



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

May 22, 2019

OIG-CA-19-017

Timothy F. Soltis, Deputy Controller
Office of Management and Budget
Room 6025
725 17th Street, N.W.
Washington, D.C. 20503

Dear Mr. Soltis:

The Department of the Treasury Office of Inspector General is responsible for audits of the Gulf Coast Ecosystem Restoration Council's (Council) programs and activities under Section 1608 of the *Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012*. This authority includes determining whether the Council was in compliance with the *Improper Payments Elimination and Recovery Act of 2010* (IPERA), as amended, for fiscal year 2018.

Based on our review of the results of the Council's fiscal year 2018 financial statement audit, review of the Council's supporting documentation related to IPERA reporting, and consultation with the Office of Management and Budget (OMB), we determined that the Council was compliant with all of the applicable requirements set forth in PART IV-A.3 of Appendix C to OMB Circular No. A-123, *Requirements for Payment Integrity Improvement* (OMB M-18-20). We confirmed that the Council:

- Published an Agency Financial Report (AFR) for fiscal year 2018 and posted the report on its website;
- Conducted a qualitative program specific risk assessment for each program or activity that conforms with Section 3321 of Title 31 U.S.C.;
- Did not have programs and activities identified as susceptible to significant improper payments in fiscal year 2018;
- Was not required to publish programmatic corrective action plans in the AFR;
- Was not required to publish annual reduction targets; and
- Reported a gross improper payment rate of less than 10 percent for each program and activity in its AFR.

The Council's total program and activity expenditures were less than the threshold¹ for "significant improper payments" and reporting requirements specified in OMB M-18-20. Additionally, the Council did not have any OMB-designated high priority programs or other risk-susceptible programs. Although the total amount of all program and activity payments exceeded the \$10 million threshold, the total estimate for improper payments was less than 1.5 percent. The Council's financial services provider, Bureau of the Fiscal Service, performed a payment recapture audit on behalf of the Council and identified 3 out of 874 payments as overpayments, for a rate of 0.22 percent and a total dollar value of improper payments of \$6,843.72. The Council recaptured the full amount with no outstanding erroneous or improper payments at the end of the fiscal year.

Should you or your staff have questions, you may contact me at (202) 622-1090, or Deborah Harker, Assistant Inspector General for Audit, at 202-927-5400.

Sincerely,

/s/

Eric M. Thorson
Inspector General

cc: Ben Scaggs, Executive Director
Mary Pleffner, Chief Financial Officer

¹ The total amount of overpayments and underpayments) in the program exceeding (1) both 1.5 percent of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported or (2) \$100,000,000 (regardless of the improper payment percentage of total program outlays).