



OIG HIGHLIGHTS

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UNCLASSIFIED
May 2018
OFFICE OF AUDITS
Financial Management Division

Audit of Broadcasting Board of Governors FY 2017 Compliance With Improper Payments Requirements

What OIG Audited

In FY 2017, improper Federal payments Government-wide totaled approximately \$141 billion. The Improper Payments Information Act (IPIA), as amended, requires Federal agencies to annually identify programs and activities at high risk of improper payments and estimate the amount of improper payments, among other requirements. In addition, Inspectors General are required to annually determine whether agencies are in compliance with improper payments requirements. The Broadcasting Board of Governors (BBG) is an independent Federal agency that supervises all U.S. Government-supported civilian international broadcasting. BBG’s mission is to inform, engage, and connect people around the world in support of freedom and democracy. The BBG Federal broadcasting organizations include the Voice of America and the Office of Cuba Broadcasting, as well as the management and support offices in the International Broadcasting Bureau.

The Office of Inspector General (OIG) conducted this audit to determine whether BBG was in compliance with the IPIA, as amended.

What OIG Recommends

OIG made one recommendation to improve BBG’s process for reporting improper payments information. However, BBG did not agree with OIG’s determination of noncompliance and the recommendation is considered unresolved. BBG’s comments and OIG’s reply follow the recommendation in the Audit Results section of this report. BBG’s response to a draft of this report is reprinted in its entirety in Appendix C.

What OIG Found

BBG did not comply with all IPIA requirements for FY 2017. Specifically, BBG did not publish required information related to estimates, such as current year proper payment amount and percentage and over- and underpayment percentages. This occurred, in part, because BBG had not updated its policies to reflect Office of Management and Budget (OMB) requirements issued in August 2017. Noncompliance with any of the six criteria established in OMB Circular A-123 requires OIG to conclude that BBG is not in compliance with IPIA. As detailed in Table 1, BBG did not comply with one of six criteria established for IPIA.

Table 1: Compliance with Improper Payment Criteria

Improper Payment Criteria	Compliance
Conducted Risk Assessment	Yes
Published PAR	Yes
Published Estimate*	No
Published Corrective Actions*	Yes
Published and Met Reduction Targets*	Yes
Published Error Rate Less Than 10 percent*	Yes

* Required disclosure and testing since domestic payroll was previously identified as a program susceptible to significant improper payments.

Source: OIG created using criteria from OMB Circular A-123, Appendix C.

With respect to the other five IPIA requirements, OIG found that BBG complied with the requirement to perform program-specific risk assessments. Specifically, BBG elected to perform annual risk assessments of all key programs. BBG also performed qualitative risk assessment testing for nine programs and quantitative risk assessment testing for three programs. In addition, BBG published an FY 2017 Performance and Accountability Report (PAR) that included the required, general, improper payments information on its public website. Furthermore, OIG found that BBG complied with other OMB requirements for programs identified as susceptible to significant improper payments. Specifically, BBG implemented corrective action plans, published and met reduction targets, and published in its FY 2017 PAR gross error rate information that was less than 10 percent.

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