



UNITED STATES OF AMERICA
FEDERAL LABOR RELATIONS AUTHORITY

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INSPECTOR GENERAL

December 1, 2016

The Honorable Carol Waller Pope
Chairman
Federal Labor Relations Authority

Dear Chairman Pope:

This letter communicates the results of my determination of the Federal Labor Relations Authority's (FLRA) compliance with applicable provisions of the Improper Payments Elimination and Recovery Act of 2010 (hereafter referred to as IPERA), in accordance with Sec.3(b) of Public Law 111-204, *Improper Payments Elimination and Recovery Act of 2010*. This letter covers the FLRA's Fiscal Year (FY) 2016 activities.

In short, I have determined that the FLRA is compliant with the IPERA and applicable guidance, as further described below.

Section 3(a)(3) of the IPERA defines "compliance" as follows:

"The agency —

(A) has published an annual financial statement for the most recent fiscal year and posted that report and any accompanying materials required under guidance of the Office of Management and Budget (OMB) on the agency website;

(B) if required, has conducted a program specific risk assessment for each program or activity that conforms with section 2(a) the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note);

(C) if required, publishes improper payments estimates for all programs and activities identified under section 2(b) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) in the accompanying materials to the annual financial statement; and

(D) publishes programmatic corrective action plans prepared under section 2(c) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) that the agency may have in the accompanying materials to the annual financial statement."

In addition, guidance¹ issued by the OMB recommends what each agency Inspector General should review in order to determine if an agency is compliant with the IPERA. Specifically, OMB guidance states that compliance "means that the agency has:

¹ See OMB Memorandum M-15-02, Appendix C to OMB Circular No. A-123, *Requirements for Effective Estimation and Remediation of Improper Payments*.

- a. Published an Annual Financial Report (AFR) or Performance and Accountability Report (PAR) for the most recent FY and posted that report and any accompanying materials required by OMB on the agency website;
- b. Conducted a program specific risk assessment for each program or activity that conforms with Section 3321 note of Title 31 U.S.C (if required);
- c. Published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required);
- d. Published programmatic corrective action plans in the AFR or PAR (if required);
- e. Published, and is meeting², annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable); and
- f. Reported a gross improper payment rate of less than 10 percent for each program and activity for which an improper payment estimate was obtained and published in the AFR or PAR.

Based on the definition of compliance as described above, I have determined that the FLRA is compliant. Specifically, the agency has published an annual financial statement for the most recent FY and posted that report and any accompanying materials required under guidance of the OMB on the agency website (<https://www.flra.gov/about/public-affairs>). In addition, the agency reviewed all of its programs and determined that none is susceptible to significant improper payment. The agency is not required to publish improper payment estimates, corrective action plans, or reduction targets. The agency has also concluded and reported (in its PAR) that performing recapture audits would not be cost beneficial. Further, during my review of relevant prior year data (expenditures and accounts receivable due from the public), nothing came to my attention that would indicate that the agency is susceptible to significant improper payments.

If you have questions, please contact me on (202) 218-7744.

Respectfully,

Dana Rooney
Inspector General

² A program will have met a reduction target if the improper payment rate for that program in the current year falls within plus or minus 0.1 percentage points of the reduction target set in the previous year's AFR or PAR.

cc:

The Honorable Ron Johnson
Chairman
Committee on Homeland Security and Government Affairs
United States Senate

The Honorable Thomas Carper
Ranking Member
Committee on Homeland Security and Government Affairs
United States Senate

The Honorable Jason Chaffetz
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives

The Honorable Elijah Cummings
Ranking Member
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U.S. House of Representatives

Mr. Eugene Louis Dodaro
Comptroller General
Government Accountability Office

Mr. David Mader
Controller of the Office of Federal Financial Management
Office of Management and Budget

The Honorable Ernest DuBester
Member
Federal Labor Relations Authority

The Honorable Patrick Pizzella
Member
Federal Labor Relations Authority

Ms. Sarah Whittle Spooner
Executive Director
Federal Labor Relations Authority