



UNITED STATES OF AMERICA  
**FEDERAL LABOR RELATIONS AUTHORITY**  
1400 K STREET NW, WASHINGTON, D.C. 20424

INSPECTOR GENERAL

March 10, 2025

The Honorable Colleen Duffy Kiko  
Chairman  
Federal Labor Relations Authority

Dear Chairman Kiko:

This letter communicates the results of the Office of Inspector General's (OIG) annual review of the Federal Labor Relations Authority's (FLRA) compliance with the Payment Integrity Information Act of 2019 (PIIA)<sup>1</sup> for Fiscal Year (FY) 2024 (Report No. MAR-25-03).

The OIG reviewed the improper payment information section of the FY 2024 FLRA *Performance and Accountability Report* (PAR) and other material to determine FLRA's compliance with certain requirements of the PIIA, in accordance with Office of Management and Budget (OMB) Memorandum M-21-19, Appendix C to OMB Circular A-123, *Requirements for Payment Integrity Improvement* (Mar. 5, 2021). OMB M-21-19 outlines the 10 PIIA requirements that the FLRA must follow.

## **BACKGROUND**

On March 2, 2020, the PIIA was enacted to improve efforts to identify and reduce government-wide improper payments. Agencies are required to identify and review all programs and activities they administer that may be susceptible to significant improper payments based on guidance provided by the OMB. Payment integrity information is published with the agency's annual financial statement in accordance with payment integrity guidance in OMB Circular A-136, *Financial Reporting Requirements*. The agency must also publish any applicable payment integrity information required in the accompanying materials to the annual financial statement in accordance with relevant guidance. The most common accompanying materials to the annual financial statement are the payment integrity information published on [PaymentAccuracy.gov](https://www.paymentaccuracy.gov).<sup>2</sup> Agencies' Inspectors General are to review payment integrity reporting for compliance and issue an annual report.

## **REVIEW RESULTS**

We determined FLRA was compliant with PIIA reporting requirements for FY 2024. FLRA published improper payment information in the PAR for FY 2024, posted the PAR on the

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<sup>1</sup> Payment Integrity Information Act of 2019, Pub. L. No. 116-117 (Mar. 2, 2020) (codified at 31 U.S.C. §§ 3351-3358).

<sup>2</sup> This information is provided by the agency to OMB through the Annual Data Call and is then subsequently published on [PaymentAccuracy.gov](https://www.paymentaccuracy.gov).

agency website, and included the required link to accompanying materials on PaymentAccuracy.gov.

If an agency does not meet one or more of the below requirements, then it is not compliant with the PIIA. FLRA complied with the requirements of the PIIA, in accordance with OMB M-21-19. Table 1 below identifies the 10 PIIA requirements, and FLRA’s compliance.

<b>FLRA’s Compliance With the Requirements of PIIA and OMB Guidance</b>			
<b>OMB Requirements for PIIA Compliance</b>		<b>FLRA Compliant</b>	<b>OIG Review</b>
1	Published Payment Integrity information with the annual financial statement.	Yes	The PAR is published on FLRA’s website and reported applicable PIIA information in accordance with payment integrity guidance provided in OMB Circular A-136.
2	Posted the annual financial statement and accompanying materials on the agency website.	Yes	The PAR is published on FLRA’s website, which includes a link to PaymentAccuracy.gov.
3	Conducted Improper Payments (IPs) risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last 3 years.	N/A	FLRA has a risk assessment process in place for determining whether FLRA has programs or activities susceptible to significant improper payments. FLRA determined that its programs and activities were not susceptible to significant improper payments. FLRA performed its most recent risk assessment in FY 2022.
4	Adequately concluded whether the program is likely to make IPs and Unknown Payments (UPs) above or below the statutory threshold.	N/A	FLRA has a risk assessment program and the methodology used adequately concludes whether the program is likely to make IPs and UPs above or below the statutory threshold.
5	Published IP and UP estimates for programs susceptible to significant IPs and UPs in the accompanying materials to the annual financial statement.	N/A <sup>3</sup>	This requirement was not applicable as none of FLRA’s programs or activities were determined to be susceptible to significant improper payments and unknown payments. All programs were measured at low risk.
6	Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement.	N/A	This requirement was not applicable as none of FLRA’s programs or activities were determined to be susceptible to significant improper payments and unknown payments. No programs reached the statutory threshold.

<sup>3</sup> Requirement is not applicable because FLRA determined in its most recent risk assessment that the agency’s programs are not susceptible to significant improper payments.

<b>FLRA's Compliance With the Requirements of PIIA and OMB Guidance</b>			
7	Published an IP and UP reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement.	N/A	This requirement was not applicable as none of FLRA's programs or activities were determined to be susceptible to significant improper payments and unknown payments above the statutory threshold.
8	Demonstrated improvements to payment integrity or reached a tolerable IP and UP rate.	N/A	This requirement was not applicable as none of FLRA's programs or activities were determined to be susceptible to significant improper payments and unknown payments.
9	Developed a plan to meet the IP and UP reduction target.	N/A	This requirement only applies if the program reported an IP and UP estimate above the statutory threshold in the current year and established an IP and UP reduction target for the following FY. Therefore, this requirement was not applicable.
10	Reported an IP and UP estimate of less than 10% for each program for which an estimate was published in the accompanying materials to the annual financial statement.	N/A	FLRA determined that none of its programs or activities were susceptible to significant improper payments and unknown payments. Therefore, this requirement was not applicable.

**Published Improper Payment Information**

FLRA published its PAR on the budget and performance page of the FLRA public website. The FY 2024 report included a link to [PaymentAccuracy.gov](https://www.paymentaccuracy.gov).

For FY 2024, FLRA responded to the OMB Annual Data Call with the required fields of information. We reviewed FLRA's entries into [PaymentAccuracy.gov](https://www.paymentaccuracy.gov) and have documented them below.

**FLRA Information Submitted to [PaymentAccuracy.gov](https://www.paymentaccuracy.gov)**

**FLRA Executive Summary FY 2024**

The Federal Labor Relations Authority (FLRA) remains committed to fiscal responsibility and diligent stewardship of taxpayer dollars. As part of our ongoing efforts, FLRA operates on a three-year improper Payment risk assessment cycle. The results of our most recent risk assessment conducted in FY 22 reaffirmed that FLRA's programs are not likely to be susceptible to significant improper payments, demonstrating our effective management and financial

integrity. FLRA is currently in compliance with PIIA and has no Programs with annual outlays over \$10m and therefore, does not have any programs that are susceptible to significant improper payments.

### **Identification and Recovery of Overpayments**

<b>Fiscal Year</b>	<b>Overpayment Amount Identified for Recapture (\$M)</b>	<b>Overpayment Amount Recovered(\$M)</b>	<b>Recovery Rate</b>
2023	\$0.00M	\$0.00M	0.00%
2024	\$0.00M	\$0.00M	0.00%

### **Recovery Audits**

FLRA did not conduct any recovery audits to identify or recover overpayments during this reporting period.

### **Justification for the Determination that it is Not Cost Effective to Conduct Recovery Audits in Certain Programs**

The IPERA also requires agencies to conduct payment-recapture audits for each program that expends \$1 million or more annually, if conducting such audits would be cost-effective. Based on the criteria set forth in Appendix C of OMB Circular A-123, the agency has also determined that it would not be cost-effective to establish a recovery-audit program for its programs that expend more than \$1 million. Recoveries are not expected to be greater than the costs incurred to identify any overpayments.

### **Names of Programs where a Recovery Audit is Not Cost Effective**

Not Applicable.

### **Confirmed Fraud**

The agency did not have any confirmed fraud in this reporting cycle.

We reviewed FLRA's entries via PaymentAccuracy.gov and confirmed the payment recapture audit results performed by the U.S. Department of the Treasury, Bureau of the Fiscal Service. We confirmed it is unlikely that FLRA reached the significant improper payment threshold in FY 2024<sup>4</sup>

### **Improper Payment Risk Assessment**

PIIA requires the agency to conduct an improper payment risk assessment, at least once every 3 years, for each program with annual outlays greater than \$10 million. This is done to

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<sup>4</sup> A significant improper payment is defined as exceeding \$10 million of all reported program or activity payments of the executive agency made during that FY and 1.5 percent of program outlays or \$100 million.

determine whether the program is likely to make improper payments that would be, in total, above the statutory threshold. The next scheduled risk assessment is due in FY 2025.

### **SCOPE AND METHODOLOGY**

To perform the FY 2024 compliance review, we gained an understanding of the requirements in OMB Circular A-123, Appendix C (M-21-19, March 2021), OMB Circular A-136 (May 30, 2024), OMB Annual Data Call Instructions, and the OMB Payment Integrity Question and Answer Platform. We performed the review using the Council of the Inspectors General on Integrity and Efficiency *Guidance for Payment Integrity Information Act OIG Compliance Reviews*, dated October 22, 2024.

To answer our objective, we reviewed the agency's PAR, PaymentAccuracy.gov and the results of PIIA compliance testing performed by the independent public accountants who audited the FLRA FY 2024 financial statements. Further, during our review of relevant prior year data, nothing came to our attention that would indicate that the agency is susceptible to significant improper payments.

### **CONCLUSION**

For FY 2024, we determined FLRA was compliant with the 10 reporting requirements outlined in OMB instructions under the PIIA. OIG made no recommendations.

If you have questions, please contact me on (771) 444-5713.

Respectfully,



Dana A. Rooney  
Inspector General

cc (via email):

The Honorable Rand Paul  
Chairman  
Committee on Homeland Security and Governmental Affairs  
U.S. Senate

The Honorable Gary C. Peters  
Ranking Member  
Committee on Homeland Security and Governmental Affairs  
U.S. Senate

The Honorable James Comer  
Chairman  
Committee on Oversight and Government Reform  
U.S. House of Representatives

The Honorable Gerald E. Connolly  
Ranking Member  
Committee on Oversight and Government Reform  
U.S. House of Representatives

The Honorable Bill Hagerty  
Chairman  
Appropriations Subcommittee on Financial Services and General Government  
U.S. Senate

The Honorable Jack Reed  
Ranking Member  
Appropriations Subcommittee on Financial Services and General Government  
U.S. Senate

The Honorable David Joyce  
Chairman  
Appropriations Subcommittee on Financial Services and General Government  
U.S. House of Representatives

The Honorable Steny Hoyer  
Ranking Member  
Appropriations Subcommittee on Financial Services and General Government  
U.S. House of Representatives

The Honorable Deidre Harrison  
Deputy Controller Performing the Duties of the Controller  
Office of Management and Budget

The Honorable Gene L. Dodaro  
Comptroller General  
Government Accountability Office

The Honorable Anne M. Wagner  
Member  
Federal Labor Relations Authority

Mr. Michael Jeffries  
Executive Director  
Federal Labor Relations Authority