

Goal: Getting Payments Right



DOT

Federal Highway Administration Highway Planning and Construction

Brief Program Description:

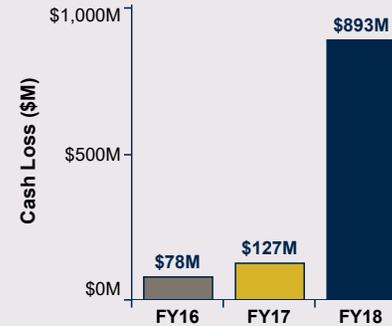
The Federal Highway Administration's (FHWA) Highway Planning and Construction program supports State and local governments in the design, construction, and maintenance of the Nation's highway system. The program includes emergency relief funds.

Change from Previous FY (\$M)

\$766M



Cash Loss by FY (\$M)



Key Milestones	Status	ECD
1 Finalize cash loss estimation methodology	Completed	Oct-18
2 Identify cash loss amount for FY 2018	Completed	Nov-18
3 Identify true root causes of cash loss	Completed	Nov-18
4 Develop mitigation strategies to get the payment right the first time	On-Track	Sep-19
5 Evaluate the ROI of the mitigation strategy	On-Track	Sep-19
6 Determine which strategies have the best ROI to prevent cash loss	On-Track	Sep-19

Quarterly Progress Goals	Status	Notes	ECD
1 Q4 2018 Complete recovery actions for identified improper payments.	On-Track	N/A	Mar-19
2 Q4 2018 Refine sampling plan to include additional transaction testing.	On-Track	N/A	Jul-19

Recent Accomplishments	Date
1 Corrective actions for recipient specific root causes from 2017 findings were completed.	Jun-18
2 FHWA performed more than 20 evaluations of State DOT financial systems to identify opportunities for improvement to reduce risk of improper payments.	Jul-18
3 FHWA completed updated guidance regarding project funds management and provided training to field staff and grant recipients.	Aug-18

FY18 Amt(\$)	Root Cause	Root Cause Description	Mitigation Strategy	Anticipated Impact of Mitigation
\$893M	Administrative or process errors made by: state or local agency	FHWA grant recipients make administrative error when requesting cost reimbursement. The most frequent billing errors are requesting reimbursement for ineligible costs and incorrect calculation of the federal share of costs.	FHWA will advise select grant recipients of the root cause for their IPs and coordinate issue-specific corrective actions with those grantees. Further, FHWA will conduct additional transaction testing in FY 2019 in addition to IPIA testing.	Processes conducted by recipients with identified improper payments are expected to improve and reduce the risk of recurrence of payment errors. Additional testing will help identify additional risk areas and determine if risk is widespread.