




■ **Defense Nuclear Facilities**  
**Safety Board**  
Performance Audit Report

COMPLIANCE WITH THE PAYMENT INTEGRITY  
INFORMATION ACT OF 2019 FOR FISCAL YEAR 2025

May 27, 2026





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May 27, 2026

The Honorable Robert J. Feitel  
Inspector General  
U.S. Nuclear Regulatory Commission and  
Defense Nuclear Facilities Safety Board  
Mail Stop O12-A12  
11555 Rockville Pike  
Rockville, MD 20852

Subject: Performance Audit of the Defense Nuclear Facilities Safety Board's Compliance  
with the Payment Integrity Information Act of 2019 for Fiscal Year 2025

Dear Mr. Feitel:

Sikich CPA LLC is pleased to submit the attached report detailing the results of our performance audit of the Defense Nuclear Facilities Safety Board's compliance with the Payment Integrity Information Act of 2019 for fiscal year 2025. We performed our audit work from January 2026 through April 2026.

We conducted this performance audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusion based on our audit objective. We describe our objective, scope, and methodology further in **Appendix A – Objective, Scope, and Methodology**.

We appreciate the assistance provided by DNFSB management and staff.

Sincerely,

*Sikich CPA LLC*



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## I. EXECUTIVE SUMMARY

The U.S. Nuclear Regulatory Commission Office of the Inspector General (OIG) engaged Sikich CPA LLC (Sikich) to conduct a performance audit of the Defense Nuclear Facilities Safety Board's (DNFSB) compliance with the Payment Integrity Information Act of 2019 (PIIA) for fiscal year (FY) 2025, in accordance with Office of Management and Budget (OMB) Memorandum M-21-19 (M-21-19), *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement*, dated March 5, 2021, and other applicable improper payment guidance.

Our audit objective was to determine whether the DNFSB complied with applicable PIIA requirements for FY 2025. To address this objective, we evaluated the DNFSB's compliance with relevant OMB guidance and related reporting instructions. Based on the procedures performed and the evidence obtained, we determined that the DNFSB met the applicable PIIA compliance requirements for the one program it identified with annual outlays greater than \$10,000,000.

We determined that the DNFSB published the required payment integrity information in the accompanying materials to the Agency Financial Report (AFR) for FY 2025, consistent with the guidance of OMB Circular A-136, *Financial Reporting Requirements* (revised July 14, 2025). Specifically, we verified that the DNFSB:

1. Published the payment integrity information in the AFR with a link to <https://www.paymentaccuracy.gov>;
2. Performed an IP risk assessment for each program with annual outlays greater than \$10,000,000 at least once within the most recent 3-year period; and,
3. Documented its determination as to whether the program was likely to have improper payments (IP) and unknown payments (UP) above or below the statutory threshold.

We also determined that the DNFSB's FY 2025 reporting related to IP prevention, identification, and recovery activities, as applicable, was consistent with the requirements of the PIIA and related OMB guidance. This included verifying that the DNFSB's conclusion that a payment recapture audit was not cost effective, based on the results of the DNFSB's FY 2023 IP risk assessment, which concluded that the program did not have IPs that met the PIIA threshold for testing.

**Table 1** identifies each of the compliance criteria and reports whether the DNFSB complied with each requirement, consistent with OMB Appendix C, Section VI, Subsection 5 – *Compliance Status Table and Summary*.

**Table 1: PIIA Compliance Reporting Table**

Program Name	Payroll*
<b>Published payment integrity information with the annual financial statement and in the accompanying materials to the annual financial statement for the most recent FY, in accordance with OMB guidance</b>	Compliant
<b>Posted the annual financial statement and accompanying materials on the agency website</b>	Compliant
<b>Conducted IP risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last 3 years<sup>1</sup></b>	Compliant
<b>Adequately concluded whether the program is likely to make IPs and UPs above or below the statutory threshold</b>	Compliant
<b>Published IP and UP estimates for programs susceptible to significant IPs and UPs in the accompanying materials to the annual financial statement</b>	N/A
<b>Published corrective action plans (CAPs) for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement</b>	N/A
<b>Has demonstrated improvements to payment integrity or reached a tolerable IP and UP rate</b>	N/A
<b>Has developed a plan to meet the IP and UP reduction target</b>	N/A
<b>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 annual financial statement</b>	N/A

Legend: The “N/A” in Table 1 indicates the criteria is not applicable as the DNFSB determined that it did not have programs or activities that were susceptible to significant IPs per OMB M-21-19, Section VI.A.

\*Although the DNFSB reviewed other programs as part of its risk assessment, payroll is the only program that had annual outlays above \$10,000,000.

<sup>1</sup> DNFSB is required to perform a risk assessment at least once every three years under OMB M-21-19 Section II.A.2. DNFSB conducted its latest risk assessment in FY 2023. DNFSB is not required to conduct another risk assessment until FY 2026.

## II. PROGRAM BACKGROUND

The PIIA requires the Inspector General (IG) of each agency to determine whether the agency is in compliance with the PIIA and to report on that determination.<sup>2</sup>

The current OMB implementation guidance, M-21-19 (M-21-19), *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement*, was issued on March 5, 2021. According to OMB M-21-19, Section I, *Payment Types*, a payment is ‘improper’ if it is issued for an incorrect amount or to an incorrect recipient. Section I.A further delineates that all IPs will fall into one of two categories: (1) IPs resulting in a monetary loss or (2) IPs that do not result in a monetary loss. Additionally, Section I specifies that when an agency cannot determine whether a payment is proper or improper, the payment should be classified as a UP.

We initiated our FY 2025 performance audit using the following criteria: OMB Circular A-123, Appendix C, *Requirements for Payment Integrity Improvement* (transmitted March 5, 2021); OMB Circular A-136, *Financial Reporting Requirements* (revised July 14, 2025); and, the Council of the Inspectors General on Integrity and Efficiency’s (CIGIE’s) *Guidance for Payment Integrity Information Act Compliance Reviews* (revised November 2025) (the Guide); and other applicable criteria.

To be compliant with the PIIA, the Guide states that each agency must:

- 1a. Publish payment integrity information with the annual financial statement and in the accompanying materials to the annual financial statement for the most recent FY in accordance with OMB guidance.
- 1b. Post the annual financial statements and accompanying materials on the agency website.
- 2a. Conduct IP risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last 3 years.
- 2b. Adequately conclude whether the program is likely to make IPs and UPs above or below the statutory threshold.<sup>3</sup>
3. Publish IP and UP estimates for programs susceptible to significant IPs and UPs in the accompanying materials to the annual financial statement.
4. Publish CAPs for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement.
- 5a. Publish 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 annual financial statement.

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<sup>2</sup> Pub. Law No. 116-117, 134 Stat. 113 (2020). The PIIA repealed the Improper Payments Information Act of 2002 (IPIA), Pub. Law No. 107-300, 116 Stat. 2350 (2002); the Improper Payments Elimination and Recovery Act (IPERA) of 2010, Pub. Law No. 111-204, 124 Stat. 2224 (2010); and the Improper Payments Elimination and Recovery Improvement Act (IPERIA) of 2012, Pub. Law No. 112-248, 126 Stat. 2390 (2012). The PIIA did, however, retain certain requirements that applied to agencies under these repealed laws.

<sup>3</sup> IPs and UPs are considered to be significant, or above the statutory threshold, if the sum of a program or activity’s IP and UP estimates is either above \$10,000,000 and 1.5 percent of the program’s total outlays or above \$100,000,000, regardless of the associated percentage of the program’s total annual outlays that the estimated IP and UP represent.

- 5b. Demonstrate improvements to payment integrity or reach a tolerable IP and UP rate.
- 5c. Develop a plan to meet the IP and UP reduction target.
- 6. Report 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 annual financial statement.

In the “Payment Integrity Information Act Reporting” section of its FY 2025 AFR, the DNFSB reported that it last conducted a risk assessment in FY 2023. This risk assessment did not identify any programs as susceptible to making significant IPs. DNFSB also noted that, based on not discovering significant IPs during its FY 2023 risk assessment, the agency determined that recovery or recapture audits are not cost effective.

### III. RESULTS AND CONCLUSION

We determined that the DNFSB complied with the requirements of PIIA in accordance with OMB M-21-19. **Table 2** shows the PIIA and CIGIE/OMB compliance requirements, DNFSB’s compliance status, and the results of Sikich’s review.

**Table 2: Results of DNFSB Compliance with the Requirements of PIIA**

PIIA Requirement	CIGIE/OMB Requirement	DNFSB Compliance Status	Sikich Review
Published IP information within the annual management report or annual financial statement of the executive agency for the most recent FY; and posted the statement on the website of the executive agency and any accompanying materials required under OMB guidance.	Published payment integrity information with the annual financial statement and in the accompanying materials to the annual financial statement for the most recent FY in accordance with OMB guidance.	Compliant	The DNFSB published the accompanying PIIA information within the most recent AFR. The FY 2025 AFR is published on the DNFSB’s website: <a href="#">Agency Financial Reports &amp; Performance and Accountability Reports   Defense Nuclear Facilities Safety Board.</a>
	Posted the annual financial statement and accompanying materials on the agency website.	Compliant	The DNFSB appropriately published IP information within its AFR on its website and within the information it provided to OMB in response to the OMB data calls.
Conducted a program-specific risk assessment for each program or activity that conforms with the Section 3352(a) note of Title 31 United States Code (U.S.C.) (if required).	Conducted IP risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last 3 years.	Compliant	The DNFSB appropriately identified programs susceptible to IPs through the risk assessment conducted in FY 2023. We verified that no changes were made to the programs that would require a new assessment in FY 2025.
	Adequately concluded whether the program is likely to make IPs and UPs above or below the statutory threshold.	Compliant	The DNFSB has an adequate risk assessment program, and their methodology adequately concludes whether the program is likely to make a sum of IPs and UPs above or below the statutory threshold.

PIIA Requirement	CIGIE/OMB Requirement	DNFSB Compliance Status	Sikich Review
Published IP estimates for all programs and activities identified as susceptible to significant IPs under the agency's risk assessment (if required).	Published IP and UP estimates for programs susceptible to significant IPs and UPs in the accompanying materials to the annual financial statement.	Not Applicable	This requirement was not applicable, as none of the DNFSB's programs or activities were determined to be susceptible to significant IPs.
Published programmatic CAPs prepared under Section 3352(d) that the executive agency may have in the accompanying materials to the annual financial statement.	Published CAPs for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement.	Not Applicable	This requirement was not applicable, as none of the DNFSB's programs or activities were determined to be susceptible to significant IPs.
Published IP reduction targets established under Section 3352(d) that the executive agency may have in the accompanying materials to the annual financial statement for each program or activity assessed to be at risk and has demonstrated improvements and developed a plan to meet the reduction targets.	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 annual financial statement.	Not Applicable	This requirement was not applicable, as none of the DNFSB's programs or activities were determined to be susceptible to significant IPs.
	Demonstrated improvements to payment integrity or reached a tolerable IP and UP rate.	Not Applicable	This requirement was not applicable, as none of the DNFSB's programs or activities were determined to be susceptible to significant IPs.
	Developed a plan to meet the IP and UP reduction target.	Not Applicable	This requirement was not applicable, as none of the DNFSB's programs or activities were determined to be susceptible to significant IPs.
Reported an IP rate of less than 10 percent for each program and activity for which an estimate was published under Section 3352(c).	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 annual financial statement.	Not Applicable	This requirement was not applicable, as none of the DNFSB's programs or activities were determined to be susceptible to significant IPs.

**APPENDIX A – OBJECTIVE, SCOPE, AND METHODOLOGY****Objective**

The objective of our performance audit was to evaluate whether the DNFSB complied with the applicable PIIA requirements for FY 2025.

**Scope**

The scope of our performance audit was the DNFSB's FY 2025 IPs and reporting data in the payment integrity section of the FY 2025 AFR and any accompanying materials. The accompanying materials to the AFR consisted of the payment integrity information posted on <https://www.paymentaccuracy.gov>. Our work evaluated whether the FY 2025 reporting and related determinations were prepared and supported in accordance with both PIIA and applicable OMB guidance.

**Methodology**

OMB Memorandum M-21-19 (Appendix C to OMB Circular A-123), Section VI, *Compliance*, establishes that agency management is responsible for implementing processes and internal controls sufficient to achieve and sustain compliance with PIIA requirements, and that the OIG is responsible for independently evaluating and reporting on the agency's compliance.

Consistent with this guidance, our FY 2025 performance audit procedures were designed to obtain sufficient, appropriate evidence to support our compliance determination and included the following:

- Reviewed and documented the applicable PIIA laws and implementing guidance (including OMB M-21-19 and related requirements), as well as the DNFSB's policies, procedures, and other governing documentation relevant to IPs and UPs.
- Obtained an understanding of the DNFSB's processes and internal controls related to identifying, preventing, detecting, estimating, reporting, reducing, and (where applicable) recapturing IPs and UPs; and evaluated the design of relevant controls for alignment with PIIA/OMB requirements.
- Conducted inquiries with personnel from the DNFSB's Department of Budget and Finance, who are responsible for payment monitoring and reporting, to identify any changes in programs, outlays, processes, systems, or controls that could affect the validity of relying on the FY 2023 risk assessment for FY 2025 reporting.
- Inspected the FY 2023 improper payment risk assessment documentation (including scope, methodology, program universe, risk factors considered, and conclusions) and assessed whether any identified programs or activities experienced changes during FY 2025 that would warrant an updated risk assessment.
- Reviewed the payment integrity information reported in the DNFSB's FY 2025 AFR and the associated information posted on [paymentaccuracy.gov](https://www.paymentaccuracy.gov) and evaluated the information for consistency with PIIA requirements and applicable OMB reporting instructions (including whether required elements were presented and whether reported conclusions were supported by underlying documentation).
- Evaluated the DNFSB's activities to prevent and reduce IPs and UPs, including management's monitoring processes and any controls intended to identify potential

improper payments, address root causes, and sustain payment integrity (as applicable to programs identified through the agency's risk assessment).

- Considered the results of relevant prior or ongoing audit work (where applicable) to determine the nature, timing, and extent of procedures needed to support our PIIA compliance conclusion and to avoid duplication of audit effort.
  - To inform our assessment of potential IPs and UPs, we leveraged payroll testing performed as part of the FY 2025 financial statement audit and considered whether the results identified any indicators of IPs or UPs relevant to PIIA reporting.
- Assessed the evidence obtained against each applicable PIIA compliance requirement, as outlined in the Guide, and concluded on the DNFSB's compliance status for FY 2025.

In planning our work, we gained an understanding of DNFSB's internal controls for compiling, validating, and reporting payment integrity information. However, the purpose of our work was not to provide an opinion on internal controls. Therefore, we do not express such an opinion.

We conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

**APPENDIX B – DNFSB MANAGEMENT RESPONSE**

DNFSB Management concurs with the conclusion contained in the report.

**APPENDIX C – ACRONYMS**

AFR	Agency Financial Report
CIGIE	Council of the Inspectors General on Integrity and Efficiency
DNFSB	Defense Nuclear Facilities Safety Board
FY	Fiscal Year
IP	Improper Payment
IPERA	Improper Payments Elimination and Recovery Act of 2010
IPERIA	Improper Payments Elimination and Recovery Improvement Act of 2012
IPIA	Improper Payments Information Act of 2002
OIG	Office of the Inspector General
OMB	Office of Management and Budget
PIIA	Payment Integrity Information Act of 2019
UP	Unknown Payment

**APPENDIX D – REPORT DISTRIBUTION LIST**

- Board Member
- Executive Director of Operations
- General Manager
- Chief Financial Officer
- Committee on Homeland Security and Governmental Affairs of the Senate
- Committee on Oversight and Reform of the House of Representatives
- Comptroller General of the United States
- Office of Management and Budget
- House Committee on Appropriations
- Senate Committee on Appropriations