

Management Report to Accompany the Office of Inspector General Semiannual Report to Congress

FOR THE PERIOD OCTOBER 1, 2025 THROUGH MARCH 31, 2026



**U.S. Securities and
Exchange Commission**



Management Report to Accompany the Office of Inspector General Semiannual Report to Congress

October 1, 2025 – March 31, 2026

The Inspector General Act of 1978, as amended (Inspector General Act), requires the Securities and Exchange Commission (SEC) to transmit to the appropriate committees or subcommittees of the U.S. Congress a Management Report, containing certain statistical tables and any comments deemed appropriate, to accompany the Office of Inspector General's (OIG's) Semiannual Report.¹ This Management Report presents the required information for the reporting period of October 1, 2025, through March 31, 2026.

I. Overview of SEC Audit Follow-up Activities

The SEC is committed to completion of timely corrective actions on OIG audit, inspection, and evaluation recommendations. At the commencement of this semiannual reporting period, there were 17 open OIG recommendations from audit, inspection, or evaluation reports. During the period, management succeeded in obtaining OIG concurrence to close 3 recommendations. Of the 3 closed recommendations, management submitted 2 (or 67 percent) requests for closure in less than one year. The SEC also received one new OIG report during the reporting period, which contained two recommendations for improving the agency's processes and programs.² At period-end, final action was pending on 15 recommendations from five reports.

¹ The SEC's Management Response is based on the requirements of the Inspector General Act as amended by the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 5273, Dec. 23, 2022, 136 Stat. 2395, 3241.

² Although the February 2026 OIG report, *Fiscal Year 2025 Independent Evaluation of the U.S. Securities and Exchange Commission's Implementation of the Federal Information Security Modernization Act of 2014* (Report No. 589), included two recommendations, one had been fully implemented before the report was issued and therefore was not classified by the OIG as an open recommendation. As such, that recommendation is not tracked herein.

II. Reports on Instances of Whistleblower Retaliation

The Inspector General Act requires the SEC Management Report to include a statement with respect to any settlement agreement entered into by the agency with an official found by the Inspector General to have engaged in retaliation against a whistleblower. The SEC has no such settlement agreements to report.

III. Reports with Monetary Savings

The Inspector General Act requires the SEC Management Report to include statistical information regarding any management decision or final action taken on each audit, inspection, or evaluation report on which final action had not been taken before the reporting period. The information required to be reported includes the dollar value of any “disallowed cost” or “recommendation that funds be put to better use.”

The Inspector General Act defines a “disallowed cost” as a cost questioned by the OIG that agency management has decided should not be charged to the agency. The Inspector General Act defines “recommendation that funds be put to better use” to mean an OIG recommendation that funds could be used more efficiently if management took actions to implement and complete the accompanying recommendation. During the reporting period, OIG did not issue a report that contained any questioned costs or any recommendations that funds be put to better use. In addition, there are no outstanding management decisions on questioned costs or recommendations that funds be put to better use identified in OIG reports from prior reporting periods.

Additional information regarding management decisions and final actions taken during the reporting period for reports on which final action had not been taken before the reporting period began is included below in the next section and Table 1.

IV. Reports with Pending Corrective Action at Start of Reporting Period

The Inspector General Act requires the SEC Management Report to include a statement with respect to each audit, inspection, and evaluation report on which a management decision has been made but final action has not been taken. Table 1 presents the required information.

TABLE 1. REPORTS PENDING FINAL ACTION AT START OF REPORTING PERIOD (REPORTING PERIOD OCTOBER 1, 2025, THROUGH MARCH 31, 2026)

Report No./Title For the 5 Reports with Pending Final Action at Start of Period	Report Date	Status of Final Action as of April 2026 (Final Action Completed: 1 Report Pending at End of Period: 4 Reports)
Report 574: Fiscal Year 2022 Independent Evaluation of the SEC’s Implementation of the Federal Information Security Modernization Act of 2014	11/15/2022	Twelve of the report’s 13 recommendations have been closed with OIG concurrence. Corrective action addressing the remaining recommendation is in progress, with anticipated completion by Summer 2026.
Report 583: Enhanced Planning, Performance Measurement and Evaluation, and Information Can Improve Oversight of Broker-Dealer Examinations	9/23/2024	Final action taken during reporting period.
Report 584: Fiscal Year 2024 Independent Evaluation of the U.S. Securities and Exchange Commission’s Implementation of the Federal Information Security Modernization Act of 2014	11/25/2024	Six of the report’s ten recommendations have been closed with OIG concurrence. Corrective actions addressing the remaining four recommendations are in progress, with anticipated completion by Summer 2026.
Report 586: Improved Documentation and Guidance Can Help Strengthen Corporation Finance’s Disclosure Review Program	8/26/2025	One of the report’s three recommendations has been closed with OIG concurrence. Corrective actions addressing the remaining two recommendations are in progress, with anticipated completion by Summer 2026.
Report 587: Special Review: Avoidable Errors Led to the Loss of Former SEC Chair Gary Gensler’s Text Messages	9/3/2025	Four of the report’s five recommendations are complete with closure packages under OIG review as of May 2026. Corrective action addressing the remaining recommendation is in progress, with anticipated completion by Summer 2026.

All management decisions for the listed reports were made during prior reporting periods. For Report 583 listed in Table 1 for which final action was taken during the reporting period, there were no questioned costs or recommendations that funds be put to better use.

U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549
SEC.gov