NATIONAL ARCHIVES | Inspector General

November 16, 2026

TO: Dr. Bradford P. Wilson
Archivist of the United States

FROM: William Brown
Inspector General

SUBJECT: *Audit of NARA's Fiscal Year 2026 Consolidated Financial Statements*
**OIG Report No. 27-AUD-01**

The Office of Inspector General (OIG) contracted with Sikich CPA LLC (Sikich) to conduct an independent audit on the financial statements of the National Archives and Records Administration (NARA) as of and for the fiscal years ended September 30, 2026, and 2025. The report should be read in conjunction with NARA's financial statements and notes to fully understand the context of the information contained therein.

Sikich is responsible for the attached auditors' report dated November 13, 2026, and the conclusions expressed in the report. The findings and conclusions presented in the report are the responsibility of Sikich. The OIG's responsibility is to provide adequate oversight of the contractor's work in accordance with Generally Accepted Government Auditing Standards.

**Results of the Independent Audit**
Sikich issued an unmodified opinion on NARA's fiscal year 2026 and 2025 financial statements. Sikich found:

- NARA's financial statements as of and for the fiscal years ended September 30, 2026, and 2025, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America;
- No material weaknesses in internal control over financial reporting based on the limited procedures Sikich performed;
- Two significant deficiencies in internal control over financial reporting as of September 30, 2026; and
- No reportable noncompliance for fiscal year 2026 with provisions of applicable laws, regulations, contracts, and grant agreements that were tested.

Since the report contains findings commensurate with unimplemented recommendations, no new recommendations were issued. Management has concurred with all prior audit recommendations to improve NARA's internal controls over financial reporting.

As of the fiscal year ended September 30, 2026, six recommendations resulting from the fiscal year 2025 financial statement audit remain open, including the fiscal year 2025 financial statement audit management letter recommendations.

Please provide a status update on any corrective actions that management did not implement by the original estimated completion date. Please include the revised completion dates for these open recommendations within 45 days of this letter. As with all OIG products, we determine what information is publicly posted on our website from the attached report. Consistent with our responsibility under the *Inspector General Act, as amend*ed, we will provide copies of our report to congressional committees with oversight responsibility over NARA.

We appreciate the cooperation and assistance NARA extended to Sikich and my staff during the audit. Please contact me with any questions.

Attachment

SIKICH

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# Independent auditors' report

Inspector General
National Archives and Records Administration

Archivist of the United States
National Archives and Records Administration

In our audits of the fiscal years 2026 and 2025 financial statements of the National Archives and Records Administration (NARA), we found:

- NARA's financial statements as of and for the fiscal years ended September 30, 2026 and 2025, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America;
- No material weaknesses in internal control over financial reporting based on the limited procedures we performed;
- Two significant deficiencies in internal control over financial reporting as of September 30, 2026; and
- No reportable noncompliance for fiscal year 2026 with provisions of applicable laws, regulations, contracts, and grant agreements that we tested.

The following sections contain:

1. Our report on NARA's financial statements, including an other-matter paragraph related to hyperlinked information within the Agency Financial Report, required supplementary information (RSI), and other information included with the financial statements; and
2. Other reporting required by *Government Auditing Standards*, which is our report on NARA's (a) internal control over financial reporting and (b) compliance and other matters. This section also includes NARA's comments on our report.

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of NARA, which comprise the consolidated balance sheets as of September 30, 2026, and 2025, and the related consolidated statements of net cost, consolidated statements of changes in net position, and combined statements of budgetary resources for the fiscal years then ended, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, NARA's financial position as of September 30, 2026, and 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America.

### Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); standards applicable to financial statement audits contained in

Generally Accepted Government Auditing Standards (GAGAS), issued by the Comptroller General of the United States; and guidance contained in Office of Management and Budget (OMB) Bulletin 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin 24-02 are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* subsection of our report. We are required to be independent of NARA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Other matters**

Management has elected to include hyperlinks to information on websites outside the Agency Financial Report to provide additional information for the users of its financial statements. Such information is not a required part of the financial statements or supplementary information required by the Federal Accounting Standards Advisory Board (FASAB). The information on these websites has not been subjected to auditing procedures, and accordingly we do not express an opinion or provide any assurance on it.

**Responsibilities of management for the financial statements**

Management is responsible for (1) the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles; (2) the preparation, measurement, and presentation of the RSI in accordance with U.S. generally accepted accounting principles; (3) the preparation and presentation of other information included in NARA's Agency Financial Report, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) the design, implementation, and maintenance of effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with GAAS, GAGAS, and OMB guidance will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgments made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, GAGAS, and OMB guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of NARA's internal control over financial reporting. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

## Required supplementary information

Accounting principles generally accepted in the United States of America and OMB Circular No. A-136, *Financial Reporting Requirements,* require that the Management's Discussion and Analysis (MD&A) and other RSI be presented to supplement the financial statements. Such RSI is the responsibility of management and, although not a part of the financial statements, is required by FASAB and OMB, who consider it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, and historical context.

We have applied certain limited procedures to the RSI in accordance with GAAS. These procedures consisted of (1) inquiring of management about the methods of preparing the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements, in order to report omissions or material departures from FASAB and OMB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

## Other information

NARA's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in NARA's Agency Financial Report. The other information comprises the *Summary of Financial Statement Audit and Management Assurances, Inspector General's Top Management Challenges, Payment Integrity Information Act Reporting,* and *Fraud Reduction Report* but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## Report on internal control over financial reporting and on compliance and other matters

### *Internal control over financial reporting*

In connection with our audit of NARA's financial statements, we considered NARA's internal control over financial reporting, consistent with our auditors' responsibilities discussed below.

**Results of our consideration of internal control over financial reporting**

Our consideration of internal control over financial reporting was for the limited purpose described below and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies or to express an opinion on the effectiveness of NARA's internal control over financial reporting. Given these limitations, during our 2026 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

A *deficiency in internal control over financial reporting* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

During our fiscal year 2026 audit, we identified certain deficiencies in NARA's internal control over financial reporting that we consider to be significant deficiencies, as described in Appendix A.

During our fiscal year 2026 audit, we also identified deficiencies in NARA's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies. Nonetheless, these deficiencies warrant NARA management's attention. We have communicated these matters to management and, where appropriate, will report on them separately.

**Basis for results of our consideration of internal control over financial reporting**

We performed our procedures related to NARA's internal control over financial reporting in accordance with GAGAS and OMB audit guidance.

**Responsibilities of management for internal control over financial reporting**

NARA management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' responsibilities for internal control over financial reporting**

In planning and performing our audit of NARA's financial statements as of and for the fiscal year ended September 30, 2026, in accordance with GAGAS, we considered NARA's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate

in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NARA's internal control over financial reporting. Accordingly, we do not express an opinion on NARA's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

**Definition and inherent limitations of internal control over financial reporting**
An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that:

- Transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition.
- Transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

**Intended purpose of reporting on internal control over financial reporting**
The purpose of this report is solely to describe the scope of our consideration of NARA's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of NARA's internal control over financial reporting. This report is an integral part of an audit performed in accordance with GAGAS in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

## *Compliance and other matters*

In connection with our audit of NARA's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditors' responsibilities discussed below.

**Results of our tests for compliance with laws, regulations, contracts, and grant agreements and other matters**
Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance or other matters for fiscal year 2026 that would be reportable under GAGAS. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to NARA. Accordingly, we do not express such an opinion.

**Basis for results of our tests for compliance with laws, regulations, contracts, and grant agreements and other matters**
We performed our tests of compliance in accordance with GAGAS and OMB audit guidance.

**Responsibilities of management for compliance with laws, regulations, contracts, and grant agreements**
NARA management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to NARA.

**Auditors' responsibilities for tests of compliance with laws, regulations, contracts, and grant agreements**
Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to NARA that have a direct effect on the determination of material amounts and disclosures in NARA's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to NARA. We caution that noncompliance may occur and not be detected by these tests.

**Intended purpose of reporting on compliance and other matters**
The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with GAGAS in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements and other matters is not suitable for any other purpose.

## NARA's comments

NARA's comments on this report are included in Appendix C. NARA concurred with the findings in our report. NARA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

*Sikich CPA LLC*

Alexandria, VA
November 13, 2026

# Appendix A: Significant deficiencies

During our engagement to audit the fiscal year 2026 National Archives and Records Administration (NARA) financial statements, we identified deficiencies in internal control over financial reporting. These deficiencies include two significant deficiencies, as described in this appendix. For brevity and clarity, we have not provided all the details related to specific programs, systems, or account balances in this appendix. We have provided those details separately to NARA management and other stakeholders through Notices of Findings and Recommendations.

## Significant Deficiency 1: Internal control program (modified repeat finding)

### *1a. Risk Assessment*

NARA did not document whether its fiscal year 2024 risk assessment remained valid for fiscal years 2025 and 2026 or update it for changes in the operating environment. This occurred because NARA did not follow NARA Directive 161's annual risk assessment requirement. In fiscal year 2025, NARA issued its Management Team Risk Assessment (MTRA) standard operating procedure (SOP), which states that risk assessments will be performed no more than once every 2 years. The SOP does not require documented annual reassessments or periodic evaluation of risk-response actions. As of September 30, 2026, NARA had not implemented corrective actions to address the fiscal year 2025 recommendations.[1]

### *1b. Complementary User Entity Controls*

NARA did not test whether applicable complementary user entity controls (CUECs) identified in its service organizations' System and Organization Controls (SOC) 1 Type 2 reports were implemented and operating effectively because it had not established comprehensive procedures to identify, assess, and document those controls. Also, NARA did not document its review of its service organizations' SOC 1 Type 2 reports, including the potential impact of reported findings or exceptions on NARA's internal controls over financial reporting. As of September 30, 2026, NARA had not implemented corrective actions to address the fiscal year 2025 recommendation.[2]

### *Criteria*

NARA Directive 161, *NARA's Internal Control Program*, requires program and function owners, at the beginning of each fiscal year, to review and revise the programs and functions that form the basis for assessing internal controls. Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Internal Control* (March 10, 2026), requires management to evaluate the effectiveness of internal control annually and encourages agencies to use a change assessment process to identify, analyze, and respond to risks resulting from significant external or internal changes. Similarly, the Government Accountability Office's *Standards for Internal Control in the Federal Government* (Green Book) states that changing conditions often prompt new risks or changes to existing risks that need to be assessed. NARA Directive 161 further states that management should design NARA's information system and related control activities to achieve objectives and respond to risks.

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[1] Prior-year open recommendations related to risk assessments include Office of Inspector General (OIG) Report 26-AUD-01, Recommendations 1 and 2. We are not repeating this recommendation within this report.

[2] Prior-year open recommendation related to CUECs includes OIG Report 26-AUD-01, Recommendation 3. We are not repeating this recommendation within this report.

When agencies use a service organization, OMB Circular A-123 states that they should establish and evaluate controls that complement the service organization's controls, and the Green Book states that the entity implements any CUECs and other controls, as appropriate, related to the use of the service organization. Further, the Green Book states that management retains responsibility for monitoring the effectiveness of service organization controls necessary to achieve the entity's control objectives. Management uses ongoing monitoring, separate evaluations, or a combination of the two to obtain reasonable assurance of the operating effectiveness of those controls. Such monitoring may include management's review of work performed by service auditors.

### *Effect*

These deficiencies increase the risk that NARA may not timely identify and respond to changes in financial reporting risks or detect control deficiencies in outsourced processes. As a result, NARA's risk profile may not reflect current conditions, reliance on service organization controls may be inappropriate, and the integrity of financial reporting and compliance with internal control requirements could be affected.

### *Recommendations*

We recommend that NARA's Chief Financial Officer implement the following open prior-year recommendations from the *Audit of NARA's Fiscal Year 2025 Financial Statements* (Office of Inspector General [OIG] Report No. 26-AUD-01):

**Risk Assessment**

1. Revise NARA Directive 161, *NARA's Internal Control Program*, to establish a process to periodically evaluate whether the prior-year risk assessment remains valid and appropriate to address significant organizational or operational changes.
2. Document through a written formal memorandum any periodic risk evaluations and the decision whether or not to update the last prior-year assessment to reflect the current risk environment. This memorandum should include a clear justification and documentation of the evaluation performed and be reviewed and approved by the Management Control Oversight Council to ensure appropriate oversight and accountability.

**CUECs**

3. Establish NARA policy for reviewing SOC 1 Type 2 reports and evaluating CUECs. This policy related to control activities should be integrated into the agency's internal control over financial reporting framework and include:
    a) Identification and evaluation of CUECs.
    b) Assignment of responsibility.
    c) Assessment of control effectiveness.
    d) Documentation and oversight.

**Significant Deficiency 2: Long-standing control deficiency in information technology controls (modified repeat finding)**

NARA relies extensively on information technology (IT) systems to accomplish its mission and to prepare its financial statements. Internal controls over these financial and supporting operations are essential to ensure the confidentiality, integrity, and availability of critical data while reducing the risk of errors, fraud, and other illegal acts. NARA staff use IT system controls to initiate and authorize financial transactions at user workstations, which transmit those transactions across the network to servers that record, process, summarize, and report financial transactions in support of the financial statements.

NARA did not substantially address previously identified deficiencies in its IT general control categories of access controls and configuration management. These unresolved control deficiencies affect the effectiveness of NARA's IT security program and internal control over financial reporting. Below, we have summarized our key findings by general control category:

### *2a. Access Controls*

We identified weaknesses related to privileged user access permissions and weak password configurations. This occurred because NARA does not review service account passwords to determine whether each service account used a unique password. Furthermore, NARA is not reviewing domain user accounts to determine whether weak passwords were being used. This increases the risk of compromise by an attacker to upload malware, steal sensitive data, add or delete users, change system configurations, and/or alter logs to conceal their actions.

Additionally, prior-year weaknesses related to timely disabling of user accounts, multi-factor user authentication, and identity and access management policy or strategy remained unresolved. These weaknesses occurred because NARA is still:

a. Developing an electronic form with automated checks and notifications to ensure new hire training is completed within the initial time frame given to new users, with user accounts disabled if not completed.

b. Identifying and rectifying issues related to disabling local workstation administrator accounts determined to no longer be needed.

c. Implementing a process requiring multi-factor authentication using personal identity verification for all privileged users, servers, and applications.

d. Further refining a draft identity and access management implementation plan.

If user accounts are not disabled in a timely manner when no longer needed, there is an increased risk that unauthorized individuals may access these accounts. Additionally, the lack of multifactor authentication means NARA information systems are more susceptible to attacks on user accounts.

### *2b. Configuration Management*

We noted that NARA has not resolved prior-year weaknesses related to detecting, remediating, and monitoring high and critical-risk vulnerabilities for software patches and updates, resolving configuration weaknesses, and resolving weaknesses related to the migration of applications to vendor-supported operating systems. NARA is in the process of implementing corrective actions for a prior-year recommendation related to patch and vulnerability management. At the time of our assessment, NARA had not yet completed its corrective actions and further progress should be made to address the remediation of vulnerabilities within defined timeframes. NARA

management indicated they have been targeting past-due vulnerabilities and creating service desk tickets to bring down the count of past-due vulnerabilities. Using this methodology, NARA noted they have brought down the count of past-due vulnerabilities; however, there are still vulnerabilities past the remediation timeframe.

In addition, NARA has not fully implemented their defined baseline configuration settings. NARA management stated that the current baseline compliance percentages do not account for approved deviations. Management also noted that NARA is working to incorporate these approved deviations into its baseline compliance scanning tool to provide a more accurate representation of device compliance and enable remediation efforts to focus on actual baseline compliance failures. Noncompliance with established baseline configurations increases the risk of misconfigured and insecure systems, reducing NARA's ability to consistently protect its information systems and increasing the likelihood of system compromise.

***Criteria***

We based our testing on the following key criteria:

National Institute of Standards and Technology (NIST) Special Publication 800-53, Revision 5, *Security and Privacy Controls for Information Systems and Organization*s, states:

- *IA-2 Identification and Authentication (Organizational Users), Control Enhancement 1: Multifactor Authentication to Privileged Accounts:*
  *Implement multi-factor authentication for access to privileged accounts.*

- *IA-5 Authenticator Management, Control Enhancement 1: Password-Based Authentication:*

  a. *Maintain a list of commonly-used, expected, or compromised passwords and update the list [Assignment: organization-defined frequency] and when organizational passwords are suspected to have been compromised directly or indirectly.*

  b. *Verify, when users create or update passwords, that the passwords are not found on the list of commonly-used, expected, or compromised passwords in IA-5(1)(a).*

OMB Memorandum M-19-17*, Enabling Mission Delivery through Improved Identity, Credential and Access Management*, stipulates:

> ***Section IV. Shifting the Operating Model beyond the Perimeter***
> *2. Each agency shall define and maintain a single comprehensive Identity, Credential, and Access Management (ICAM) policy, process and technology solution roadmap, consistent with agency authorities and operational mission needs. These items should encompass the agency's entire enterprise, align with the Government-wide federal ICAM architecture and Continuous Diagnostics Management (CDM) requirements, incorporate applicable federal policies, standards, playbooks, guidelines, and include roles and responsibilities for all users.*

The *NARA User Account and Privileged User Account Management Standard Operating Procedure (SOP)*, Version 10.0 (January 2026), states:

> *All accounts will be disabled after 60 days and de-provisioned after 90 days.*

Additionally, Section 5.27, *Account Deprovision Procedure*, states:

> *When an account has been inactive for over 30 days, the NARA Information Technology and Telecommunications Support Services will notify the NARA Information Owner with the user's name. After 60 days, the user will be disabled, and after 90 days, the user will be de-provisioned. If a user has been de-provisioned for over 180 days, they will be removed from the system.*

The *NIST NARA System Security Plan for NARANet General Support System Common Controls* states the following with regard to security control Risk Assessment (RA-5), Vulnerability Scanning:

> *"(d) Remediates legitimate vulnerabilities within the NARA-defined timeframes for 30 days (Critical, High) and 60 days (Moderate, Low) in accordance with organizational assessment of risk."*

The *NIST NARA System Security Plan for NARANet General Support System Common Controls* states the following with regard to security control (CM-6), Configuration Settings:

> *"(a) Establishes and documents configuration settings for information technology products employed within the information system using Security Architecture security configuration checklists approved and published by NARA IT Security Management Division (IS) that reflect the most restrictive mode consistent with operational requirements; (b) Implements the configuration settings."*

### *Effect*

The identified weaknesses could potentially be exploited—intentionally or unintentionally—to undermine the integrity and completeness of data processed by NARA's financial management systems, including its feeder systems.

### *Recommendations*

We recommend that the NARA Chief Information Officer continue to analyze and prioritize remediation efforts to accomplish security and control objectives reported in the *Audit of NARA's Compliance with the Federal Information Security Modernization Act (FISMA) for Fiscal Year 2026* (OIG Report 26-AUD-09), in addition to the prior-year open recommendations listed in Appendix B: Status of Prior-Year Recommendations.

SIKICH

## Appendix B: Status of prior-year recommendations

Our assessment of the current status of the recommendations related to findings presented in prior audit reports is presented below. Recommendations with "closed—subsumed" statuses have been closed for tracking purposes only. The associated corrective actions will remain open and continue to be tracked under the subsuming recommendation until completed.

| Report No. Recommendation No. | Recommendation | Type | Status |
|---|---|---|---|
| **26-AUD-01 Recommendation 1** | Revise NARA 161, NARA's Internal Control Program, to establish a process to periodically evaluate whether the prior-year risk assessment remains valid and appropriate to address significant organizational or operational changes. (Refer to Significant Deficiency 1a: *Risk Assessment)* | Audit Report | Open |
| **26-AUD-01 Recommendation 2** | Document through a written formal memorandum any periodic risk evaluations and the decision whether or not to update the last prior-year assessment to reflect the current risk environment. This memorandum should include a clear justification and documentation of the evaluation performed and be reviewed and approved by the Management Control Oversight Council to ensure appropriate oversight and accountability. (Refer to Significant Deficiency 1a: *Risk Assessment)* | Audit Report | Open |
| **26-AUD-01 Recommendation 3** | Establish NARA policy for reviewing System and Organization Controls 1 Type 2 reports and evaluating complementary user entity controls. This policy related to control activities should be integrated into the agency's internal control over financial reporting framework and include:<br>a. Identification and Evaluation of CUECs.<br>b. Assignment of Responsibility.<br>c. Assessment of Control Effectiveness.<br>d. Documentation and Oversight.<br>(Refer to Significant Deficiency 1b: *Complementary User Entity Controls*) | Audit Report | Open |

| Report No. Recommendation No. | Recommendation | Type | Status |
|---|---|---|---|
| **26-AUD-01 Recommendation 4** | Establish a written formalized methodology for calculating materiality thresholds in accordance with Office of Management and Budget Circular A-123, Appendix A. (Refer to Significant Deficiency 1c: *Materiality Calculation)* | Audit Report | Closed |
| **26-AUD-01 Recommendation 5** | Ensure access request forms are resubmitted for the NARANet accounts noted in the audit finding. (Refer to Significant Deficiency 2: *Long-standing Control Deficiency in Information Technology Controls)* | Audit Report | Closed |
| **26-AUD-01 Recommendation 6 - ML** | Develop and implement a formal, documented grant closeout process that includes clear policies and procedures aligned with federal requirements. (Refer to Control Deficiency 1: *Untimely Grant Closeout*) | Management Letter (ML) | Closed |
| **26-AUD-01 Recommendation 7 - ML** | Provide training to relevant staffs on the new grant closure policies and procedures to ensure consistent understanding and application across all grant programs. (Refer to Control Deficiency 1: *Untimely Grant Closeout*) | Management Letter (ML) | Closed |
| **26-AUD-01 Recommendation 8 - ML** | Update the NARA 111, NARA Directives, for the development, approval, and maintenance of internal policies and SOPs. (Refer to Control Deficiency 3: *Lack of Formal and Current Policies and Procedures Across Key Operational Areas*) | Management Letter (ML) | Open |
| **26-AUD-01 Recommendation 9 - ML** | Ensure a NARA executive oversees and monitors the periodic review and update of the policies and SOPs. (Refer to Control Deficiency 3: *Lack of Formal and Current Policies and Procedures Across Key Operational Areas*) | Management Letter (ML) | Open |
| **26-AUD-01 Recommendation 10 - ML** | Update the travel policy and continue efforts to ensure that all written policies and procedures are reviewed and revised in a timely manner. (Refer to Control Deficiency 4: *Entity-wide Travel* | Management Letter (ML) | Open |

| Report No. Recommendation No. | Recommendation | Type | Status |
|---|---|---|---|
| | *Policy was Not Updated Timely (Repeat)*) | | |
| **25-AUD-01 Recommendation 1** | Implement a process to ensure accounts with access to the Domain Administrators group are appropriately assigned based on job responsibilities. If determined that an account can be configured with more restrictive access, then implement a process to revoke the Domain Administrator group membership and apply the most restrictive access. (Refer to Significant Deficiency: *Longstanding Control Deficiency in Information Technology Controls (Modified Repeat Finding))* | Audit Report | Closed—subsumed (Subsuming Recommendation 5, 24-AUD-07, is OPEN) |
| **25-AUD-01 Recommendation 2** | Develop and implement policies and procedures for network user accounts to:<br>a. Create unique passwords for each service account;<br>b. Maintain a list of commonly used, expected, or compromised passwords;<br>c. Update the list on an organization defined timeframe and when organizational passwords are suspected to have been compromised directly or indirectly;<br>d. Verify (such as through regular password audits or system configurations), when users create or update passwords, the passwords are not found on the list of commonly used, expected, or compromised passwords.<br>(Refer to Significant Deficiency: *Longstanding Control Deficiency in Information Technology Controls (Modified Repeat Finding))* | Audit Report | Open |
| **25-AUD-01 Recommendation 3** | Ensure NARANet user accounts are reviewed and disabled in accordance with NARA's information technology policies and requirements. (Refer to Significant Deficiency: *Longstanding Control Deficiency in Information Technology Controls (Modified Repeat Finding))* | Audit Report | Closed—subsumed (Subsuming Recommendation 14, 24-AUD-01, is OPEN) |

| Report No. Recommendation No. | Recommendation | Type | Status |
|---|---|---|---|
| **25-AUD-01 Recommendation 4** | Coordinate with other departments as necessary to implement an authoritative data source which provides the current status of NARA contractors and volunteers at the enterprise level. (Refer to Significant Deficiency: *Longstanding Control Deficiency in Information Technology Controls (Modified Repeat Finding))* | Audit Report | Open |
| **25-AUD-01 Recommendation 5** | Enforce mandatory Personal Identity Verification (PIV) card authentication for all NARANet users, in accordance with OMB requirements. (Refer to Significant Deficiency: *Longstanding Control Deficiency in Information Technology Controls (Modified Repeat Finding))* | Audit Report | Closed |
| **25-AUD-01 Recommendation 6** | Continue and complete efforts to require PIV authentication for all privileged users, servers, and applications, through NARA's identity and access management project and other efforts. (Refer to Significant Deficiency: *Longstanding Control Deficiency in Information Technology Controls (Modified Repeat Finding))* | Audit Report | Closed—subsumed (Subsuming Recommendation 12, 24-AUD-01, is OPEN) |
| **25-AUD-01 Recommendation 7** | Ensure a comprehensive identity, credential, and access management (ICAM) policy or strategy, which includes the establishment of related standard operating procedures, identification of stakeholders, communicating relevant goals, task assignments, and measure and reporting progress is developed and implemented. (Refer to Significant Deficiency: *Longstanding Control Deficiency in Information Technology Controls (Modified Repeat Finding))* | Audit Report | Closed—subsumed (Subsuming Recommendation 15, 24-AUD-07, is OPEN) |
| **25-AUD-01 Recommendation 8** | Document and implement a process to track and remediate persistent configuration vulnerabilities, or document acceptance of the associated risks. (Refer to Significant Deficiency: *Longstanding Control Deficiency in Information* | Audit Report | Closed—subsumed (Subsuming Recommendation 2, 25-AUD-08, is OPEN) |

| Report No. Recommendation No. | Recommendation | Type | Status |
|---|---|---|---|
| | *Technology Controls (Modified Repeat Finding))* | | |
| **25-AUD-01 Recommendation 9** | Implement remediation efforts to address security deficiencies on affected systems identified, to include enhancing its patch and vulnerability management program as appropriate, or document acceptance of the associated risks. (Refer to Significant Deficiency: *Longstanding Control Deficiency in Information Technology Controls (Modified Repeat Finding))* | Audit Report | Closed—subsumed (Subsuming Recommendation 2, 25-AUD-08, is OPEN) |
| **25-AUD-01 Recommendation 10** | Fully complete the migration of applications to vendor supported operating systems. (Refer to Significant Deficiency: *Longstanding Control Deficiency in Information Technology Controls (Modified Repeat Finding))* | Audit Report | Closed—subsumed (Subsuming Recommendation 3, 25-AUD-08, is OPEN) |
| **25-AUD-01 Recommendation 11** | Ensure the Information System Security Officers are reviewing system configuration compliance scans monthly as required within NARA's Configuration Compliance Standard Operating Procedure. (Refer to Significant Deficiency: *Longstanding Control Deficiency in Information Technology Controls (Modified Repeat Finding))* | Audit Report | Closed |
| **25-AUD-01 Recommendation 12** | Enhance current procedures to ensure that new NARA users who do not complete their initial security awareness training, have their accounts automatically disabled in accordance with timeframes promulgated within the Privacy and Awareness Handbook. (Refer to Significant Deficiency: *Longstanding Control Deficiency in Information Technology Controls (Modified Repeat Finding))* | Audit Report | Closed—subsumed (Subsuming Recommendation 11, 24-AUD-01, is OPEN) |
| **25-AUD-01 Recommendation 13** | Implement requirements across all event logging maturity tiers to ensure events are logged and tracked in accordance with OMB M-21-31. (Refer to Significant Deficiency: *Longstanding Control Deficiency in Information* | Audit Report | Closed |

| Report No. Recommendation No. | Recommendation | Type | Status |
|---|---|---|---|
| | *Technology Controls (Modified Repeat Finding))* | | |
| **25-AUD-01 Recommendation 14 - ML** | Update the travel policy and continue efforts to ensure that all written policies and procedures are reviewed and revised timely. (Refer to Control Deficiency: *Entity-wide Travel Policy was Not Updated Timely (Repeat)*) | Management Letter (ML) | Closed—subsumed (Subsuming Recommendation 10-ML, 26-AUD-01, is OPEN) |

## Appendix C: Management's response

NATIONAL ARCHIVES

Archivist *of the* United States

DATE: November 13, 2026

TO: William Brown, Inspector General

FROM: Dr. Bradford P. Wilson, Archivist of the United States

SUBJECT: Management Response to the FY 2026 Financial Statement Audit

Thank you for the opportunity to review and comment on the draft Independent Auditor's Report on the financial statements of the National Archives and Records Administration (NARA) for Fiscal Year (FY) 2026, prepared by Sikich CPA LLC on behalf of the Office of Inspector General.

I am pleased to have received an unmodified ("clean") audit opinion on our financial statements. This unmodified opinion demonstrates NARA's commitment to sound financial management, fiscal stewardship, and operational transparency across the agency.

NARA appreciates the professionalism and feedback provided by the Office of Inspector General and the independent audit team throughout the FY 2026 audit engagement.

Sincerely,

Bradford P Wilson

Dr. Bradford P. Wilson
Archivist of the United States

SIKICH

## Appendix D: OIG Hotline Contact Information

The OIG Hotline provides a confidential channel for reporting fraud, waste, abuse, and mismanagement to the OIG. In addition to receiving telephone calls at a toll-free Hotline number, we also accept emails through an online referral form. Visit https://naraoig.oversight.gov/ for more information, or contact us:

**Contact the OIG Hotline**
Online Complaint Form | Office of Inspector General OIG

**Contact the OIG by telephone and FAX**
Telephone: 301-837-3500 (Local) or 1-800-786-2551 (toll-free)
FAX: 301-837-3197

**Contractor Self-Reporting Hotline**
As required by the Federal Acquisition Regulation, a web-based form allows NARA contractors to notify the OIG, in writing, whenever the contractor has credible evidence a principal, employee, agent, or subcontractor of the contractor has committed a violation of the civil False Claims Act or a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations in connection with the award, performance, or closeout of a contract or any related subcontract. The form can be accessed through the OIG's home page or found directly at OIG Contractor Reporting Form | Office of Inspector General OIG.