




January 27, 2014

MEMORANDUM FOR: Ellen Herbst
Chief Financial Officer and Assistant Secretary for Administration



FROM: Andrew Katsaros
Assistant Inspector General for Audit

SUBJECT: Review of the Department's FY 2013 Compliance with Improper Payment Requirements

We are initiating a review of the Department's compliance with requirements of the Improper Payments Information Act of 2002 (IPIA), as amended and reported in appendix C of the *U.S. Department of Commerce FY 2013 Agency Financial Report*. The Office of Management and Budget issued implementing guidance in the form of OMB Circular A-123, Appendix C, as revised by OMB Memorandum M-11-16 (issued April 14, 2011), which requires federal inspectors general to review improper payment reporting annually.

We will evaluate the accuracy and completeness of the Department's reporting and its performance in reducing and recapturing improper payments. To comply with legislative requirements, this review must be completed by April 15, 2014.

We will contact the audit liaison to arrange an entrance conference. If you have any questions regarding this review, please contact me at (202) 482-7859 or Patricia McBarnette, Audit Director, at (202) 482-3391. We thank you in advance for your cooperation during this review.