



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

June 20, 2016

OFFICE OF
INSPECTOR GENERAL

OIG-CA-16-025

MEMORANDUM FOR SHERYL MORROW, COMMISSIONER
BUREAU OF THE FISCAL SERVICE

FROM: Sharon Torosian /s/
Director, Manufacturing and Revenue

SUBJECT: Termination Memorandum – Bureau of the Fiscal Service’s
Controls Over Disbursement Activities

In September 2010, we initiated an audit of controls over disbursement activities at the legacy Financial Management Service (FMS), now the Bureau of the Fiscal Service (Fiscal Service).¹ Our audit objectives were to determine whether Fiscal Service had adequate internal controls over its disbursement processes to ensure the integrity of payments, and if certain improper payments could be identified through Fiscal Service’s systems.

We are terminating this audit because Federal agencies, rather than Fiscal Service, have primary responsibility for identifying and preventing improper payments. Once those agencies have provided payment information and a certification that such payments are appropriate to pay, Fiscal Service is responsible for processing the payment requests and issuing the disbursements. Interviews with Fiscal Service officials and work performed during this audit determined that:

- Fiscal Service had designed controls to ensure that Federal agencies have certified that all requests are legal, correct, and appropriate to pay. Fiscal Service also ensures that detail payment files include the same number of payments and total amount to be disbursed as specified in the agencies’ certifications.

¹ Fiscal Service was formed in October 2012 through the consolidation of Department of the Treasury’s Financial Management Service and the Bureau of the Public Debt.

- In 2013, following enactment of the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA),² Fiscal Service established a process to match agency payment data processed by its Payment Management unit to certain databases available to the Fiscal Service Do Not Pay Business Center. This process was designed to assist Federal agencies in their efforts to identify and prevent improper payments.

In consideration of the above information and the additional services to Federal agencies that Fiscal Service has implemented, we believe that continuing this audit will not significantly enhance Fiscal Service's current practices regarding payment processing.

Should you have any questions, please contact me at (617) 223-8638.

cc: Rodney Dogan, Internal Control Division, Fiscal Service

² Pub. L. No. 112 – 248, 126 Stat. (Jan. 10, 2013)