



**COUNCIL OF THE INSPECTORS GENERAL
ON INTEGRITY AND EFFICIENCY**

Fiscal Year 2024

Agency Financial Report



COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

Chairperson's Message

The Council of the Inspectors General on Integrity and Efficiency (CIGIE or Council) was established by the Inspector General Reform Act of 2008. Currently composed of 73 Federal Inspectors General (IGs) and 6 integrity-related senior officials, the Council and its member organizations function as a robust oversight group engaged in issues of nationwide significance. CIGIE's mandated mission is to address integrity, economy, and effectiveness issues that transcend individual Government agencies, and to increase the professionalism and effectiveness of the inspector general community.

In this Agency Financial Report (AFR), we discuss CIGIE's fiscal year (FY) 2024 accomplishments in carrying out its mission and performance plan goals; provide the independent auditor's report regarding CIGIE's financial statements as of September 30, 2024; and highlight the work of CIGIE's Executive Council, ten committees including the Pandemic Response Accountability Committee (PRAC), and individual members on cross-cutting issues affecting Federal departments, agencies, and Offices of Inspector General.

The financial audit was performed by Brown & Company; the report reflects financial statements that present fairly the financial position of the organization. This year's report identifies no material weakness.

Brown & Company's opinion letters and audited CIGIE financial statements and notes to the financial statements are included in this AFR. Further information related to the CIGIE's assurance as to the accountability and reliability of the financial and performance data presented in this report may be found under the Management Statement of Assurance.

In FY 2024, our work has been strengthened by the efforts of leaders in the IG community; the Office of Management and Budget; Congress; the Government Accountability Office; other Federal agencies, and law enforcement and professional organizations; and private-sector supporters who share a dedication to help improve Government programs by ensuring accountability, efficiency, and oversight.

In particular, we sincerely thank the approximately 14,000 professionals that make up the Federal inspector general community for the work they do every day to ensure the effectiveness and integrity of Federal programs that affect the lives of all Americans.

Mark Lee Greenblatt
Chairperson, CIGIE

November 15, 2024



COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

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COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

Management's Discussion and Analysis Fiscal Year 2024

The Council of the Inspectors General on Integrity and Efficiency (CIGIE or the Council) has chosen to produce an Agency Financial Report (AFR), which is posted on CIGIE's website at www.ignet.gov.

The Council of the Inspectors General on Integrity and Efficiency's Mission and Organization

Mission: The mission of the Council is to address integrity, economy, and effectiveness issues that transcend individual Government agencies; and increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the Offices of Inspectors General.

Organization: The Council is made up of 73 individual Inspectors General (IGs) from both the Executive and Legislative branches and 6 integrity-related senior officials: the Deputy Director for Management (DDM), Office of Management and Budget (OMB); the Deputy Director, Office of Personnel Management; the Special Counsel, Office of the Special Counsel; the Assistant Director of the Criminal Investigative Division, Federal Bureau of Investigation (FBI); the Director, Office of Government Ethics; and the Controller of the Office of Federal Financial Management, OMB. The Deputy Director for Management, Office of Management and Budget, is the Executive Chairperson of the Council. The Council is led by the elected Chairperson, Mark Lee Greenblatt, U.S. Department of the Interior; the Vice Chairperson, Tammy L. Hull, U.S. Postal Service; and the other members of the Executive Council (see the below table).

Executive Council	
Mark Lee Greenblatt, U.S. Department of Interior	Chairperson
Tammy L. Hull, U.S. Postal Service	Vice Chairperson
Hannibal Ware, Small Business Administration	Audit Committee Chair
Andrew Katsaros, Federal Trade Commission	Budget Committee Chair
Sandra Bruce, Department of Education	Employee Engagement and Innovation Committee
Wendy R. LaGuarda, Farm Credit Administration	Inspection and Evaluation Committee
Kimberly A. Howell, Corporation for Public Broadcasting	Integrity Committee Chair
Michael J. Missal, Department of Veterans Affairs	Investigations Committee Chair
Joaquin Ferrao, Peace Corps	Legislation Committee Chair
Michael E. Horowitz, U.S. Department of Justice	Pandemic Response Accountability Committee
Allison C. Lerner, National Science Foundation	Past Chairperson
Rae Oliver Davis, Department of Housing and Urban Development	Professional Development Committee Chair
Robeert P. Storch, Department of Defense	Technology Committee Chair
Parisa Salehi, Export-Import Bank of the United States	At-Large Member

Management's Discussion and Analysis

CIGIE Committees

CIGIE consists of ten (10) committees, eight (8) of which represent functional responsibilities of the IG community. The ninth, the Integrity Committee, is a statutory committee established by the IG Reform Act of 2008 that serves as an independent and objective investigative mechanism for addressing allegations of misconduct against IGs and their senior staff members. The tenth, the Pandemic Response Accountability Committee (PRAC), is a statutory committee established in the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act and sunsets on September 30, 2025.

The following organizational chart represents the Council's organizational structure.



Audit Committee

The Audit Committee provides leadership to and serves as a resource for the Federal IG audit community. The Committee sponsors and coordinates audit-related activities that address multi-agency or Government-wide issues, maintains professional standards for OIG audit activities, and administers the audit peer review program. It also provides input to the CIGIE Professional Development Committee on the training and development needs of the CIGIE audit community, and advice to the Chairperson, Vice Chairperson, and Executive Director regarding CIGIE's contracts for audit services.

Budget Committee

The Budget Committee provides leadership in the development of the Council's annual Congressional appropriation request by coordinating a transparent process to assess current CIGIE activities and, in consultation with the Chairperson, Vice Chairperson, and Executive Council, presenting a proposed budget to the membership for discussion and adoption. In addition, the Committee serves as the IG Community's lead in coordinating with the OMB and relevant Congressional committees to establish and maintain a direct annual appropriation to fund Council activities.

Employee Engagement and Innovation Committee

The Employee Engagement and Innovation Committee looks to affirm, advance, and augment CIGIE's commitment to creating and supporting a workplace that is focused on belonging, equity, innovation, and accessibility, throughout the IG community. The committee helps ensure the OIG community's work is comprehensive, the workforce is engaged, highly-skilled, and well-trained, and the work is accessible to the diverse public the community serves.

Inspection and Evaluation Committee

The Inspection and Evaluation Committee provides leadership for the CIGIE inspection and evaluation community's efforts to improve agency program effectiveness by maintaining professional standards; leading the development of protocols for reviewing management issues that cut across departments and agencies; promoting the use of advanced program evaluation techniques; and fostering awareness of evaluation and inspection practice in OIGs. The Committee provides input to the CIGIE Professional Development

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Committee and the Training Institute on the training and development needs of the CIGIE inspection and evaluation community.

Integrity Committee

The Integrity Committee is required by the IG Act and has the statutory responsibility to review and refer for investigation allegations of wrongdoing made against CIGIE IGs and their designated staff members. The Committee is chaired by an IG member elected by the other committee members. The Committee consists of four IGs appointed by the Council Chairperson for four-year terms. In addition, the Director of the Office of Government Ethics or designee and the FBI official serving on the Council or designee are also members. The Chief of the Public Integrity Section of the Criminal Division of the Department of Justice, or designee, serves as a legal adviser. In conjunction with the Council Chairperson, the Integrity Committee develops policies and procedures, which are submitted to the congressional committees of jurisdiction.

Under the IG Empowerment Act of 2016, CIGIE is responsible for committee records management and administrative support.

Investigations Committee

The Investigations Committee contributes to improvements in program integrity, efficiency, and cost effectiveness government-wide by providing analysis of investigative issues common to federal agencies. The Committee provides the CIGIE community with guidance, support, and assistance in conducting high quality investigations. It also provides input to the CIGIE Professional Development Committee and the Training Institute on the training and development needs of the CIGIE investigations community.

Legislation Committee

The Legislation Committee ensures that CIGIE is kept abreast of matters in the Congressional arena that are of interest to the IG community. The Committee develops, coordinates, and represents the official IG community positions on legislative issues.

Professional Development Committee

The Professional Development Committee provides educational opportunities, through the Training Institute, for members of the IG community and ensures the development of competent personnel. The Committee receives input from the Audit, Investigations, and Inspection and Evaluation Committees on the training and development needs of the CIGIE community. It also seeks opportunities to improve training methods, enhance the development of OIG staff, and establish training to meet continuing professional educational requirements.

Technology Committee

The Information Technology Committee facilitates effective OIG information technology (IT) and other technology-related audits, evaluations, and investigations by Inspectors General, and to share best practices and coordinate efforts related to oversight and use of technology by Offices of Inspector General.

Pandemic Response Accountability Committee

Established in March 2020 by the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136), the Pandemic Response Accountability Committee (PRAC) is a Committee of the CIGIE composed of Inspectors General (IGs) identified by Congress, IGs designated by the Chairperson of the Committee, an Executive Director, a Deputy Executive Director, and staff. The PRAC promotes transparency and provides Congress, agencies, and the public with objective, reliable information on covered funds – defined as funds, including loans, that are made available in any form to any non-Federal entity, not including individuals, under the CARES act, Families First Coronavirus Response Act, Coronavirus Preparedness and Response Supplemental Appropriations Act, and any other act primarily making appropriations for the coronavirus response and related activities. The PRAC strives to detect fraud, waste, abuse, and mismanagement in federal programs related to the Federal Government's response to the nationwide public

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health emergency and to programs that provide relief to individuals, large corporations, small businesses, state and local governments, and public services.

The PRAC is scheduled to sunset on September 30, 2025.

Councils, Panels, Roundtables, and Work Groups

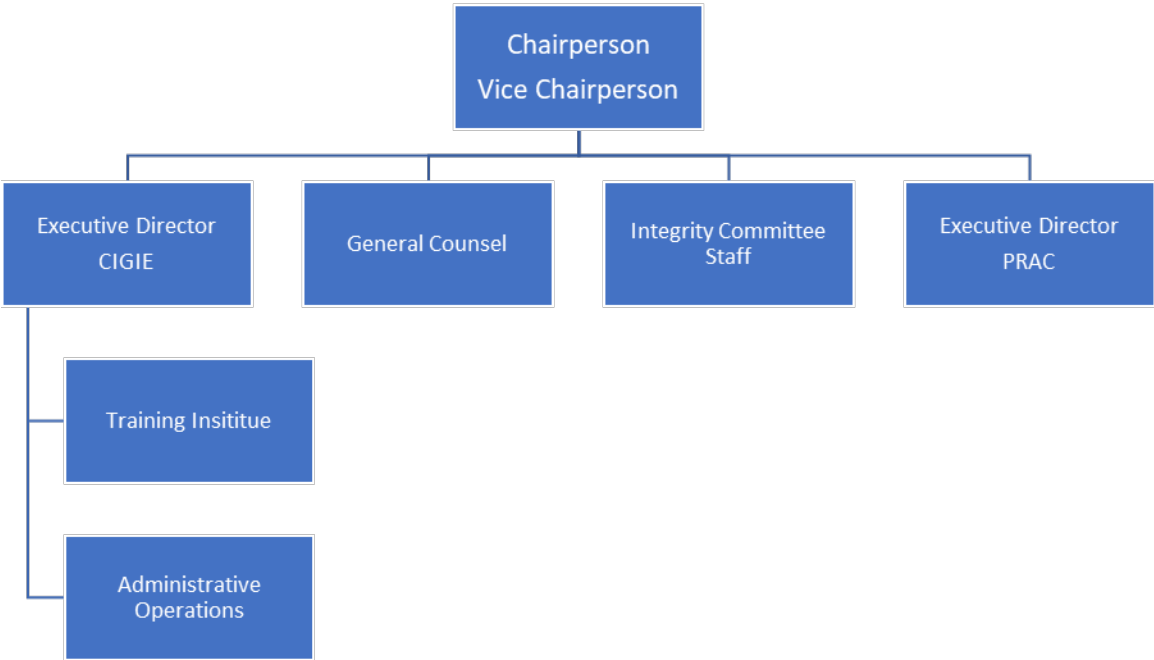
In addition to these ten committees, there are several councils, panels, roundtables, and work groups that are discipline-specific within the IG community or function under the auspices of CIGIE or the standing committees. A few examples of these and their purposes are:

- Federal Audit Executive Council (FAEC) – A council under CIGIE established to discuss and coordinate issues affecting the Federal audit community with special emphasis on audit policy and operations of common interest to CIGIE members.
- Assistant Inspectors General for Investigations (AIGI) Committee – A committee under CIGIE established to serve as a forum for internal discussion and a conduit for suggestions, issues and concerns that affect the OIG investigations community to the CIGIE Investigations Committee for appropriate action.
- IG Candidate Recommendations Panel – A panel under CIGIE which, as required by the IG Act, maintains and submits to appointing officials recommendations of individuals for vacant IG positions.
- Inspections and Evaluations Roundtable – A roundtable that provides support to the Inspection and Evaluation Committee on a myriad of issues pertinent to the inspection and evaluation function with the IG community.
- Suspension and Debarment Working Group – This working group under the Investigations Committee is focused on finding ways to protect taxpayer dollars through expanded and more effective use of suspension and debarment remedies.
- Ombuds Working Group – This working group under the Investigations Committee is focused on myriad of matters associated with the responsibilities of OIG ombudsman.
- Human Resources Roundtable – This roundtable under the Professional Development Committee is focused on myriad of issues pertinent to the OIG's human resources community.
- Council of Counsels to the Inspectors General (CCIG) – Comprised of counsels to IGs, this council discusses issues of common interest generally of a legal nature within the IG community.

Management's Discussion and Analysis

Staff

The Council is an independent federal entity and maintains its own permanent staff for which the Chairperson provides oversight. Council staff is responsible for supporting the activities of the Council, including, but not limited to, preparing minutes of all Council meetings, drafting Council reports such as the annual report, maintaining the Council's website and archives, maintaining a Training Institute for the professional training of OIG personnel, and additional functions. The PRAC also maintains a temporary staff to fulfil the responsibilities of the PRAC. Below represents the Council's staff organizational structure.





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Performance Goals, Objectives, and Results

Executive Summary of High-Level Annual Accomplishments and Achievements:

[CIGIE's Five-Year Strategic Plan](#) set out four major business goals for Fiscal Year 2024. These goals are: (1) enhanced integrity and strength of Federal programs and operations; (2) a well-trained and highly skilled OIG community; (3) a focal point for collaboration, best practices, and outreach; and (4) an efficient, well-managed organization. The following reflects CIGIE's FY 2024 accomplishments as they align with each of these goals.

Goal 1: Enhanced integrity and strength of Federal programs and operations.

CIGIE was at the center of several cross-agency efforts in FY 2024 that strengthened Federal programs and operations. For example:

- Since Russia's full-scale invasion of Ukraine, the U.S. Government has been the largest contributor of assistance, with more than \$113 billion appropriated across the U.S. Government. With these funds, the U.S. Government provided security, humanitarian, and economic assistance to help Ukraine defend against Russia's invasion, ensure the Ukrainian government can function effectively during the war, and support the people of Ukraine as they endure daily attacks from Russian forces.

In September 2023, the Secretary of Defense announced the commencement of Operation Atlantic Resolve (OAR) as an overseas contingency operation, in accordance with 10 U.S.C. § 113(o). Following this announcement, the Department of Defense (DoD) IG was named Lead IG for OAR by the CIGIE Chairperson. In section 1250B of the FY 2024 National Defense Authorization Act, Congress re-designated the Lead IG as the Special IG (SIG) for OAR with additional responsibilities and reporting requirements to ensure whole-of-government oversight and transparency of this multifaceted and resource-intensive effort, including the publication of an unclassified quarterly report on a publicly available website.

Led by the DoD OIG, SIG OAR agencies (DoD, State, and USAID OIGs), the Government Accountability Office (GAO), and the Pandemic Response Accountability Committee (PRAC) website team, planned, developed, and launched www.UkraineOversight.gov. Additionally, the SIG OAR agencies authored the first statutorily required quarterly report to Congress for the operation.

- As in years past, the PRAC continued to play a key role in fostering the integrity and strength of Federal programs and operations. In one example from this past year, the PRAC collaborated with the Pension Benefit Guaranty Corporation (PBGC) OIG to review the Special Financial Assistance (SFA) Program, which was established as part of the American Rescue Plan Act and was designed to protect workers in multiemployer pensions plans (MEPs). A PBGC OIG audit identified improper payments in accepted SFA applications because thousands of deceased participants were included in the plans, resulting in an agreement for pension plans to return more than \$100 million to the Treasury Department in April 2024.

To enhance PBGC OIG efforts to identify questionable SFA applications before payments are issued, the PRAC and PBGC OIG developed risk-scoring models to quickly identify questionable SFA applications for review. The PRAC's data analytics tools helped automate what used to be a manual process for PBGC OIG, and the outcomes were significant. PBGC OIG used a risk-scoring model to conduct focused pension plan reviews, which led to the withdrawal of four SFA applications, preventing additional improper payments.



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- CIGIE continued to administer Oversight.gov, an online platform established in 2017 that serves as a one-stop shop for OIG oversight reports. There are currently over 30,000 total reports posted to the site, including audit, inspection, and evaluation reports; OIG semiannual reports; OIG peer reviews, and other OIG publications. In FY 2024 alone, Federal OIGs uploaded over 2,600 reports to the website that identified approximately \$23 billion dollars in potential savings to the government.

Oversight.gov also promotes IG independence by hosting websites for OIGs. CIGIE currently hosts 25 OIG websites on the platform, providing OIGs with greater ability to distribute information about their offices and oversight work. The site also tracks IG vacancies, for transparency and accountability purposes.

Goal 2: A well-trained, diverse and highly skilled OIG community.

The CIGIE Training Institute's three academies focus on criminal investigations, audits, inspections, and evaluations, and leadership competencies. In FY 2024, the Training Institute enrolled 10,185 total students, of which 6,113 were unique enrollees. Students attended 277 total CIGIE and Federal Law Enforcement Training Center (FLETC) trainings and events.

The Training Institute continually looks to enhance its course offerings, with support from the OIG community. For example, the Training Institute conducted a survey of over 1,500 employees from across the Federal audit community to identify the top five audit technical skills needed to effectively perform audit work. As a result of this survey, the Training Institute decided to revise the 40-hour CIGIE Introductory Auditor course. A team of experienced auditors from 14 different OIGs volunteered to support the redesign effort and serve as adjunct instructors (AIs).

Over the course of several months, the AIs supported the redesign of the auditor course and individually committed as much as 100 hours of time researching, designing, and developing new classes. This newly implemented course serves as foundational training for the next generation of federal auditors on how to implement GAO's Government Auditing Standards (or the Yellow Book). The revision and implementation of the new OIG-community focused course will better ensure that new auditors across the community are equipped with the knowledge, skills, and abilities to conduct effective audits that comply with established auditing standards.

Additionally, as in past years, the Training Institute supported capabilities that afforded the OIG workforce access to a broad spectrum of learning opportunities. In FY 2024, that included an expanded coaching and mentoring program; rotational experiences combining learning, apprenticeships, job-shadowing, and stretch assignments; and traditional, formal learning.

Goal 3: A focal point for collaboration, best practices, outreach, and innovation.

CIGIE continues to support a wide array of IG community activities, including the 10 standing committees and their associated subcommittees, as well as approximately 45 other working groups and collaborative bodies of varying sizes and scopes. These entities are dedicated to improving the state of practice within the IG community, addressing significant cross-cutting issues, and increasing awareness in the public domain about the IG mission and responsibilities. Members come from across the IG community and join these organizations according to their functional areas and interests. As a result, the degree of interagency engagement is often high, and outcomes of their efforts have a broad impact.



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Highlights from this year's work include:

- CIGIE's [Toolkit for Identifying and Reporting Monetary Impact](#), which is the result of significant efforts of the Monetary Impact Working Group, comprised of more than 50 individuals representing more than 20 OIGs from the Audit and Inspection and Evaluation Disciplines. The goals of the Toolkit are to promote consistency throughout the OIG community in identifying and reporting monetary impact in audit, inspection, and evaluation work and to ensure stakeholders are accurately informed of the impact of OIG efforts.
- CIGIE's [first-ever capstone report highlighting trends in Federal agencies' cybersecurity performance](#) under the Federal Information Security Modernization Act of 2014 (FISMA) for fiscal years 2020 to 2023. This cross-cutting report, published by CIGIE's Technology Committee, marked the first time CIGIE has examined FISMA reports from OIGs across the Federal government to identify and analyze common Federal agency challenges.

While Federal agencies have improved their information security programs, the report notes that additional enhancements are needed in the areas of supply chain risk management, cybersecurity risk management, and configuration management. Continued improvements in these areas will better position Federal information security programs to identify, protect, detect, respond, and recover from advanced cybersecurity threats.

- CIGIE's updated version of [Advancing Diversity, Equity, Inclusion, and Accessibility: A Roadmap for Office of Inspectors General](#) provided additional information, tools, and action steps to help OIGs take a more proactive approach to incorporating DEIA into their operations and their work products to ensure that Federal programs are operating as required, achieving the desired results, and reaching the intended recipients.

The updated Roadmap provided information for OIGs to: consider incorporating equity in OIG oversight work, including audits, investigations, evaluations, reviews, and other projects to ensure agencies are promoting equitable access to and administration of Federal programs; evaluate the OIG's products, services, policies, and procedures for compliance with accessibility requirements and to identify areas for improvement and collaboration; and ensure OIG workplaces are accessible, inclusive, and harassment-free environments where staff members feel safe to be their authentic selves while contributing to the mission of their office.

Goal 4: An efficient, well-managed organization that is innovative, resilient, and serves as an exemplar for other government organizations.

CIGIE continued to make significant progress with its operational-modernization initiative in FY 2024. In October 2023, CIGIE transitioned its financial systems to the Interior Business Center (IBC), which provided CIGIE real-time access to its financial data and high confidence in the accuracy of its accounting processes. Additionally, CIGIE continued in FY 2024 to rely on IBC for human resources and payroll functions, and IBC continued to conduct a 100-percent review and validation of all processes and personnel and payroll records.

Regarding information technology and information security management, CIGIE in FY 2024 underwent its first FISMA compliance audit. An independent firm reviewed CIGIE's information and information security controls, in accordance with IG FISMA reporting metrics and performance measures selected by OMB. The firm reported several findings and provided recommendations to assist CIGIE with strengthening its information security program in FY 2025.



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Additionally, CIGIE in FY 2024 formally opened its new office and training space to the OIG community, for CIGIE and OIG meetings, trainings, and events. CIGIE staff developed robust policies and procedures and hosted numerous OIGs throughout the year, provided a dedicated, reliable location for CIGIE and OIG engagement and enhancing community collaboration.

CIGIE also continued to meet its statutory responsibilities in FY 2024 to include:

- Maintaining public and business websites for the benefit of the public, stakeholders, and the OIG community;
- Responding to inquiries from the public and stakeholders about CIGIE and OIG activities, including complaints and allegations against IGs;
- Administering peer review programs that assess OIG compliance with professional standards; and
- Recommending individuals to the appointing authority when IG vacancies occur.

Analysis of CIGIE's Financial Statements and Stewardship Information

CIGIE prepares annual financial statements in accordance with U.S. generally accepted accounting principles (GAAP) for Federal government entities and subjects the statements to an independent audit to ensure their integrity and reliability in assessing performance. The financial statements and notes are presented on a comparative basis in the required format in accordance with OMB Circular No. A-136, revised, *Financial Reporting Requirements*.

CIGIE obtained its funding in FY 2024 from the carry-over balance of non-expended/non- obligated funds from FY 2023 in its no-year revolving fund, as well as appropriations from Congress and collections associated with training. In 2024, CIGIE operated under its established internal control and financial management systems to ensure accountability of these funds while continuing to build operations to support CIGIE and its mission. These funds are being used to continue: 1) creating the infrastructure necessary to fully support the activities of CIGIE; 2) providing educational and professional development programs to increase the professionalism and effectiveness of the IG community workforce; 3) operating and managing CIGIE's website; and 4) supporting the PRAC

The following table summarizes the significant changes in CIGIE's financial position during FY 2024:

Financial Condition	FY 2024 Balance	FY 2023 Balance	Increase/ (Decrease)	Percentage Difference
Total Assets	\$ 61,231,069	\$ 81,343,663	\$(20,112,594)	-25%
Total Liabilities	\$ 1,614,895	\$ 2,243,528	\$ (628,633)	-28%
Net Position	\$ 59,616,174	\$ 79,100,135	\$(19,483,961)	-25%
Net Cost of Operations	\$ 38,464,468	\$ 42,339,178	\$(3,874,710)	-9%
Budgetary Resource	\$ 83,991,618	\$ 105,051,476	\$(21,059,857)	-20%



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The table below summarizes CIGIE's budgetary resource for FY 2024.

Summary of Budgetary Resources

For the Year Ending September 30, 2024

Funding:

FY 2024 Carry Over Balance	\$ 61,684,453
Appropriations (discretionary and mandatory)	2,850,000
Spending authority from Offsetting Collections	<u>19,457,165</u>
Total Budgetary Resources	<u>\$ 83,991,618</u>

Status of Budgetary Resources:

New obligations and upward adjustments (total)	\$ 36,180,067
Unobligated Balances, end of year (total)	<u>47,811,511</u>
Total Status of Budgetary Resources	<u>\$ 83,991,618</u>

For operations other than the PRAC and Oversight.gov, each year CIGIE prepares a projected budget to meet its planned activities. Based on the projected budget and taking into account any excess funds in the revolving fund, member offices are requested to contribute a pro rata rate of their annual funding level towards CIGIE operations that results in the funding necessary to meet CIGIE's projected budget.

Analysis of CIGIE's Systems, Controls, and Legal Compliance

This AFR provides timely information for CIGIE's stakeholders and the public to better understand CIGIE's program and operations. As always, CIGIE is committed to continuing its efforts in bettering its internal controls and maintaining an unqualified audit opinion in future years.

CIGIE management is responsible for establishing and maintaining effective internal controls and, through a reimbursable agreement with the Interior Business Center (IBC) financial management systems and accounting support that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). FMFIA is implemented by OMB Circular A-123, revised, *Management's Responsibility for Internal Control*. The objectives of FMFIA are to ensure that CIGIE's controls and systems provide reasonable assurance that:

- obligations and costs are in compliance with applicable laws;
- funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation;
- revenues and expenditures are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports and to maintain accountability over assets; and
- programs are efficiently and effectively carried out in accordance with applicable laws and management policy.

Section 2 of the FMFIA requires federal agencies to report, on the basis of annual assessments, any material weaknesses that have been identified in connection with their internal and administrative controls. Section 4 of the FMFIA requires that agencies annually provide assurance on programmatic internal controls and financial management systems, and effectiveness of internal control over financial reporting.



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Further, the Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government* (known as the Green Book), provides the overall framework for establishing and maintaining an effective internal control system. The Green Book, along with OMB's Circular A-123, provide guidance on assessing five components that contain a total of 17 principles, that are summarized in the below table:

Component	Principles
Control Environment	<ol style="list-style-type: none">1. Demonstrates commitment to integrity and ethical values2. Exercises oversight responsibility3. Establishes structure, authority, and responsibility4. Demonstrates commitment to competence5. Enforces accountability
Risk Assessment	<ol style="list-style-type: none">6. Specifies suitable objectives7. Identifies and analyzes risk8. Assesses fraud risk9. Identifies and analyzes significant change

Component	Principles
Control Activities	<ol style="list-style-type: none">10. Selects and develops control activities11. Selects and develops general controls over technology12. Deploys through policies and procedures
Information & Communication	<ol style="list-style-type: none">13. Uses relevant information14. Communicates internally15. Communicates externally
Monitoring	<ol style="list-style-type: none">16. Conducts ongoing and/or separate evaluations17. Evaluates and communicates deficiencies

CIGIE operated during Fiscal Year 2024 with 31 employees, inclusive of permanent and detailed employees, and 53 temporary employees and detailed employees assigned to the PRAC. CIGIE, and its service provider IBC, performs internal control reviews on financial, management, and information systems, and conducts fact-finding activities to support decisions impacting revisions to the Council's accounting and financial reporting systems. For example, CIGIE initially developed its financial policies and procedures in FY 2010 to ensure internal controls were established to meet the objectives of OMB Circular A-123. Annually, we review our internal controls to see if there is any need for improvement. As of September 30, 2024, CIGIE has fully implemented the recommendations of the prior auditors with the transition to IBC and real-time access to the financial system. Additionally, we seek feedback from those intimately involved in the day-to-day financial operations of CIGIE to determine if any matters have arisen that reflect a potential weakness in these controls. I can provide reasonable assurance that our internal controls are operating effectively.

Finally, the Accountability of Tax Dollars Act (ATDA) of 2002 requires the preparation of financial statements by the federal agencies that were exempted by the Chief Financial Officers Act of 1990. OMB Circular No. A-136, *Financial Reporting Requirements*, enables agencies to consolidate their audited financial statements and other financial and performance reports into one report, the AFR. This report meets the requirements of the Act. In accordance with the ATDA, CIGIE's financial information was audited in FY 2024 by the Certified Public Accounting firm of Brown & Company, which



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reviewed the FY 2024 financial records and internal controls of the Council and submitted an unmodified audit opinion.

Further, CIGIE relies upon its Federal shared financial service provider as an additional control that lessens the risk of weaknesses in CIGIE's controls. CIGIE uses the financial services of the IBC. The operating effectiveness of the IBC's financials, general information technology, accounting operations and payroll controls was examined under Statements on Standards for Attestation Engagements No. 18 (SSAE 18), Quality Control Review of Controls over the Service Provider, issued by the American Institute of Certified Public Accountants (AICPA). An unqualified opinion was issued by IBC's independent public accounting firm for the period July 1, 2023 through June 30, 2024. Accordingly, IBC was able to provide CIGIE with assurance that the description of controls in the FY 2024 report presents fairly the operating effectiveness of IBC controls that were in place as of September 30, 2024, as they relate to key controls relied upon by CIGIE. Based on the results of the evaluation of IBC financial systems and controls documented in its SSAE 18 report, CIGIE can provide reasonable assurance that the internal controls over IBC's financial reporting were operating effectively and CIGIE's financial management systems complied substantially with Federal financial management system requirements, applicable Federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level.

Analysis of Entity's Systems, Controls and Legal Compliance

CIGIE's management is responsible for managing risks and establishing and maintaining effective internal control and financial management systems that meet the objectives of Sections 2 and 4 of the FMFIA and the Federal Financial Management Improvement Act (FFMIA). CIGIE conducted an assessment risk and of the effectiveness and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Based on the results of this evaluation, CIGIE can provide reasonable assurance that its internal controls over the effectiveness and efficiency of operations, reporting, and compliance with applicable laws and regulations as of September 30, 2024, were operating effectively.

Andrew Cannarsa

Andrew M. Cannarsa
Executive Director
November 15, 2024



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Federal Information Security Management Act

The Federal Information Security Management Act of 2002 (FISMA) requires each federal agency to establish and maintain an information security program for all non-national security information and information systems. The Council's information security program includes a process for planning, implementing, evaluating, and documenting remedial action to address any deficiencies in its information security policies, procedures, and practices.

Limitations of the Financial Statements

The principal financial statements have been prepared to report the financial position and results of operations of CIGIE, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of CIGIE in accordance with U.S. generally accepted accounting principles (GAAP) for Federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.



**COUNCIL OF THE INSPECTORS GENERAL
ON INTEGRITY AND EFFICIENCY**

FINANCIAL STATEMENTS

For The Years Ended September 30, 2024 and 2023

Council of the Inspectors General on Integrity and Efficiency
Balance Sheets
As of September 30, 2024 and 2023
(in dollars)

	<u>2024</u>	<u>2023</u>
Assets		
Intra-governmental assets		
Fund Balance with Treasury (Note 2)	\$ 55,466,675	\$ 72,384,502
Accounts receivable, net (Note 3)	416,171	704,422
Transfers receivable	2,008,410	-
Advances and prepayments (Note 4)	3,139,728	8,002,939
Total intra-governmental assets	<u>61,030,984</u>	<u>81,091,863</u>
Other than intra-governmental assets		
Accounts receivable, net (Note 3)	20,656	41,610
Property, plant, and equipment, net (Note 5)	179,429	210,190
Total other than intra-governmental assets	<u>200,085</u>	<u>251,800</u>
Total assets	<u><u>\$ 61,231,069</u></u>	<u><u>\$ 81,343,663</u></u>
Liabilities		
Intra-governmental liabilities		
Accounts payable (Note 6)	\$ 36,219	\$ 157,899
Advances from others and deferred revenue	-	18,700
Other Liabilities (Note 7)	64,965	65,113
Total intra-governmental liabilities	<u>101,184</u>	<u>241,712</u>
Other than intra-governmental liabilities		
Accounts payable (Note 6)	288,607	652,707
Federal employee salary, leave, and benefits payable (Note 6)	1,225,104	1,348,709
Advances from others and deferred revenue	-	400
Total other than intra-governmental liabilities	<u>1,513,711</u>	<u>2,001,816</u>
Total liabilities	<u><u>\$ 1,614,895</u></u>	<u><u>\$ 2,243,528</u></u>
Net position		
Total Unexpended Appropriation (Consolidated)	<u>\$ 34,608,762</u>	<u>\$ 56,005,059</u>
Unexpended appropriations - Funds from other than Dedicated Collections	34,608,762	56,005,059
Total Cumulative Results of Operations (Consolidated)	<u>25,007,412</u>	<u>23,095,076</u>
Cumulative results of operations - Funds from other than Dedicated Collections	25,007,412	23,095,076
Total net position	<u><u>\$ 59,616,174</u></u>	<u><u>\$ 79,100,135</u></u>
Total liabilities and net position	<u><u>\$ 61,231,069</u></u>	<u><u>\$ 81,343,663</u></u>

The accompanying notes are an integral part of these statements.

Council of the Inspectors General on Integrity and Efficiency
Statements of Net Cost
For the Years Ended September 30, 2024 and 2023
(in dollars)

	<u>2024</u>	<u>2023</u>
Gross Program Costs		
Gross costs	\$ 42,446,777	\$ 45,836,348
Less: earned revenue	<u>3,982,309</u>	<u>3,497,170</u>
Net cost of operations	<u><u>\$ 38,464,468</u></u>	<u><u>\$ 42,339,178</u></u>

The accompanying notes are an integral part of these statements.

Council of the Inspectors General on Integrity and Efficiency
Statements of Changes in Net Position
For the Years Ended September 30, 2024 and 2023
(in dollars)

	<u>2024</u>	<u>2023</u>
Unexpended Appropriations:		
Beginning Balance	\$ 56,005,059	\$ 86,631,986
Adjustments (+/-)	<u>(417,574)</u>	<u>-</u>
Beginning Balance, as adjusted	55,587,485	86,631,986
Appropriations received	2,850,000	850,000
Appropriations used	<u>(23,828,723)</u>	<u>(31,476,927)</u>
Net Change in Unexpended Appropriations	<u>(20,978,723)</u>	<u>(30,626,927)</u>
Total Unexpended Appropriations	<u>\$ 34,608,762</u>	<u>\$ 56,005,059</u>
Cumulative Results from Operations:		
Beginning Balance	\$ 23,095,076	\$ 21,553,850
Adjustments: (+/-)	<u>366,501</u>	<u>-</u>
Beginning Balance, as adjusted	23,461,577	21,553,850
Appropriations used	23,828,723	31,476,927
Transfers-in/out without reimbursement	15,121,385	11,547,327
Imputed financing	<u>1,060,195</u>	<u>856,150</u>
Net Cost of Operations	<u>(38,464,468)</u>	<u>(42,339,178)</u>
Net Change in Cumulative Results of Operations	<u>\$ 1,545,835</u>	<u>\$ 1,541,226</u>
Total Cumulative Results of Operations	<u>\$ 25,007,412</u>	<u>\$ 23,095,076</u>
Net Position	<u><u>\$ 59,616,174</u></u>	<u><u>\$ 79,100,135</u></u>

The accompanying notes are an integral part of these statements.

Council of the Inspectors General on Integrity and Efficiency
Statements of Budgetary Resources
For the Years Ended September 30, 2024 and 2023
(in dollars)

	<u>2024</u>	<u>2023</u>
Budgetary Resources		
Unobligated balance from prior year budget authority, net (discretionary and mandatory) (Note 9)	\$ 61,684,453	\$ 89,152,618
Appropriations (discretionary and mandatory)	2,850,000	850,000
Spending authority from offsetting collections (discretionary and mandatory)	<u>19,457,165</u>	<u>15,048,857</u>
Total budgetary resources	<u><u>\$ 83,991,618</u></u>	<u><u>\$ 105,051,475</u></u>
Status of Budgetary Resources		
New obligations and upward adjustments (total) (Note 10)	\$ 36,180,067	\$ 45,990,485
Unobligated balance, end of year		
Apportioned, unexpired account	11,204,686	57,993,306
Unapportioned, unexpired accounts	<u>36,606,865</u>	<u>1,067,684</u>
Unexpired unobligated balance, end of year	<u>47,811,551</u>	<u>59,060,990</u>
Unobligated balance, end of year (total)	<u>47,811,551</u>	<u>59,060,990</u>
Total budgetary resources	<u><u>\$ 83,991,618</u></u>	<u><u>\$ 105,051,475</u></u>
Outlays, Net, and Disbursements, Net		
Outlays, net (total) (discretionary and mandatory)	<u>\$ 19,767,827</u>	<u>\$ 26,108,949</u>
Agency outlays, net (discretionary and mandatory)	<u><u>\$ 19,767,827</u></u>	<u><u>\$ 26,108,949</u></u>

The accompanying notes are an integral part of these statements.

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2024, and 2023
(in dollars)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Council of Inspectors General on Integrity and Efficiency (CIGIE) was statutorily established as an independent entity within the executive branch by the "The Inspector General Reform Act of 2008," P.L. 110-409 to 1) address integrity, economy, and effectiveness issues that transcend individual Government agencies, and 2) increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the offices of the Inspectors General.

Basis of Presentation

These financial statements have been prepared from the accounting records of the CIGIE in accordance with U.S. Generally Accepted Accounting Principles (GAAP), and the form and content for entity financial statements specified by the office of Management and Budget (OMB) in OMB Circular A-136, *Financial Reporting Requirements*. GAAP for Federal entities are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated the official accounting standards-setting body for the Federal Government by the American Institute of Certified Public Accountants (AICPA).

OMB Circular A-136, revised, requires agencies to prepare financial statements, which include a Balance Sheet, a Statement of Net Cost, a Statement of Changes in Net Position, and a Statement of Budgetary Resources. The Balance Sheet presents, as of September 30, amounts of future economic benefits owned or managed by CIGIE (assets), amounts owed by CIGIE (liabilities), and amounts, which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within CIGIE and other reporting entities. The Statement of Budgetary Resources reports an agency's budgetary activity.

Basis of Accounting

Transactions are recorded on the accrual basis of accounting in accordance U.S. GAAP and reported in accordance with OMB Circular A-136. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Revenues and Other Financing Sources

Majority of CIGIE's funding is derived from multiple expenditure transfers in from assessment made against other Federal agencies. However, CIGIE also has exchange revenue, which is generated when CIGIE provides goods or services to another Government entity or the Public for a price. In an exchange

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2024, and 2023
(in dollars)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continues)

transaction, each party to the transaction sacrifices value and receives value in return. An example of exchange revenue is the funds received by CIGIE to provide training. Another term for “exchange revenue” is “earned revenue.”

As for other financing sources, certain operating costs of CIGIE are paid out of funds appropriated to other Federal agencies. Specifically, CIGIE records imputed expenses and financing sources for employee retirement plan contributions, group term life insurance, and health benefit costs, which are paid by the Office of Personnel Management (OPM).

Personnel Compensation and Benefits

Salaries and wage of employees are recognized as payroll expenses and related liabilities as earned. These expenses are recognized as a funded liability when accrued.

Annual leave is accrued as it is earned by employees and is included in personnel compensation and benefit costs. An unfunded liability is recognized for earned but unused annual leave, since from a budgetary standpoint, this annual leave will be paid from future appropriations when employees use the leave. The amount accrued is based upon current pay rates for employees. Sick leave and other types of leave that are not vested are expensed when used and no future liability is recognized for these amounts.

CIGIE’s employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS), which became effective on January 1, 1987. CIGIE and its employees both contribute to these systems. Public Law 112-96, Section 5001, the “Middle Class Tax Relief and Job Creation Act of 2012” divided FERS participants into two categories, FERS employees and FERS-Revised Annuity Employees (FERS-RAE). Employees hired on or after January 1, 2013, with some exceptions, are required to contribute 2.3% more to FERS than FERS employees hired prior to January 1, 2013. Although CIGIE funds a portion of the benefits under CSRS and FERS and makes the necessary payroll withholdings, it does not report assets associated with these benefit plans in accordance with SFFAS 5.

For CSRS employees, CIGIE contributes an amount equal to 7% of the employees’ basic pay to the plan. For FERS employees, CIGIE contributes an amount equal to 13.7% of the employees’ basic pay to the plan. For FERS-RAE and FRAE employees, CIGIE contributes an amount equal to 11.9% of the employees’ basic pay to the plan.

Both CSRS employees and FERS employees are eligible to participate in the Thrift Savings Plan (TSP). The TSP is a defined contribution retirement plan intended to supplement the benefits provided under CSRS and FERS. For FERS employees, CIGIE contributes an amount equal to 1% of the employee’s basic pay to the TSP and matches employee contributions up to an additional 4%. The first 3% of pay that the employee contributes will be matched dollar-for-dollar; the next 2% will be matched at 50 cents on the dollar. Contributions above 5% of the employees pay will not be matched. CSRS employees receive no matching contribution from CIGIE.

OPM is responsible for reporting assets, accumulated plan benefits, and unfunded liabilities, if any, applicable to CSRS participants and FERS employees government-wide, including CIGIE’s employees. CIGIE has recognized an Imputed Cost and Imputed Financing Source for the difference between the estimated service cost and the contributions made by CIGIE and its covered employees. The estimated

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2024, and 2023
(in dollars)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continues)

cost of pension benefits is based on rates issued by OPM.

Employees are entitled to participate in the Federal Employees Group Life Insurance (FEGLI) Program. Participating employees can obtain “basic life” term life insurance, with the employee paying two-thirds of the cost and CIGIE paying one-third. Additional coverage is optional, to be paid fully by the employee. The basic life coverage may be continued into retirement if certain requirements are met. OPM administers the FEGLI program and is responsible for the reporting of related liabilities. Each fiscal year, OPM calculates the U.S. Government’s service cost for the post-retirement portion of basic life coverage. Because CIGIE’s contributions to the basic life coverage are fully allocated by OPM to the pre-retirement portion of coverage, CIGIE has recognized the entire service cost of the post-retirement portion of basic life coverage as an Imputed Cost and Imputed Financing Source.

Change in Accounting Standard for Operating Leases

In April 2018, the Federal Accounting Standards Advisory Board (FASAB) issued Statement of Federal Financial Accounting Standards 54: Leases (SFFAS 54), which among other things, requires lessees to (1) recognize operating leases as lease assets and lease liabilities on the balance sheet and (2) disclose key information about significant leasing arrangements. Starting in FY 2024, Federal reporting entities are required to report a right-to-use lease asset and a lease liability for non-intragovernmental, non-short-term contracts or agreements, when the entity has the right to obtain and control access to the economic benefits or services from an underlying property, plant, or equipment asset for a period of time in exchange for consideration under the terms of the contract or agreement. Currently, CIGIE has not identified any non-intragovernmental, non-short-term contracts or agreements.

Change in Presentation

The FY 2023 Other Than Intra-governmental Liabilities, Note 5 and 6 have been reclassified to conform with the new Balance Sheet presentation requirements and for consistency with the FY 2024 statements.

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2024, and 2023
(in dollars)

NOTE 2 – FUND BALANCE WITH TREASURY

CIGIE’s Fund Balance with Treasury is derived from transfers in from other Federal entities during the fiscal year as well as limited no-year and multi-year appropriations. CIGIE primarily operates through a revolving no year fund with limited multi-year funds available through FY 2025 to fund certain activities. Accordingly, as a no-year fund and with no multi-year funds expiring, the fund balance at the end of the previous year is carried forward and made available for the next fiscal year.

	2024	2023
A. Fund Balance with Treasury		
CIGIE	\$ 25,395,590	\$ 24,339,753
PRAC	30,071,085	48,044,749
Total	<u>\$ 55,466,675</u>	<u>\$ 72,384,502</u>
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	\$ 11,204,686	\$ 57,993,306
b) Unavailable	33,804,608	363,262
2) Obligated Balance not yet Disbursed	10,457,381	14,027,934
Total	<u>\$ 55,466,675</u>	<u>\$ 72,384,502</u>

There are no discrepancies between the Fund Balance reflected on the Balance Sheet and the balances in the Treasury accounts. Available unobligated balances represent amounts that were apportioned and/or allotted for obligation in the current fiscal year. Unobligated unavailable fund balance represents the amounts that are not apportioned for obligation during the current fiscal year, unfilled customer orders, and uncollected payments. Obligated balances not yet disbursed include unpaid delivered and undelivered orders.

NOTE 3 – ACCOUNTS RECEIVABLE, NET

Accounts receivable consists of the amounts owed to CIGIE as the result of collecting tuition for government employees representing Federal Inspectors General, non-Federal Inspectors General and other state/local government employees and collecting CIGIE-member assessments for the funding of CIGIE operations from Federal Inspectors General and non-Federal Inspectors General. Amounts due

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2024, and 2023
(in dollars)

NOTE 3 – ACCOUNTS RECEIVABLE, NET (Continues)

from Federal Inspectors General are considered fully collectible. An allowance for uncollectible accounts receivable from non-Federal Inspectors General and other state/local government employees is established when, based upon a review of outstanding accounts and the failure of all collection efforts, management determines that collection is unlikely to occur considering the debtor's ability to pay. It was determined that the establishment of an Allowance for Uncollectible Accounts was not necessary as of September 30, 2024 and September 30, 2023.

	2024	2023
Accounts Receivable - Non-Federal	\$ 20,656	\$ 41,610
Accounts Receivable - Federal	416,171	704,422
Total Accounts Receivable	<u>\$ 436,827</u>	<u>\$ 746,032</u>

NOTE 4 – OTHER ASSETS

As of September 30, 2024, the CIGIE has obligations that involve the advancement of funds for services to be provided in the future with the Department of the Interior, National Aeronautics and Space Administration, Department of Justice, Department of Defense, and the Office of Personnel Management.

	2024	2023
Intragovernmental - Other Assets	\$ 3,139,728	\$ 7,951,866
Total Accounts Receivable	<u>\$ 3,139,728</u>	<u>\$ 7,951,866</u>

NOTE 5 – GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET

As of September 30, 2024, CIGIE shows Equipment with a total cost of \$215,327 and a net book value of \$179,429. The depreciation expense for FY24 was \$35,898 and for FY23 was \$5,137.

The depreciation calculation method used is Straight Line with a useful life matching the remaining time on the lease contract or seven-years, whichever is less. For Equipment the Straight Line method over seven-years is used. A \$5,000 threshold is used to determine whether leasehold improvements or equipment are capitalized.

	2024	2023
Cost balance, beginning of year	\$ 215,327	\$ 214,154
Capitalized Acquisitions - Equipment	-	215,327
Dispositions - Leasehold	-	(214,154)
Cost balance, end of year	<u>\$ 215,327</u>	<u>\$ 215,327</u>
Accumulated depreciation	\$ (35,898)	\$ (5,137)
Balance end of year	<u>\$ 179,429</u>	<u>\$ 210,190</u>

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2024, and 2023
(in dollars)

NOTE 6 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The accrued liabilities of CIGIE are comprised of program expense accruals, payroll accruals and unfunded annual leave earned by employees. Program expense accruals represent expenses that were incurred prior to year-end but were not paid. Similarly, payroll accruals represent payroll expenses that were incurred prior to year-end but were not paid. The only liabilities not covered by budgetary resources is the unfunded leave.

Liabilities as of September 30, 2024, and 2023, consisted of the following:

	2024	2023
Other than Intragovernmental:		
Unfunded leave	\$ 991,466	\$ 1,111,024
Total liabilities not covered by budgetary resources	\$ 991,466	\$ 1,111,024
Total liabilities covered by budgetary resources	\$ 623,429	\$ 1,132,504
Total liabilities	<u>\$ 1,614,895</u>	<u>\$ 2,243,528</u>

NOTE 7 – OTHER LIABILITIES

Other liabilities consisted of the following as of September 30, 2024, and 2023:

	2024	2023
Intragovernmental:		
Employer contributions and payroll taxes payable	\$ 64,965	\$ 65,113
Total Intragovernmental	\$ 64,965	\$ 65,113
Total other liabilities	<u>\$ 64,965</u>	<u>\$ 65,113</u>

NOTE 8 – LEASES

CIGIE moved office locations in July 2023. The initial occupancy agreement with the General Services Administration (GSA) has not been updated as of November 2024. CIGIE's lease for its office through GSA extends through July 31, 2033, based on the initial occupancy agreement. The lease is for 11,858 rentable square feet. The occupancy agreement allows for cancellation months' notice and a repayment of unearned rent credits that were provided at the beginning of the lease.

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2024, and 2023
(in dollars)

NOTE 8 – LEASES (Continues)

Based on the rent credits provided under the agreement, the maximum liability for CIGIE is reflected in the following table as if the agreement was cancelled on September 30, 2024. Every month the agreement is continued, the liability decreases up through the point where only four month's rent is required.

Future Rent Due October 2024-January 2025	298,308
Rent Credits through January 2025	(883,114)
Percent of Credits Earned (18 Mo/120 Mo)	15%
Rent Credits Owed upon Cancellation	750,647
Total Future Rent Costs	1,048,954

Rent expense for the years ended September 30, 2024 and 2023 was \$44,391 and \$210,354 respectively. Rent credits were applied from August 2023 through September 2024 for a total of \$784,325. An estimated \$98,789 in rent credits will be applied between October 2024 and January 2025.

NOTE 9 – NET ADJUSTMENTS TO UNOBLIGATED BALANCE, BROUGHT FORWARD, OCTOBER 1st

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2024, and 2023, consisted of the following:

	2024	2023
Unobligated Balance Brought Forward, October 1	\$ 59,009,917	\$ 85,499,085
Recoveries of Prior Year Obligations	2,674,536	3,653,533
Unobligated Balance From Prior Budget Authority, Net	<u>\$ 61,684,453</u>	<u>\$ 89,152,618</u>

NOTE 10 – APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS: DIRECT VS REIMBURSABLE OBLIGATIONS

All obligations for CIGIE in fiscal year 2024 and fiscal year 2023 are category B on the SF 132, *Apportionment and Reapportionment Schedule*. Apportioned amounts appear on different groups of lines in the application of budgetary resources of an apportionment. Amounts are identified as Category B in an apportionment by a specific program, project, or activity. The amount of reimbursable new obligations

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2024, and 2023
(in dollars)

NOTE 10 – APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS: DIRECT VS REIMBURSABLE OBLIGATIONS
(Continues)

and upward adjustments incurred against amounts apportioned under category B are as follows:

		<u>2024</u>	<u>2023</u>
Reimbursable			
	Category B - Administrative (Council Operations)	\$ 9,183,910	\$ 10,560,533
	Category B - Training Institute	6,936,873	5,645,057
Direct			
	Category B - PRAC	18,230,426	28,444,415
	Category B - Oversight.gov	1,778,316	1,340,480
	Category B – Data Analytics	50,542	-
Total		<u>\$ 36,180,067</u>	<u>\$ 45,990,485</u>

NOTE 11 – UNDELIVERED ORDERS AT THE END OF THE PERIOD

The amount of CIGIE’s budgetary resources obligated for undelivered orders was \$12,973,681 and \$20,917,469 of September 30, 2024 and 2023, respectively.

		<u>2024</u>	<u>2023</u>
Intragovernmental			
Paid	\$	3,139,728	\$ 7,951,866
Unpaid		<u>4,511,564</u>	<u>7,235,962</u>
Total Intragovernmental	\$	<u>7,651,292</u>	<u>\$ 15,187,828</u>
Public			
Paid		-	-
Unpaid		<u>5,322,389</u>	<u>5,729,641</u>
Total Public		<u>5,322,389</u>	<u>5,729,641</u>
Total	\$	<u>12,973,681</u>	<u>\$ 20,917,469</u>

NOTE 12 – EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE US GOVERNMENT

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires an explanation of material differences between budgetary resources, obligations, distributed offsetting receipts, and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the Budget of the United States Government (Budget). The Budget that will include FY 2024 actual budgetary execution information is scheduled for publication in February 2025, which will be available through OMB’s website at <https://www.whitehouse.gov/omb/budget>. Accordingly, information required for such disclosure is not available at the time of publication of these financial statements.

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2024, and 2023
(in dollars)

Balances reported in the FY 2023 SBR and the related President's Budget reflected the following:

FY 2023	Budgetary Resources	New Obligations & Upward Adjustments	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	\$ 105,051,475	\$ 45,990,485	\$ -	\$ 26,108,949
Budget of the U.S. Government	105,000,000	46,000,000	-	28,000,000
Difference*	<u>\$ 51,475</u>	<u>\$ (9,515)</u>	<u>\$ -</u>	<u>\$ (1,891,051)</u>

*Differences are due to the rounding to the nearest millionth in MAX for the President's Budget.

NOTE 13 – RECONCILIATION OF NET COST TO OUTLAYS

CIGIE has reconciled its budgetary obligations and non-budgetary resources available to its net cost of operations.

Council of the Inspectors General on Integrity and Efficiency
As of September 30, 2024
(in dollars)

Budget and Accrual Reconciliation

For the period ended September 30, 2024

	Intragovernmental	With the Public	Total FY2024
Net Operating Cost (SNC)	\$ 18,944,028	\$ 19,520,440	\$ 38,464,468
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation	-	(30,761)	(30,761)
Increase/(Decrease) in Assets:			
Accounts receivable	1,726,494	(27,288)	1,699,206
Other assets	(4,879,263)	67,125	(4,812,138)
(Increase)/Decrease in Liabilities:			
Accounts payable	(36,220)	541,099	504,879
Salaries and benefits	(64,965)	69,160	4,195
Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	-	119,558	119,558
Other financing sources:			
Federal employee retirement benefit costs paid by OPM and imputed to agency	(1,060,195)	-	(1,060,195)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ (4,314,149)	\$ 738,893	\$ (3,575,256)

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2024, and 2023
(in dollars)

Components of the Budgetary Outlays That Are Not Part of Net Operating Cost

Other financing sources:

Transfers out (in) without reimbursement	(15,121,385)	-	(15,121,385)
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Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost

(15,121,385)	-	(15,121,385)
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Net Outlays (Calculated Total)	\$ (491,506)	\$ 20,259,333	<u>\$ 19,767,827</u>
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Agency Outlays, Net (SBR Line 4210)			<u>\$ 19,767,827</u>
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*Due to change in service provider, there has been a change in presentation of the FY23 BAR. The total FY23 Net Operating Cost ties out to Net Outlays.

For the period ended September 30, 2023

	Intragovernmental	With the Public	Total FY2023
Net Operating Cost (SNC)	\$ -	\$ -	\$ 42,339,178
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation	-	(5,137)	(5,137)
Increase/(Decrease) in Assets:			-
Accounts receivable	(4,806,716)	38,741	(4,767,975)
(Increase)/Decrease in Liabilities:			
Accounts payable	1,069,312	(370,938)	698,374
Salaries and benefits	-	51,440	51,440
Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	(554)	(18,226)	(18,780)
Other financing sources:			
Federal employee retirement benefit costs paid by OPM and imputed to agency	(856,150)	-	(856,150)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ (4,594,108)	\$ (304,120)	\$ (4,898,228)

Components of the Budget Outlays That Are Not Part of Net Operating Cost

Acquisition of capital assets	-	215,327	215,327
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Other financing sources:

Transfers out (in) without reimbursement	(11,547,328)	-	(11,547,328)
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Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost

\$ (11,547,328)	\$ 215,327	\$ (11,332,001)
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Net Outlays (Calculated Total)	\$ (16,141,436)	\$ (88,793)	<u>\$ (16,230,229)</u>
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Agency Outlays, Net (SBR Line 4210)			<u>\$ 26,108,949</u>
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Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2024, and 2023
(in dollars)

NOTE 14 – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 15th, 2024, which is the date the financial statements were available to be issued.



COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY



BROWN & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC

INDEPENDENT AUDITOR'S REPORT

Council of the Inspectors General on Integrity and Efficiency
Chair, Audit Committee and Executive Director
Washington, D.C.

In our audits of the fiscal year 2024, and 2023 financial statements of the Council of the Inspectors General on Integrity and Efficiency (CIGIE), we found:

- CIGIE's financial statements as of and for the fiscal year ended September 30, 2024, and 2023 are presented fairly, in all material respects, in accordance with United States of America (U.S.) generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed; and
- no reportable noncompliance for fiscal year 2024 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes a section on required supplementary information (RSI)¹ and a section on other information included with the financial statements²; (2) our report on internal control over financial reporting; and (3) our report on compliance with laws, regulations, contracts, and grant agreements.

¹ The RSI consists of Management's Discussion and Analysis and the Statement of Budgetary Resources, which are included with the financial statements.

² Other information consists of information included with the financial statements, other than the RSI, Financial section, and the auditor's report.

Report on the Financial Statements

Opinion

In accordance with the provisions of the Accountability of Tax Dollars Act of 2002 (ATDA) (Pub. L. No. 107-289), we have audited CIGIE's financial statements. CIGIE's financial statements comprise the consolidated balance sheets as of September 30, 2024, and 2023; the related consolidated statements of net cost, changes in net position, and combined budgetary resources for the fiscal year then ended; and the related notes to the financial statements. In our opinion, CIGIE's financial statements present fairly, in all material respects, CIGIE's financial position as of September 30, 2024, and 2023, and its net costs of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CIGIE and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for:

- the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles;
- preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles;
- preparing and presenting other information included in CIGIE's audited financial statements and auditor's report, and ensuring the consistency of that information with the audited financial statements and the RSI; and
- designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CIGIE's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the financial statement audit.

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context.

We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

CIGIE's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in CIGIE's financial statements. The other information comprises the following sections: a detailed statement of management assurances and other information that is applicable in the annual report. Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control over Financial Reporting

In connection with our audits of CIGIE's financial statements, we considered CIGIE's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies³ or to express an opinion on the effectiveness of CIGIE's internal control over financial reporting. Given these limitations, during our 2024 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to CIGIE's internal control over financial reporting in accordance with government auditing standards and Office of Management and Budget audit guidance.

Responsibilities of Management for Internal Control over Financial Reporting

CIGIE management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

³ A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of CIGIE's financial statements as of and for the fiscal year ended September 30, 2024, in accordance with U.S. generally accepted government auditing standards, we considered CIGIE's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CIGIE's internal control over financial reporting. Accordingly, we do not express an opinion on CIGIE's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and
- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of CIGIE's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of CIGIE's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audits of CIGIE's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2024 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to CIGIE. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

CIGIE management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to CIGIE.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

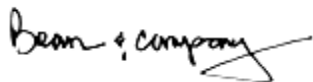
Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to CIGIE that have a direct effect on the determination of material amounts and disclosures in CIGIE's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to CIGIE. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Status of Prior Year's Findings and Recommendations

We have reviewed the status of recommendations from the FY 2023 Independent Auditor's Report, dated November 15, 2023. Based on the audit work performed, we have determined that the prior year recommendations have been closed. Details regarding these prior year recommendations are provided in Exhibit A.



Greenbelt, Maryland
November 15, 2024



**COUNCIL OF THE INSPECTORS GENERAL
ON INTEGRITY AND EFFICIENCY**

Other Information

Summary of the Financial Statement Audit and Management's Assurances

Summary of Financial Statement Audit

Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	0	0	0	0	0

Summary of Management Assurances:

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unmodified					
Restatement	No					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0

Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0

Conformance with Financial Management Systems Requirements (FMFIA § 4)						
Statement of Assurance	Unmodified ⁴					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Non-Conformances	0	0	0	0	0	0

⁴ CIGIE uses a Federal shared services provider, the Interior Business Center (IBC) for financial systems.

Improper Payments Information Act Reporting Details

The *Improper Payments Information Act (IPIA) of 2002*, as amended by the *Improper Payments Elimination and Recovery Act (IPERA) of 2010*, and further amended by the *Improper Payments Elimination and Recovery Improvement Act (IPERIA) of 2012*, requires agencies to review all programs and activities they administer and identify those which may be susceptible to significant erroneous payments. In FY 2024, CIGIE performed a systematic review of its program and related activities to identify processes which may be susceptible to significant erroneous payments. Significant erroneous payments are defined as annual erroneous payments in the program exceeding both \$10 million and 2.5 percent or \$100 million of total annual program payments.

CIGIE considered risk factors as outlined in OMB Memorandum M-21-19, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement*, which may significantly increase the risk of improper payments and determined that none are applicable to CIGIE's operations. Based on the systematic review performed, CIGIE concluded that none of its program activities are susceptible to significant improper payments at or above the threshold levels set by OMB. Accordingly, CIGIE has determined that the risk of improper payments is low. In accordance with OMB guidance, CIGIE will conduct the next assessment in FY 2026. Although CIGIE concluded its programs are not susceptible to improper payments as defined under IPERIA, payments are reviewed as part of its internal control assessment discussed above. The agency reviews its controls and systems under the FMFIA to ensure that the agency remains compliant.