



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-FM-21-30

What Was Audited

In FY 2020, improper Federal payments Government-wide totaled approximately \$206 billion. The Payment Integrity Information Act of 2019 (PIIA) requires Inspectors General to annually determine whether agencies complied with improper payment requirements and established requirements for agencies that were deemed noncompliant with improper payments requirements.

Kearney & Company, P.C. (Kearney), acting on the Office of Inspector General's (OIG) behalf, conducted this audit to determine whether the Department of State (Department) complied with PIIA for FY 2020. As part of this objective, Kearney also evaluated the Department's efforts to prevent and reduce improper payments.

What OIG Recommends

Because the Department was found to be in compliance with improper payments requirements for FY 2020, OIG is not offering recommendations as a result of this audit. The Bureau of the Comptroller and Global Financial Services' response to a draft of this report is reprinted in its entirety in Appendix B.

May 2021

OFFICE OF AUDITS

FINANCIAL MANAGEMENT DIVISION

Audit of Department of State FY 2020 Compliance With Improper Payment Requirements

What Was Found

For the FY 2020 reporting period, Kearney found that the Department complied with improper payments requirements, as presented in Table 1.

Table 1: Compliance with Improper Payment Criteria

Improper Payment Criteria	Compliance
Published Agency Financial Report	Yes
Conducted Risk Assessment	Yes
Published Improper Payment Estimate*	N/A
Published Corrective Action Plans*	N/A
Published Met Reduction Targets*	N/A
Reported an Improper Payment Rate Less Than 10 Percent*	N/A

*Criteria did not apply because no program was identified in FY 2020 as being at risk for significant improper payments.

Source: Kearney prepared using criteria from Office of Management and Budget Circular A-123, Appendix C.

Kearney found that the Department published on its website the FY 2020 Agency Financial Report, which included all applicable payment integrity disclosures, as required by Office of Management and Budget Circular A-136, "Financial Reporting Requirements." In addition, the Department complied with the requirement to perform program-specific risk assessments. Specifically, during FY 2020, the Department performed risk assessments for eight programs as part of its 3-year risk assessment approach. The programs subject to risk assessments during FY 2020 are listed in Table A.1.

During the evaluation of the Department's efforts to prevent and reduce improper payments, Kearney did not identify any needed improvements in this area (including improper payments determination and estimation methodology, as well as actions to improve prevention and reduction).