



National Archives and Records Administration

8601 Adelphi Road
College Park, Maryland 20740-6001

Date : February 27, 2007

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

Subject : Audit Memorandum No.07-07, Evaluation of NARA's FY 2006 Management Control Program

To : Allen Weinstein, Archivist of the United States

Our review of the National Archives and Records Administration's (NARA's) Management Control Program for FY 2006 has been completed. The OIG performs this review annually to ensure that agency managers continuously monitor and improve the effectiveness of management controls associated with their programs. This continuous monitoring in conjunction with other periodic evaluations, provides the basis for the agency head's annual assessment of, and report on, management controls as required by the Federal Managers Financial Integrity Act (FMFIA).

Our review of individual offices assurance statements found that they were adequately supported and complied with the intentions of the FMFIA and OMB Circular A-123. Furthermore, we found that the individual offices assurance statements accurately reflected the results of internal and external reviews. However, as noted in our October 30, 2006, response to NARA's FMFIA statement, we do not believe that the agency's FMFIA statement accurately reflects NARA's material risks in FY 2006 (e.g. it does not adhere to section 2 of FMFIA). Specifically, we noted that the agency chose not to identify NARA's Preservation Program and Information Security Program as Material Weaknesses, although they were identified as such by the Office of Inspector General (OIG).

OMB revised Circular A-123, Management's Responsibility for Internal Control, effective in FY 2006, strengthening the requirements for management's assessment of internal control over financial reporting. However, NARA is no longer subject to the requirements of FFMIA. Therefore, NARA did not perform an annual A-127 review and was not required to report pursuant to section 4 of FMFIA.

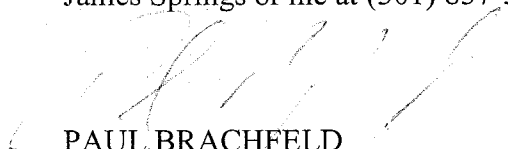
Because our review did not result in any findings, we determined it would be more appropriate to provide the results of our effort through an audit memorandum rather than a more formal reporting process.

The purpose of our evaluation was to determine whether there was sufficient evidence that NARA complied with the requirements of the FMFIA, OMB Circular A-123, and NARA 114 Management Controls, to support the Archivist's fiscal year 2006 assurance statement to the President and Congress. Specifically, our objectives were to verify that:

- (1) information contained in the offices assurance statements is accurate and complete;
and,
- (2) management is adequately reviewing and assessing internal controls.

To accomplish our objective, we examined the assurance statements and related management control evaluation documents submitted by NARA office heads in support of their assurance statements and in accordance with NARA 114, Management Controls. We performed a detailed review on the assurance statements from five offices (NA, NH, NL, NR, and NW), while performing a desk audit on the remaining offices assurance statements. We compared information in the evaluation files to the assurance statements to assess the accuracy of information reported in the assurance statements. During the course of our review, we also worked with the NARA management control officer and management control liaisons for each NARA organization as necessary.

The evaluation was performed in accordance with generally accepted government auditing standards from August 2006 through January 2007 at Archives II in College Park, Maryland. Should you or your staff have any questions, or require additional information, please contact James Springs or me at (301) 837-3000.



PAUL BRACHFELD
Inspector General

cc: Susan Ashtanie, Assistant Archivist for Policy and Planning (NPOL)