



June 3, 2019

TO: David S. Ferriero  
Archivist of the United States

FROM: James Springs *James Springs*  
Inspector General

SUBJECT: *National Archives and Records Administration's Compliance with Fiscal Year 2018 Improper Payments Requirements*  
OIG Report No. 19-R-09

The National Archives Records & Administration (NARA) Office of Inspector General completed its fiscal year (FY) 2018 review of the NARA's compliance with the Improper Payments Information Act of 2002 (IPIA; Pub. L. 107-300), as amended by the Improper Payments Elimination and Recovery Act of 2010 (IPERA; Pub. L. 111-204), the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA; Pub. L. 112-248), and the Federal Improper Payments Coordination Act of 2015 (Pub. L. 114-109). The Office of Management and Budget (OMB) issued implementation guidance to Federal agencies in June 2018, Memorandum M-18-20, *Transmittal of Appendix C to OMB Circular Number A-123, Requirements for Payment Integrity Improvements* (OMB M-18-20). Federal agencies are required to review all programs and activities they administer, identify those that may be susceptible to significant improper payments, and publish improper payment estimates for any programs or activities identified as being susceptible to significant improper payments. Significant improper payments are defined as gross annual improper payments in a program exceeding both 1.5 percent of program outlays and \$10 million of all program payments made during the year, or \$100 million regardless of the percentage.

In accordance with OMB M-18-20, each Inspector General is required to annually review agency improper payment reporting in the annual AFR or PAR, to determine if the agency is in compliance under IPERA. We determined NARA was in compliance with IPERA for FY 2018. NARA published its Annual Financial Report (AFR) FY 2018, including a section on IPERA that concluded NARA did not meet the threshold for significant improper payments.

NARA was not required to perform risk assessments of its programs in FY 2018.<sup>1</sup> Risk assessments completed in FY 2017 determined none of NARA's programs or activities were susceptible to significant risk of improper payments.

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<sup>1</sup> OMB M-18-20 indicates agencies must perform risk assessments at least once every three years for programs that are deemed to be not susceptible to significant improper payments.

NARA determined payment recapture audits are not cost effective and notified OMB of its decision in 2014. In compliance with OMB Circular A-136, *Financial Reporting Requirements*, NARA's FY 2018 AFR included a link to [paymentaccuracy.gov](http://paymentaccuracy.gov) for additional information on improper payments.

The table below shows the OMB M-18-20 requirements and whether NARA complied with the requirements.

Table: NARA FY 2018 Compliance

Program Name	Published and AFR or PAR	Conducted a Risk Assessment	Published an Improper Payment Estimate	Published Corrective Action Plans	Published and is Meeting Reduction Targets	Reported an Improper Payment Rate of Less than 10 Percent
Legislative Archives, Presidential Libraries, and Museum Services	✓	N/A	N/A	N/A	N/A	N/A
Research Services	✓	N/A	N/A	N/A	N/A	N/A
Agency Services	✓	N/A	N/A	N/A	N/A	N/A
Administrative Overhead	✓	N/A	N/A	N/A	N/A	N/A
Repairs and Restoration	✓	N/A	N/A	N/A	N/A	N/A
National Historical Publications and Records Commission (Grants)	✓	N/A	N/A	N/A	N/A	N/A
Office of Inspector General	✓	N/A	N/A	N/A	N/A	N/A

We appreciate the cooperation and assistance NARA extended to us during the review. Please call me or Jewel Butler, Assistant Inspector General for Audits, with any questions.

cc: Senate Committee on Homeland Security and Governmental Affairs  
 House Committee on Oversight and Government Reform  
 Comptroller General  
 OMB Controller  
 Micah Cheatham, Chief of Management & Administration  
 Colleen Murphy, Chief Financial Officer  
 Kimm Richards, Accountability