


memorandum

DATE: May 14, 2015

TO: Tom Wheeler, Chairman
Mignon Clyburn, Commissioner
Jessica Rosenworcel, Commissioner
Ajit Pai, Commissioner
Michael O'Rielly, Commissioner

FROM:  David Hunt, Inspector General

SUBJECT: Audit of Federal Communications Commission (FCC) Compliance with the Improper Payments Elimination and Recovery Improvement Act (IPERIA or IPERA) Reporting for Fiscal Year (FY) 2014.

In accordance with Office of Management and Budget Memorandum for the Heads of Executive Departments and Agencies, M-15-02 Appendix C to Circular No. A-123, *Requirements for Effective Estimation and Remediation of Improper Payments*, dated October 20, 2014, (OMB Guidance), the FCC Office of Inspector General (OIG) submits the attached report regarding FCC IPERA compliance.

OIG engaged the services of independent certified public accounting firm Lani Eko & Company, CPA's, PLLC (LEC) to audit FCC compliance with IPERA for FY 2014 in accordance with generally accepted government auditing standards. In the attached report dated May 14, 2015, LEC determined the FCC complied with all six IPERA criteria as defined in Office of Management and Budget (OMB) Memorandum M-15-02 Appendix C to Circular No. A-123, *Requirements for Effective Estimation and Remediation of Improper Payments*. However, LEC identified two findings related to the accuracy and completeness of agency reporting, and made five recommendations to FCC's Management. The FCC concurred with the findings and expressed its appreciation for the recommendations from LEC for improving FCC's identification of improper payments.

In connection with the contract with LEC, we attended most, if not all, interviews LEC conducted as part of its audit; regularly met with LEC to discuss the audit status and any outstanding issues; and reviewed LEC's report and related documentation.

LEC is responsible for the attached auditor's report and the conclusions expressed therein. Our review disclosed no instances where LEC did not comply in all material respects with generally accepted government auditing standards.

Attachment

cc: Managing Director
Chief of Staff
Chief Financial Officer