



# Value-Driven Performance Audits

Delivering value through Performance Audits over Laws, Regulations, Contracts and Grant Agreements



Prioritization of performance audits over processes critical to an organization's mission and objectives by Federal and state inspector generals and auditors have identified significant overpayments, potential fraud and losses in recent years.



"...overpayments from FY20 to FY22 that totaled \$5.24 billion; regular UI [Unemployment Insurance] accounted for \$2.04 billion and PUA [Pandemic Unemployment Assistance] accounted for \$3.20 billion."<sup>1</sup>



"...federal government could lose between \$233 billion and \$521 billion annually to fraud."<sup>3</sup>



"GAO estimates that the amount of fraud in Unemployment Programs (UI) programs...was likely between \$100 billion and \$135 billion."<sup>2</sup>



"...about \$10.5 billion of \$90.1 billion in outlays not including disaster benefits,...paid in fiscal year 2023 were improper."<sup>4</sup>



## Questions to ask



Does your agency have significant grants or contracts that are tracked for compliance?  
Does your agency have any concerns with the effectiveness of controls over compliance currently in place?



Has there been any laws or regulations that have received attention from OIG, GAO, OMB or Congress in recent years?



Has your agency's OIG, GAO, OMB or Congress identified compliance as a priority?



Does your agency have a history of noncompliance that has resulted in a negative perception of the agency or specific program?



Has your agency established new or existing programs that have additional scrutiny from GAO, OIG, Congress or the general public?

<sup>1</sup> Performance Audit of the IDES Unemployment Insurance Programs

<sup>2</sup> Unemployment Insurance - GAO-23-106696

<sup>3</sup> Fraud Risk Management - GAO-24-105833

<sup>4</sup> Improper Payments: USDA's Oversight of the Supplemental Nutrition Assistance Program - GAO-24-107461



## Performance audits can help management/OIG:

Performance audits over key laws, regulations, contracts and grant agreements can provide an assessment on the efficiency and effectiveness of compliance and identify areas where compliance can be improved.

### Identify Compliance Risks and Gaps:

A performance audit can help management/OIG identify risks in compliance with laws, regulations, contracts, and grant agreements and gaps in responding to such risks. Performance audits facilitate independent and objective oversight concluding with audit results that bring value and transparency to the public and Congress in Semi-annual Reports to Congress.

### Enhance Efficiency and Effectiveness:

A performance audit can uncover inefficiencies or ineffective practices related to compliance. Management can take action on such to streamline operations, improve resource allocation, and enhance overall organizational effectiveness. Recommendations can be further documented in Semi-Annual Report to Congress with management responses and corrective action plans.

**Continuous Improvement:** Performance audits provide helpful insights and recommendations for improvement. Management can use these findings to develop action plans, implement best practices, and establish monitoring mechanisms to drive ongoing compliance.

### Strengthen Accountability and Transparency:

A performance audit provides an independent evaluation of compliance, enhancing accountability and transparency within the organization. It promotes management awareness of their compliance responsibilities and builds management's commitment to compliance and good governance.



## How KPMG can help

- Leveraging our understanding and experience performing financial statement audits, other performance audits and examinations
- Our performance audits include Tech Assurance professionals who provide a wide variety of audit services to the Federal government industry
- Use of KPMG LLP's technology-enabled tools to perform insightful data analytics



## Examples of laws and regulations

- Improper Payments Information Act
- Zero-Trust Compliance (Executive Order 14028)
- DATA Act Compliance
- Government Travel and Charge Card Compliance
- Compliance with contract terms and grant agreements (Federal Acquisition Regulation compliance)

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