



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

May 2, 2017

OIG-CA-17-018

Mark Reger, Deputy Controller
Office of Management and Budget
Room 260
1650 Pennsylvania Avenue
Washington, D.C. 20503

Dear Mr. Reger:

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 2016.

Based on our review of the results of the Council's fiscal year 2016 financial statement audit and consultation with the Office of Management and Budget (OMB), we determined that the Council did not have programs and activities susceptible to significant improper payments in fiscal year 2016. That is, total program and activity expenditures were less than the threshold and reporting requirements for "significant improper payments" specified in Appendix C to OMB Circular No. A-123, *Requirements for Effective Estimation and Remediation of Improper Payments* (OMB M-15-02). Additionally, the Council did not have any OMB-designated high priority programs or other risk susceptible programs. Furthermore, although expenditures were greater than \$1 million, the Council was able to justify that conducting a payment recapture audit program for its programs and activities was not cost effective. Accordingly, the Council was not required to perform, and did not perform, payment recapture audits during fiscal year 2016.

We did, however, determine that the Council was compliant with all of the applicable requirements set forth in PART II-A. 3) of OMB M-15-02.

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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, Acting Executive Director
Mary Pleffner, Chief Financial Officer