

15C.89X3 Reduce Improper Payments

Description

Support Airports in establishing and maintaining adequate controls surrounding the propriety of AIP grant payments and in responding to auditor requests.

Special Designations: DOT Goals

Commentary (June 2015)

The DOT's team of contractors is in the process of reviewing the sample documentation provided. DOT's department-wide goal is that improper payments be less than 1% of total payments that are subject to testing. This is more stringent than the OMB tolerable threshold which is (a) an error rate of 1.5% and

\$10 million, or (b) \$100 million regardless of the error rate. If either of these thresholds is exceeded, agencies must undertake a series of corrective actions to reduce improper payments. Testing results will not be available until at least August.

Commentary (May 2015)

The DOT's team of contractors has begun the improper payments testing effort for this fiscal year. They have completed planning, and have selected statistical samples of payments to test. Those payments are Hurricane Sandy related and Airport Improvement Program payments. OMB requires that programs considered to be at high risk of improper payments be tested (AIP payments), and beginning this fiscal year also requires that Hurricane Sandy payments be tested. DOT's department-wide goal is that improper payments be less than 1% of total payments subject to testing. This is more stringent than the OMB tolerable threshold which is (a) an error rate of 1.5% and \$10 million, or (b) \$100 million regardless of the error rate. If either of these thresholds are exceeded, agencies must undertake a series of corrective actions to reduce improper payments. Testing results will not be available until at least August.

Status Table (Qualitative Metric)

Period	Actual
10/2014	Green
11/2014	Green
12/2014	Green
01/2015	Green
02/2015	Green
03/2015	Green
04/2015	Green
05/2015	Green
06/2015	Green

✓ Indicates that the item is complete.