



NATIONAL  
ARCHIVES

OFFICE of  
INSPECTOR GENERAL

Date : April 17, 2014

Reply to : Office of Inspector General (OIG)

Subject : Audit Memorandum #14-13: 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 reviewed the National Archives and Records Administration's (NARA) improper payment reporting in NARA's fiscal year (FY) 2013 Performance and Accountability Report and accompanying materials, to determine if NARA is in compliance with the Improper Payments Elimination and Recovery Act of 2010 (IPERA).

NARA reported in its FY 2013 Performance and Accountability Report that to comply with IPERA "NARA completed a full program inventory and performed the risk assessment required by FY 2011 OMB Circular A-123, APPENDIX C - Improper Payments Information Act of 2002 (IPIA), as amended by IPERA, for submission to OMB. 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."

Based on Office of Management and Budget (OMB) Memorandum M-11-16 agencies were to review all programs and activities they administered to identify those programs and activities that may be susceptible to significant improper payments. The initial review was done in 2011, and it must be repeated at least once every three years thereafter for programs deemed not risk susceptible. In 2011 NARA reviewed all programs and activities they administered, and determined those programs and activities were not susceptible to risk of significant improper payments. Accordingly, NARA is not required to repeat this until FY 2014.

Based on OMB Memorandum M-11-16, a program is deemed susceptible to significant improper payments if the total amount of overpayments plus underpayments in the program exceeds both 2.5 percent of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported, or \$100,000,000 regardless of improper payment percentage of total program outlays.

We gained an understanding of the internal controls over NARA's improper payments reporting process and management control tests used to identify improper payments. We

gained an understanding of management procedures and controls to the extent necessary to achieve our audit objectives. The purpose of our audit was not to provide an opinion on internal controls but merely to evaluate controls over improper payments reporting.

Our audit work was performed at Archives II between February 2014 and April 2014. We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS), except we did not have any findings and therefore did not obtain the views of responsible officials. GAGAS requires that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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.



James Springs  
Acting Inspector General

cc: Senator Thomas R. Carper, Chair, U.S. Senate Committee on Homeland Security & Governmental Affairs  
Senator Tom Coburn, Ranking Member, 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  
Office of Federal Financial Management, Office of Management and Budget