



UNITED STATES OF AMERICA
FEDERAL LABOR RELATIONS AUTHORITY
WASHINGTON, D.C. 20424-0001

INSPECTOR GENERAL

February 11, 2014

Carol Waller Pope, Chairman

Subject: The Federal Labor Relations Authority's Compliance with the Improper Payments Elimination and Recovery Act of 2010 in the Fiscal Year 2013 Performance and Accountability Report, No. ER-14-02

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) 2013 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 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); and
- (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;
- (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 the agency has:

- Published a PAR or AFR for the most recent FY and posted that report and any accompanying materials required by OMB on the agency website;
- Conducted a program specific risk assessment for each program or activity that conforms with Section 3321 of Title 31 U.S.C (if required);
- Published improper payment estimates for all programs and activities identifies as susceptible to significant improper payments under its risk assessment (if required);
- Published programmatic corrective action plans in the PAR or AFR (if required);
- Published, and has met, annual reduction targets for each program assessed to be at risk and measured for improper payments;
- 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 PAR or AFR; and
- Reported information on its efforts to recapture improper payments.”

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 (http://www.flra.gov/public_affairs). In addition, the agency evaluated its programs and determined that the volume and amount of payments made annually are at no risk of 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 or comments, please contact me on (202) 218-7744.

Dana Rooney-Fisher
Inspector General

¹ See OMB Memorandum M-11-16, Issuance of Revised Parts I and II to Appendix C of OMB Circular A-123.

cc: Ernest DuBester, Member
Patrick Pizzella, Member
Sarah Whittle Spooner, Executive Director