

Based on this series of internal control review techniques performed in 2017, the Department determined that none of its programs were risk-susceptible for making significant improper payments at or above the threshold levels set by statute. The 32 programs assessed were: American Compensation; Voluntary Contributions to International Organizations; Assessed Contributions to International Organizations; Domestic Purchase Card Payments; Capital Investment Fund-Information Systems; Global Health and Child Survival; Economic Support Fund; Democracy Fund; Diplomatic and Inspector General Programs; Consular Information Technology and Security; Security for Afghanistan and Pakistan; Diplomatic and Consular Programs; Passport Generation and Related Programs; Overseas Buildings Operations (OBO) Capital Program; Compound Security Program; Real Property Acquisitions Program; International Security Programs; Population Refugees and Migrations Programs; Refugee Programs; International Cooperative Administrative Support Services; Working Capital Fund Programs; Citizen Exchange Program; International Visitor Program; Educational Programs; Anti-crime Programs; Physical Security Programs; Aviation and Eradication Related Programs; Interdiction and Related Programs; International Security and Nonproliferation; International Security and Nonproliferation; Land; and Construction. Based on these procedures, the Department determined that none of its programs in 2017 were risk-susceptible for making significant improper payments at or above the threshold levels set by OMB.

Recapture of Improper Payments Reporting

A number of improper payment activities, both preventative and recovery, exist for domestic and overseas payments at the Department, Bureau, post, and program levels to support IPIA efforts and ensure the integrity and accuracy of Department payments. The Bureau of the Comptroller and Global Financial Services (CGFS) has a two-tiered improper payment monitoring and review program that consists of activities performed by the payment issuing office and secondly by the Office of Oversight and Management Analysis (OMA). As an integral part of our post-payment review process, improper payment reviews are performed initially by the payment issuing offices which include the Office of Claims (CGFS/F) and Office of Global Compensation (CGFS/C). The subsequent review performed by OMA

focuses on overpayments and utilizes data and risk analysis to drive the recapture work performed. While many agencies hire external recapture auditors to perform a secondary review, this function is performed more efficiently within the Department by OMA. Because the activity performed by CGFS/F and CGFS/C is a post-payment (versus recapture payment) review process, those results are not considered recapture audits and are considered an activity outside of recapture audits. Because the OMA activity is secondary and consistent with a function that an external auditor would perform, for reporting purposes OMA's activity is considered recapture as defined by IPIA.

Payment Recapture Audit Reporting

CGFS incorporates various manual and automated data analysis techniques and processes to identify, validate and collect improper payments, including use of data mining software, manual sampling of internal payment records, U.S. Treasury taxpayer identification number matching, and sampling of vendors. Monthly, as part of the Recapture Audit process, OMA conducts a query of domestic vendor payments. Domestic vendor payments represent the largest category of Department-made payments subject to IPIA recapture audit requirements, focusing on identifying potential improper and duplicate payments. Currently, these payments are reviewed on a monthly basis using IDEA - Data Analysis software to run matches of vendor invoice numbers and payment amounts against current payment data and payments dating back to 2007. The increased quality control processes by CGFS/F in both payments generation and internal post-payment review process have contributed to overall lower improper recapture audit amounts. In addition to the automated IDEA analysis, OMA performs a manual quarterly review of overseas and domestic payments. These manual recapture audits validate elements such as vendor, payment amount, and ensure proper documentation exists to support sampled payments. In 2017, OMA contract recapture audit efforts identified \$16,698 contract overpayments. Also in 2017, \$130,902 was recovered and returned to the originating appropriations.

In addition, OMA performs a quarterly manual recapture audit of employee claim payments subject to the Department's overall travel program. This recapture audit focuses on known identified issue areas as well as providing overall audit coverage of employee travel payments. As shown in the "Overpayment