



## OFFICE OF INSPECTOR GENERAL

### U.S. Election Assistance Commission

**DATE:** May 4, 2023

**TO:** U.S. Election Assistance Commission Finance Director, Paul Repak  
U.S. Election Assistance Commission Grants Director, Kinza Ghaznavi

**FROM:** U.S. Election Assistance Commission Inspector General, Brianna Schletz

**SUBJECT:** Review of EAC's Compliance with the Payment Integrity Information Act for Fiscal Year 2022

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.<sup>1</sup> OIG performed this review to determine whether the U.S. Election Assistance Commission (EAC) complied with the Payment Integrity Information Act of 2019 reporting requirements for fiscal year (FY) 2022.

#### Results

We determined that EAC was compliant with PIIA reporting requirements for FY 2022. EAC published improper payment information in the Annual Financial Report (AFR) for FY 2022, posted the AFR on the agency website, and included the required link to accompanying materials on [PaymentAccuracy.gov](https://www.paymentaccuracy.gov).

Compliance with PIIA and Office of Management and Budget (OMB) guidance means that the agency complied with the six items in the table below.

<b>Requirement</b>	<b>EAC Compliant</b>
1. Published improper payment information with the AFR in accordance with OMB guidance and posted it on the agency website.	Yes
2. Conducted improper payment risk assessments for each program with annual outlays greater than \$10 million at least once in the last 3 years and adequately concluded whether the program is likely to make improper payments above or below the statutory threshold.	Not Applicable (Due in 2023)
3. Published improper payment estimates for programs susceptible to significant improper payments.	Not applicable
4. Published corrective action plans.	Not applicable

<sup>1</sup> Payment Integrity Information Act of 2019, Pub. L. No. 116–117 (March 2, 2020).

<b>Requirement</b>	<b>EAC Compliant</b>
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 percent for each estimate published.	Not applicable

### **Published Improper Payment Information**

EAC published its FY 2022 AFR on the budget and finance page of the EAC public website. The FY 2022 report included a link to PaymentAccuracy.gov.

The OMB Data Call Instructions state which requirements apply for reporting on PaymentAccuracy.gov. Agencies with outlays greater than \$10 million that are not yet due for a risk assessment are required to report actions to recover overpayments, compliance with PIIA, and fraud. For FY 2022, EAC responded to the OMB Annual Data Call with the required fields of information. We reviewed EAC’s entries into PaymentAccuracy.gov and have documented them below.

### **EAC Information Submitted to PaymentAccuracy.gov**

#### Agency Level Executive Summary:

The US Election Assistance Commission did not have any significant improper payments to report for FY 2022. The EAC is a Phase 1 agency with outlays over \$10M, but no programs that are likely to be susceptible to improper payments. The EAC is on a 3-year risk assessment cycle and will conduct its risk assessment in FY 2023 for FY 2022 data.

#### EAC FY 2022 Agency Level Payment Integrity Results:

<b>Fiscal Year</b>	<b>Overpayment Amount Identified for Recapture (\$M)</b>	<b>Overpayment Amt Recovered (\$M)</b>
2021	0	0
2022	0	0

#### Recovery Audits and Activities Program:

EAC does conduct regular reviews and audits of its grants program through FFR and Progress Report reviews and audit resolution during which if any unknown payments are identified, they would be further pursued for recapture as appropriate.

EAC did not conduct any recovery activities to identify and recover overpayments during this period.

## **EAC Information Submitted to PaymentAccuracy.gov (Continued)**

### Recovery Audits and Activities Program:

The Bureau of Fiscal Services conducted a “Post Payment Audit” and identified three potential improper payments, totaling \$404, all related to travel authorizations and vouchers. These are not considered to be significant and will likely be waived.

### Compliance with PIIA:

EAC was found non-compliant during the 2021 PIIA review.

### Confirmed Fraud:

The agency did not have any confirmed fraud in this reporting cycle.

We reviewed EAC’s entries via PaymentAccuracy.gov and confirmed the payment recapture audit results performed by the U.S. Treasury Bureau of Fiscal Service (BFS). We confirmed it is unlikely that EAC reached the significant improper payment threshold in FY 2022.<sup>2</sup>

### **Improper Payment Risk Assessment**

PIIA requires the agency to conduct an improper payment risk assessment, at least once every 3 years, for each program with annual outlays greater than \$10 million. This is done to determine whether the program is likely to make improper payments that would be, in total, above the statutory threshold. The next scheduled risk assessment is due in fiscal year 2023. Therefore, a risk assessment was not required for EAC in fiscal year 2022.

### **Progress on Previous Recommendations**

For 2021, OIG made two recommendations to ensure EAC compliance with PIIA. The first recommendation was to include a link to PaymentAccuracy.gov within future AFRs in accordance with OMB Circular A-123 (Appendix C). This information was included in the 2022 AFR and the recommendation is considered closed.

The second recommendation was to document the process used to compile improper payment information from both the Department of Treasury Bureau of Fiscal Service and the EAC Grants Division for annual reporting in the Agency Financial Report and on PaymentAccuracy.gov. In March 2023 EAC updated its Process for Improper Payment Collection and Reporting. The summary document includes information on how EAC compiles improper payment information from divisions for annual reporting in the AFR. Additionally, in January 2023, EAC updated its EAC Grants Manual to include a chapter on the Payment Integrity Information Act Risk Assessment Process.

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<sup>2</sup> A significant improper payment is defined as exceeding \$10 million 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 million.

EAC also reported it provides terms and conditions to grantees. The terms and conditions include language that the grantee must ensure that no payments at the prime or subrecipient level are made that are improper and grantees must affirm that financial and progress reports are true and there are no improper payments made. This recommendation is considered closed.

### **Scope and Methodology**

To perform the FY 2022 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 (June 3, 2022), OMB 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, dated November 8, 2022.

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 2022. We obtained and reviewed supporting data related to improper payments from the independent public accounting firm that conducted the 2022 Financial Statement Audit and the BFS 2022 payment recapture audit results for EAC. We reviewed EAC's 2022 grant allocations spreadsheet as part of our data reliability assessment. We compared EAC's grant allocations spreadsheet with data from BFS. We contacted EAC personnel in the finance and grants department to understand the process for compiling and reporting improper payment information and associated internal controls.

### **Conclusion**

For FY 2022, we determined EAC was compliant with the requirements outlined in the Payment Integrity Information Act of 2019. OIG made no recommendations.