



*Office of Inspector General
Export-Import Bank
of the United States*

Audit of EXIM's Fiscal Year 2022 Compliance with The Payment Integrity Information Act of 2019

*May 17, 2023
OIG-AR-23-05*

The Export-Import Bank of the United States (EXIM or agency) is the official export credit agency of the United States (U.S.). EXIM is an independent, self-financing executive agency and a wholly owned U.S. government corporation. EXIM's mission is to support jobs in the United States by facilitating the export of U.S. goods and services. EXIM provides competitive export financing and ensures a level playing field for U.S. exports in the global marketplace.


The Office of Inspector General (OIG), an independent office within EXIM, was statutorily created in 2002 and organized in 2007. The mission of the EXIM OIG is to conduct and supervise audits, investigations, inspections, and evaluations related to agency programs and operations; provide leadership and coordination as well as recommend policies that will promote economy, efficiency, and effectiveness in such programs and operations; and prevent and detect fraud, waste, abuse, and mismanagement.

This audit was conducted 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 objectives.



Office of Inspector General

To: Mary Buhler
Chief Financial Officer

From: Eric Rivera 
Assistant Inspector General for Audits

Subject: Audit of EXIM's Fiscal Year 2022 Compliance with The Payment Integrity Information Act of 2019 (OIG-23-AR-05)

Date: May 17, 2023

Attached is the final report on the audit of EXIM's Fiscal Year (FY) 2022 Compliance with the Payment Integrity Information Act of 2019. The objective of this audit was to determine whether EXIM complied with the Payment Integrity Information Act of 2019 (PIIA) and guidance prescribed by the Office of Management and Budget (OMB) for Fiscal Year 2022.

OIG conducted this audit 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.

This report contains three recommendations. We consider management's proposed actions to be responsive. The recommendations will be closed upon completion and verification of the proposed actions.

We appreciate the cooperation and courtesies provided to our office during the audit. If you have questions, please contact me at (202) 565-3219 or eric.rivera@exim.gov or Jaquone Miller at (202) 565-3817 or jaquone.miller@exim.gov.

EXECUTIVE SUMMARY

Audit of EXIM's FY 2022 Compliance with The Payment Integrity Information Act of 2019 OIG-A-23-05 May 17, 2023

Why We Did This Audit

The Payment Integrity Information Act of 2019 (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 Office of Management and Budget (OMB). Payment integrity information is published with the agency's annual financial statement in accordance with payment integrity guidance contained in OMB Circular A-136.

What We Recommend

To enhance EXIM's compliance with PIIA-related risk assessments, OIG recommends that EXIM:

- 1) Develop and implement a process to ensure a consistent scoring system and rubric and apply them consistently throughout the scoring process.
- 2) Develop and implement a process to ensure that any changes to process owner's responses are approved by the process owner and documented in writing.
- 3) Ensure that a separate designated EXIM official analyzes and evaluates both the results of the risk assessment and the source documentation for accuracy for each program.

What We Found

OIG determined that EXIM did not comply with requirements of the Payment Integrity Information Act of 2019 during FY 2022. However, OIG also found that EXIM's compliance with PIIA requirements improved with the implementation of two recommendations from OIG's FY 2021 PIIA review.

OIG found that EXIM posted the annual financial statement and accompanying materials as required under guidance of the Office of Management and Budget (OMB) on the agency website. EXIM also published payment integrity information with the annual financial statement and in the accompanying materials to the annual financial statement. Additionally, EXIM conducted improper payment risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years. However, EXIM did not adequately conclude whether the programs were likely to make improper payments (IP) and unknown payments (UP) above or below the statutory threshold.

OIG identified inconsistencies in the data EXIM used to inform its PIIA risk assessment for FY 2022, including multiple, signed versions of the risk assessment questionnaires and changes to program risk scores that were not vetted with process owners. With one exception, the changed responses lowered the program's risk of IP or UP. As a result, OIG is unable to provide assurance that EXIM's risk assessment process adequately concluded whether the programs were likely to make improper and/or unknown payments above the statutory threshold.

EXIM should strengthen internal controls to ensure that the risk assessment process is conducted in a structured, standardized manner.

Additionally, separation of duties should be enacted to ensure that no single point of contact controls all aspects and phases of the risk assessment process.

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ABBREVIATIONS AND GLOSSARY

Term	Description
CIGIE	Council of the Inspectors General on Integrity and Efficiency
EXIM	Export-Import Bank of the United States
FY	Fiscal Year
ICC	Internal Controls and Compliance Group
IP	Improper Payment
OMB	Office of Management and Budget
OCFO	Office of Chief Financial Officer
OIG	Office of Inspector General, EXIM
PIIA	Payment Integrity Information Act of 2019
UP	Unknown Payment

INTRODUCTION

This report presents the results of OIG’s audit of the Export-Import Bank of the United States’ Fiscal Year (FY) 2022 compliance with the Payment Integrity Information Act of 2019 (PIIA). The audit’s objective was to determine whether EXIM complied with the Payment Integrity Information Act of 2019 and related guidance prescribed by the Office of Management and Budget (OMB) for FY 2022.

SCOPE AND METHODOLOGY

To determine if EXIM complied with PIIA and related OMB guidance, the audit team reviewed applicable federal laws, OMB guidance, and agency policy and procedures. The audit team also reviewed the payment integrity section of the EXIM’s FY 2022 financial statement and accompanying materials on paymentaccuracy.gov. For the reviewed programs, the audit team requested and analyzed documentation, and data related to the risk assessment process to conclude whether EXIM met the applicable PIIA compliance requirements for each reported program.

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) produces guidance to inform annual improper payment reviews conducted by federal offices of inspector general. The current CIGIE guidance contains ten requirements. However, an agency is only responsible for four requirements if their risk assessment process determines that the reviewed programs were low risk. This was the case for EXIM; therefore, the audit team evaluated compliance based on those four requirements. The full list of requirements is contained in Appendix C.

To accomplish the audit objective, OIG reviewed applicable program documentation and related external reports. We also interviewed EXIM management and employees, including personnel from the Office of the Chief Financial Officer (OCFO), Office of Global Infrastructure, Office of Export Credit Insurance, Office of Internal Controls, Office of Administrative Services, Office of Transportation, Office of Human Capital, Office of Business Credit. In addition, the audit team assessed the sufficiency of internal controls necessary to satisfy the audit objective. We identified and assessed the five internal control components (control environment, risk assessment, control activities, information and communication, and monitoring) and their underlying principles.¹ For more details on the audit scope and methodology, see Appendix A.

The audit team performed its audit fieldwork from December 2022 through April 2023 both remotely and at EXIM headquarters in Washington, D.C. The audit was conducted 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. OIG believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit’s objective.

¹ *Standards for Internal Control in the Federal Government*, GAO-14-740G (September 2014) – <https://www.gao.gov/products/gao-14-704g>.

BACKGROUND

Established in 1934, and subsequently made an independent agency of the United States through congressional charter in 1945, EXIM is a wholly-owned government corporation with a mission to aid in the financing of and facilitate the export of U.S. goods and services and the employment of U.S. workers. EXIM contributes to U.S. economic growth by helping to create and sustain thousands of jobs in exporting businesses and their supply chains across the United States. EXIM's operations and programs are controlled by its charter, which is reauthorized on a periodic basis. EXIM's charter has been reauthorized through December 31, 2026.²

Payment Integrity Information Act of 2019

PIIA³ 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 OMB. Payment integrity information is published with the agency's annual financial statement, in accordance with payment integrity guidance contained in OMB Circular A-136, Appendix C.⁴ Agencies must also publish any applicable payment integrity information required in the accompanying materials to the annual financial statement, in accordance with applicable guidance. The most common accompanying materials to the annual financial statement are the payment integrity information published on paymentaccuracy.gov. Agency Inspectors General are to review payment integrity reporting for compliance and issue an annual report. This audit fulfills OIG's improper payment review requirement for FY 2022.

AUDIT RESULTS

Finding: EXIM Did Not Comply with the Payment Integrity Information Act of 2019

OIG found that EXIM did not comply with PIIA for FY 2022. However, OIG determined that EXIM's compliance with PIIA requirements improved with the implementation of two recommendations from OIG's FY 2021 PIIA review⁵. Specifically, OIG found that EXIM was compliant in three of the four PIIA requirements in FY 2022. By contrast, OIG found that

² Further Consolidated Appropriations Act 2020 - <https://www.congress.gov/116/plaws/publ94/PLAW-116publ94.pdf>. EXIM's charter is set forth in 12 U.S.C. Ch. 6A (12 U.S.C. §§ 635 *et seq.*).

³ Payment Integrity Information Act of 2019 (Pub. L. No. 116-117) - <https://www.congress.gov/bill/116th-congress/senate-bill/375>.

⁴ OMB A-123 Appendix C (M-21-19) – *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement*– dated March 5, 2021 - <https://www.whitehouse.gov/wp-content/uploads/2021/03/M-21-19.pdf>.

⁵ Independent Auditor's Report on EXIM's Compliance with the Payment Integrity Information Act of 2019 for FY 2021 – dated June 28, 2022 - <https://www.oversight.gov/sites/default/files/oig-reports/EIB/EXIM-OIG-PIIA-Audit-Report-06282022.pdf>.

EXIM was compliant with zero of the four requirements in FY 2021. Since OIG’s last report, EXIM implemented OIG’s recommendation to ensure the agency follows the most recent improper payment guidance. EXIM also developed and implemented a formalized training plan for agency staff to ensure a thorough understanding of the requisite guidance and requirements. Despite these improvements, non-compliance with any single PIIA requirement results in an overall finding of non-compliance.⁶

EXIM was responsible for four requirements listed in the CIGIE guidance Refer to Appendix C for the list of PIIA requirements):

1. Publish payment integrity information with the annual financial statement and in the accompanying materials to the annual financial statement of the agency for the most recent fiscal year in accordance with Office of Management and Budget (OMB) guidance.
2. Post the annual financial statement and accompanying materials as required under guidance of OMB on the agency website.
3. Conduct improper payment risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years.
4. Adequately conclude whether the program is likely to make improper payment (IP) and unknown payments (UP) above or below the statutory threshold.

OIG determined the EXIM was compliant with the first three requirements and non-compliant with the fourth requirement. Specifically, EXIM’s risk assessment process did not adequately conclude whether the program is likely to make IPs and UPs above or below the statutory threshold.

Risk Assessment Process

EXIM provided OIG with documentation associated with its improper payments risk assessment process for FY 2022. The risk assessment process was led by the Internal Controls and Compliance (ICC) group, which is organizationally under the Office of the Chief Financial Officer (OCFO). The documentation showed EXIM divided the risk assessment process into the following five phases:

1. Scope of the Assessment – This phase identified the programs to be reviewed for IP/UP.
2. Understand the Payments – This phase consisted of understanding the various transactions that will be assessed, and the development of an “appropriate structure to conduct risk assessments.”
3. Identify the Risk Factors – This phase identified and selected the risk factors to be used in the analysis. Additionally, the risk factor scoring criteria was developed based on “implementation of proper controls, program maturity, and complexity” among other factors.

⁶ Guidance for Payment Integrity Information Act Compliance Reviews – dated November 8, 2022 – sec. Legal Requirements/Compliance with PIIA [OA Audit Procedures Schedule - Abbreviated \(ignet.gov\)](#)

4. Assess the Program’s Risk – During this phase, the risk assessment questionnaire was developed, and program personnel were interviewed.
5. Report the Program’s Risk – This phase consisted of analyzing and documenting the risk assessment results, reviewing the results with the Office of the Chief Financial Officer, and reporting the results.

The risk assessments were based on a questionnaire that was distributed to process owners responsible for the reviewed programs. These programs were:

1. Administrative Services
2. Human Capital
3. Business Credit
4. Controller
5. Treasurer
6. Asset Recovery
7. Claims Processing
8. Credit Administration
9. Export Credit Insurance
10. Project Finance
11. Transportation
12. Global Infrastructure

The questionnaire consisted of twenty-seven questions divided into eight sections that sought to capture the different factors that could potentially increase EXIM’s risk of IP and UP. These categories were:

1. Payment, Approval, and Authorization Processing Environment
2. Quality of Internal Payment Processing Controls
3. Quality of Monitoring Controls
4. Quality of External Payment Processing Controls
5. Human Capital Risk
6. Program Maturity
7. Complexity of Program
8. Nature of Program Recipients

Documentation provided to OIG described the risk assessment process as a “collaborative approach” between ICC and process owners. To conduct the risk assessment, ICC:

- conducted and facilitated sessions with each process owner;
- sent the completed questionnaires to process owners for validation;
- made updates, as needed; and
- finalized the questionnaire.

EXIM process owners did not personally fill out the risk assessment questionnaires; they were interviewed to obtain their responses and ICC personnel filled in the response for them. While such a process is not necessarily problematic, as described below, the audit team discovered multiple discrepancies in the risk assessment documentation submitted

by ICC. These discrepancies undermined both the accuracy and validity of the risk assessments—as well as the results associated with those assessments.

Inconsistent Risk Assessment Process Documentation

OIG identified inconsistencies in the data EXIM used to inform its risk assessment, including multiple, signed versions of the risk assessment questionnaires and changes to program risk scores that were not vetted with process owners. There should only be one questionnaire that accurately reflects the responses of the process owners that were validated with ICC. However, as outlined in Appendix D, there were multiple versions of the questionnaires for the different programs.

In response to a data request, the audit team received a spreadsheet that was presented to the team as the final summarized results of the risk assessment process. This document presented twelve different questionnaires (for the twelve process owners) with dated signatures from the process owners. Each of the twelve questionnaires had the exact same overall risk score of eight. Based on the risk scale used, these scores would make all programs low risk of IP and UP. A summary of the risk assessment results is contained in Appendix B.

During the audit, OIG identified inconsistencies in the risk assessments performed by ICC. Specifically, there were multiple final versions of the risk assessment, as well as different scoring scales used on the assessments. OIG also found that risk assessments scores were changed without process management consent. In nine of 12 (75%) questionnaires, the program responses and/or scores had changed from the original. With one exception, the changed responses lowered the program’s risk of IP or UP. OIG conducted follow-up interviews with multiple process owners to gain an understanding of these changes. In each of case, the process owner indicated changes were made to their responses without their knowledge or consent. Table 1 below presents the number of responses changed by program.

Table 1

Program/Division	Number of Responses Changed
Administrative Services	2/27
Human Capital	3/27
Business Credit	3/27
Controller	1/27
Treasurer	1/27
Asset Recovery	0/27
Claims Processing	2/27
Credit Administration	3/27
Export Credit Insurance	0/27
Project Finance	3/27
Transportation	0/27
Global Infrastructure	1/27

As presented in Table 2, below, three of 12 (25%) questionnaires contained no changes to the questionnaire responses. Nevertheless, the category scores were changed for these questionnaires from a riskier score of “two,” to a low risk score of “one”. ICC provided OIG with no explanation nor documentation for why these changes occurred.

Table 2

Program	Original Total Score	New Total Score	Notes
Controller	13	8	Risk Score for 4 Categories changed from 2 to 1 to change the total risk score to 8
Claims Processing	14	8	Risk Score for 6 Categories Changed from 2 to 1 to change the total risk score to 8
Credit Administration	9	8	Risk Score for 1 Category Changed from 2 to 1 to change the total risk score to 8

Inconsistent Risk Rating Criteria

OIG also found that EXIM used two different risk assessment scoring scales when conducting its risk assessment. One scale regarded a program as low risk if the total score was from 0-8, while the other scale regarded a total score of 0-14 as low risk. The 0-14 scale was used on 11 of 12 (92%) questionnaires that were signed by the process owners. However, documents reviewed by OIG indicate the lower scale was used in earlier versions of the questionnaire submitted by ICC. ICC provided no documentation or explanation for why the scales were changed. However, OIG notes that five of 12 (42%) of the original questionnaires would have been medium risk under the 0-8 scale.

The inconsistencies in EXIM’s risk assessment process occurred for two reasons. First, EXIM did not fully implement and execute the structured risk assessment process that was developed with the external contractor. Second, a lack of segregation of duties allowed a single employee to control all phases of the risk assessment process without a separate analyst or reviewing official. Specifically, the discrepancies identified by the audit team would have been less likely to occur if a single point-of-contact had not been solely responsible for:

- Conducting the interviews with process owners and filling in their responses on the risk assessment questionnaire;
- Sending, receiving, and storing the risk assessment questionnaires;

- Determining the categorical risk assessment scores, and total risk assessment scores; and
- Documenting and reporting the risk assessment results internally and externally.

RECOMMENDATIONS

To improve the effectiveness of EXIM's compliance with the Payment Integrity Information Act of 2019, we recommend that EXIM's Office of the Chief Financial Officer:

1) Develop and implement a process to ensure a consistent scoring system and rubric and apply them consistently throughout the scoring process.

Management Comments:

EXIM concurs with this recommendation. EXIM is developing a process and rubric to ensure a consistent scoring system, which will be applied consistently throughout the process.

OIG Response:

Management's proposed actions are responsive to the recommendation. Therefore, the recommendation is considered resolved and will be closed upon completion and verification of the proposed actions.

2) Develop and implement a process to ensure that any changes to process owner's responses are approved by the process owner and documented in writing.

Management Comments:

EXIM concurs with this recommendation. EXIM is updating the current PIIA process to ensure that any changes to the process owner's responses are approved by the process owner and documented in writing.

OIG Response:

Management's proposed actions are responsive to the recommendation. Therefore, the recommendation is considered resolved and will be closed upon completion and verification of the proposed actions.

3) Ensure that a separate designated EXIM official analyzes and evaluates both the results of the risk assessment, and the source documentation for accuracy for each program.

Management Comments:

EXIM concurs with this recommendation. EXIM is updating the current PIIA methodology to ensure that there is an independent review conducted, separate from staff conducting the risk assessment, to analyze and evaluate both the results of the risk assessment and source documentation for accuracy for each program. EXIM is reviewing staffing for critical programs that support compliance with PIIA.

OIG Response:

Management's proposed actions are responsive to the recommendation. Therefore, the recommendation is considered resolved and will be closed upon completion and verification of the proposed actions.

CONCLUSION

OIG is unable to replicate or validate the results of EXIM's risk assessment questionnaires due to the inconsistencies in source documentation and scoring. As a result, OIG cannot provide assurance that EXIM's risk assessment process adequately concluded whether the programs were likely to make improper and/or unknown payments above the statutory threshold. Additionally, OIG is unable to provide assurance that EXIM has accurately documented its risks of improper and unknown payments due to the inconsistencies in source documentation and scoring in the documents provided by ICC.

APPENDICES

Appendix A: Objective, Scope, and Methodology

The objective of this audit was to determine whether EXIM complied with the Payment Integrity Information Act of 2019 (PIIA) and guidance prescribed by the Office of Management and Budget (OMB) for Fiscal Year (FY) 2022. To accomplish this objective, OIG:

1. Reviewed the payment integrity section of the EXIM's FY2022 financial statement and accompanying materials to assess the agency's compliance with PIIA and related OMB guidance.
2. Reviewed information on <https://paymentaccuracy.gov/> through the annual OMB payment integrity data call. The information collected through the data call and published on paymentaccuracy.gov is considered accompanying materials to the financial statement.
3. Reviewed applicable federal laws, OMB guidance, and agency policy and procedures.
4. Requested and analyzed source data from the agency used to support applicable payment integrity information in the financial statement and accompanying materials and to ensure accuracy and completeness of the information.
5. Requested documentation and analyzed data to conclude whether EXIM has met each of the ten PIIA compliance requirements for each of the reported programs. EXIM must meet ten requirements to be compliant.
6. Conducted interviews with EXIM staff including (but not limited to): the Office of the Chief Financial Officer, Office of Internal Controls, Office of Administrative Services, Office of Transportation, Office of Export Credit Insurance, Office of Human Capital, Office of Business Credit, among others.
7. Reviewed prior EXIM OIG reports and assessments relevant to the objective.
8. Reviewed prior reports and assessments from other Federal agencies related to the objective.
9. Reviewed and investigated relevant instances of fraud, waste, and abuse.

In planning and performing the audit, the audit team obtained an understanding of internal controls to the extent necessary to satisfy the audit objective. The team assessed the internal control components and identified the following internal control components and underlying principles significant to the audit objective:⁷

⁷ The federal internal control standards are organized into five components (control environment, risk assessment, control activities, information and communication, and monitoring) and seventeen related principles (requirements). See *Standards for Internal Control in the Federal Government*, GAO-14-740G (September 2014).

Table 1: Internal Control Components	
Components	Underlying Principles
Control Environment	Organizational structure has clearly defined roles and responsibilities.
Risk Assessment	Management has conducted internal and external risk assessments. Can include studies or follow ups on implementation recommendations.
Control Activities	Relevant information systems have business rules in place to ensure the transactions are properly authorized, process accurately, and that the data is valid and complete.
Information & Communication	Relevant, reliable, and timely exchange of information between program office personnel,
Monitoring	Effective monitoring internal control occurs during the normal course of business. Includes periodic data reviews/reconciliations/data comparison.

We performed our audit work from December 2022 through April 2023 both remotely and at EXIM headquarters in Washington, D.C. The audit was conducted 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 objective.

Appendix B: Summary of Risk Assessment Results



	Divisions	Program Type	Risk Category	Risk Score	Susceptible to Improper Payments	Requires Statistical Sampling?
1	Administrative Services Division	Cash Control Disbursements	Low	8	No	No
2	Asset Recovery	Short, Medium and Long-Term Authorizations	Low	8	No	No
3	Business Credit Insurance	Short-Term Authorizations	Low	8	No	No
4	Claims Processing	Short, Medium and Long-Term Authorizations	Low	8	No	No
5	Credit Administration	Short, Medium and Long-Term Authorizations	Low	8	No	No
6	OCFO - Controller	Short, Medium and Long-Term Authorizations, Cash Control Disbursements	Low	8	No	No
7	OCFO - Treasurer	Short, Medium and Long-Term Authorizations, and Cash Control Disbursements	Low	8	No	No
8	Export Credit Insurance	Short, Medium and Long-Term Authorizations	Low	8	No	No
9	Global Infrastructure	Short, Medium and Long-Term Authorizations	Low	8	No	No
10	Office of Human Capital	Cash Control Disbursements	Low	8	No	No
11	Project Finance Division	Short, Medium and Long-Term Authorizations	Low	8	No	No
12	Transportation Division	Medium and Long-Term Authorizations	Low	8	No	No

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If Total Score is 0 through 8 = LOW RISK	If Total Score is 9 through 16 = MEDIUM RISK	If Total Score is 17 and above = HIGH RISK
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Source: EXIM Improper Payments Risk Assessment Results – August 2022 – Internal Controls and Compliance Division

Appendix C: Summary of PIIA Requirements - OMB Circular A-123, Appendix C

EXIM Payment Programs	Summary of PIIA Requirements - OMB Circular A-123, Appendix C									
	Published payment integrity information with the annual financial statement and in the accompanying materials	Posted the annual financial statement and accompanying materials on the agency website.	Conducted improper payment risk assessments for each program with annual outlays >\$10m at least once in the last three years	Adequately concluded whether the program is likely to make IPs and UPs above or below the statutory threshold.	Published IP and UP estimates for programs susceptible to significant IPs and Ups	Published corrective action plans for each program susceptible to significant Ips	Published an IP and UP reduction target for each program for which an estimate above the statutory threshold	Demonstrated improvements to payment integrity or reached a tolerable IP and UP rate.	Developed a plan to meet the IP and UP reduction target.	Reported an IP and UP estimate of <10% for each program for which an estimate was published
Short Term Authorizations	Compliant	Compliant	Compliant	Not Compliant	Not Required	Not Required	Not Required	Not Required	Not Required	Not Required
Medium Term Authorizations	Compliant	Compliant	Compliant	Not Compliant	Not Required	Not Required	Not Required	Not Required	Not Required	Not Required
Long Term Authorizations	Compliant	Compliant	Compliant	Not Compliant	Not Required	Not Required	Not Required	Not Required	Not Required	Not Required
Cash-Control Disbursements	Compliant	Compliant	Compliant	Not Compliant	Not Required	Not Required	Not Required	Not Required	Not Required	Not Required

Appendix D: Number of Different Risk Assessment Questionnaires by Program

Division	Versions	Date
Administrative Services	3 versions	8/31/2022
Human Capital	3 versions	9/5/2022
Business Credit	3 versions	8/30/2022
Controller	2 versions	9/1/2022
Treasurer	3 versions	8/31/2022
Asset Recovery	2 versions	8/30/2022
Claims Processing	3 versions	8/30/2022
Credit Administration	3 versions	9/1/2022
Export-Credit Insurance	2 versions	8/31/2022
Project Finance	2 versions	9/2/2022
Transportation	2 versions	8/31/2022
Global Infrastructure	3 versions	9/22/2022

Appendix E: Management Comments



Helping American Businesses Win the Future

DATE: May 11, 2023

TO: The Honorable Parisa Salehi, Inspector General, Office of Inspector General

THROUGH: Mary Jean Buhler, Senior Vice President and Chief Financial Officer

FROM: Liz Ryan, Senior Vice President and Chief Management Officer (Acting)

SUBJECT: Audit of EXIM's Fiscal Year 2022 Compliance with the Payment Integrity Information Act of 2019 (PIIA), OIG-AR-23-05

Dear Ms. Salehi,

Thank you for providing the Export-Import Bank of the United States ("EXIM" or "EXIM Bank") management with the Office of Inspector General's ("OIG") *Audit of EXIM's Fiscal Year 2022 Compliance with the Payment Integrity Information Act of 2019*, OIG-AR-23-05, dated May 1, 2023 (the "Report"). Management appreciates and continues to support the OIG's work which complements EXIM's efforts to continually improve its processes.

EXIM appreciates OIG's finding regarding "EXIM's compliance with PIIA requirements improved with the implementation of two recommendations from OIG's FY 2021 PIIA review." EXIM is pleased that OIG recognized that "EXIM implemented OIG's recommendation to ensure the agency follows the most recent improper payment guidance" and "EXIM also developed and implemented a formalized training plan for agency staff to ensure a thorough understanding of the requisite guidance and requirements."

In addition, EXIM notes that OIG found that EXIM, in accordance with PIIA requirements, posted the annual financial statement and accompanying materials as required under guidance of the Office of Management and Budget (OMB) on the agency website, published payment integrity information with the annual financial statement and in the accompanying materials to the annual financial statement, and conducted improper payment risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years.

However – and as supported by the findings in this report – EXIM recognizes that there are additional areas for improvement to bring EXIM into full compliance with PIIA requirements. Amongst these is the need to evaluate and better understand challenges at the management level, as well as strategic and effective staffing within critical programs and to ensure recruitment of qualified staff.

The OIG has made three recommendations in this report to improve the effectiveness of EXIM’s compliance with the Payment Integrity Information Act of 2019:

Recommendation 1: Develop and implement a process to ensure a consistent scoring system and rubric and apply them consistently throughout the scoring process.

Management response: EXIM concurs with this recommendation.

EXIM is developing a process and rubric to ensure a consistent scoring system, which will be applied consistently throughout the process.

Recommendation 2: Develop and implement a process to ensure that any changes to process owner’s responses are approved by the process owner and documented in writing.

Management response: EXIM concurs with this recommendation.

EXIM is updating the current PIIA process to ensure that any changes to the process owner’s responses are approved by the process owner and documented in writing.

Recommendation 3: Ensure that an independent EXIM official analyzes and evaluates both the results of the risk assessment, and the source documentation for accuracy for each program.

Management response: EXIM concurs with this recommendation.

EXIM is updating the current PIIA methodology to ensure that there is an independent review conducted, separate from staff conducting the risk assessment, to analyze and evaluate both the results of the risk assessment and source documentation for accuracy for each program. EXIM is reviewing staffing for critical programs that support compliance with PIIA.

CC: The Honorable Reta Jo Lewis, President and Chair of the Board

Hazeen Y. Ashby, Sr. Vice President & Chief of Staff (*Acting*) & White House Liaison

Larry T. Decker, Deputy Chief of Staff (*Acting*) & Sr. Advisor to the President & Chair

Lisa Terry, Senior Vice President and Chief Ethics Officer

Michelle Arias, Chief Human Capital Officer

Kenneth Tinsley, Senior Vice President and Chief Risk Officer

Jonathon Feigelson, Senior Vice President and General Counsel

Lark Grier-Hapli, Deputy General Counsel

Inci Tonguch-Murray, Senior Vice President and Deputy Chief Financial Officer

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