



NATIONAL
ARCHIVES

OFFICE of
INSPECTOR GENERAL

Date: February 23, 2012

Reply to
Attn of: Office of Inspector General (OIG)

Subject: Audit Memorandum #12-07: Audit of NARA's Compliance with the Improper Payment Elimination and Recovery Act of 2010

To: David S. Ferriero, Archivist of the United States (N)

Pursuant to Section 3(b) of the Improper Payments Elimination and Recovery Act of 2010 we have reviewed the National Archives and Records Administration's (NARA) improper payment reporting in NARA's fiscal year (FY) 2011 Performance and Accountability Report and accompanying materials, to determine if NARA is in compliance with the Improper Payments Information Act of 2002, as amended (IPIA).

NARA reported in its FY 2011 Performance and Accountability Report that "During fiscal year 2011, NARA performed the risk assessment required by FY 2011 OMB Circular A-123, APPENDIX C - Improper Payments Information Act of 2002 (IPIA), as amended, and presented the results of the evaluation to the Office of Management and Budget for review and approval. NARA did not identify any programs or activities that may be susceptible to significant improper payments and has determined that payment recapture audits would not be cost-effective at this time."

Significant improper payments are defined as the total amount of overpayments plus underpayments in a program exceeding (1) both 2.5 percent of program outlays and \$10 million of all program or activity payments made during the fiscal year or (2) \$100 million (regardless of the improper payment percentage of total program outlays).

We reviewed NARA's risk assessment process, internal control tests and reviews, and trial balances used in determining that NARA programs or activities were not susceptible to significant improper payments. We also reviewed NARA's analysis in determining no recapture payment audits were needed.

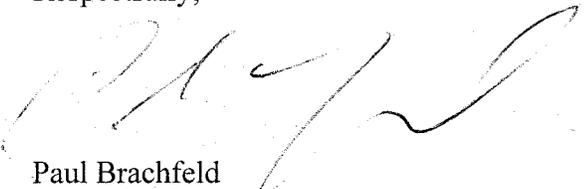
NARA's work in determining that NARA programs or activities were not susceptible to significant improper payments and NARA's analysis in determining no recapture payment audits were needed appeared to be sufficient and reasonable. We believe NARA instituted a systematic repeatable method of reviewing all programs to identify programs susceptible to significant improper payments. This systematic method took into account risk factors likely to contribute to significant improper payments.

As a result of our review we believe NARA is in compliance with the intent of the Improper Payments Information Act of 2002, as amended. Because we had no findings we are reporting our results in this Audit Memorandum format.

As with all OIG products, we will determine what information is publically posted on our website from this memorandum. Should you or management have any redaction suggestions based on FOIA exemptions, please submit them to my counsel within one week from the date of this letter. Should we receive no response from you or management by this timeframe, we will interpret that as confirmation NARA does not desire any redactions to the posted report.

Should you have any questions concerning this effort, or require additional information, please contact me on
(301) 837-3000.

Respectfully,



Paul Brachfeld
Inspector General

cc: Senator Joe Lieberman, Chair, U.S. Senate Committee on Homeland Security &
Governmental Affairs
Representative Darrell Issa, Chair, the House Committee on Oversight and Government Reform
Representative Elijah Cummings, Ranking Member, the House Committee on Oversight and
Government Reform
Gene L. Dodaro, Comptroller General of the United States
Danny Werfel, Controller of the Office of Management and Budget