

# PERFORMANCE AUDIT REPORT

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION  
PAYMENT INTEGRITY INFORMATION ACT OF 2019 (PIIA)

FOR THE YEAR ENDED  
SEPTEMBER 30, 2024

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**Independent Auditors' Performance Audit Report on the U.S. Equal Employment Opportunity Commission's Compliance with the Payment Integrity Information Act of 2019**

Joyce T. Willoughby  
Inspector General  
U.S. Equal Employment Opportunity Commission

This report presents the results of our independent performance audit of the U.S. Equal Employment Opportunity Commission's (EEOC) compliance with the *Payment Integrity Information Act of 2019* (PIIA). PIIA requires Federal agencies, including EEOC, to have an annual independent audit performed on the PIIA practices and reporting, and to report the results of the audit to Committee on Homeland Security and Governmental Affairs of the U.S. Senate, the Committee on Oversight and Reform of the U.S. House of Representatives, the appropriate authorizing and appropriation committees of Congress, the Office of Management and Budget (OMB), and the Comptroller General.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). 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.

The objective of this performance audit was to determine whether EEOC complied with PIIA for Fiscal Year (FY) 2024. We concluded that EEOC did comply with PIIA requirements applicable to the Commission for FY 2024. We determined that EEOC was compliant with the Agency Financial Report (AFR) reporting requirements of PIIA, reported information on [paymentaccuracy.gov](https://www.eeoc.gov/paymentaccuracy), and conducted risk assessment for all programs it determined to be significant in the last three years.

This report is for the purpose of concluding on the audit objective described above. Accordingly, this report is not suitable for any other purpose. We appreciate the cooperation and courtesies that EEOC personnel extended to us during the execution of this performance audit.

*Harper, Rains, Knight & Company, P.A.*  
Washington, DC  
May 21, 2025

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## Introduction

The PIIA (Public Law 116-117) aims 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<sup>1</sup>. The agency must also publish applicable payment integrity information required in the accompanying materials to the annual financial statement in accordance with applicable guidance. The most common accompanying material to the annual financial statements is the payment integrity information published on [paymentaccuracy.gov](https://paymentaccuracy.gov). The agency's Inspectors General are to review payment integrity reporting for compliance and issue an annual report.

An important part of financial management for every federal agency is to ensure that improper payments are prevented and reduced. On March 2, 2020, PIIA repealed three previous Public Laws for payment integrity and other related laws. PIIA, in part, sets forth reporting requirements for an annual compliance review to be conducted by Inspectors General.

On March 5, 2021, OMB issued a revised version of Appendix C to OMB Circular A-123<sup>2</sup> Memorandum M-21-19, "Requirements for Payment Integrity Improvement," which provides guidance on PIIA implementation. The goal of this revised version is to transform the payment integrity compliance framework and create a more comprehensive and meaningful set of requirements. OMB Circular A-123, Appendix C also sets forth guidance on the annual OIG compliance reviews.

## Objective, Scope, and Methodology

The objective of this performance audit was to determine whether EEOC complied with the PIIA of 2019 for fiscal year ended 2024.

We conducted this performance audit from March 2025 through May 2025. The scope was limited to PIIA compliance for FY 2024.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

To accomplish our objective, we interviewed EEOC management, and we reviewed policies, procedures, reporting in the AFR, reporting in [paymentaccuracy.gov](https://paymentaccuracy.gov), as well as risk assessments

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<sup>1</sup> OMB Circular A-136, *Financial Reporting Requirements*, Revised May 19, 2023

<sup>2</sup> OMB Memorandum M-21-19, Transmittal of Appendix C to OMB A-123, *Requirements for Payment Integrity Improvement*, issued March 5, 2021

performed in the last three years. We compared EEOC's policies, procedures, and PIIA reporting to OMB guidance to identify any non-compliance or potential for improvement.

In performing the audit, we considered the internal control for EEOC, to the extent necessary to satisfy the objective, in planning our audit procedures. Our consideration of internal controls for EEOC compliance with PIIA, would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our audit. We assessed the information and data collected during the audit and determined it was sufficiently reliable and valid for use in meeting the audit objective. We assessed the risk of fraud related to our audit objective, while evaluating evidence and had no matters come to our attention indicating fraud or illegal acts were occurring.

We used the CIGIE Guidance for Payment Integrity Information Act Compliance Reviews, dated October 22, 2024,<sup>3</sup> for the methodology and field work steps to determine compliance with PIIA. We took the following steps to accomplish the objective:

- Reviewed and gained an understanding of OMB Circular A-123, Appendix C (M-21-19, March 2021), OMB Circular A-136 (May 19, 2024), OMB Annual Data Call Instructions, the OMB Payment Integrity Question and Answer Platform, and other background information applicable to the objective.
- Identified and reviewed applicable internal EEOC policies and procedures.
- Reviewed prior evaluations related to the objective.
- Interviewed selected Office of Enterprise Data and Analytics (OEDA), Office of Chief Financial Officer (OCFO), and Office of Chief Human Capital Officer (OCHCO), personnel responsible for payment integrity and financial reporting.
- Reviewed EEOC's Fiscal Year 2024 AFR for improper payment and payment integrity information. We compared the information to the requirements set forth in PIIA and implementing guidance and verified posting of the FY 2024 AFR to the agency website.
- Reviewed EEOC's submission in paymentaccuracy.gov for FY 2024. We reviewed the agency's reporting in the Annual Improper Payments Dashboard.
- Identified and reviewed the FY 2024 Enterprise Risk Management (ERM) Risk Profile, and the FY 2024 risk assessments for improper payment related to employee pay and benefits Payments.
- Summarized compliance ratings for the applicable sections of payment integrity requirements.

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<sup>3</sup> CIGIE Guidance for Payment Integrity Information Act Compliance Reviews, issued October 22, 2024  
[10-22-2024 CIGIE Guide for PIIA.docx](#)

## Results

### Published in the AFR and Accompanying Materials

EEOC published an AFR in November 2024 that included the annual financial statements and applicable payment integrity information. The agency also posted the FY 2024 AFR on the agency's website<sup>4</sup>.

### Reporting on paymentaccuracy.gov

EEOC reported in the Annual Improper Payments Dashboard on paymentaccuracy.gov information related to the Pay and Benefits program risk assessment and prior year noncompliance. Additionally, EEOC reported that it conducted scheduled testing of all three improper payment programs: Pay and Benefits, Vendor Payments, and Travel Payments.

### Conduct a Risk Assessment

OMB Memorandum M-21-19 requires EEOC to conduct an improper payment risk assessment at least once every three years, for each program with annual outlays greater than \$10,000,000 to determine whether the program is likely to make improper payments that would be in total above the statutory threshold. EEOC conducted a risk assessment for Pay and Benefits during FY 2024, and risk assessments in FY 2022 for Vendor and Travel Payments, which met the requirement established in M-21-19.

The below table summarizes EEOC's compliance with FY 2024 PIIA requirements.

PIIA Compliance Requirements	Program Name		
	Vendor Payments <sup>5</sup>	Travel Payments <sup>6</sup>	Pay and Benefits
1. (OMB M-21-19 Appendix C-IV-A-1a) 1a. Published Payment Integrity information with the annual financial statement.	Compliant	N/A	Compliant
2. (OMB M-21-19 Appendix C-IV-A-1b) 1b. Posted the annual financial statement and accompanying materials on the agency website.	Compliant	Compliant	Compliant
3. (OMB M-21-19 Appendix C-IV-A-2a) 2a. Conducted IP risk assessments for each	Compliant	Compliant	Compliant

<sup>4</sup> Fiscal Year 2024 Agency Financial Report

[Fiscal Year 2024 Agency Financial Report | U.S. Equal Employment Opportunity Commission](#)

<sup>5</sup> Vendor payments include rental payments, state and local payments, and other contractual services payments.

<sup>6</sup> EEOC performed testing and risk assessment activities for Travel Payments even though Travel Payments do not meet the monetary reporting threshold. Therefore, Travel Payments are not applicable for this compliance requirement.

Inspector General  
U.S. Equal Employment Opportunity Commission (continued)

PIIA Compliance Requirements	Program Name		
	Vendor Payments <sup>5</sup>	Travel Payments <sup>6</sup>	Pay and Benefits
program with annual outlays greater than \$10,000,000 at least once in the last three years.			
4. (OMB M-21-19 Appendix C-IV-A-2b) 2b. Adequately concluded whether the program is likely to make Improper Payments (IPs) and Unknown Payments (UPs) above or below the statutory threshold.	Compliant	Compliant	Compliant
5. (OMB M-21-19 Appendix C-IV-A-3) 3. 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>7</sup>	N/A <sup>7</sup>	N/A <sup>7</sup>
6. (OMB M-21-19 Appendix C-IV-A-4) 4. 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 <sup>7</sup>	N/A <sup>7</sup>	N/A <sup>7</sup>
7. (OMB M-21-19 Appendix C-IV-A-5a) 5a. 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 <sup>7</sup>	N/A <sup>7</sup>	N/A <sup>7</sup>
8. (OMB M-21-19 Appendix C-IV-A-5b) 5b. Demonstrated improvements to payment integrity or reached a tolerable IP and UP rate.	N/A <sup>7</sup>	N/A <sup>7</sup>	N/A <sup>7</sup>

<sup>7</sup> Requirement is not applicable because EEOC determined in its risk assessment that the agency's programs are not susceptible to significant improper payments.

PIIA Compliance Requirements	Program Name		
	Vendor Payments <sup>5</sup>	Travel Payments <sup>6</sup>	Pay and Benefits
9. (OMB M-21-19 Appendix C-IV-A-5c) 5c. Developed a plan to meet the IP and UP reduction target.	N/A <sup>7</sup>	N/A <sup>7</sup>	N/A <sup>7</sup>
10. (OMB M-21-19 Appendix C-IV-A-6) 6. 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 <sup>7</sup>	N/A <sup>7</sup>	N/A <sup>7</sup>

## Conclusions

We determined EEOC was compliant with PIIA for FY 2024 in accordance with OMB Memorandum M-21-19. EEOC published payment integrity information in the AFR; posted the annual financial statement and accompanying materials on the agency website; and reported risk assessment data for all programs in the last three years, including the Pay and Benefits program in FY 2024.

During FY 2024, EEOC implemented an agency-wide process for assessing programmatic risks for improper payments and preparing/reviewing reported payment integrity information, led by OEDA. OCHCO in coordination with OEDA documented a risk assessment and performed transaction-level testing to support its assessment.

We noted, during our fieldwork, that EEOC designated OEDA as the responsible agency-wide office for compliance with PIIA during FY 2024. OEDA implemented Agency-wide Improper Payment procedures in December of 2023.



## Appendix A Status of Prior Year Findings

Recommendation Number	Recommendation	Status
2023-01	EEOC should implement and agency-wide Improper Payment risk assessment standard operating procedure (SOP). This SOP should include risk assessment procedures to be performed by each identified significant program. These procedures should be based on OMB A-123 guidance found in Appendix C. For each identified significant program, a responsible program point of contact should be established. The responsible party should report results of their programs risk assessment to the EEOC responsible official (or office).	Closed
2023-02	EEOC should implement a SOP to ensure annual compliance with OMB A-136 PIIA review and reporting requirements.	Closed