



Memorandum

DATE: May 15, 2017

TO: Ajit Pai, Chairman
Mignon Clyburn, Commissioner
Michael O'Rielly, Commissioner

FROM: David Hunt, Inspector General *for AM, AIGA*

SUBJECT: Audit of Federal Communications Commission Compliance with the Improper Payments Elimination and Recovery Improvement Act Reporting for Fiscal Year 2016

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, the Federal Communications Commission (FCC) Office of Inspector General (OIG) submits the attached report regarding the FCC's compliance with the Improper Payments Elimination and Recovery Improvement Act.

OIG contracted with Lani Eko & Company, CPA's, PLLC (LEC) to audit the FCC's compliance with IPERIA for FY 2016 in accordance with generally accepted government auditing standards. In the attached report, dated May 15, 2017, LEC reported that the FCC was compliant with IPERIA requirements, as defined in the Office of Management and Budget Memorandum M-15-02 Appendix C to Circular No. A-123, *Requirements for Effective Estimation and Remediation of Improper Payments*. LEC identified and reported one condition as "Other Matter" because it did not rise to the significance of a reportable finding. FCC Management acknowledged the "Other Matter" reported by LEC and stated that the FCC is working with the Universal Service Administrative Company to establish a baseline error rate for the Lifeline program for the 2017 reporting cycle.

LEC is wholly responsible for the attached audit report and the conclusions expressed therein. OIG monitored LEC's performance of the audit, in accordance with our contract, and reviewed LEC's audit report and related audit documentation. Our review did not disclose any instances where LEC did not comply in all material respects with generally accepted government auditing standards.

Questions regarding this report may be directed to Sophie Jones, Deputy Assistant Inspector General for Audit at (202) 418-1655 or sophila.jones@fcc.gov; or Robert McGriff, Assistant Inspector General for Audit, at (202) 418-0483 or robert.mcgriff@fcc.gov.

Attachment

cc: Managing Director
Chief of Staff
Chief Financial Officer