

NASA

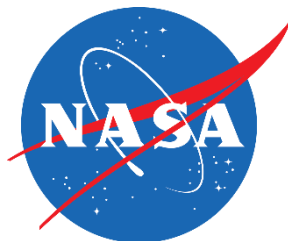
Office of Inspector General



NASA'S COMPLIANCE WITH THE PAYMENT INTEGRITY INFORMATION ACT FOR FISCAL YEAR 2023

May 29, 2024

IG-24-012



Office of Inspector General

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RESULTS IN BRIEF



Audit of NASA's Compliance with the Payment Integrity Information Act for Fiscal Year 2023

May 29, 2024

IG-24-012 (A-24-03-00-FMD)

WHY WE PERFORMED THIS AUDIT

The Payment Integrity Information Act of 2019 (PIIA) was enacted to improve efforts to identify and reduce federal improper payments. Improper payments are payments the federal government should not have made or made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. PIIA requires federal agencies to conduct risk assessments, publish improper payment estimates for applicable programs, and report on actions to prevent and reduce improper payments. The Act also requires Inspectors General to evaluate compliance with PIIA and issue an annual report.

Our overall objective in this audit was to determine whether NASA complied with PIIA requirements for fiscal year (FY) 2023. To determine compliance, we evaluated NASA's risk assessment methodology. We also evaluated implementation of recommendations made in our previous reports. In conducting our work, we relied on guidance from the Office of Management and Budget and the Council of the Inspectors General on Integrity and Efficiency. We interviewed NASA and contractor personnel, reviewed relevant information in the accompanying materials to the Agency Financial Report (AFR), and reviewed applicable federal laws and regulations and NASA policy and guidance.

WHAT WE FOUND

Based on our review of the FY 2023 AFR, accompanying materials, and supporting documentation, we concluded NASA complied with PIIA. However, as in previous years, overpayment information reported in the AFR's accompanying materials contained inaccuracies due to a lack of a thorough and robust review by NASA's Quality Assurance Division (QAD) prior to reporting. The review did not utilize tools, such as checklists and job aids, that facilitate a comprehensive review. To improve the consistency and completeness of these review procedures, the Agency developed enhanced guidance during 2023 and management confirmed it will be utilized for the next reporting period.

WHAT WE RECOMMENDED

We did not identify any issues that had not been previously reported, therefore we did not issue any new recommendations for corrective action. The Chief Financial Officer should continue to take steps to address our open prior-year recommendation to ensure QAD has appropriate guidance to perform thorough reviews of overpayment information.

We provided a draft of this report to NASA management who described their continued planned actions to address the prior year recommendation. We will monitor this open recommendation and the implementation of corrective actions during next year's PIIA audit.

For more information on the NASA Office of Inspector General and to view this and other reports visit <https://oig.nasa.gov/>.

TABLE OF CONTENTS

Introduction	1
Compliance Requirements.....	1
NASA’s FY 2023 Risk Assessment and Improper Payment Reporting Processes.....	2
NASA Complied with PIIA During FY 2023	3
NASA’s Reported Overpayments Were Inaccurate	4
Conclusion	6
Recommendations, Management’s Response, and Our Evaluation	7
Appendix A: Scope and Methodology	8
Appendix B: Status of Prior Year Recommendations	11
Appendix C: Assessments Reviewed	12
Appendix D: Management’s Comments	14
Appendix E: Report Distribution	16

Acronyms

AFR	Agency Financial Report
BW/BOBJ	Business Warehouse/Business Objects
FY	fiscal year
NSSC	NASA Shared Services Center
OCFO	Office of the Chief Financial Officer
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIIA	Payment Integrity Information Act of 2019
QAD	Quality Assurance Division
SAP	System, Applications, and Products

INTRODUCTION

The Payment Integrity Information Act of 2019 (PIIA) was enacted to improve efforts to identify and reduce federal improper payments. The Act requires federal agencies to (1) conduct program-specific risk assessments for each program or activity, (2) publish improper payment estimates for programs susceptible to significant improper payments, and (3) report on corrective actions to prevent and reduce improper payments.¹ The Act also requires Inspectors General to evaluate compliance with PIIA and issue an annual report.

Improper payments are payments the federal government should not have made or made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. They include overpayments, underpayments, duplicate payments, and payments to ineligible recipients; they also include payments for ineligible goods or services and for goods or services not received.² A payment is also considered improper if a discount was available but was not redeemed.

Our overall objective in this audit was to determine whether NASA complied with PIIA requirements for fiscal year (FY) 2023. To determine compliance, we evaluated NASA's risk assessment methodology. We also evaluated implementation of recommendations made in our previous reports.³ See Appendix A for details of the audit's scope and methodology and Appendix B for the status of our recommendations from prior years.

Compliance Requirements

Each agency is responsible for ensuring it complies with PIIA. If a program does not meet one or more of the Act's criteria, then it is not compliant under PIIA. The Office of Management and Budget (OMB) Memorandum M-21-19 outlines the PIIA requirements that each agency is subject to, including NASA.⁴ These requirements are listed in Table 1.

Additionally, all agencies are subject to the reporting requirements in OMB Circular A-136 and the OMB annual data call instructions.⁵ OMB guidance requires agencies to include a link in their annual agency financial report (AFR) to OMB's PaymentAccuracy.gov website.⁶ It also requires agencies to provide

¹ Payment Integrity Information Act of 2019, Pub. L. No. 116-117 (2020).

² An overpayment is a payment in excess of what is due whereas an underpayment is a payment in an amount less than what is due. When an overpayment or underpayment occurs, the improper amount is the difference between the amount due and the amount actually paid.

³ NASA Office of Inspector General (OIG), *NASA's Compliance with the Payment Integrity Information Act for Fiscal Year 2021* (IG-22-014, June 28, 2022) and *NASA's Compliance with the Payment Integrity Information Act for Fiscal Year 2022* (IG-23-013, May 16, 2023). According to OMB, a payment is considered unknown when an agency is unable to determine whether it falls into the proper or improper category.

⁴ OMB Memorandum M-21-19, *Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement* (March 5, 2021).

⁵ OMB Circular A-136, *Financial Reporting Requirements* (May 19, 2023) and OMB Memorandum M-21-19.

⁶ PaymentAccuracy.gov serves as a centralized location to publish information about improper payments made to individuals, organizations, and contractors. It contains a dashboard and a dataset of federal agencies' reported annual payment integrity information that collectively provides a comprehensive picture of federal payment integrity activities.

OMB with data related to the status of their improper payment risk assessments, their identification and recovery of overpayments, and other agency-wide reporting requirements such as improper and unknown payment estimates for programs susceptible to significant improper payments.

The Council of the Inspectors General on Integrity and Efficiency developed guidance to assist Offices of Inspectors General (OIG) required to conduct an annual improper payment review under PIIA.⁷ Our audit approach followed that guidance.

NASA's FY 2023 Risk Assessment and Improper Payment Reporting Processes

The NASA Office of the Chief Financial Officer's Quality Assurance Division (QAD) is responsible for ensuring compliance with PIIA and reporting on its activities to identify and collect overpayments as part of NASA's Payment Recapture Audit Program.

Assessing Program Risk

NASA identifies the total population of its programs subject to risk assessment requirements after reviewing disbursements recorded in its financial management system for the FY prior to the reporting period.⁸ NASA assesses any program with annual outlays over \$10 million to determine whether the program is likely to have improper payments above the statutory threshold. When NASA determines a program to be susceptible to significant improper and unknown payments, the Agency must develop a sampling plan and conduct testing to estimate the amount of improper and unknown payments.

Improper Payment Reporting

To gather data on identified and collected overpayments, NASA executes two types of queries of the Agency's financial management system. These queries generate a list of potential overpayments and collections from the previous FY's accounts receivable and accounts payable activity. Each potential overpayment is then further researched by the funding NASA Center or the NASA Shared Services Center (NSSC) to determine whether it constitutes an overpayment for reporting purposes. In addition, QAD makes inquiries to select offices to identify overpayments that may not have been captured in NASA's system queries. QAD aggregates the information gathered from these sources and reviews whether transactions excluded from reporting contain a reasonable explanation as to why they are not overpayments. QAD follows up with the responsible party if the explanation is not sufficient. Similarly, QAD assesses whether transactions included as overpayments are valid and not reported twice or in the incorrect period. Lastly, QAD is responsible for reporting this information in the accompanying materials to the AFR.⁹

⁷ Council of the Inspectors General on Integrity and Efficiency, *Guidance for Payment Integrity Information Act Compliance Reviews* (October 19, 2023).

⁸ Current year reporting is based upon information from the prior year.

⁹ Accompanying materials refer to the payment integrity information provided by NASA to OMB through an annual data call that is subsequently published on [PaymentAccuracy.gov](https://www.paymentaccuracy.gov).

NASA COMPLIED WITH PIIA DURING FY 2023

Based on our review of NASA’s AFR, accompanying materials, and risk assessments of its 77 programs with outlays over \$10 million, we found that NASA complied with PIIA requirements, as noted in Table 1.¹⁰ None of the 77 programs were assessed as high risk or susceptible to significant improper and unknown payments. Therefore, NASA did not report improper payment estimates or corrective actions because of its FY 2023 risk assessment.

Table 1: PIIA Compliance Summary

Criteria for Compliance	Criteria Met?
1. Payment integrity reporting: a. Published payment integrity information with the FY 2022 AFR b. Posted AFR and accompanying materials on NASA’s website	Yes
2. Risk assessments: a. Conducted improper payment risk assessments for each applicable program b. Adequately concluded whether the program is likely to make improper payments	Yes
3. Published IP and UP estimates for programs susceptible to significant IPs and UPs in the accompanying materials to the AFR	N/A
4. Published corrective action plans for each applicable program	N/A
5. Improper and unknown payment reduction targets: a. Published IP and UP reduction targets for each applicable program in the accompanying materials to the AFR b. Demonstrated improvements to payment integrity or reached a tolerable IP and UP rate. c. Developed a plan to meet the IP and UP reduction targets	N/A
6. Reported an IP and UP estimate of less than 10 percent for each applicable program	N/A

Source: NASA Office of Inspector General (OIG).

Note: IP refers to improper payments and UP to unknown payments. N/A refers to criteria not applicable this year.

¹⁰ Ten of NASA’s programs were combined and considered a single program (Institutions and Management) for risk assessment purposes, resulting in 77 programs being assessed. For a complete list of the Agency programs with a risk assessment that the OIG reviewed as part of this audit, see Appendix C.

NASA'S REPORTED OVERPAYMENTS WERE INACCURATE

Similar to our finding for FY 2022, we found NASA's reported overpayment information on PaymentAccuracy.gov was inaccurate. This occurred because NASA did not conduct a thorough review of the aggregated overpayment data before reporting it. However, the inaccurate reporting has no impact on NASA's compliance with PIIA since the criteria for compliance is to publish and post such data, which NASA did.

For the FY 2023 reporting period, NASA reported \$20.68 million and \$20.06 million of overpayments identified and collected, respectively, in the accompanying materials to the AFR.¹¹ However, the amounts reported were inaccurate because several transactions were erroneously included or excluded in the overpayment amounts for the FY 2023 reporting period that were not discovered during the review process performed by QAD prior to reporting. Further, overlapping responses related to credit memos that were captured by both system queries were not properly reconciled, resulting in the amounts being included twice.

We found issues in the accounts receivable query where transactions were incorrectly included or excluded from reporting, resulting in misstatements of identified and collected overpayments. Additionally, collected overpayments reported by NSSC for other offices resulted in misstatements of collected overpayments. We also found instances where credit memos (reductions to future invoices) were double counted. Specifically, overpayments were reported by Centers in the accounts payable query and by NSSC in the accounts receivable query, which resulted in overstatements of identified and collected overpayments.

The reported overpayments can be either overstated, if a transaction was included when it should not have been, or understated, when a transaction should have been included and was not. As such, the total amounts reported as overpayments identified and collected were inaccurate. Table 2 reflects the incorrect amounts we noted within the FY 2023 data reported on PaymentAccuracy.gov.¹²

Table 2: Summary of Incorrect Overpayments Reported for FY 2023 Reporting Period

Area of Issue	Overpayment Identified Over(Under)stated	Overpayment Collected Over(Under)stated	Number of Issues
Accounts Receivable Query	\$(23,303)	\$35,330	11
Other Offices	—	(29,825)	1
Credit Memos	95,783	138,223	8
Total	\$72,480	\$143,728	20

Source: NASA OIG.

¹¹ An overpayment is a payment in excess of what is due. When an overpayment occurs, the improper amount is the difference between the amount due and the amount actually paid.

¹² Our review of transactions was risk based and, as such, there may be additional issues than those shown in the table.

While Agency guidance provides direction on the implementation and execution of NASA’s Payment Recapture Audit Program, this guidance is not sufficiently detailed nor does it include any type of job aid, such as a checklist, to ensure consistency and completeness in performing the review procedures.¹³ This lack of detail and job aids likely contributed to a less-than-robust review that resulted in transactions not being appropriately included or excluded from the amounts reported. NASA concurred with our similar finding from last year’s audit and developed a detailed review process. However, since the process was not finalized until December 18, 2023, it was not utilized for the FY 2023 reporting period. NASA plans to implement our prior year recommendation ([IG 22-014](#), recommendation 7) for the FY 2024 reporting period.

¹³ NASA Office of the Chief Financial Officer, *Payment Recapture Audit Program Administration Guidance* (December 2021).

CONCLUSION

Based on our review of the FY 2023 AFR, accompanying materials, and supporting documentation, we concluded NASA complied with PIIA. However, overpayment information reported in the accompanying materials continued to contain inaccuracies due to a lack of a thorough and robust review by QAD prior to reporting. The review did not utilize tools, such as checklists and job aids, that facilitate a comprehensive review. To improve the consistency and completeness of these review procedures, Agency guidance was enhanced during 2023, and management confirmed it will be utilized for the next reporting period.

RECOMMENDATIONS, MANAGEMENT'S RESPONSE, AND OUR EVALUATION

We did not identify any issues that had not been previously reported, therefore we did not issue any new recommendations for corrective action. Our prior recommendation remains open.

The Chief Financial Officer should continue to implement corrective actions to address our open prior-year recommendation related to ensuring process guidance is in place for the primary reviewers and the supervisory quality control reviewers to perform thorough reviews of the aggregated submissions of overpayments ([IG 22-014](#), recommendation 7). For the FY 2024 reporting period, NASA plans to implement a process that was developed in response to our prior recommendation and finalized on December 18, 2023.

We provided a draft of this report to NASA management who described planned actions to continue addressing the prior year recommendation. We will monitor this open recommendation and the implementation of corrective actions during next year's PIIA audit.

Management's comments are reproduced in Appendix D. Technical comments provided by management and revisions to address them have been incorporated as appropriate.

Major contributors to this report include Regina Dull, Acting Financial Management Audits Director; John Schultz, Acting Assistant Director; Andrada Cornea-Cazac; and Jeremy Watkins. Courtney Daniels provided editorial assistance.

If you have questions about this report or wish to comment on the quality or usefulness of this report, contact Laurence Hawkins, Audit Operations and Quality Assurance Director, at 202-358-1543 or laurence.b.hawkins@nasa.gov.

George A. Scott
Acting Inspector General

APPENDIX A: SCOPE AND METHODOLOGY

We performed this audit from December 2023 through April 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our overall objective was to determine whether NASA complied with the requirements of PIIA in its FY 2023 AFR and accompanying materials. In addition, we evaluated the Agency's implementation of recommendations we made in our previous reports. We used a combination of the requirements in OMB Circular A-123, Appendix C (March 2021); OMB Circular A-136 (May 2023); OMB payment integrity annual data call instructions; OMB Payment Integrity Question and Answer Platform; and the Council of the Inspectors General on Integrity and Efficiency guidance required under PIIA while performing this audit.

We interviewed various personnel from the Office of the Chief Financial Officer (OCFO) and its contractor responsible for conducting the risk assessment on NASA's behalf, among others. We also reviewed the PIIA Reporting section of the AFR, accompanying materials, and supporting documentation.

Finally, we reviewed applicable federal laws and regulations as well as NASA policy and guidance related to improper payments including the following:

- Payment Integrity Information Act of 2019, Pub. L. No. 116-117 (2020)
- Bipartisan Budget Act of 2018, Pub. L. No. 115-123 (2018)
- OMB Circular A-136, *Financial Reporting Requirements* (May 19, 2023)
- OMB Memorandum M-21-19, *Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement* (March 5, 2021)
- OMB Memorandum M-18-14, *Implementation of Internal Controls and Grant Expenditures for the Disaster-Related Appropriations* (March 30, 2018)
- OMB Payment Integrity Annual Data Call Instructions (August 2023)
- NASA Procedural Requirements 9010.3A, *Financial Management Internal Control* (February 3, 2020)
- NASA OCFO, *Payment Recapture Audit Program Administration Guidance* (December 2021)
- NASA OCFO, *Procedural Guidance, Payment Integrity Information Act of 2019 and OMB Circular A-123, Appendix C: Requirements for Effective Measurement and Remediation of Improper Payments* (March 2023)
- Council of the Inspectors General on Integrity and Efficiency, *Guidance for Payment Integrity Information Act Compliance Reviews* (October 19, 2023)

Assessment of Data Reliability

We obtained FY 2022 disbursement data from NASA's core financial system, System, Applications, and Products (SAP), and its financial information reporting application, Business Warehouse/Business Objects (BW/BOBJ). Since NASA's external auditor tested SAP during its audit of NASA's FY 2023 AFR, we relied on their conclusion over the financial system, which was that the information technology general controls and application controls were designed and operating effectively. Although another auditor reported on NASA's financial management systems, we performed additional steps to validate the completeness and accuracy of data. We reviewed FY 2022 disbursement data extracted by NASA from SAP and BW/BOBJ, which the Agency used to determine the universe of programs considered for the FY 2023 risk assessment and reporting to OMB. We validated the data by tracing NASA program names to the President's budget and the NASA spending plan.

Additionally, we reviewed data system queries of FY 2022 receivables and collections, which the Agency used to identify overpayments related to accounts receivable that the Agency reported in its accompanying materials to the AFR. Finally, we reviewed data system queries of FY 2022 vendor credit memos related to refunds for prior or current year disbursements, which NASA used to identify overpayments related to accounts payable that the Agency reported in its accompanying materials to the AFR.

Overall, we assessed the reliability of the data by reviewing the results of the general and application control testing of the financial management system performed as part of NASA's annual financial statement audit, in addition to tracing various transactions to supporting documents. Based on these actions, we determined that the data was sufficiently reliable for the purposes of this report.

Review of Internal Controls

We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. Specifically, we assessed the information and communication internal control component and the underlying principles relating to the use of quality information and externally communicating the necessary quality information to achieve NASA's reporting objectives. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit. Any internal control deficiencies significant to the audit objective are discussed in this report.

Prior Coverage

During the last 5 years, the NASA Office of Inspector General and Government Accountability Office have issued 12 reports of significant relevance to the subject of this report. Reports can be accessed at <https://oig.nasa.gov/audits/auditReports.html> and <https://www.gao.gov>, respectively.

NASA Office of Inspector General

NASA's Compliance with the Payment Integrity Information Act for Fiscal Year 2022
([IG-23-013](#), May 16, 2023)

NASA's Compliance with the Payment Integrity Information Act for Fiscal Year 2021
([IG-22-014](#), June 28, 2022)

NASA's Compliance with the Payment Integrity Information Act for Fiscal Year 2020
([IG-21-020](#), May 18, 2021)

NASA's Compliance with the Improper Payments Information Act for Fiscal Year 2019
([IG-20-016](#), May 15, 2020)

NASA's Compliance with the Improper Payments Information Act for Fiscal Year 2018
([IG-19-020](#), June 3, 2019)

Government Accountability Office

Improper Payments: Opportunities for Interagency Collaboration and Improvements ([GAO-23-106761](#), September 28, 2023)

Improper Payments: Programs Reporting Reductions Had Taken Corrective Actions That Shared Common Features ([GAO-23-106585](#), June 30, 2023)

Improper Payments: Fiscal Year 2022 Estimates and Opportunities for Improvement ([GAO-23-106285](#), March 29, 2023)

Improper Payments: Improvements Needed to Ensure Reliability and Accuracy in DOE's Risk Assessments and Reporting ([GAO-20-442](#), June 17, 2020)

Payment Integrity: Selected Agencies Should Improve Efforts to Evaluate Effectiveness of Corrective Actions to Reduce Improper Payments ([GAO-20-336](#), April 1, 2020)

The Nation's Fiscal Health: Action Is Needed to Address the Federal Government's Fiscal Future
([GAO-20-403SP](#), March 12, 2020)

Payment Integrity: Federal Agencies' Estimates of FY 2019 Improper Payments ([GAO-20-344](#), March 2, 2020)

APPENDIX B: STATUS OF PRIOR YEAR RECOMMENDATIONS

Based on this year's audit, we closed recommendations from prior audits where corrective actions were completed and verified or where the recommendation was overcome by events. In one case, the corrective actions were not implemented yet; therefore, that recommendation will remain open until evidence is provided that adequately satisfies the intent of the recommendation. Table 3 lists the status of prior year OIG recommendations that were open as of May 15, 2024.

Table 3: Status of Prior Year Recommendations

Number	Recommendation	Status
IG-23-013		
1	Enhance the NASA PIIA: Risk Assessment Methodology document by including detailed information and job aids, such as a checklist, and outlining the review procedures to ensure that a thorough review of the risk assessment ratings is performed before approving the risk assessment. The review procedures should include steps to verify that risk factor question ratings are accurate and that risk condition-level ratings correspond to their underlying risk factor ratings.	Closed
IG-22-014		
3	Complete the OMB data call process for all programs with outlays over \$10 million.	Closed
4	Ensure that program outlays exclude any transactions that do not meet the outlay definition provided by OMB.	Closed
5	Revise the materiality risk calculation methodology and sampling and estimation methodology plan to include payment transactions only.	Closed
7	Develop a detailed review process, such as a checklist or job aid, outlining the review procedures performed by the Quality Assurance Division within the reporting process for overpayments from sources other than recapture audits to ensure that the primary reviewer and the supervisory quality control reviewers are performing a thorough review of the aggregated submissions of overpayments.	Open ^a

Source: NASA OIG.

^a The Agency's estimated completion date was May 31, 2023. We are working with management for a revised estimated completion date.

APPENDIX C: ASSESSMENTS REVIEWED

NASA performed risk assessments of its 77 programs that had outlays over \$10 million. We reviewed the risk assessments for all 77 programs. Table 4 lists the assessed programs.

Table 4: Agency Risk Assessments Reviewed by NASA OIG

Assessed Program Name	
21st Century Space Launch Complex	Exploration Ground Systems
Advanced Air Vehicles Program	Exploration Systems Mission Directorate Reimbursables
Advanced Cislunar and Surface Capabilities	Gateway
Advanced Exploration Systems	Heliophysics Explorer Program
Aeronautics Research Mission Directorate Reimbursables	Heliophysics Research
Aerosciences Evaluation and Test Capabilities Program	Heliophysics Technology
Agency Management	Human Landing System
Agency Tech Authority	Human Research
Airspace Operations and Safety Program	Human Research Program
Applied Sciences	Human Space Flight Operations
Astrophysics Explorer	Information Tech
Astrophysics Research	Infrastructure
Biological and Physical Sciences	Inspector General
Center Engineering, Safety, & Operations	Institutional Construction of Facilities
Center Management and Operations	Institutions and Management (10 programs grouped under this assessment)
Commercial Crew Program	Integrated Aviation Systems Program
Commercial Low Earth Orbit Development Program	International Space Station Program
Communications Services	Launch Services
Cosmic Origins	Living with a Star
Crew and Cargo Program	Lunar Discovery and Exploration
Discovery	Mars Exploration
Early Stage Innovation and Partnerships	Mars Sample Return
Earth Science Data Systems	Mission Enabling Service
Earth Science Research	Moon and Mars Architecture
Earth Science Technology	National Historic Preservation
Earth System Science Pathfinder	New Frontiers
Earth Systematic Missions	Orion Program
Enhanced Use Lease Program	Outer Planets and Ocean Worlds
Environmental Compliance and Restoration	Physics of the Cosmos
Exoplanet Exploration	Planetary Defense
Exploration Construction of Facilities	Planetary Science Research

Assessed Program Name	
Radioisotope Power	Space Launch System
Rocket Propulsion Testing	Space Operations Construction of Facilities
Science Mission Directorate Programmatic Reimbursables	Space Operations Mission Directorate Reimbursables
Science, Technology, Engineering and Mathematics Engagement	Space Weather
Small Business Innovation Research and Small Business Technology Transfer	Technology Demonstration
Small Spacecraft Mission Service Reimbursables	Technology Maturation
Solar Terrestrial Probes	Transformative Aeronautics Concepts Program
Space Communications & Navigation	

APPENDIX D: MANAGEMENT'S COMMENTS

National Aeronautics and Space Administration

Mary W. Jackson NASA Headquarters
Washington, DC 20546-0001



Reply to Attn of: Office of the Chief Financial Officer

TO: Assistant Inspector General for Audits

FROM: Chief Financial Officer

SUBJECT: Agency Response to OIG Draft Report, "NASA's Compliance with the Payment Integrity Information Act for Fiscal Year 2023" (A-24-03-00-FMD)

The National Aeronautics and Space Administration (NASA) appreciates the opportunity to review and comment on the Office of Inspector General (OIG) draft report entitled, "NASA's Compliance with the Payment Integrity Information Act for Fiscal Year 2023" (A-24-03-00-FMD), dated April 22, 2024.

In this draft report, the OIG concluded NASA complied with the Payment Integrity Information Act of 2019. While the OIG did not issue any new recommendations for corrective action, recommendation number seven issued in a prior year report, "NASA's Compliance with the Payment Integrity Information Act for Fiscal Year 2021" (IG-22-014, June 28, 2022) remains open.

Specifically, the OIG previously recommended the Chief Financial Officer:

Recommendation 7: Develop a detailed review process, such as a checklist or job aid, outlining the review procedures performed by the Quality Assurance Division (QAD) within the reporting process for overpayments from sources other than recapture audits to ensure that the primary reviewer and the supervisory quality control reviewers are performing a thorough review of the aggregated submissions of overpayments. Necessary review steps include ensuring overpayments are not reported twice, capturing issues with overpayments submitted for the incorrect period, and tracking identified and collected portions that occur in different fiscal years for accurate reporting.

Management's Response: NASA concurred, stating it would enhance the Payment Recapture Audit Program Administration Guidance by providing more detailed information and/or job aids, such as checklists, outlining the review procedures performed by QAD; as well as additional guidance for Center preparers to identify and properly report transactions that occur in different fiscal years.

Statement of Actions: NASA management has made enhancements to the Payment Recapture Audit Program Administration Guidance, which was finalized on

December 18, 2023. Additional enhancements outlining QAD's review procedures are being developed and will be implemented prior to the fiscal year 2024 year-end reporting process.

Estimated Completion Date: November 29, 2024

We have reviewed the draft report for information that should not be publicly released. As a result of this review, we have not identified any information that should not be publicly released.

Once again, thank you for the opportunity to review and comment on the subject draft report. If you have any questions or require additional information regarding this response, please contact Jamell Sharpe at (202) 358-1643.

Margaret
Schaus

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Margaret Schaus
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Margaret Vo Schaus
Chief Financial Officer

APPENDIX E: REPORT DISTRIBUTION

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Subcommittee on Space and Science

Senate Committee on Homeland Security and Governmental Affairs

House Committee on Appropriations
Subcommittee on Commerce, Justice, Science, and Related Agencies

House Committee on Oversight and Accountability
Subcommittee on Government Operations and the Federal Workforce

House Committee on Science, Space, and Technology
Subcommittee on Investigations and Oversight
Subcommittee on Space and Aeronautics

(Assignment No. A-24-03-00-FMD)