

## Key Points:

- ASR understands the advanced statistical concepts that are needed to analyze financial transactions and provide IPIA compliance solutions.
- ASR has teamed with Grant Thornton to provide comprehensive IPIA compliance solutions.
- The ASR/Grant Thornton team have a proven history of success in delivering IPIA compliance solutions.



**ASR Analytics LLC**  
Partnering with Grant Thornton, LLP to help federal agencies meet IPIA requirements.

## Background

“The President’s Management Agenda (PMA) strives to instill first class financial management practices in departments and agencies throughout the Executive Branch. Such efforts ensure that taxpayer dollars are spent wisely and efficiently, appropriately accounted for, and protected from fraud or misuse. To advance these important objectives, the Administration has made the elimination of improper payments a major focus of the PMA. An improper payment occurs when Federal funds go to the wrong recipient, the recipient receives the incorrect amount of funds, or the recipient uses the funds in an improper manner.

Since 2000, Federal agencies have reported efforts to reduce improper payments through the Office of Management and Budget’s (OMB) Circular A-11, Section 57. This reporting requirement focused on 40 to 45 of the largest Federal programs, accounting for approximately half of all Federal outlays. With the passage and signing of the Improper Payments Information Act (IPIA) of 2002 (Public Law 107-300), as implemented through OMB guidance, the President and Congress have created a permanent framework for assessing every Federal program and dollar for risk of improper payments, annually measuring the accuracy of payments, and initiating program improvements to ensure that payment errors and improprieties are reduced and ultimately eliminated. “

Source: Office of Management and Budget, “Improving the Accuracy and Integrity of Federal Payments”, February 2006  
[http://www.whitehouse.gov/omb/financial/fia/improv\\_accuracy\\_fed\\_payments.pdf](http://www.whitehouse.gov/omb/financial/fia/improv_accuracy_fed_payments.pdf)

## IPIA Requirements

In order to comply with the law, federal agencies are required to:

- Review annually all programs and activities they administer and identify those which may be susceptible to significant erroneous payments.
- Develop statistically valid estimates of the annual amount of erroneous payments for all programs and activities where the risk of erroneous payments is significant.
- Develop an action plan aimed at the reduction and elimination of improper payments.
- Annually report the statistical estimates and actions taken to reduce erroneous payments.

## Services and Solutions

ASR has a proven methodology for the review of Federal programs to identify those which are susceptible to significant erroneous payments. In addition, we help agencies generate Statistically Valid Estimates of the annual amount of erroneous payments in programs and activities. ASR can also help agencies Implement a Plan to reduce erroneous payments.

## The Grant Thornton & ASR Team

Grant Thornton is one of six global accounting, tax and business advisory organizations. Their Global Public Sector practice delivers complex innovative solutions to clients through all levels of government. When the deep analytical expertise of ASR is combined with the resources and experience of Grant Thornton a powerful partnership emerges, capable of delivering cost-effective, repeatable solutions for IPIA compliance.

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## Success Stories

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### U.S. Department of Labor:

ASR Analytics teamed with Grant Thornton on an engagement with the Department of Labor (DOL) Office of the Chief Financial Officer. The project had three objectives for the DOL:

- test internal controls over the key business processes, in accordance with the requirements of the revised Circular A-123, Appendix A;
- satisfy the testing requirements for the Improper Payments Information Act of 2002 for designated business processes/programs; and
- project the amount of monetary misstatement that may exist in all material financial statement line items.

ASR's involvement in the project focused on the selection, analysis, and validation of a statistical sample of financial transactions. To date, the FY2006 findings have been reported and the team is now working on the analysis for FY2007.

### National Aeronautics and Space Administration (NASA):

ASR Analytics is currently teamed with Grant Thornton to provide selection, analysis, and validation of several statistical samples of financial transactions for NASA. NASA seeks to satisfy the testing requirements for the Improper Payments Information Act of 2002 for designated business processes/programs.

Using FY2006 data, the team's objectives are to:

- identify improper payments;
- determine the cause of improper payments and;
- recommend corrective actions.

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## For More Information

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To learn more about the customized IPIA solutions developed by the Grant Thornton/ASR team please contact us:

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ASR Analytics LLC (ASR) provides high-end analytic consulting services to clients in the public and private sectors. ASR has deep expertise in the fields of business intelligence, predictive modeling, and data mining – and in the design and development of customized technology tools that support forecasting, simulation analysis, optimization modeling, and data visualization.