NATIONAL
ENDOWMENT
FOR THE
HUMANITIES

OFFICE OF INSPECTOR GENERAL

SEMIANNUAL REPORT TO CONGRESS

For the Period October 1, 2025 through March 31, 2026

Report No. 74

"Democracy demands wisdom and vision in its citizens"
National Foundation on the Arts and Humanities Act of 1965

THE OFFICE OF INSPECTOR GENERAL

serves American taxpayers
by investigating reports of waste, fraud,
mismanagement, abuse, integrity violations or
unethical conduct involving Federal funds.

To report any suspected activity
concerning NEH programs, operations, or employees/contractors

Contact the OIG Hotline

(202) 606-8423

Mailing Address

Office of Inspector General — Hotline
National Endowment for the Humanities
Constitution Center
400 7th Street, SW
Washington, DC 20506

Electronic Mail — Hotline

oig@neh.gov

OIG Hotline Complaint Form

www.neh.gov/about/oig/hotline-form

Government employees are protected from reprisal

Contacts may remain anonymous

Information is treated as <u>Confidential</u>

TABLE OF CONTENTS

EXECUTIVE SUMMARY

This Semiannual Report to Congress highlights the activities of the National Endowment for the Humanities (NEH) — Office of Inspector General (OIG) for the period October 1, 2025 through March 31, 2026. NEH-OIG activities completed during this reporting period assessed the quality of a Single Audit report issued by non-Federal auditors concerning an NEH grant recipient, and we substantially completed fieldwork pursuant to limited-scope audits of two NEH grant awards. We also monitored the activities of the independent auditors engaged to conduct an audit of the NEH financial statements for the fiscal year ended September 30, 2025.

During the prior semiannual reporting period, we engaged the services of Williams, Adley & Company-DC, LLP to conduct an audit of the NEH financial statements for the fiscal year ending September 30, 2025, as required by the *Accountability of Tax Dollars Act of 2002*. During this semiannual reporting period, we monitored final testing and reporting activities of the independent auditors to ensure compliance with applicable Federal audit requirements.

No investigations were initiated by the NEH-OIG during this semiannual reporting period. We received eleven Hotline complaints during this six-month period, ten of which have been closed. One complaint remains open as of March 31, 2026.

We continue to receive communications from individuals who have been targeted (and in some instances victimized) by internet phishing scams purporting to represent NEH financial assistance opportunities.

NEH-OIG staff participated in several activities within the Federal accountability community to include a quarterly meeting of the Grant Fraud Working Group, which is affiliated with the Financial Fraud Enforcement Task Force. We also engaged in outreach activities to promote accountability and compliance with administrative requirements applicable to NEH grant awards.

The NEH-OIG endeavors to strengthen our capability to perform effective independent oversight and to foster mutually beneficial working relationships with NEH leadership and management, the U.S. Congress, other stakeholders (both public and private), and our colleagues within the Inspector General community.

THE NATIONAL ENDOWMENT FOR THE HUMANITIES

In order to promote progress and scholarship in the humanities and the arts in the United States, Congress enacted the *National Foundation on the Arts and the Humanities Act of 1965*. This legislation established the National Endowment for the Humanities (NEH) as an independent, grant-making agency of the Federal government to support research, education, and public programs in the humanities. According to the Act, "The term 'humanities' includes, but is not limited to, the study of the following: language, both modern and classical; linguistics; literature; history; jurisprudence; philosophy; archaeology; comparative religion; ethics; the history, criticism, and theory of the arts; those aspects of social sciences which have humanistic content and employ humanistic methods; and the study and application of the humanities to the human environment, with particular attention to reflecting our diverse heritage, traditions, and history, and to the relevance of the humanities to the current conditions of national life."

The NEH is directed by a Chairperson, who is appointed by the President and confirmed by the U.S. Senate, for a term of four years. Advising the Chairperson is the National Council on the Humanities, a board of 26 distinguished private citizens who are also appointed by the President and confirmed by the U.S. Senate. National Council members serve staggered six-year terms.

In August 2025, the NEH announced an agency-wide reorganization to consolidate its grantmaking programs and divisions. The functions and staff of seven grantmaking offices and divisions were merged into four new divisions to support projects that advance humanities research, education, public programs, infrastructure, and cultural preservation. The new NEH divisions are — Division of Federal/State Partnership, Division of Collections & Infrastructure, Division of Lifelong Learning, and Division of Research.

In anticipation of the 250th anniversary of the signing of the Declaration of Independence, NEH currently offers several funding opportunities though the agency's *A More Perfect Union* initiative that focus on exploring America's story and celebrating its 250 years of cultural heritage. In connection with the January 2025 "Celebrating America's Birthday" Presidential Executive Order, NEH is administering a special grant program to support the design and creation of statutes of important Americans for the planned National Garden of American Heroes. Other Semiquincentennial-related funding opportunities include NEH's Celebrate America, Rediscovering Our Revolutionary Tradition, and Public Humanities Projects grant programs.

THE OFFICE OF INSPECTOR GENERAL

The NEH Office of Inspector General (OIG) was established April 9, 1989, in accordance with the *Inspector General Act Amendment of 1988*, (Public Law 100-504). In this legislation, Congress established Offices of Inspectors General in several departments and in thirty-three agencies, including the NEH. The NEH Inspector General (IG) is appointed by the Chairperson of the National Council on the Humanities. The independence of the IG is a critical aspect of the *Inspector General Act of 1978,* as amended (IG Act). For example, the IG: cannot be prevented from initiating, carrying out, or completing an audit or investigation, or from issuing any subpoena; and, has access to all records of the NEH. The IG reports to the National Council on the Humanities, and can only be removed by the National Council on the Humanities, which must give Congress 30 days notice of the reasons for the removal. The IG also reports directly to Congress.

The IG Act states that the NEH-OIG is responsible for (1) conducting audits and investigations; (2) reviewing legislation; (3) recommending policies to promote efficiency and effectiveness; and (4) preventing and detecting fraud, waste, and abuse in the operations of the NEH. The IG is responsible for keeping the Head of the NEH and the Congress fully and currently informed of problems and deficiencies concerning NEH programs and operations.

NEH-OIG staff currently consists of the IG and two auditors. The Deputy Inspector General position is vacant. The NEH-OIG has an Interagency Agreement with the U.S. Treasury Inspector General for Tax Administration detailing procedures for the OIG to be provided legal services. The IG handles investigative matters.

AUDIT AND REVIEW ACTIVITIES

LIST OF REPORTS ISSUED

The NEH-OIG is responsible for external and internal audit, inspection, and review engagements. External engagements include on-site audits and limited-scope desk audits of NEH grant awards; surveys of grant recipient financial management policies and procedures; desk reviews of Single Audit reports issued by non-Federal auditors; and on-site quality control reviews of workpapers prepared by non-Federal auditors during performance of Single Audit engagements. Internal engagements include audits, inspections/evaluations, and reviews of NEH administrative and program-related activities, including the NEH information security program and practices. The NEH-OIG is also responsible for monitoring the activities of the independent public accounting firm (the "IPA") engaged to conduct the annual audit of NEH financial statements, as required by the *Accountability of Tax Dollars Act of 2002*, and examining the IPA's audit workpapers and draft reporting deliverables to ensure compliance with applicable Federal audit requirements.

Below is a list of reports issued by the NEH-OIG during the six-month period ended March 31, 2026. The *Inspector General Act of 1978* (as amended) requires the Inspector General to report on the "Total Dollar Value of Questioned Costs" (including a separate category for the "Dollar Value of Unsupported Costs") and the "Dollar Value of Recommendations that Funds Be Put to Better Use by Management" [see Tables II and III on page 12].

	Report Number	**Date Issued**
FINANCIAL STATEMENT AUDIT		
Final Report ~ Audit of NEH Financial Statements ~ Fiscal Year 2025	N/A	November 14, 2025
SINGLE AUDIT DESK REVIEWS		
Desk Review of the Single Audit Report for the Year Ended December 31, 2023 — Alabama Humanities Alliance	OIG-26-01 (DR)	January 9, 2026
REVIEW OF SINGLE AUDIT FINDINGS	— See Page 5 —	

AUDIT AND REVIEW ACTIVITIES

SUMMARY OF REPORTS ISSUED

Final Report
Audit of NEH Financial Statements ~ Fiscal Year 2025
November 14, 2025

The NEH-OIG engaged Williams, Adley & Company-DC, LLP (Williams Adley) to perform an audit of the NEH financial statements for fiscal year (FY) ending September 30, 2025, as required by the *Accountability of Tax Dollars Act of 2002.* The NEH-OIG was responsible for —

(1) evaluating the qualifications and independence of the firm and staff assigned to the audit;

(2) reviewing the audit approach and planning;

(3) monitoring the work of the auditors;

(4) examining audit workpapers and draft reporting deliverables to ensure compliance with *Government Auditing Standards,* (as issued by the Comptroller General of the United States), Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*, and the *Financial Audit Manual* (as issued jointly by the Government Accountability Office and the Council of the Inspectors General on Integrity and Efficiency); and,

(5) executing other activities deemed necessary to oversee the audit engagement.

Williams Adley (hereafter referred to as the "IPA") opined that NEH's financial statements present fairly, in all material respects, the agency's financial position as of September 30, 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

In connection with the audit of NEH's financial statements, the IPA performed procedures related to the agency's internal control over financial reporting, in accordance with U.S. generally accepted government auditing standards and OMB audit guidance. An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which 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, and;

* 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.

The IPA's testing did not identify any deficiencies in internal control over financial reporting considered to be material weaknesses. The IPA identified two internal control deficiencies and concluded that the matters did not rise to the level of a material weakness or significant deficiency. The IPA communicated the matters to NEH management in a separate letter dated November 14, 2025.

The IPA also tested for compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to NEH that have a direct effect on the determination of material amounts and disclosures in the agency's financial statements. The IPA's tests disclosed no instances of noncompliance for fiscal year 2025 that would be reportable under U.S. generally accepted government auditing standards.

SUMMARY OF REPORTS ISSUED (con't.)

SINGLE AUDIT DESK REVIEWS

Subpart F of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 200) establishes audit requirements for state and local governments, colleges and universities, and non-profit organizations receiving Federal awards. All non-Federal entities that expend $1,000,000 or more a year in Federal awards must undergo an annual organization-wide audit that includes the entity's financial statements and compliance with Federal award requirements, (herein referred to as a "Single Audit"). Single Audits are conducted by non-Federal auditors, such as public accounting firms and state auditors.

During the six-month period ended March 31, 2026, the NEH-OIG issued a letter to governance officials for the Alabama Humanities Alliance (AHA), communicating the results of our desk review of the fiscal year (FY) 2023 Single Audit reporting package submitted by the organization to the Federal Audit Clearinghouse. The objectives of the desk review were to (1) determine whether the Single Audit report is acceptable based on the reporting requirements of 2 CFR Part 200; (2) identify any quality issues that warrant follow-up work and/or revisions to the Single Audit report; (3) identify audits for potential quality review of the independent auditor's workpapers; and (4) identify issues that require the attention of NEH management. We used the *Guide for Desk Reviews of Single Audit Reports* (2021 Edition), as issued by the Council of the Inspectors General on Integrity and Efficiency, to determine whether the Single Audit reporting package meets core reporting requirements stipulated by 2 CFR Part 200. Based on the results of our desk review, we can assign a rating of *Pass*, *Pass with Deficiencies*, or *Fail* to the organization's Single Audit reporting package. A *Fail* rating indicates the reporting package contains quality deficiencies that may affect the reliability of the audit. Reporting packages assigned a *Fail* rating require corrective action.

We assigned a *Fail* rating to the AHA's FY 2023 Single Audit reporting package.

REVIEW OF SINGLE AUDIT FINDINGS

The NEH-OIG periodically receives communications from other Federal agencies concerning the results of their Single Audit desk reviews (primarily the National Science Foundation OIG and the U.S. Department of Education OIG) and Single Audit findings identified for NEH resolution. We also routinely perform queries of the Federal Audit Clearinghouse to ascertain the reporting of Single Audit findings applicable to NEH programs.

During the six-month period ended March 31, 2026, the NEH-OIG reviewed Single Audit report communications from other Federal agencies concerning two (2) NEH grant recipients. One finding was specifically identified for NEH resolution.

AUDIT AND REVIEW ACTIVITIES

WORK IN PROGRESS (as of March 31, 2026)

Limited Audit ~ University of Pittsburgh

NEH awarded grant EH-281254-21 to University of Pittsburgh (the "University") to support a two-week institute for 25 higher education faculty that would bring a transnational perspective to Afro-Latin American and Afro-Latinx cultures in the United States. The NEH-OIG initiated a limited-scope audit of the University's records related to the grant award.

The principal objectives of this limited-scope audit are to determine whether (1) expenditures related to the grant award were made in accordance with the applicable provisions of NEH's *General Terms and Conditions for Awards to Organizations (for grants and cooperative agreements issued December 26, 2014 or later)*, and the specific terms of the grant award; and (2) the University implemented proper control over the administration of the NEH grant award in accordance with minimum standards prescribed in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 200).

Limited Audit ~ Beverly Willis Architecture Foundation

NEH awarded grant TR-287720-22 to Beverly Willis Architecture Foundation (the "Foundation") to support a multiplatform project about the history of women's contributions to American architecture. The NEH-OIG initiated a limited-scope audit of the Foundation's records related to the grant award.

The principal objectives of this limited-scope audit are to determine whether (1) expenditures related to the grant award were made in accordance with applicable provisions of 2 CFR Part 200, NEH's *General Terms and Conditions for Awards to Organizations (for grants and cooperative agreements issued January 1, 2022 or later),* and the specific terms and conditions applicable to the grant award; and (2) the Foundation implemented proper control over the administration of the NEH award in accordance with minimum standards prescribed in 2 CFR Part 200.

INVESTIGATIVE ACTIVITIES

BACKGROUND

The *Inspector General Act of 1978* (as amended) provides the authority for NEH-OIG to investigate possible violations of criminal or civil laws, administrative regulations, and policies that impact the programs and operations of the NEH. In the past, in order to fully execute this authority, we have obtained assistance from other OIGs, the Federal Bureau of Investigation (FBI), or other investigative entities.

Over the years, NEH-OIG has received complaints and allegations through the OIG Hotline and did not have sufficient resources to initiate an investigation. To address this inherent challenge, we continue to inquire of other OIGs concerning their willingness and ability to assist us on an “as needed” basis through a reimbursable agreement. A few OIGs have responded that they would consider performing work for us on a case-by-case basis, contingent upon the availability of their staff. However, this assistance would only be for criminal cases, with no guarantee that investigative staff would be available when needed.

INVESTIGATIVE ACTIVITIES

No investigations were initiated by the NEH-OIG during the six-month period ended March 31, 2026.

MATTERS REFERRED TO PROSECUTIVE AUTHORITIES

No matters were referred to the U.S. Department of Justice during the six-month period ended March 31, 2026.

STATISTICAL SUMMARY OF INVESTIGATIVE ACTIVITY

Number of Investigative Reports Issued	0
Number of Persons Referred to the Department of Justice for Criminal Prosecution	0
Number of Persons Referred to State and Local Prosecuting Authorities for Criminal Prosecution	0
Number of Indictments and Criminal Informations that Resulted from Prior Referral to Prosecuting Authorities	0

HOTLINE ACTIVITIES

The NEH-OIG maintains a Hotline telephone number and a dedicated NEH e-mail address to provide confidentiality for individuals bringing matters to the attention of the NEH-OIG. We also have an internet-based template to facilitate the submission of complaints to the NEH-OIG. The complaint template is accessible through the OIG homepage, (www.neh.gov/about/oig/hotline-form). The Hotline telephone number, internet-based complaint form, e-mail address, and ground mail services are efficient and effective means for NEH employees and contractors, recipients of NEH awards, and the general public to communicate complaints and allegations of fraud, waste, abuse, mismanagement, and misconduct concerning NEH programs and operations to the NEH-OIG.

When the NEH-OIG receives a complaint or allegation of a criminal or administrative violation, we engage in preliminary research activities to inform the decision regarding the appropriate action to take. Based on the results of our preliminary research, we may initiate an investigation or an audit; refer the matter to an NEH official; refer the matter to another Federal agency; or take no further action. Upon determining that a matter represents a criminal violation, we seek assistance from another Federal Inspector General, the Federal Bureau of Investigation (FBI), or the U.S. Department of Justice.

There were five Hotline matters open as of September 30, 2025. During the six-month period ended March 31, 2026, the NEH-OIG received one complaint alleging serious misconduct about an approved NEH applicant; one complaint concerning the propriety of a project to be supported by an NEH challenge grant award; one complaint concerning the social media activities of an NEH grant award recipient; one complaint alleging an NEH awardee's support for anti-free speech and anti-independent journalism; one complaint alleging improper subawarding activities, falsification of financial reports to the organization's Board and NEH (including manipulation of related accounting records), and excessive compensation concerning an executive of the NEH grant recipient; one complaint concerning NEH application review procedures and eligibility determinations; four reports from individuals targeted (and in some instances victimized) by internet phishing scams purporting to represent NEH financial assistance opportunities; and one complaint concerning matters not related to NEH programs or operations. One matter remains open as of March 31, 2026.

STATISTICAL SUMMARY OF HOTLINE ACTIVITY

Open as of September 30, 2025	5
Matters communicated to the NEH-OIG during the six-month period ended March 31, 2026	11
Total Number of Matters Communicated via NEH-OIG Hotline	16
Matters closed, referred, or no action deemed necessary	15
Open as of March 31, 2026	1

OTHER ACTIVITIES

REGULATORY AND LEGISLATIVE REVIEWS

The *Inspector General Act of 1978* (as amended) requires the Inspector General to review proposed legislation and regulations. The reviews should be designed to assess whether proposed legislation and/or regulations (1) affect the economy and efficiency of agency programs and operations; and (2) provide sufficient internal control to prevent and detect fraud and abuse.

No legislative reviews concerning the NEH were required during the six-month period ended March 31, 2026.

WORKING WITH THE AGENCY

NEH-OIG staff attended meetings convened by NEH leadership – meetings of the National Council on the Humanities (October 2025 and November 2025), and senior staff meetings.

PARTICIPATION ON THE COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

The *Inspector General Reform Act of 2008* (Public Law 110-409) amended the *Inspector General Act of 1978* and established the Council of the Inspectors General on Integrity and Efficiency (CIGIE). CIGIE is comprised of all Inspectors General whose offices are established by the *Inspector General Act of 1978* (and subsequent amendments) — those that are Presidentially-appointed/Senate-confirmed and those that are appointed by designated Federal entity Agency Heads.

During the six-month period ended March 31, 2026, the Inspector General regularly attended CIGIE monthly member meetings, provided responses to various CIGIE inquiries, attended two meetings of the CIGIE Technology Committee (January 2026 and March 2026), participated in one meeting convened for Inspectors General reporting to Boards or Commissions (January 2026), and attended two meetings of the Financial Statement Audit Network (February 2026 and March 2026).

The Inspector General also attended one status meeting convened by the Pandemic Response Accountability Committee [PRAC] (January 2026). The PRAC was established as a committee of CIGIE by the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act). The mission of the PRAC is to (1) promote transparency of coronavirus response funds provided in the CARES Act and three related pieces of legislation; and (2) provide oversight of those funds and the coronavirus response.

PARTICIPATION IN OTHER ACTIVITIES WITHIN THE FEDERAL ACCOUNTABILITY COMMUNITY

The Inspector General attended one quarterly meeting of the Grant Fraud Working Group (January 2026). The Grant Fraud Working Group is affiliated with the Financial Fraud Enforcement Task Force and represents a diverse coalition from across the OIG community and certain U.S. Department of Justice components (e.g., the Civil Division), working to improve investigation and prosecution of grant-fraud matters.

OIG INTERNET PRESENCE

Reports concerning the results of individual NEH-OIG engagements and the OIG Semiannual Reports to Congress are posted on the internet. The reports are accessible through the OIG homepage on the NEH website (www.neh.gov/about/oig).

To promote awareness and understanding of the OIG mission and responsibilities, we provide hyperlinks to other Federal agency websites, such as the Council of the Inspectors General on Integrity and Efficiency [IGnet.gov] and the Government Accountability Office [FraudNet].

OTHER ACTIVITIES

"AUDIT READINESS" AWARENESS CAMPAIGN

The NEH-OIG executes an email-based "Audit Readiness" awareness campaign, the timing of which corresponds with NEH grant award cycles. The objective of the campaign is to proactively promote accountability and disseminate guidance that would assist NEH grant award recipients in their efforts to preclude unfavorable outcomes should their NEH awards be selected for audit. The email communication emphasizes the value of each recipient's understanding of the terms and conditions specific to their NEH grant award and the administrative requirements applicable to all Federal awards. We remind recipients that they are stewards of Federal funds and therefore must comply with uniform administrative requirements, and the terms and conditions applicable to NEH grant awards. We highlight in the communications, specific areas wherein problems are commonly identified during audits of NEH grant awards, and include hyperlinks to appropriate guidance materials and resources. We also discuss the importance of effective internal control. The email communications are sent directly to project directors (including co-project directors) and institutional grant administrators identified for all organization-based awardees.

During the six-month period ended March 31, 2026, NEH-OIG sent email communications as noted below. We have reasonable assurance that all awardees received a copy of the "Audit Readiness" communication.

NEH Division/Office	Number of Awardees	Total Value of Awards
Division of Research Programs	50	$ 34,944,578
Division of Lifelong Learning	14	$ 15,122,376
Division of Preservation and Access	20	$ 4,360,824
Division of Public Programs	11	$ 3,638,226
Division of Education Programs	19	$ 3,498,092
Division of Collections and Infrastructure	10	$ 3,150,952

TABLE I

REPORTING REQUIREMENTS

The *Inspector General Act of 1978* (as amended) specifies reporting requirements for semiannual reports. The requirements are listed and cross-referenced to the applicable pages in this report.

IG Act Reference	**Reporting Requirements**	**Page**
Section 404(a)(2)	Regulatory and Legislative Reviews……………………………….	9
Section 405(b)(1)	Significant Problems, Abuses, and Deficiencies………………..….	*
Section 405(b)(2)	Recommendations for Corrective Action ………………………….	*
Section 405(b)(3)	Prior Significant Recommendations Unimplemented…………..….	*
Section 405(b)(4)	Matters Referred to Prosecutive Authorities……………………….	7
Section 405(b)(21)(b)	Instances Where Information Was Refused or Not Provided………	*
Section 405(b)(6)	List of Reports Issued………..……………………………………..	3
Section 405(b)(5)	Summary of Reports Issued.………………………………………..	4 - 5
Section 405(b)(8)	Audit Reports - Questioned Costs….………………………………	12
Section 405(b)(9)	Audit Report - Funds To Be Put to Better Use by Management…...	12
Section 405(b)(10)	Prior Audit Reports — Unresolved………………………………...	13
Section 405(b)(11)	Significant Revised Management Decisions……………………….	*
Section 405(b)(12)	Significant Management Decisions with which IG Disagrees……..	*
Section 405(b)(14-16)	Peer Review Results……………………………………………….	Appendix A
Section 405(b)(17-18)	Investigation Statistics…...…………………………………………	7
Section 405(b)(19)	Investigations Involving Senior Government Employees….………	*
Section 405(b)(20)	Instances of Whistleblower Retaliation….………………………...	*
Section 405(b)(21)	Instances of Agency Interference with OIG Independence...……...	*
Section 405(b)(22)	Description of Reports Not Disclosed to the Public……......……...	*

* None this reporting period

TABLE II
INSPECTOR GENERAL-ISSUED REPORTS WITH QUESTIONED COSTS

	Number of Reports	Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period.	- 0 -	$ - 0 -	$ - 0 -
B. Which were issued during the reporting period.	- 0 -	$ - 0 -	$ - 0 -
Subtotals (A+B)	- 0 -	$ - 0 -	$ - 0 -
C. For which a management decision was made during the reporting period.			
i. Dollar value of disallowed costs.	- 0 -	$ - 0 -	$ - 0 -
ii. Dollar value of costs not disallowed	- 0 -	$ - 0 -	$ - 0 -
iii. Dollar value of costs not disallowed based on the "Value of Services Received."	- 0 -	$ - 0 -	$ - 0 -
D. For which no management decision has been made by the end of the reporting period.	- 0 -	$ - 0 -	$ - 0 -
E. Reports for which no management decision was made within six months of issuance.	- 0 -	$ - 0 -	$ - 0 -

TABLE III
INSPECTOR GENERAL-ISSUED REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE BY MANAGEMENT

	Number of Reports	Dollar Value
A. For which no management decision has been made by the commencement of the reporting period.	- 0 -	$ - 0 -
B. Which were issued during the reporting period.	- 0 -	$ - 0 -
C. 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 -
ii. Dollar value of recommendations that were not agreed to by management.	- 0 -	$ - 0 -
D. For which no management decision was made by the end of the reporting period.	- 0 -	$ - 0 -

PRIOR AUDIT REPORTS — UNRESOLVED

Reports with Unimplemented Recommendations	Number of Unimplemented Recommendations	Dollar Value of Aggregate Potential Cost Savings
Report Number: OIG-15-03 (I) *Federal Information Security Management Act* (FISMA) Reporting Document: Inspector General Section — Fiscal Year 2014 Date of Report: August 15, 2015	1	The recommendation concerns a FISMA-related matter and we are unable to quantify the total potential cost savings to the NEH.

SUMMARY OF UNIMPLEMENTED RECOMMENDATIONS

1. Contingency Planning

Finding: Due to competing priorities, neither the Agency-wide continuity of operations (COOP) exercise nor the prescribed divisional exercise, to be led by Emergency Response Team (ERT) members, were conducted in FY 2013. Furthermore, the master COOP document was not updated to incorporate/address issues identified in the prior year after-action report. The OIG also noted that several Emergency Operations Team (EOT) and ERT members were either unable to access the COOP-related documents on the secured OMB CyberScope site or did not have access to the most current version of the master COOP document.

Recommendation: The NEH must reinstate annual continuity of operations training exercises and update COOP-related documents maintained on the secured OMB Cyberscope platform.

Implementation Status: **Open/Partially Implemented.** The master COOP document has been updated to incorporate/address issues identified in the FY 2012 after-action report. However, a continuity of operations training exercise has not been conducted since FY 2012.

GLOSSARY OF AUDIT TERMINOLOGY

Questioned Cost: A cost that is questioned by the OIG because of (1) an alleged violation of a provision of law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (3) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Unsupported Cost: A cost that is questioned by the OIG because, at the time of the audit, such cost is not supported by adequate documentation.

Disallowed Cost: A questioned cost that management, in a management decision, has sustained or agreed should not be charged to the Government.

Funds Be Put To Better Use: A recommendation by the OIG that funds could be used more efficiently if management of an establishment took actions to implement and complete the recommendation, including (1) reductions in outlays; (2) deobligation of funds from programs or operations; (3) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (4) costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor or grantee; (5) avoidance of unnecessary expenditures noted in preaward reviews of contract or grant agreements; or (6) any other savings which are specifically identified.

Management Decision: The evaluation by the management of an establishment of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary.

Final Action: The completion of all actions that the management of an establishment has concluded, in its management decision, are necessary with respect to the findings and recommendations included in an audit report. In the event that management concludes no action is necessary, final action occurs when such management decision has been made.

Source: Excerpt from Section 405(a) of the *Inspector General Act of 1978* (as amended)

APPENDIX A

PEER REVIEW RESULTS

The following information is provided pursuant to the requirements of Section 989C of Public Law 111-203 (July 21, 2010), the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, amending the *Inspector General Act of 1978* (the IG Act), 5 U.S.C. App. This appendix complies with Section 405(b)(14 - 16) of the IG Act of 1978, as amended.

(14)(A) Peer Review of the Audit Function. On September 16, 2022, the U.S. Election Assistance Commission - Office of Inspector General (USEAC-OIG) issued a System Review Report on the audit organization of the NEH-OIG in effect for the 3-year period ended March 31, 2022. The USEAC-OIG found that the system of quality control for the audit organization of the NEH-OIG had been suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects. Federal audit organizations can receive a rating of *Pass, Pass with Deficiencies,* or *Fail.* The NEH-OIG received a peer review rating of *Pass.*

(15) Outstanding Recommendations from any Peer Review of the NEH-OIG. There are no outstanding recommendations from any peer review of the NEH-OIG, as conducted by another Office of Inspector General, that have not been fully implemented.

(16) **Peer Review Conducted by the NEH-OIG.** On June 25, 2025, the NEH-OIG issued a Modified Peer Review Report on the audit function of U.S. AbilityOne - Office of Inspector General (AbilityOne OIG) in effect for the year ended September 30, 2024. The objective of the Modified Peer Review was to determine whether AbilityOne OIG's established audit policies and procedures are current and consistent with applicable professional standards. Established policies and procedures represent a component of a system of quality control to provide AbilityOne OIG with reasonable assurance of conforming to applicable professional standards. The components of a system of quality control are described in the *Government Auditing Standards*. Based on our review, we concluded that the established policies and procedures for the AbilityOne OIG audit function at September 30, 2024 are current and consistent with applicable professional standards as stated.