



At a Glance

Why We Did This Review

Office of Management and Budget guidance requires agencies to report on improper payments and Inspectors General to review agency reporting for compliance. The Improper Payments Information Act of 2002 was created to provide estimates and reports of improper payments. The Improper Payments Elimination and Recovery Act of 2010 specified agency and Inspector General responsibilities. The Improper Payments Elimination and Recovery Improvement Act (IPERIA) of 2012 intensifies efforts to identify, prevent and recover improper payments. As the Inspector General for the U.S. Chemical Safety and Hazard Investigation Board (CSB), the U.S. Environmental Protection Agency's Office of Inspector General undertook this audit of CSB's compliance with the three reporting requirements for improper payments.

This report addresses the following CSB goal:

- *Preserve the public trust by maintaining and improving organizational excellence.*

For further information, contact our public affairs office at (202) 566-2391.

The full report is at:
www.epa.gov/oig/reports/2014/20140410-14-P-0172.pdf

U.S. Chemical Safety and Hazard Investigation Board Did Not Comply With the Do Not Pay Requirements for Improper Payments

What We Found

CSB is not compliant with the IPERIA of 2012 Section 5(a)(1) reporting requirement to review prepayment and pre-award procedures and ensure that a thorough review of available databases occurs to prevent improper payments before the release of any federal funds. Specifically, CSB does not use the Do Not Pay portal and does not have any provisions for testing its payroll and benefits prepayments. In response to our draft report, CSB informed us they have established access to the Do Not Pay portal.

Risk of improper payments is increased because CSB did not implement the preventative measures required by IPERIA.

CSB is compliant with the remaining reporting requirements. As required, CSB has published its Performance and Accountability Report and financial statements on its website. We determined that CSB programs do not meet the minimum dollar threshold that would require CSB to perform a risk assessment of its programs and activities that are susceptible to significant improper payments. CSB performed an analysis justifying that it would not be cost effective to perform a recovery audit on CSB's programs and activities for which it expends \$1 million or more annually.

In our analysis of CSB's reporting and performance to prevent, reduce and recapture improper payments, we found that CSB needs to improve its controls over testing improper payments. CSB considers improper payments a low risk item and relies on the Department of the Treasury's Bureau of the Fiscal Service to test payments for correctness. CSB receives and reviews the Bureau of the Fiscal Service's limited testing of improper payments but does not track actual improper payments or document its review of the Bureau of the Fiscal Service's testing.

Recommendations and Corrective Actions

We recommend that the CSB Chairperson:

1. Establish access to the Do Not Pay portal and use that portal.
2. Ensure CSB's payroll benefits go through the portal to comply with IPERIA of 2012. Also, track and document reviews of improper payments to help prevent or eliminate future improper payments.
3. Document its analysis of the Bureau of the Fiscal Service's reports on its testing and ensure increased testing is implemented to reduce the risk that some improper payments go undetected.

CSB concurred with our first recommendation and partially agreed with our third recommendation. We are working to resolve our second recommendation. CSB's entire response is included as appendix A.