

FY 2020 OMB Supplemental Data Call

CPSC

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Agency-Wide Responses

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

ANSWER:

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
9. Administrative or Process Errors Made by: Federal Agency	1-Automation		Other
9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)		Other
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)		Other

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: CPSC was found non-compliant in FY 2016 and FY 2017 in the OIG IPERIA review over all vendor made payments due to an improper delegation of contracting officer representatives (CORs), which caused an administrative error over improperly approved invoices. The COR delegations were remediated by management at the end of FY 2017. However, there were further noted issues with the manual payment approval documentation CORs were using to approve invoices by the OIG in FY 2017 and FY 2018.

CPSC management corrected the payment approval documentation to align with the Federal Acquisition Regulations over inspection, receipt, and acceptance of goods and services. The manual process documentation was updated to comply with the FAR. CORs were also provided training on the appropriate attributes necessary for approving proper payments. These remediation efforts were completed in FY 2018.

Further, CPSC migrated all payments to the U.S. Treasury's Invoice Processing Platform (IPP) to automate and standardize almost 90% of vendor payments. This has reduced the manual process of invoices and strengthened overall controls in payment processing.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

ANSWER: Due to the nature of the administrative errors over non-compliance in FY2016 through FY 2018, CPSC was able to correct the population of improper vendor payments due to appropriately re-delegating COR authority, and improving the manual payment receipt and approval process. In FY 2019, CPSC further implemented the U.S. Treasury's Invoice Payment Processing (IPP) automatic payment platform to strengthen the controls over payment processing.

CPSC did not need to perform recapture audits as previously submitted to OMB in response of the recapture process during non-compliance.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

ANSWER: There were no programs excluded as we did not perform any payment recapture audits.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;
- Identifying risk and vulnerabilities to fraud, and
- Establishing strategies, procedures, and other steps to curb fraud.

ANSWER:

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
3 – Fully Operational	3 – Fully Operational	3 – Fully Operational	3 – Fully Operational

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: CPSC has implemented all control processes in accordance with A-123 over financial reporting processes and administrative controls. An independent A-123 audit is performed internally, or with contractor assistance each year to verify the validity of management's control process.

Further, CPSC has implemented risk assessments within major cycle areas of the agency over financial controls and reporting. This includes the implementation of the Fraud Reduction and Data Analytics Act.

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: There were no programs susceptible to improper payments based on the most recent risk assessment performed by management in FY 2020.

Non-Payroll

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: CPSC is currently in compliance with IPERIA reporting based on the most recent OIG review in FY 2019 as well as the self reported review performed by management in FY 2020.

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

ANSWER:

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
NO	9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: CPSC currently is in compliance with the self reporting FY 2020 improper payments and in the last OIG review in FY 2019 was deemed compliant.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

ANSWER:

Indicate Yes or No
YES

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: CPSC is currently self reported compliant with its only program not exceeding the improper payment rate of \$10M. CPSC has determined no improper payments occurred in the payroll activities and in non-payroll the improper payments were approximately \$214k, of which, \$2,500 was not recaptured by 9/30/20.

The last OIG review in FY 2019 deemed CPSC compliant with IPERIA.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

ANSWER:

Indicate 'yes' or 'no'	Indicate program needs
YES	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: CPSC has remediated the non-compliance over improper payments as of the most recent OIG review over FY 2019, and CPSC reported compliance in the FY 2020 AFR. There are appropriate controls within financial, human capital, and information systems to deter improper payments. CPSC continues to monitor contracting officer representatives and provide training over the importance of proper payments including, inspection, receipt and approval.

Question 10: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

ANSWER:

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)	Other	09/30/2018
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)	Other	09/30/2018
9. Administrative or Process Errors Made by: Federal Agency	1-Automation	Other	09/30/2018

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: CPSC was found non-compliant in FY 2016 and FY 2017 in the OIG IPERIA review over all vendor made payments due to an improper delegation of contracting officer representatives (CORs),

which caused an administrative error over improperly approved invoices. The COR delegations were remediated by management at the end of FY 2017. However, there were further noted issues with the manual payment approval documentation CORs were using to approve invoices by the OIG in FY 2017 and FY 2018.

CPSC management corrected the payment approval documentation to align with the Federal Acquisition Regulations over inspection, receipt, and acceptance of goods and services. The manual process documentation was updated to comply with the FAR. CORs were also provided training on the appropriate attributes necessary for approving proper payments. These remediation efforts were completed in FY 2018.

Further, CPSC migrated all payments to the U.S. Treasury's Invoice Processing Platform (IPP) to automate and standardize almost 90% of vendor payments. This has reduced the manual process of invoices and strengthened overall controls in payment processing.

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: CPSC will continue to monitor improper payments to continue its current compliance with the program.

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: CPSC was deemed to be compliant in the most recent FY 2019 OIG review.

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: CPSC was deemed to be compliant in the most recent FY 2019 OIG review.

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: CPSC is in compliance with IPERIA based on the most recent OIG review in FY2019 and self reporting in FY 2020.

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: CPSC is in compliance with IPERIA based on the most recent OIG review in FY2019 and self reporting in FY 2020

Question 16: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Please indicate whether the program uses the DNP (yes/no) and whether the Do Not Pay Initiative has reduced/prevented improper payments (yes/no). Additionally, please provide the frequency of corrections (week/month range) or identification of incorrect information (range of false hits?).

ANSWER:

Does the program use the Do Not Pay Initiative (DNP) (yes/no)	Has the DNP reduced/prevented improper payments (yes/no)	How frequently are corrections made?	How frequently is incorrect information identified?
YES	NO	Monthly	Monthly

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: CPSC uses the Do Not Pay (DNP) portal, however, for the past years, including the non-compliance years of FY2016 through FY2018, there have been no improper payments identified via DNP. The reports are available monthly and then reviewed in full annually by finance management. There have been no corrections through DNP to report for the past several years.