

**NATIONAL  
ENDOWMENT** for the **ARTS**

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**Office of the Inspector General  
Semiannual Report to Congress  
April 1 – September 30, 2021**

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## MESSAGE FROM THE INSPECTOR GENERAL

During this semiannual reporting period, we issued two audit reports that included \$51,408 in questioned costs and nine recommendations to improve Agency operations and award recipient's stewardship of Federal funds. Through our audit follow-up process, we assisted the National Endowment for the Arts (NEA) staff and award recipients in clearing 47 recommendations based on corrective actions taken. In addition, we resolved a total of 29 hotline complaints.

I applaud the NEA and Office of Inspector General (OIG) staff for pressing forward and working together when needed to avoid unreasonable and unnecessary work delays during the Pandemic. This enabled staff to continue delivering the missions of the Agency and OIG in a high quality and timely manner in spite of COVID-19, which required staff to continue working virtually during this period.

The OIG has also initiated steps to monitor NEA's progress to implement the President's mandate to integrate diversity, equity, inclusion, and accessibility (DEIA) into all of its internal and external programs. The OIG applauds NEA's initial steps to assess the level of DEIA in its program, and to add DEIA goals and strategies into its strategic plan. Recognizing the significance of this mandate and the level of effort it may take to implement the mandate, the OIG has added the DEIA mandate to the agency's top management challenges.

The value-added work that the OIG accomplished this semiannual period is due to my staff's commitment to excellence, continued growth, and dedicated work effort; along with the support of the NEA Acting Chairman and her staff. I will continue to work with my staff, the Chairman, and her staff in promoting economy, efficiency, and effectiveness while helping to ensure integrity, excellence, and value in the delivery of NEA's mission.

*Ron Stith*

Ron Stith, CPA  
Inspector General

## **NATIONAL ENDOWMENT FOR THE ARTS**

Established by Congress in 1965, the National Endowment for the Arts (NEA) is an independent Federal Agency that funds, promotes, and strengthens the creative capacity of our communities by providing all Americans with diverse opportunities for arts participation. The NEA partners with state arts agencies, regional arts organizations, local leaders, other Federal agencies, and the philanthropic sector to help deliver its mission. As part of its mission, the NEA supports arts learning, affirms and celebrates America's rich and diverse cultural heritage, and extends its work to promote equal access to the arts in every community across America.

## **OFFICE OF THE INSPECTOR GENERAL**

The Inspector General Act of 1978, as amended (IG Act), established Offices of Inspectors General (OIGs) within 74 departments and agencies. On October 14, 2008, Congress passed the Inspector General Reform Act of 2008, which enhanced the independence of Inspectors General (IGs) and created the Council of Inspectors General on Integrity and Efficiency (CIGIE). CIGIE's mission is to support continuing professional education of OIG staff, and collaborate between the IGs as we work to deliver our mission of helping to ensure efficiency, effectiveness and integrity of Federal Government programs and operations, and report the results of our work to American taxpayers, including Agency Heads and the Congress. During this six-month period, we had Memorandums of Understanding (MOUs) with the Department of Education OIG to provide investigative services, and the U.S. Postal Service OIG for legal services.

Each IG is required to prepare a semiannual report summarizing the activities of our offices for the preceding six-month period. The report is sent to the NEA Chairman, the National Council on the Arts, and NEA appropriating and authorizing Congressional committees.



## AUDITS AND RELATED ACTIVITIES

### Completed Reports

Reviews completed during this period identified improvements needed in awardee stewardship, including financial reporting accuracy and completeness. Following are summary results of the completed audits and reviews.

#### ***Performance Audit on Selected Awards to Kansas Department of Commerce, Report No. OIG-21-02***

We conducted a performance audit of an NEA award issued to the Kansas Department of Commerce (KDC). Based on our review, we determined KDC generally met the financial and compliance requirements set forth in the award documents. However, we identified several areas requiring improvement. For instance, KDC:

1. Did not report actual costs on its Federal Financial Report (FFR);
2. Did not document its methodology for recording and reporting payroll costs for NEA awards; and
3. Did not have written policies and procedures in place to ensure that contractors are not debarred or suspended prior to the award of Federal funds.

We issued two recommendations to KDC to improve these areas, questioned overstated costs totaling \$950, and issued one recommendation to the NEA regarding the questioned costs.

## ***Performance Audit on Selected Awards to Washington State Arts Commission, Report No. OIG-21-03***

We conducted a performance audit of two NEA Partnership awards issued to the Washington State Arts Commission (ArtsWA). Based on our review, we determined ArtsWA generally met the financial and compliance requirements in the awards documents. However, we identified some areas requiring improvement. For instance, we found that ArtsWA:

1. Included \$31,000 in unallowable cost share on its FFRs;
2. Included \$19,458 in unallowable entertainment costs on its FFRs;
3. Did not notify all subrecipients of Federal subaward management requirements; and
4. Did not verify potential vendors were eligible to receive Federal funds.

We believe the evidence obtained during the audit provided a reasonable basis for our findings and conclusions based on our audit objectives. We questioned \$50,458 in unallowable costs. We also issued six recommendations to address the audit findings – four to ArtsWA and two to the NEA.

### **Audit Resolution and Corrective Actions**

At the beginning of the reporting period, there were 95 open recommendations from the prior semiannual report. During this reporting period, we issued nine new recommendations and closed 47 recommendations, leaving 57 open recommendations at the end of this reporting period – September 30, 2021. Corrective actions are in process to address these open recommendations.

### **Reports Issued with Questioned Costs**

There were two reports issued with \$51,408 in questioned costs during the reporting period (see Table 1 page 11).

### **Reports Issued with Recommendations that Funds Be Put to Better Use**

There were no reports issued with recommendations that funds be put to better use during the reporting period (see Table 2, page 12).

### **Reports Issued with Recommendations Open for More Than 180 days**

As of September 30, 2021, there were 10 reports with 48 recommendations open for more than 180 days. Corrective actions for these recommendations are in process (see Table 4, page 14).

### **Audits and Other Activities Planned or In-Process**

In March 2021, we completed a risk-based analysis of NEA awardees and solicited input from Agency employees to develop an audit plan for calendar year 2021. The resulting plan includes eight awardees to audit, with a total award value of \$25,501,986.

As of September 30, 2021, there were four award audits in process that we expect to complete during the six-month period ending March 31, 2022. In addition, we initiated three legislatively mandated audits that we expect to complete by November 30, 2021. Following is a summary of the objectives of the mandatory audits.

#### ***Audit of the National Endowment for the Arts' Financial Statements***

The OIG oversees the annual financial statement audit required under the Accountability of Tax Dollars Act of 2002. We contracted with Williams, Adley & Company-DC, LLP (Williams Adley) to perform the audit. The purpose of the audit is to express an opinion on the accuracy and completeness of the NEA financial statements for the fiscal year ended September 30, 2021. The audit also tests the internal controls over financial reporting and assesses compliance with applicable Federal laws and regulations.

#### ***Audit of National Endowment for the Arts' Compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act)***

The DATA Act was enacted May 9, 2014, requiring the OIG to issue a bi-annual report on the NEA's compliance with DATA Act requirements. The OIG contracted with Williams Adley to perform the DATA Act audit in conjunction with the financial statement audit. The objective of the audit is to assess the completeness, timeliness, quality, and accuracy of the data sampled and the implementation and use of data standards by the NEA.

#### ***Audit of the National Endowment for the Arts' Compliance with the Federal Information Security Modernization Act of 2014 (FISMA)***

The FISMA requires the OIG to conduct an annual audit of its Agency's information security program and practices. We contracted with Williams Adley to conduct the FISMA audit, which includes evaluating the adequacy of the NEA's information security program and practices for its major systems.

## **INVESTIGATIVE ACTIVITIES**

The IG Act authorizes the OIG to receive and investigate allegations of employee misconduct, fraud, waste, and abuse occurring within the NEA's programs and operations. Investigative activities tend to be reactive and initiated based on reports of possible fraud, ethics violations, and other issues of integrity, including possible wrongdoing referred by NEA employees, other government agency employees, and the public. We have a MOU with the Department of Education OIG to obtain investigative support when needed.



## **Criminal, Civil and Administrative Actions**

Reported incidents of possible fraud, ethics violations, and other integrity issues can give rise to criminal, civil or administrative investigations. The IG Act requires the OIG to refer matters to the U.S. Department of Justice whenever there are reasonable grounds to believe there has been a violation of Federal criminal law. There was no criminal, civil, or administrative action taken during this semiannual period.

## **Hotline**

During this reporting period, the OIG received and evaluated thirty-one hotline complaints. The evaluations enabled us to close twenty-nine complaints and help complainants avoid being defrauded by individuals fraudulently claiming to represent the NEA.

## **OTHER ACTIVITIES**

### **Activities within the Inspector General Community**

Activities that affect the IG community are typically coordinated by CIGIE. CIGIE also develops and delivers training for the IG community, and each OIG contributes a portion of its budget to support CIGIE operations. Furthermore, CIGIE holds monthly meetings to discuss and vote on matters impacting the IG community, with each IG being a voting member.

CIGIE and each OIG updates Oversight.gov -- a website that provides a “one stop shop” -- to report the ongoing oversight work of all. Oversight.gov allows users to sort, search, and filter the site’s database across agencies to find reports covering their areas of interest.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act established the Pandemic Response Accountability Committee (PRAC) within CIGIE, with the mission of:

- Promoting transparency to the public on the government’s coronavirus spending and the coronavirus response.
- Preventing and detecting fraud, waste, abuse, and mismanagement of that spending.
- Mitigating major risks that cut across programs and agencies.

The government’s coronavirus response includes economic relief to individual citizens, loans for businesses, and support for hospitals and other medical providers, as well as economic relief for impacted businesses, industries, and state, local and tribal governments. The PRAC membership includes all OIGs that received funding to oversee their agencies spending of funding from the CARES Act. Also, all OIGs, including our office, within an Agency that received CARES Act funding are invited to participate in a monthly meeting to coordinate and collaborate on oversight. The PRAC uses data, along with other law enforcement partners, to detect and combat fraud, waste, abuse, and mismanagement. This coordinated, comprehensive approach to oversight helps CIGIE fulfill its pandemic response accountability mission.

In addition, the CARES Act established the Special Inspector General for Pandemic Recovery to oversee spending of all government funds issued in response to the COVID-19 pandemic in the United States.

### **Significant Management Decisions**

Section 5(a)(11) of the IG Act requires that OIG disagreements with significant management decisions be reported in the semiannual report to Congress. Section 5(a)(12) of the IG Act also requires that any management decision changing their response to a significant resolved audit finding must be disclosed in the semiannual report. For this reporting period, there were no OIG disagreements with management decisions, and management did not revise any earlier decisions on our audit recommendations.

### **Access to Information**

Section 6(b)(2) of the IG Act requires the IG to report to the Agency head, without delay, if the IG believes that access to required information, records or assistance has been unreasonably refused, or has not been provided. Section 5(a)(5) of the IG Act requires that reports to the Agency head about any refusal or delay in accessing records be summarized in the semiannual report. During this reporting period, while there were some delays due to the COVID-19 work environment, the OIG did not have a problem obtaining assistance or access to Agency records.

### **Review of Legislation and Regulations**

Section 4(a)(2) of the IG Act requires that the OIG review and comment on proposed legislation or regulations relating to the Agency or, affecting our operations. During this reporting period, we did not review any proposed legislation.

### **Peer Review Activity**

Section 989C of the Dodd-Frank Act contains additional semiannual reporting requirements pertaining to peer review reports. Federal IGs are required to engage in peer review activities related to both their audit and investigative operations. Peer reviews are conducted on a three-year cycle and evaluate an OIG audit organization's systems of quality control, in accordance with CIGIE's *Guide for Conducting External Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*.

These guidelines are based on requirements in the Government Accountability Office's *Government Auditing Standards*. Federal audit organizations can receive a rating of pass, pass with deficiencies, or fail. Conforming to Section 989C, we are reporting the following information related to our peer review activities.

The U.S. Commodity Futures Trading Commission OIG conducted our most recent peer review for the three-year period ending March 31, 2019. The audit peer review report was issued August 2019, and concluded that our audit organization's system of quality control complied with

Government Auditing Standards. We received a peer review rating of “pass.” The report is posted at [www.arts.gov/oig/reports/external-peer-reviews](http://www.arts.gov/oig/reports/external-peer-reviews).

We provided copies of the peer review report to the Chairman, National Council on the Arts, the Inspector General Council Chairman, and Audit Committee Chair. We also posted the report on our website at [www.arts.gov/oig](http://www.arts.gov/oig). Our next peer review is scheduled to be conducted by the National Labor Relations Board OIG for the three-year period ending March 31, 2022.

## OUTREACH AND AWARENESS

### Website

We maintain an ongoing internet presence at <https://www.arts.gov/about/inspector-general> to inform NEA employees, awardees, and the public of our mission and to post the results of our work as required by the IG Act. During this semiannual reporting period, we updated our website content to ensure we included resources to assist the NEA and its awardees in achieving excellence in delivery of the NEA mission, in particular through high quality stewardship of Federal award funding.

### Consultations with the National Council on the Arts and Congress

The IG Act directs IGs to keep the Head of the Establishment and Congress fully and currently informed. For purposes of the IG Act, the National Council on the Arts (the Council) is the Head of the Establishment. To address this requirement during the COVID-19 Pandemic, the IG has provided periodic updates of OIG operations affecting the NEA as deemed necessary to the Acting Council Chairman and other Council members. Also, we provide semiannual reports summarizing OIG work to the Council Chairman, Council members, and to the Congress.

## NEA TOP MANAGEMENT CHALLENGES

The Consolidated Reports Act of 2000 and OMB Circular A-136, *Financial Reporting Requirements*, require that the Office of Inspector General (OIG) provide the National Endowment for the Arts (NEA) head with a summary of the top management and performance challenges facing the NEA. This is an update of the Top Management Challenges provided to the NEA in November 2020. We have experienced strong support from NEA management in identifying and tracking these top management challenges. We look forward to continuing our work to help the NEA deliver its mission with excellence and integrity.

It is our assessment that at the end of FY 2021, the areas of Awardee Accountability; Financial Management; Human Capital; Information Technology; and Diversity, Equity, Inclusion, and Accessibility represent the top management and performance challenges for the NEA. Following is a discussion of each challenge area.

**Awardee Accountability.** The NEA Grants and Program Management Offices face the challenge, along with the rest of the Federal Government Grant Making community, to issue

grants and help awardees fully implement and comply with the requirements of 2 CFR Part 200: *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). This challenge includes helping awardees comply with NEA *General Terms and Conditions* for grant awards.

This challenge area has increased in significance because, in March 2021, President Biden signed into law the American Rescue Plan (ARP), which provided an additional \$135 million in grant funding to the NEA. This funding followed on the heels of \$75 million in additional grant funding to the NEA through the Coronavirus Aid, Relief and Economic Security (CARES) Act in 2020 to preserve jobs and help support organizations forced to close operations due to the spread of COVID-19. To date, the CARES Act grant funds have been fully obligated -- within five months -- and the NEA is progressing well with plans to award ARP funding.

Notwithstanding the progress by the NEA, our routine audits continue to identify awardees that have not complied with all applicable Federal award requirements. These awardees are typically identified through our risk based annual audits, hotline allegations/complaints, and referrals from the NEA. Based on audits of these awardees, following are the four most common findings:

1. Failing to ensure that contractors and sub-award recipients have not been debarred or suspended from receiving Federal assistance prior to awarding them Federal funds;
2. Failing to put in place written policies and procedures for managing Federal awards;
3. Failing to report actual, allowable, and allocable costs on Federal Financial Reports; and
4. Failing to maintain supporting documentation for all costs charged to NEA grants.

We acknowledge and encourage the NEA's continuous efforts to identify ways to improve awardee compliance with Federal requirements. For instance, this past fiscal year the NEA Grants Office and the OIG participated in a webinar for State Arts Agencies and Regional Arts Organizations, designed to help them better understand the grant audit process and how to increase compliance with Federal grant management requirements. In addition, the Grants Office held a webinar specific to the use of ARP funding for subgranting for these stakeholders. Technical assistance webinars are also planned for direct ARP awardees and Local Arts Agencies that will subgrant ARP funds. The Grants Office also provided refresher training on allowable costs and developed web-based tools to assist awardees in complying with grant management requirements.

Continued development and implementation of web-based tools and technical assistance efforts by the NEA, and the results of our audits will, in our opinion, help to improve awardee compliance. As grant-making is the primary mission of the NEA, this area will continue to be an important challenge.

**Financial Management.** This is one of the areas where the NEA works to continuously improve each year. The NEA is required to keep pace with government-wide financial systems modernization efforts and regulatory changes. The NEA also focuses continuously on improving efficiency and effectiveness of its accounting and finance policies and

procedures, systems, and staff cross-training. While this is a top challenge area, a positive indicator in the financial management area is that the NEA consistently receives unmodified opinions on its financial statement audits and has a high level of compliance with DATA Act requirements.

Notwithstanding these positive indicators, the importance of the management challenge has been increased due to the additional funding and reporting requirements associated with the CARES Act and ARP. For instance, the NEA will be challenged with timely review of grantees' increasing number of reimbursement requests and NEA's processing of disbursements of CARES Act and ARP funds. To date, the NEA has reported success in timely disbursing and reporting the funds provided by the CARES Act. The additional funding came with increased monthly reporting required under the DATA Act.

**Human Capital.** The NEA considers its people to be its most valuable asset in achieving the agency mission. Thus, it works to continuously improve its human resources program policies and procedures consistent with its human capital strategy. The top human capital challenges include: 1) maintaining a safe work environment during this pandemic for employees and contractors; 2) providing employees with the tools needed to successfully accomplish the NEA mission; 3) ensuring an effective strategy to attract and retain high quality candidates with the right skills, ability and knowledge to fill vacant positions due to normal attrition and retiring employees; and 4) maintaining high quality service in other human capital areas, such as training and development, and performance management and recognition.

In FY 2021, the NEA filled a number of key leadership and staff positions to help address mission delivery challenges, including the Senior Deputy Chairman; the Chief Information Security Officer; the Director for Administrative Services and Contracts; and the Director for Civil Rights and Equal Employment Opportunity, as well as other key program and administrative positions to strengthen program and financial management within the NEA. CARES Act and ARP funding required a significant increase in the number of staff who, in addition to their regular duties, were required to assist with the application review panels and other requirements associated with the additional funding.

**Information Technology.** The NEA began addressing this area by transitioning to a new, more robust electronic grants management system (eGMS) in FY 2018. This new system was built on a more flexible, operationally efficient platform. The initial version of eGMS was fully connected to the Grants.gov site. In 2018 and 2019, the NEA worked to fully integrate eGMS operations with its internal systems and the systems operated by external service providers. These updates should prove helpful, yet still challenging due to the significant increase in the volume of transactions and additional data elements required for monthly reporting resulting from the CARES Act and ARP awards.

Another challenge for the NEA is the Federal Information Security Modernization Act (FISMA) that requires each Federal agency to develop, document, and implement an agency-wide information security program to provide information security over the operations and assets of the agency. Through our annual reviews of the NEA's compliance with FISMA,

we continuously identify ways for the NEA to enhance security, and the NEA continually makes progress each year in complying with increasing information system security requirements. The pandemic requirement to telework has made it much more challenging for the NEA to continue on the planned schedule of information security improvements. During this period, information technology staff have shifted their focus to keeping the network secure and operating for all teleworking staff and ensuring the systems integrated with the grant awards management system are maintained in top condition to process the increased volume of awards under the CARES Act and ARP. Some progress was made in FY 2021 to improve the rating of the NEA information security. We look forward to seeing the results of the FY 2022 audit, with hopes of continued improvement in this important area.

**Diversity, Equity, Inclusion, and Accessibility.** Diversity, Equity, Inclusion, and Accessibility (DEIA) has been added to the list of the top management challenges as the President has issued an executive order requiring all Federal agencies to establish DEIA as integral to its internally (employee) and externally (customer/supplier) focused programs. The NEA has established a DEIA initiative by including it in the strategic plan as a cross-cutting initiative for all of its programs and operations. The NEA has completed its required externally-focused DEIA assessment report and submitted it to OMB. The NEA has started its DEIA assessment on internally-focused programs. The OIG is monitoring agency efforts in this area with the expectation that the DEIA initiative will require continuous effort over time to be effective.

**TABLE 1: SUMMARY OF REPORTS ISSUED DURING THE REPORTING PERIOD**

<b>REPORT NO.</b>	<b>REPORT DATE</b>	<b>REPORT TITLE</b>	<b>QUESTIONED COSTS</b>	<b>FUNDS PUT TO A BETTER USE</b>
OIG-21-02	July 14, 2021	Performance Audit Report on Selected Awards to Kansas Department of Commerce	\$ 950	\$0
OIG-21-03	August 3, 2021	Performance Audit Report on Selected Awards to Washington State Arts Commission	50,458	0
<b>TOTAL</b>			<b>\$51,408</b>	<b>\$0</b>

**TABLE 2: INSPECTOR GENERAL ISSUED REPORTS WITH RECOMMENDATION  
THAT FUNDS BE PUT TO BETTER USE**

		<b>NO. OF REPORTS</b>	<b>DOLLAR VALUE</b>
<b>A.</b>	For which no management decision has been made by the commencement of the reporting period	0	\$0
<b>B.</b>	Which were issued during this reporting period	0	\$0
<b>C.</b>	For which a management decision was made during the reporting period	0	\$0
	i. Dollar value of recommendations that were agreed to by management	0	\$0
	- Based on proposed management actions	0	\$0
	- Based on proposed legislative action	0	\$0
	ii. Dollar value of recommendations that were not agreed to by management	0	\$0
<b>D.</b>	For which no management decision has been made by the end of the reporting period	0	\$0
<b>E.</b>	Reports for which no management decision was made within six months of issuance	0	\$0



**TABLE 3: INSPECTOR GENERAL ISSUED REPORTS WITH QUESTIONED COSTS**

		NO. OF REPORTS	DOLLAR VALUE	
			QUESTIONED COSTS	POTENTIAL REFUNDS
<b>A.</b>	For which no management decision has been made by the commencement of the reporting period	5	\$3,869,329	\$121,611
<b>B.</b>	Which were issued during the reporting period	2	51,408	0
	Subtotals (A+B)	7	3,920,737	121,611
<b>C.</b>	For which a management decision was made during the reporting period	4 <sup>1</sup>	3,539,287	121,611
	i. Dollar value of the disallowed costs	4	3,459,287	61,611 <sup>2</sup>
	ii. Dollar value of the cost not disallowed	1	80,000	60,000 <sup>3</sup>
<b>D.</b>	For which no management decision was made by the end of the reporting period	3	381,450	0
<b>E.</b>	Reports for which no management decision was made within six months of issuance	1	\$330,042	\$0

<sup>1</sup> One awardee is included under both C i and C ii.

<sup>2</sup> There was no refund because the awardee was issued a cost share/match waiver.

<sup>3</sup> There was no refund because NEA accepted the awardee's documentation.

**TABLE 4: REPORT RECOMMENDATIONS WITH CORRECTIVE ACTIONS NOT COMPLETED WITHIN 180 DAYS**

<b>REPORT NO.</b>	<b>REPORT DATE</b>	<b>REPORT TITLE</b>	<b>OPEN RECOMMENDATIONS</b>
LS-13-02	March 1, 2013	Limited Scope Audit Report on Selected NEA Grants to Music Theatre Group	5
A-19-01	October 31, 2018	FY2018 Evaluation of NEA Compliance with the Federal Information Security Modernization Act of 2014	2
A-20-01	October 31, 2019	FY2019 Evaluation of NEA Compliance with the Federal Information Security Modernization Act of 2014	6
A-20-02	November 8, 2019	Report on NEA’s Compliance with the Digital Accountability Transparency Act of 2014 for First Quarter FY2019	2
Revised Memo 20-02	January 10, 2020	Alleged Deletion of Emails	1
A-20-04	February 19, 2020	Information System Security Review	5
OIG-20-02	April 22, 2020	Limited Scope Audit Report on Selected Awards to New Jersey State Council on the Arts	10
A-20-05	July 30, 2020	Government Charge Cards	4
A-20-07	July 31, 2020	Performance Audit of Information System Contracts	3
A-21-01	November 2, 2020	FY2020 Evaluation of NEA Compliance with the Federal Information Security Modernization Act of 2014	10
<b>TOTAL OPEN RECOMMENDATIONS FOR MORE THAN 180 DAYS</b>			<b>48</b>

**TABLE 5: INVESTIGATIVE AND ADMINISTRATIVE ACTION DATA**

<b>CIVIL/CRIMINAL INVESTIGATIVE/ADMINISTRATIVE ACTIVITIES</b>	<b>NO. OF ACTIONS</b>
Referrals to Prosecutors	0
Civil Settlements	0
Investigative Recoveries	0
Debarments/Suspensions	0
Administrative Actions	0
<b>HOTLINE CONTACTS</b>	<b>NO. OF ACTIONS</b>
Telephone Calls	1
Email	30
Standard Mail	0
Referred by Other Sources	0
Referred to Other Sources	0
In Assessment Process for Possible Action	2
Closed	29
<b>Total Hotline Contacts</b>	<b>31</b>
<b>FREEDOM OF INFORMATION ACT REQUESTS</b>	<b>NO. OF ACTIONS</b>
Requests Received	1
Requests Processed or Referred	0
<b>Total Freedom of Information Act Requests</b>	<b>1</b>

**TABLE 6: SUMMARY OF INSPECTOR GENERAL REPORTING REQUIREMENTS**

<b>IG ACT REFERENCE</b>	<b>REPORTING REQUIREMENT</b>	<b>PAGE(S)</b>
Section 4(a)(2)	Review of legislation and regulations	6
Section 5(a)(1)	Significant problems, abuses, and deficiencies	2-3
Section 5(a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies	2-3
Section 5(a)(3)	Prior significant recommendations on which corrective actions have not been completed	3&14
Section 5(a)(4)	Matters referred to prosecutive authorities	5
Section 5(a)(5)	Summary of instances where information was refused	6
Section 5(a)(6)	List of audit reports by subject matter, showing dollar value of questioned costs and funds put to better use	11
Section 5(a)(7)	Summary of each particularly significant report	2-3
Section 5(a)(8)	Statistical tables showing number of reports and dollar value of questioned costs	11-13
Section 5(a)(9)	Statistical tables showing number of reports and dollar value of recommendations that funds be put to better use	12
Section 5(a)(10)	Summary of each audit report issued before this reporting period for which no management decision was made by the end of the reporting period	14
Section 5(a)(11)	Significant management decisions	6
Section 5(a)(12)	Significant management decisions with which the Inspector General disagrees	6
Section 6(b)(2)	Access to information	6
Section 989C	Peer Review – Sec. 989C of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203) requires Inspectors General to include the results of any peer review conducted by another OIG during the reporting period; or if no peer review was conducted, a statement identifying the date of the last peer review.	6

## OIG FUNCTIONS

### WE PERFORM THE FOLLOWING FUNCTIONS:

**Performance Audits** are conducted to assess the efficiency, effectiveness, and economy of NEA programs, activities, and functions; provide information to responsible parties to improve public accountability; facilitate oversight and decision making; and initiate corrective actions as needed. These audits also consider compliance with applicable laws and regulations, and soundness of the internal organizational and operational controls.

**Financial Audits** provide an independent assessment of whether an entity's reported financial condition, results, and use of resources are presented fairly and in accordance with generally accepted accounting principles.

**Financial Desk Review** involve a limited review of award recipients to ensure validity and accuracy of reported information, and compliance with state and Federal requirements.

**Investigations** are conducted based on alleged or suspected fraud, waste, abuse or gross mismanagement, employee and contractor misconduct, and criminal and civil violations of law that have an impact on NEA programs and operations. The OIG refers matters to the U.S. Department of Justice whenever there are reasonable grounds to believe there has been a violation of Federal criminal law. The OIG also identifies fraud indicators and recommends measures to management to improve the Agency's ability to protect itself against fraud and other wrongdoing.

**Awareness Briefings and Bulletins** are presented to NEA management, staff, and awardees to promote greater knowledge and understanding of potential or actual conditions, vulnerabilities, opportunities for improvement, or loss prevention. Briefings may be used internally or with stakeholders in lieu of formal reports.

**HELP PROMOTE INTEGRITY, ECONOMY AND EFFICIENCY  
REPORT SUSPECTED FRAUD, WASTE, ABUSE OR MISMANAGEMENT**

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**Complaints may be made anonymously. However, we would have no way of contacting you. Any information you provide will be held in confidence unless disclosure is required by law. Providing your name and means of communicating with you may increase our ability to investigate your complaint.**