



## **System Review Report**

March 17, 2026

Mr. Darian Mims  
Acting Inspector General  
National Endowment for the Arts Office of Inspector General

We have reviewed the system of quality control for the audit organization of the National Endowment for the Arts Office of Inspector General (NEA OIG) in effect for the year ended March 31, 2025. A system of quality control encompasses NEA OIG's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming in all material respects with *Government Auditing Standards*<sup>1</sup> and applicable legal and regulatory requirements. The elements of quality control are described in *Government Auditing Standards*.

In our opinion, the system of quality control for the audit organization of the NEA OIG in effect for the year ended March 31, 2025, has been suitably designed and complied with to provide the NEA OIG with reasonable assurance of performing and reporting in all material respects in conformity with applicable professional standards and applicable legal and regulatory requirements.

Audit organizations can receive a rating of pass, pass with deficiencies, or fail. The NEA OIG has received an External Peer Review rating of *pass*.

### **Follow-Up on Implementation of Prior Peer Review Recommendations**

We noted the following during our follow-up on implementation of prior peer review recommendations.

NEA OIG has not completed corrective action for one partially implemented recommendation from its 2022 peer review. The Council of the Inspectors General on Integrity and Efficiency (CIGIE) *Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General*<sup>2</sup> states, "The reviewed OIG is responsible for implementing recommendations in the

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<sup>1</sup> July 2018 Revision

<sup>2</sup> March 2020



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peer review report.” The 2022 audit peer review report identified three audit engagement reports incorrectly categorized as “Special Reviews and Evaluations” on NEA OIG’s website.

NEA OIG confirmed that the three engagements were performance audits. The reviewing agency identified numerous deviations from professional standards, including both unconditional and presumptively mandatory GAGAS requirements. The 2022 reviewing agency stated in the report, “The deviations from GAGAS are too numerous and significant to determine that they would not impact the quality of the audit” and “as the audit documentation currently exists, we cannot conclude that the audit was conducted in conformance with GAGAS.” The 2022 reviewing agency recommended that the NEA OIG remove the three audit reports from its website, take the appropriate steps to notify the auditees, and engage in a process to determine if the GAGAS deficiencies could be remedied prior to reissuing the reports. NEA OIG agreed to the findings and recommendations in its Management Comments in response to the 2022 peer review report.<sup>3</sup>

However, we reviewed the Corrective Active Plan<sup>4</sup> (CAP) and NEA OIG stated:

*While we concur with the Peer Review finding, the NEA OIG believes there was sufficient and appropriate evidence to support the reported findings and conclusions in each of the reports...as such no changes were required to the reports and there was no need to notify the auditees of the actions taken by the NEA OIG to remove the reports from its website. The NEA OIG will not perform additional audit work to reissue the three reports.*

Based on NEA OIG’s CAP response and evidentiary documentation received, NEA OIG did not fully comply with GAGAS Standard 9.68, *Discovery of Insufficient Evidence after Report Release*.<sup>5</sup> NEA OIG believed that removing the reports from the NEA OIG website and Oversight.gov and engaging in an internal discussion without documentation to support its determination satisfied the intent of the recommendation.

To fully implement the prior recommendation and comply with GAGAS 9.68, NEA OIG should:

- Communicate in the same manner as that used to originally distribute the reports with those charged with governance and the audited entities so that they do not continue to rely on the findings or conclusions that were not supported;

<sup>3</sup> Management Comments dated September 12, 2022, NEA OIG concurred with the finding and recommendations.

<sup>4</sup> National Endowment for the Arts Office of Inspector General Corrective Action Plan, September 28, 2023

<sup>5</sup> GAGAS Requirement 9.68, *Discovery of Insufficient Evidence after Report Release*



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- Post a public notification on its website and Oversight.gov that the reports were removed; and
- Determine and document whether to perform the additional work necessary to either reissue the reports, including revised findings, or repost the original reports if the additional audit work does not result in a change in findings or conclusions.

### **Monitoring of GAGAS Engagements Performed by Independent Public Accountants**

In addition to reviewing its system of quality control to ensure adherence with Government Auditing Standards, we applied certain limited procedures in accordance with guidance established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) related to NEA OIG's monitoring of engagements conducted in accordance with generally accepted government auditing standards (GAGAS engagements) by Independent Public Accountants (IPAs) under contract where the IPA served as the auditor. It should be noted that monitoring of GAGAS engagements performed by IPAs is not an audit and, therefore, is not subject to the requirements of Government Auditing Standards. The purpose of our limited procedures was to determine whether NEA OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion; accordingly, we do not express an opinion on NEA OIG's monitoring of work performed by IPAs.

### **Letter of Comment**

We have issued a letter dated March 17, 2026, that sets forth findings that were not considered to be of sufficient significance to affect our opinion expressed in this report. We also made certain comments related to NEA OIG's monitoring of GAGAS engagements performed by IPAs, which we included in the *Letter of Comment*.

### **Basis of Opinion**

Our review was conducted in accordance with Government Auditing Standards and the CIGIE Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General.

During our review, we engaged in numerous discussions with NEA OIG personnel and obtained an understanding of the nature of the NEA OIG audit organization, and the design of NEA OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected GAGAS engagements and IPA files to test for conformity



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with professional standards and compliance with NEA OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the NEA OIG audit organization, with an emphasis on higher-risk engagements.

In performing our review, we obtained an understanding of the system of quality control for the NEA OIG audit organization. In addition, we tested compliance with NEA OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of NEA OIG's policies and procedures on selected GAGAS engagements. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with NEA OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion. Enclosure 1 to this report identifies the engagements we reviewed.

### Responsibilities and Limitation

The NEA OIG is responsible for establishing and maintaining a system of quality control designed to provide NEA OIG with reasonable assurance that the organization and its personnel comply in all material respects with professional standards and applicable legal and regulatory requirements. Our responsibility is to express an opinion on the design of the system of quality control and NEA OIG's compliance based on our review.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and may not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

A handwritten signature in blue ink that reads "Stephen H. Ravas".

Digitally signed by STEPHEN  
RAVAS  
Date: 2026.03.17 14:16:19 -04'00'

Stephen H Ravas, Official Performing the Duties of Inspector General

Enclosure



March 10, 2026

Lauren Lesko  
Assistant Inspector General for Audits  
AmeriCorps  
Office of Inspector General  
250 E St SW, Suite 4100  
Washington, DC 20525

Dear Ms. Lesko,

Thank you for the opportunity to comment on the External Peer Review Report of the National Endowment for the Arts Office of Inspector General's audit organization for the three-year period ending March 31, 2025. During that period our office significantly revised internal audit operations and strengthened controls, and we are pleased your independent review concluded that our system of quality control was suitably designed and complied with to provide reasonable assurance of meeting generally accepted government auditing standards. We further appreciate receiving the Peer Review rating of *Pass*.

External peer reviews are an important part of strengthening our work, and we value the perspectives provided in your Letter of Comment as we continue our commitment to accountability, transparency, and continuous improvement. We appreciate your team's time and effort that is reflected in this report.

Sincerely,

**DARIAN MIMS** Digitally signed by DARIAN MIMS  
Date: 2026.03.10 10:23:47 -04'00'

Darian Mims  
Acting Inspector General  
National Endowment for the Arts