Information Act of 2019 (Report Number DFC-25-003-C)

The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of RMA Associates, LLC (RMA) to audit DFC's Fiscal Year 2024 Compliance with Payment Integrity Information Act of 2019 (PIIA). The contract required RMA to perform the engagement in accordance with generally accepted government auditing standards; the Office of Management and Budget (OMB) Memorandum M-21-19, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement* and OMB Circular A-136, *Financial Reporting Requirements*, May 30, 2024.

In its review of DFC, RMA concluded that based on the results of their review of the current information, the results of their testing, DFC complied with all PIIA requirements.

RMA is responsible for the attached auditor's report dated May 12, 2025 and the conclusions expressed therein. We do not express conclusions on DFC's compliance with PIIA for FY24.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact me at 202-641-2614.

Erika L. Ersland

Erika L. Ersland
Acting Assistant Inspector General for Audit
U.S. International Development Finance Corporation

CC: Dev Jagadesan (Acting CEO and Deputy General Counsel)
Conor Coleman (Chief of Staff)
Alan Villabroza
William Ellett
Ryan Zalaskus
RMA Associates

**United States International Development Finance
Corporation**

Fiscal Year 2024 Compliance with Payment Integrity
Information Act of 2019

Final Compliance Report

May 12, 2025

May 12, 2025

Ms. Gladis Griffith
Deputy Inspector General
Office of Inspector General
U.S. International Development Finance Corporation

Dear Ms. Griffith,

RMA Associates, LLC is pleased to submit our compliance report on U.S. International Development Finance Corporation's (DFC) compliance with the Payment Integrity Information Act of 2019 (PIIA) for the fiscal year (FY) ending September 30, 2024.

Our objective was to determine whether DFC complied with PIIA for FY 2024.

As a result of our review, we found that DFC complied with all PIIA requirements for FY 2024. Additional information on our results is included in the accompanying report.

We very much appreciate the opportunity to serve you and will be pleased to discuss any questions you may have.

Sincerely,



RMA Associates, LLC

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Executive Summary

RMA Associates, LLC (RMA), under the oversight of the United States International Development Finance Corporation's (DFC) Office of Inspector General (OIG), reviewed DFC's compliance with the Payment Integrity Information Act of 2019 (PIIA) ([Public Law 116-117](#)) for the fiscal year (FY) ending September 30, 2024 in accordance with 1) the Office of Management and Budget (OMB) Memorandum M-21-19, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement*, 2) OMB Circular A-136, *Financial Reporting Requirements*, May 30, 2024; 3) Council of the Inspectors General on Integrity and Efficiency (CIGIE) Guidance for Payment Integrity Information Act Compliance Reviews, October 22, 2024; and 4) the Government Accountability Office (GAO) *Generally Accepted Government Auditing Standards* (GAGAS). In addition to the compliance criteria, we also reviewed DFC's risk assessment process and efforts to prevent and reduce improper payments (IPs) and unknown payments (UPs). Our review was conducted from February 2025 through April 2025.

What We Concluded

RMA concluded that DFC complied with PIIA for FY 2024 (**Table 1**). DFC was compliant with requirements applicable to the agency for FY 2024. We noted that DFC performed risk assessments in FY 2024 using criteria defined by OMB Circular A-123 and conformed to this guidance for preventing and reducing IPs and UPs. We found DFC had completely and accurately reported payment recapture reporting information on PaymentAccuracy.gov.

Table 1: PIIA Compliance Reporting Table¹

Program Name	Published payment integrity information with the annual management report (AMR) and in the accompanying materials to the AMR of the agency for the most recent FY in accordance with OMB Guidance	Posted the AMR and accompanying materials required under the guidance of OMB on the agency website	Conducted improper payment risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years	Adequately concluded whether the program is likely to make IPs and UPs above or below the statutory threshold	Published IP and UP estimates for programs susceptible to significant IPs and UPs in the accompanying materials to the AMR	Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the AMR	Published an IP and UP reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the AMR	Demonstrated improvements to payment integrity or reached a tolerable IP and UP rate	Developed a plan to meet the IP and UP reduction target	Reported an IP and UP estimate of less than 10 percent for each program for which an estimate was published in the accompanying materials to the AMR
Direct Loans	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
Investment Guaranties	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
Insurance	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
Technical Assistance	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
Equity	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A

Legend

✓ DFC complied with OMB Circular A-123 requirements for Payment Integrity Improvement
N/A Not applicable

¹ Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, [M-21-19](#), March 5, 2021, page 52.

Background

PIIA ([Public Law 116-117](#)) aims to improve efforts to identify and reduce government-wide IPs. Agencies are required to identify and review all programs and activities they administer that may be susceptible to significant IPs based on guidance provided by the OMB.

Payment integrity information was published with DFC's AMR in accordance with payment integrity guidance in OMB Circular A-136. DFC must also publish payment integrity information required in the accompanying materials to the AMR in accordance with applicable guidance. The most common accompanying materials to the AMR are the payment integrity information published on [PaymentAccuracy.gov](https://www.paymentaccuracy.gov). Agency Inspector Generals are to review payment integrity reporting for compliance and issue an annual report.

Guidance addressing PIIA requirements was found in Appendix C to OMB Circular A-123 issued March 5, 2021 ([M-21-19](#)). This Appendix was effective for FY 2024. Each program with annual outlays over \$10 million must conduct an IP risk assessment at least once every three years to determine whether the program is likely to have IPs above the statutory threshold.²

The term IP means any payment that should not have been made or that was made in an incorrect amount, including an overpayment or underpayment, under statutory, contractual, administrative, or other legally applicable requirement. This includes: 1) any payment to an ineligible recipient; 2) any payment for an ineligible good or service; 3) any duplicate payment; 4) payment for a good or service not received, except for those payments where authorized by law; and 5) any payment that does not account for credit for applicable discounts.

The threshold is determined by statute. Programs are considered to be above the statutory threshold if reporting an annual IP and UP estimate above \$10,000,000 and 1.5 percent of the program's total annual outlays or above \$100,00,000 regardless of the associated percentage of the program's total annual outlays that the IP and UP estimate represents.³

DFC management is required to perform a risk assessment of its programs at least once every three years under Section II.A. Phase 1, Appendix C. DFC conducted its latest risk assessment in FY 2024. DFC identified five programs requiring a risk assessment in compliance with Appendix C: 1) Direct Loans; 2) Investment Guaranties; 3) Insurance; 4) Technical Assistance; and 5) Equity. DFC performed a qualitative risk assessment to evaluate risks for these programs and determine the occurrence of IPs.

DFC management assessed eleven risks for the five programs requiring a risk assessment and rated each as low, moderate, or high. After determining individual risk factor ratings, they quantified each rating and determined an overall risk rating for each program. DFC had low-risk ratings for each program.

² Ibid, page 6-7.

³ Ibid, page 19.

Objective

The objective was to determine DFC compliance with PIIA for FY 2024.

Legal Requirements/Compliance with PIIA

The term “compliance” with PIIA and OMB guidance means that the agency complied with the 10 requirements listed in 1a through 6 below. If the agency does not meet one or more of these requirements, then it was not compliant.

- **1a:** Published payment integrity information with the annual financial statement [AMR for DFC] and in the accompanying materials to the AMR of the agency for the most recent FY in accordance with OMB guidance;
- **1b:** Posted the AMR and accompanying materials required under the guidance of OMB on the agency website;
- **2a:** Conducted improper payment risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years;
- **2b:** Adequately concluded whether the program is likely to make IPs and UPs above or below the statutory threshold;
- **3:** Published IP and UP estimates for programs susceptible to significant IPs and UPs in the accompanying materials to the AMR;
- **4:** Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the AMR;
- **5a:** Published an IP and UP reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the AMR;
- **5b:** Demonstrated improvements to payment integrity or reached a tolerable IP and UP rate;
- **5c:** Developed a plan to meet the IP and UP reduction target; and
- **6:** Reported an IP and UP estimate of less than 10 percent for each program for which an estimate was published in the accompanying materials to the AMR.

Criteria

RMA conducted the review in accordance with the CIGIE [PIIA Guide](#) and other authoritative guidance such as:

- [Public Law 116-117](#), Payment Integrity Information Act of 2019;
- [31 U.S.C § 3321](#), Disbursing Authority in the Executive Branch;
- [OMB Circular A-123](#), *OMB Circular No. A-123, Management’s Responsibility for Enterprise Risk Management and Internal Control*, July 15, 2016;
- [OMB Circular A-136](#), *Financial Reporting Requirements*, May 30, 2024;
- [OMB M-21-19](#), *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement*, March 5, 2021; and
- [OMB Annual Data Call Instructions](#).

Results of Review

We found that DFC complied with PIIA for FY 2024. According to OMB guidance, compliance with PIIA means that the agency met the following requirements, as appropriate (**Table 2**).

Table 2: DFC's Compliance with PIIA Requirements

PIIA Requirement		DFC Compliance
1a	Published payment integrity information with the AMR and in the accompanying materials to the AMR of the agency for the most recent FY in accordance with OMB guidance	✓
1b	Posted the AMR and accompanying materials required under the guidance of OMB on the agency website	✓
2a	Conducted improper payment risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years	✓
2b	Adequately concluded whether the program is likely to make IPs and UPs above or below the statutory threshold	✓
3	Published IP and UP estimates for programs susceptible to significant IPs and UPs in the accompanying materials to the AMR	N/A
4	Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the AMR	N/A
5a	Published an IP and UP reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the AMR	N/A
5b	Demonstrated improvements to payment integrity or reached a tolerable IP and UP rate	N/A
5c	Developed a plan to meet the IP and UP reduction target	N/A
6	Reported an IP and UP estimate of less than 10 percent for each program for which an estimate was published in the accompanying materials to the AMR	N/A

Specifically, DFC was compliant with requirements 1 and 2. Requirements 3 through 6 were not applicable to the agency for FY 2024 due to DFC identifying no programs as susceptible to significant IPs or as high priority programs.

We also reviewed DFC's risk assessment process and efforts in preventing and reducing IPs and UPs. We noted that DFC performed risk assessments in FY 2024 using criteria defined by OMB Circular A-123 and conformed to this guidance for preventing and reducing IPs and UPs.

During our review, we found DFC had completely and accurately reported payment recapture reporting information on PaymentAccuracy.gov (**Table 3**).

Table 3: DFC FY 2024 Information Reported in PaymentAccuracy.gov

Overpayment Recaptured outside of Recapture Audits		
Overpayment Amount Identified Through Recovery Activities (\$M)	Overpayment Amount Recovered Through Recovery Activities (\$M)	Recovery Activities Recovery Rate
\$0.00	\$0.00	0.00%

Conclusion

RMA concluded that DFC complied with PIIA for FY 2024. In addition to the compliance criteria, we reviewed DFC’s risk assessment process and efforts in preventing and reducing IPs and UPs. We noted that DFC performed risk assessments using criteria defined by OMB Circular A-123, Appendix C and conformed to OMB guidance for preventing and reducing IPs and UPs.

Management Comments

DFC management agreed with the conclusion of the report. Refer to [Appendix B](#) for the response.

Appendix A: Scope and Methodology of the Review

The scope of this review focused on the payment integrity section in DFC's FY 2024 AMR and risk assessment to determine compliance with PIIA. The review was conducted from February 2025 through April 2025. To achieve the objective, RMA:

1. Reviewed the payment integrity section of the DFC's FY 2024 AMR and any accompanying material to assess the agency's compliance with PIIA and related OMB guidance.
2. Reviewed information on PaymentAccuracy.gov through the OMB Annual Data Call. The information collected through the Annual Data Call and published on PaymentAccuracy.gov is considered accompanying materials to the AMR.
3. Reviewed applicable Federal laws, OMB guidance, and agency policy and procedures.
4. Requested source data from the agency used to support applicable payment integrity information in the AMR and accompanying materials.
5. Analyzed the source data to ensure accuracy and completeness of payment integrity information in the AMR and accompanying materials.
6. Concluded whether the agency met each of the ten PIIA compliance requirements for each of the reported programs.
7. Identified and reviewed relevant prior work and evaluated whether DFC took appropriate corrective action to address findings and recommendations from any prior engagements that are significant within the context of the objectives.
8. Evaluated the accuracy, completeness, and timeliness of IP risk assessments and whether appropriate conclusions were reached in determining if a program was likely to make IPs and/or UPs above or below statutory thresholds.
9. Reviewed DFC's plan to meet IP and UP reduction targets and focus on the actions the program would take during the following year to meet the IP and UP reduction targets they had established for the following FY.
10. Obtained an understanding of DFC's internal controls in place for compiling, validating, and reporting the payment integrity information in the AMR and accompanying materials.
11. Assessed the risk of fraud occurring that was significant within the context of the objectives or that could affect the findings and conclusions.

Appendix B: Management's Comments



MEMORANDUM

May 12, 2025

TO: Erika Ersland
Acting Assistant Inspector General for Audits
DFC – Office of the Inspector General

FROM: Mildred Callear
Vice President and Chief Financial Officer

SUBJECT: DFC's Management Comments to "DFC's Fiscal Year 2024 Compliance with Payment Integrity Information Act of 2019"

DFC wishes to thank the Office of the Inspector General (OIG) for the deep level of collaboration and cooperation that was realized throughout this audit. As stewards of federal funds, DFC takes very seriously its responsibility to uphold high standards of internal control over payment integrity. We greatly appreciate the recognition from the OIG that DFC complied with the Payment Integrity and Information Act of 2019 (PIIA) for FY 2024 and that the agency's risk assessment conformed to federal guidance for preventing and reducing improper and unknown payments.

While there are no recommendations made in this report, DFC will continue to carefully monitor its internal controls over payment integrity to validate the agency's continued compliance with PIIA and other relevant standards of internal control for federal agencies.

/s/

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dfc.gov

Appendix C: Glossary of Acronyms and Abbreviations

Table 4 contains definitions of all acronyms and abbreviations used in this report.

Table 4: Acronyms

Acronym	Definition
AMR	Annual Management Report
CIGIE	Council of the Inspectors General on Integrity and Efficiency
DFC	United States International Development Finance Corporation
DPA	Defense Production Act
FY	Fiscal Year
IP	Improper Payment
IPERA	Improper Payments Elimination and Recovery Act of 2010
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIIA	Payment Integrity Information Act of 2019
RMA	RMA Associates, LLC
UP	Unknown Payment