

Annual Work Plan Fiscal Year 2012



Office of Inspector General
National Archives and Records Administration

FOREWORD

I am pleased to present to Archivist Ferriero the Fiscal Year (FY) 2012 Work Plan for the National Archives and Records Administration (NARA) Office of Inspector General (OIG). In FY 2012, we remain committed to providing the highest-caliber of audit and investigative coverage to those areas and programs that have a profound impact, and bearing on the success of this agency. This plan includes audits and fraud prevention and detection activities. Successful execution of this plan will reflect our demonstrated ongoing commitment to provide high-quality service to our customers and to assist NARA in meeting its strategic mission and objectives.

I look forward to a successful year of providing the highest quality of audit and investigative support and service to our stakeholders.

Paul Brachfeld
Inspector General

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INTRODUCTION

In June 2010, the Archivist initiated a NARA-wide Transformation Reorganization. The Archivist's Task Force on Agency Transformation was chartered to help the Archivist identify the key issues, barriers, and opportunities relating to organizational effectiveness facing NARA today, and to recommend organizational strategies that position NARA to flourish and lead in the future. The Task Force delivered its final recommendations in a report to the Archivist in September 2010. On January 31, 2011, the Archivist approved the report of the Transformation Launch Team titled, "Charter for Change: Charting the Course." This report represents NARA's plan to change the way it is organized and conducts its work in order to achieve six defined Transformational Outcomes listed below:

- *One NARA
- *Out in Front
- *An Agency of Leaders
- *A Great Place to Work
- *Customer-Focused Organization
- *Open NARA

To achieve NARA's six Transformational Outcomes, the agency has committed to the following set of values: (1) We are a diverse staff unified by our strong commitment to protect records, help people use them, and support an open and responsive government; (2) We want to do our personal best and make our agency the world's best archives; and (3) we believe in an open, inclusive work environment, encouraging creativity and investing in innovation and pursuit of excellence through continuous learning.

Additionally, NARA has defined six strategic goals and the strategies to achieve them in its strategic plan titled, "Preserving the Past to Protect the Future: The Strategic Plan of the National Archives and Records Administration, 2006 – 2016," issued January 11, 2007, revised and re-issued October 1, 2009. The NARA Strategic Plan sets out six primary goals:

- As the nation's record keeper, we will ensure the continuity and effective operation of Federal programs by expanding our leadership and services in managing the Government's records.
- We will preserve and process records to ensure access by the public as soon as legally possible.
- We will address the challenges of electronic records in Government to ensure success in fulfilling NARA's mission in the digital era.
- We will provide prompt, easy, and secure access to our holdings anywhere, anytime.
- We will increase access to our records in ways that further civic literacy in America through our museum, public outreach, education and grants programs.
- We will equip NARA to meet the changing needs of our customers.

The OIG has linked its work processes to align with the agency's six Transformational Outcomes and strategic plan to focus on critical issues that have a major impact on NARA's ability to effectively carry out its mission. The projects described in this work plan are designed to address the challenges faced by NARA and, more specifically, for evaluating (1) internal management and management systems to recommend improved and more effective, efficient, and economical means for achieving results, and (2) internal management controls to identify unnecessary spending, to recover funds used inappropriately, and to detect and prevent waste, fraud, and abuse.

To accomplish the projects listed in this plan, we will use various audit services such as audits, attestation engagements, and nonaudit services. These services are defined in the glossary (see page 24).

OFFICE OF INSPECTOR GENERAL



AUTHORITY AND RESPONSIBILITY

The Inspector General Act of 1978, as amended, established the OIG's independent role and general responsibilities. The Inspector General (IG) reports to both the Archivist and the Congress. The OIG evaluates NARA's performance, makes recommendations for improvements, and follows up to ensure economical, efficient, and effective operations and compliance with laws, policies, and regulations. In particular, the OIG:

- assesses the effectiveness, efficiency, and economy of NARA programs and operations;
- recommends improvements in policies and procedures to enhance operations and correct deficiencies;
- recommends cost savings through greater efficiency and economy of operations, alternative use of resources, and collection actions; and
- investigates and recommends legal and/or management actions to correct fraud, waste, abuse, or mismanagement.

OFFICE OF INSPECTOR GENERAL



ORGANIZATION

In accordance with NARA Administrative Directive 1201, “Audit of NARA Programs and Operations,” the OIG is organized into two units, the Audits Division and the Investigations Division, which are supplemented by a full-time Counsel to the Inspector General.

- The “Audits Division” conducts and coordinates audits of NARA programs and operations, in accordance with the *Government Auditing Standards* promulgated by the Comptroller General of the United States. Audits address the management and financial operations of NARA, the economy and efficiency with which NARA’s programs and functions are managed, and the results achieved. Audits and advisory reviews assess the extent to which NARA complies with laws, regulations, and policies in implementing programs; the extent to which programs are managed effectively and efficiently; and the accuracy and reliability of financial statements.

- The “Investigations Division” performs investigations of alleged criminal, civil, and administrative misconduct related to NARA programs and operations, in accordance with the *Quality Standards for Investigations* published by the President's Council on Integrity and Efficiency. Investigations address allegations and other information that could indicate a violation of law or regulations. The Investigations Staff refers criminal violations to the Department of Justice for possible prosecution, in accordance with law.

To enhance customer service, we have expanded our existing program assistance services to NARA staff and have developed new types of activities (i.e., attestation engagements and fraud prevention surveys). Assignments deemed appropriate may be augmented with a mix of Audit and Investigative Staff personnel.

STRATEGIC PLAN

VISION

We have adopted the Inspectors General Vision Statement agreed to by all Federal IGs in January 1994:

We are agents of positive change striving for continuous improvement in our agency's management and program operations, and in our own office.

MISSION

The OIG's mission is to ensure that NARA provides the American people with access to essential evidence by providing high-quality, objective audits and investigations, and serving as an independent internal advocate for economy, efficiency, and effectiveness. The OIG's independent role and general responsibilities were established by the Inspector General Act of 1978, as amended. The Inspector General reports to both the Archivist and the Congress.

STRATEGIC PLAN

In accordance with the recommendations of the National Performance Review (NPR) and the values enunciated in the Inspectors General Vision Statement, and consistent with the need to retain its independence, the OIG developed a strategic plan that emphasizes working in a collaborative manner with line managers to evaluate the effectiveness of NARA's system of management controls for ensuring economical, efficient, and effective operations, and compliance with program and legal requirements. The OIG Strategic Plan will be revised after NARA's current Strategic Plan is updated.

AUDITS

“Audits” address the management and financial operations of NARA, the economy and efficiency with which NARA’s programs and functions are managed, and the results achieved. The overall objective is to identify management and operational weaknesses and to recommend improvements in the management and operation of programs and activities. Audits assess the extent to which NARA complies with laws, regulations, and policies in implementing programs; the extent to which programs are managed effectively and efficiently; and the accuracy and reliability of financial statements. Program effectiveness is defined by statute and NARA’s mission and program objectives.

“Financial Audits” are utilized for (1) financial statement work where the objective is to provide reasonable assurance about whether financial statements present fairly the financial position, results of operations, and cash flows in conformity with generally accepted accounting principles, and (2) financial-related work where the objective is to determine whether (a) financial information is presented in accordance with established or stated criteria, (b) the agency has adhered to specific financial compliance requirements, and (c) the agency’s internal control structure over financial reporting and/or safeguarding assets is suitably designed and implemented for achieving the control objectives.

“Program Audits” are systematic studies conducted periodically to assess how well a program or operation is working. Program audits include (1) determining the extent to which a program is operating as it was intended, (2) assessing the extent to which a program achieves its outcome-oriented objectives, (3) assessing the net effect of a program by comparing program outcomes with an estimate of what would have happened in the absence of the program, and (4) comparing a program’s outputs or outcomes with the costs to produce them.

In the interests of improving program effectiveness, public accountability, and service delivery, the Government Performance and Results Act (GPRA) demands that Federal agencies focus on results. The OIG will direct its efforts toward helping NARA meet the demands of the GPRA. The planned FY 2012 audits are designed to aid NARA in accomplishing its strategic goals and statutory or other requirements.

Consolidated Audit of NARA's Financial Statements

Background: The Accountability of Tax Dollars Act of 2002 requires all executive agencies with a budget authority in excess of \$25 million to prepare audited financial statements and subject those statements to an independent audit. These audited statements are required to be sent to the Congress and the Office of Management and Budget (OMB). The intent of the law is to improve the ability of the Congress to monitor how tax dollars are spent and ensure resources are allocated in the most efficient manner. The OIG, in concert with management, contracts for this requirement, and the OIG serves as the Contracting Officer's Technical Representative (COTR) on the contract.

The contract requires the contractor to conduct an audit of, and report on, NARA's consolidated financial statements for FY 2012 in accordance with Generally Accepted Government Auditing Standards (GAGAS) and OMB Bulletin 07-04, "Audit Requirements for Federal Financial Statements." The contractor will then issue an Independent Auditor's Report.

Objective: The objective of this assignment is to render an opinion on whether NARA's consolidated financial statements are presented fairly in all material respects. The contractor will issue reports on its conclusion based on the testing of internal controls and compliance with laws and regulation.

Scope: The OIG will monitor and review the contractor's effort, to determine whether the contractor complied with GAGAS and OMB Bulletin 07-04.

Estimated Staff Days: 90

Locations: Financial Reports (BCF) and Information Services (I) at Archives II. Bureau of Public Debt, Parkersburg, WV

Audit of NARA's Compliance with the *Improper Payments Eliminations and Recovery Act 1*

Background: The Improper Payments Eliminations and Recovery Act (IPERA), Public Law 111-204, amended the Improper Payments Information Act of 2002 (IPIA). Agencies are now required to determine whether the risk of improper payments is significant, provide valid annual estimates of improper payments, and implement a plan to reduce improper payments. Further, agencies must report estimates of the annual amount of improper payments in programs and activities and progress in reducing them.

Agencies shall report to the President and the Congress through their annual Performance and Accountability Report (PAR) in the format required by OMB Circular A-136, Financial Reporting Requirements, for IPIA reporting. The report should include an estimate of the annual amount of improper payments for all programs and activities determined to be susceptible to

significant improper payments.

Objective: The objective of this audit is to determine NARA compliance with IPERA.

To determine compliance we will review the agency's PAR (and any accompanying information) for FY 2012. Compliance with IPERA means that the agency has:

- Published a PAR for the most recent fiscal year and posted that report and any accompanying materials required by OMB on the agency website;
- Conducted a program specific risk assessment for each program or activity that conforms with Section 3321 of Title 31 U.S.C. (if required);
- Published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required);
- Published programmatic corrective action plans in the PAR;
- Published, and has met, annual reduction targets for each program assessed to be at risk and measured for improper payments;
- Reported a gross improper payment rate of less than 10 percent for each program and activity for which an improper payment estimate was obtained and published in the PAR or APR; and
- Reported information on its efforts to recapture improper payments.

Scope: The implementing guidance for IPERA is OMB Memorandum 11-16, Issuance of Revised Parts I and II of Appendix C of OMB Circular A-123 titled Management's Responsibility for Internal Control. The audit will be conducted at Archives II; will cover improper payments report in the FY 2012 annual Performance and Accountability Report.

Estimated Staff Days: 60

Mandated Due Date: 120 days after the applicable PAR, approximately March 15, 2013

Locations: Budget and Finance (BCB) and other Archives II offices to be determined.

Audit of NARA's Compliance with the *Federal Managers' Financial Integrity Act* For Fiscal Year 2011

Background: The Federal Managers' Financial Integrity Act (FMFIA), P.L. 97-255, amended the Budget and Accounting Procedures Act of 1950 and requires that internal accounting and administrative control standards be developed by the Government Accountability Office (GAO); annual evaluations be conducted by each executive agency of its system of internal accounting and administrative controls in accordance with guidelines established by the Director of the

OMB; and annual statements on the status of agency internal controls be included in the annual Performance and Accountability Report.

The implementing guidance for FMFIA is OMB Circular A-123 titled Management's Responsibility for Internal Control. OMB Circular A-123 prescribes policies and procedures for complying with the FMFIA. Additionally, GAO has developed guidance on assessing internal controls and an internal control management and evaluation tool.

Objective: The OIG has a responsibility to ensure that NARA's Management Control Program and the requirements of the FMFIA have been carried out. The objective of the audit is to evaluate NARA compliance with FMFIA, A-123 (including Appendix B), and NARA-developed internal control guidance contained in NARA 114 titled Internal Controls. Specifically, we will (a) evaluate NARA compliance with FMFIA and OMB A-123; (b) evaluate the accuracy of NARA's final assurance statement; (c) assess the accuracy of individual office assurance statements, and; (d) identify and evaluate the system of internal controls for NARA program offices.

Scope: The evaluation, to be conducted at Archives II, will cover FY 2011 management control program.

Estimated Staff Days: 90

Locations: Office of Policy and Planning Staff (BP), and other Archives II offices to be determined.

Evaluation of NARA Compliance with the Federal Information Security Management Act of 2002 (FISMA)

Background: FISMA requires Federal agencies to establish agency-wide risk-based information security programs that include periodic risk assessments, use of controls and techniques to comply with information security standards, training requirements, periodic testing and evaluation, reporting, plans for remedial action, security incident response, and continuity of operations. The Act also requires annual independent evaluation of Federal agency information security programs and practices. Agency information security activities are guided by OMB policy and information security standards developed by the National Institute of Standards and Technology (NIST).

Objective: The objective of this project is to assess the adequacy of controls over information security and compliance with information security policies, procedures, standards, and guidelines. The project will include tests of the effectiveness of information security control techniques.

Scope: The OIG will use OMB Circular A-130, Management of Federal Information Resources, in addition to the NIST guidelines, in conducting this evaluation. The evaluation will be performed at Archives II in College Park, Maryland.

Estimated Staff Days: 90

Locations: Archives II, Office of Information Services (I).

Audit of NARA's Classified Systems

Background: Classified information in NARA's custody is stored and processed in electronic format on computer systems. NARA has seven classified systems in production. These classified systems have specialized security needs and must be protected at a higher level than unclassified systems to protect against unauthorized disclosure as well as loss or modification. It is critical NARA ensures that the appropriate security controls are applied to its classified systems, or the safety of these systems and the information contained on these systems is at risk.

Objective: The objective of this audit is to determine whether NARA's classified systems are properly managed and adequately secured.

Scope: The OIG will interview key NARA personnel and identify and examine applicable classified systems security regulations including those issued by NARA and those that preside government-wide. We also will examine available pertinent systems security documentation

including classified system security plans, certification and accreditation, risk assessments, security controls testing reports, contingency plans, etc.

Estimated Staff Days: 90 days

Locations: Archives I and II

Assessment of NARA's Data Backup Operations

Background: Backing up software and data is critical because, inevitably, there will be service interruptions. Agency plans should ensure that there is an ability to recover and provide service sufficient to meet the minimal needs of users of the system. Normally, the primary contingency strategy for applications and data is regular backup and secure offsite storage.

Agency policies should (a) specify the frequency of backups (e.g., daily or weekly, incremental or full), based on how often the data changes and how important those changes are; and (b) designate the location of stored data, file-naming conventions, media rotation frequency, and method for transporting data offsite.

Backup operations should include the following: (a) system data should be backed up regularly; (b) backup copies should be tested to ensure they are usable; (c) backup media and software should be stored offsite in a secure, environmentally controlled facility; and (d) the storage facility should be located far enough away from the original site to reduce the likelihood that both sites would be affected by the same event.

Data may be backed up on magnetic disk, tape, or optical disks (such as compact disks). The specific method chosen for conducting backups should be based on system and data availability and integrity requirements. These methods include electronic vaulting, mirrored disks (using Direct Access Storage Devices (DASD) or Redundant Array of Inexpensive Disks (RAID)), and floppy disks.

Objective: The objective of this project is to determine if NARA has a systematic, accountable, and documented process for restoring original data after a data loss event. Specifically, we will determine if the agency has (a) documented plans and procedures for backing up data; (b) successful backups are accomplished on a regular basis; (c) backups are tested to verify media reliability and information integrity; and (d) backup copies of the operating system and other critical information system software are stored in a separate facility or in a fire-rated container that is not collocated with the operational software.

Scope: The assessment will include a review of the (a) agency's backup policies and procedures, (b) roles and responsibilities of those individuals assigned to perform the backup functions, and (c) results of recent backups.

Estimated Staff Days: 120 staff days

Location: Archives II and selected NARA field sites

Audit of NARA's Cloud Computing Efforts

Background: In December 2010, OMB announced its 25-Point Implementation Plan to Reform Federal Information Technology Management. This plan focused on reforms to eliminate barriers and more effectively manage IT programs throughout the Federal government. As part of this plan, agencies were required to immediately shift towards a "Cloud First" policy and identify at least three cloud computing services within their organizations. One of these services was required to move to the cloud by December 2011 and the other two by June 2012. Cloud computing is a means of outsourcing software, server, storage, and other IT needs to Web service companies.

Cloud computing brings a wide range of benefits, such as economies of scale, flexibility, and speed. As a pay-as-you-go approach to IT, cloud computing allows for low initial investments and additional investments are only needed as system use increases. Also, with cloud computing, IT departments can add or subtract capacity quickly and easily without scrambling for additional hardware or software. Finally, cloud computing can eliminate the long procurement and certification processes often required for in-house systems.

Objective: The objective of this audit is to determine whether NARA is adequately managing the use of cloud computing services and meeting OMB's goals of a "Cloud First" policy.

Scope: The OIG will interview management and review NARA's progress of migrating to cloud technologies. We will also review NARA's policies and strategies for identifying shared services and opportunities for cloud computing.

Estimated Staff Days: 90 staff days

Location: Archives II and selected NARA field sites

Audit of the Adequacy of Controls over Identifying and Replacing Out-of-Date Software and Hardware

Background: Products reach the end of their life cycle for a number of reasons such as market demands or technology innovation and development. Typically, once software or equipment become end-of-life/end-of-support, the vendor no longer provides security updates, bug fixes, critical patches, or spare and replacement parts to fix problems encountered. Continuing to use software and hardware that is no longer supported by the manufacturer creates vulnerabilities in the environment. Vendors release end-of-sale and end-of-life announcements to specify the length of time support will be available for the equipment or software. Agencies should use this information to effectively plan their software and hardware investments so that there are no gaps in support.

Objective: The audit objective is to determine whether NARA has adequate controls in place to identify and replace out-of-date software and hardware.

Scope: The audit will include a review of (a) the agency's policies and procedures, (b) support and maintenance contracts, and (c) software and hardware currently in use at NARA.

Estimated Staff Days: 90

Location: Archives II

Audit of NARA's Network Architecture

Background: NARANet is NARA's private, secure, internal network that supports all intra-NARA network communication. This network integrates local area, metropolitan area, and wide area communications links to NARA locations and is based on Internet technologies and protocols. NARANet processes, stores, and communicates data between NARA employees, vendors, contractors, and clients at various NARA locations. The primary function of NARANet is to facilitate the communication, storage, and processing of agency information for internal use and to provide products and/or services to other Federal agencies and the general public. For this assessment, the OIG is contracting with an experienced vendor to conduct a comprehensive review of NARA's network infrastructure, to determine the adequacy of the network availability, fault tolerance and throughput required for smooth functioning. The OIG will serve as the Contracting Officer's Technical Representative (COTR) on this project.

Objective: The audit objective is to determine whether NARA's network is adequate to support its needs. Specifically, the audit will assess and identify any inadequacies and problems within NARA's existing network and recommend improvement to the performance, security, and efficiency of the NARANet.

Scope: The selected contractor will assist the OIG in evaluating and auditing NARA's network. The OIG will monitor and review the contractor's effort in conducting the network assessment support services. The assessment will be completed in three phases: 1) Network Discovery, 2) Network Analysis, and 3) Recommendations Development. The Network Assessment will address the following minimum aspects: (a) NARA's current network architecture and design; (b) evaluation of any planning documents for future upgrades to the network; (c) evaluation of the current and any forecasted design structures against industry standards and best practices; and (d) a report detailing testing results and recommendations to improve performance, security, and efficiency of NARANet.

Estimated Staff Days: 120 days

Location: Archives II

Audit of the Electronic Records Archives (ERA) System's Ability to Store, Preserve, and Recall Records

Background: Increasingly, government records are created and maintained in electronic formats. These records in digital form pose a critical challenge for NARA. The agency views success in facing these challenges as entailing nothing less than building the archives of the future. According to NARA officials, unless the agency succeeds in surmounting this challenge, there will not be a National Archives of the United States for the digital era.

To respond effectively to the challenge posed by the diversity, complexity, and enormous volume of electronic records being created today and the rapidly changing nature of the systems used to create them, NARA is developing an ERA, a system that will authentically preserve and provide access to any kind of electronic record, free from dependency on any specific hardware or software, enabling NARA to carry out its mission into the future.

As directed by OMB, the ERA System completed its development phase September 30, 2011 and will now transition to the Operations and Maintenance phase. During this time, the volume of data, as well as the number of ERA users, will increase. Of paramount importance will be the preservation of the electronic records ingested into ERA, and entrusted to NARA. If the system is unable to ensure the continued existence, accessibility, and authenticity of records over time, NARA will have failed in meeting its mission regarding electronic records.

Objective: Our objective is to evaluate the ERA System's ability to ensure the continued existence, accessibility, and authenticity of electronic records over time.

Scope: Our objective will be accomplished by: (a) reviewing NARA's guidance on preservation of electronic records, (b) evaluating ERA system documentation, and (c) conducting staff interviews.

Estimated Staff Days: 90 days

Locations: This effort will be performed in the Electronic Records Archives Program Management Office which is located at Archives II.

Audit of NARA's Processing Program

Background: On February 2007, the OIG issued OIG Report No. 07-06, "Audit of the Processing of Records Accessioned into NARA", which found NARA was constrained in its ability to provide efficient and effective access to, and information about, textual records in NARA's custody as the result of large backlogs of inadequately processed records. At the time of our audit nearly 65 percent of NARA's textual records were not adequately processed, and the cost associated with fully processing these records was estimated to be \$1.5 billion, approximately three times NARA's annual budget. Because these backlogs impeded NARA's ability to perform its mission of providing access to records as soon as legally possible, and our audit revealed the need for additional controls, our report identified processing as a Material Weakness. An agency-initiated study agreed with our assessment of the impact of backlogs on NARA's ability to perform its mission. This study stated less than half of the holdings at Archives I and II (where the majority of NARA records reside and which draw the heaviest researcher use) were controlled at a level of detail enabling researchers to quickly identify records relevant to their interests. Further, more than one third were controlled at such a basic level that even experienced NARA staff had difficulty determining whether they contained information which may be responsive to a researcher's request. While the processing backlog has been reduced from 50 percent to 48 percent of NARA's textual holdings, it still represents a significant obstacle to NARA's mission.

Objective: The objective of this audit is to assess NARA's efforts in implementing recommendations contained in the OIG report and to determine whether effective controls have been put in place for ensuring records are being made available to the public in a timely manner and as soon as possible.

Scope: This evaluation will include a review of the adequacy of efforts under taken by management and controls put in place to make records available to the public as quickly as possible.

Estimated Staff Days: 180 staff days

Location: Archives II

Audit of NARA's Preservation Program

Background: Title 44 United States Code (USC), chapter 21, states the Archivist of the United States shall provide for the preservation, repair, and rehabilitation of records or other documentary material transferred to him as may be needful or appropriate. NARA's Strategic Plan (revised FY 2009) identifies appropriate preservation of NARA holdings as a goal necessary for ensuring NARA achieves its mission. In June 2005, the OIG issued an audit report that identified resource and reporting deficiencies associated with NARA's Preservation program and declared them to constitute a Material Weakness. Specifically, the audit identified: (a) items needing preservation had not been identified; (b) inadequate staffing necessary for addressing

preservation needs in a timely manner; (c) lack of criteria for assessing preservation needs/item condition; (d) NARA facilities that did not meet minimum environmental standards for the preservation of records, and; (e) inaccurate preservation performance data. NARA declared Preservation a Material Weakness in its FY 2005 FMFIA statement.

Objective: The objective of this audit is to assess the effectiveness of NARA's Preservation Program. Specifically, we will (1) identify program goals and objectives and how they support the agency's mission; (2) determine if program controls are adequate and properly functioning; and (3) determine if information concerning the condition of records is captured and reported in a standard format across the agency, used to formulate adequate risk rankings of records based on preservation needs, and used to guide resource allocations at the agency wide level (as opposed to the program office level). Furthermore, we will review recommendations contained in our prior report on Preservation, to determine if they were adequately implemented and are achieving their intended effect.

Scope: This evaluation will include (a) a review of NARA guidance on Preservation; (b) a review of internal controls related to the program with a specific focus on their ability to reasonably ensure information on record condition is being captured in a timely and consistent manner, conveyed to management, and used to guide agency wide preservation decisions; (c) evaluation of the means/methods used to capture and convey information on record condition; (d) a review of the resources associated with the Preservation program; and (e) a review of the status of recommendations made in OIG Report No. 05-13, Evaluation in NARA's Preservation Program.

Estimated Staff Days: 120 days

Location: Archives I, Archives II, and NARA field sites, as necessary.

Audit of Management Controls over the Declassification of Classified Records

Background: According to the former Archivist, "Inappropriate declassification of [classified records] can subject our citizens, and our democratic institutions, our homeland security, and our interactions with foreign nations to potential harm. Inappropriate classification (and reclassification) needlessly disrupts the free flow of information and can undermine our democratic principles which require that the American people be informed of the activities of their Government."

Indeed on March 14, 2006, the Archivist testified before the Committee on Government Reform and Subcommittee on National Security, Emerging Threats, and International Relations, that in late February 2006, in response to complaints received from a group of historians and researchers regarding agency classification activity which has resulted in a number of historical documents being withdrawn from the open shelves at NARA, that he had begun several actions as part of a review of the reclassification of documents.

The Archivist tasked the Information Security Oversight Office with performing a review to (1) identify the number records withdrawn from the open shelves over the past several years; (2) identify who initiated the withdrawal action; (3) identify the authorization and the justification for the withdrawal; (4) through a statistically significant sample, determine the appropriateness of the classification action (i.e. was the action in accordance with the terms and limitations of E.O. 12958 [as amended] and does the information satisfy the standards for continued classification); and (5) examine the effectiveness of our own internal processes and procedures and make improvements where required. The review identified several weaknesses in NARA's process and made recommendations to address the cited weaknesses.

Objective: The objective of this audit is to determine whether adequate controls exist to provide assurance classified information is appropriately declassified.

Scope: The OIG will assess the controls over this process and the control environment, to ascertain the classified records are appropriately declassified.

Estimated Staff Days: 90

Location: Archives II, Archives I, other NARA facilities, to be determined.

Audit of NARA's Compliance with Homeland Security Presidential Directive (HSPD) -12 Policy for a Common Identification Standard for Federal Employees and Contractors

Background: The Cyberspace Policy Review, adopted by the President, and the President's Budget for Fiscal Year 2011, highlighted the importance of identity management in protecting the nation's infrastructure. HSPD-12 is a strategic initiative intended to enhance security, increase Government efficiency, reduce identity fraud, and protect personal privacy. HSPD-12 requires agencies to follow specific technical standards and business processes for the issuance and routine use of Federal Personal Identity Verification (PIV) smartcard credentials including a standardized background investigation to verify employees' and contractors' identities. Specific benefits of the standardized credentials required by HSPD-12 include secure access to federal facilities and disaster response sites, as well as multi-factor authentication, digital signature, and encryption capabilities. Additionally, standardization leads to reduced overall costs and better ability to leverage the Federal Government's buying power with industry.

Objective: The objective of this audit is to determine whether NARA has effectively complied with HSPD-12 and has implemented appropriate management controls.

Scope: The OIG will evaluate the agency's effort in implementing HSPD-12 against OMB and NIST requirements.

Staff Days: 90 days

Locations: Archives II, Office of Information Services (I)

Audit of NARA's Continuity of Operations Plan (COOP)

Background: Presidential Decision Directive 67 established the Federal Emergency Management Agency (FEMA) as the lead agency for COOP planning across the Executive branch. FEMA's Federal Preparedness Circular (FPC) 65 provides guidance to federal agencies on development of COOP plans and carrying out test, training, and exercise programs to ensure their effectiveness. The guidance states that agencies are to test and exercise plans and procedures, personnel, and resources at specific frequencies during each year. FPC 65 also requires all Executive agencies to have in place a viable COOP capability which ensures the performance of their essential functions during any emergency or situation that may disrupt normal operations. To comply with this directive, a working group was chartered by NARA, November 30, 2006, via NARA notice 2007-046 to develop the COOP.

Objective: The objective of this review is to determine whether the COOP is adequate and planning and testing efforts are efficient and effective to appropriately prepare NARA employees to address emergency situations.

Scope: The audit will assess the current COOP document to determine whether it is up-to-date, assigns appropriate roles and responsibilities, and addresses pertinent emergency situations. Additionally, we will determine whether testing is occurring on a frequent basis, and review results to ascertain adequacy and effectiveness.

Estimated Staff Days: 60

Locations: Archives I and II

Audit of the Office of Government Information Services (OGIS)

Background: The OPEN Government Act of 2007 amended the Freedom of Information Act (FOIA) [5 U.S.C. Section 552] to create an Office of Government Information Services (OGIS) within NARA. The new office opened in early September 2009. OGIS is responsible for reviewing policies and procedures of administrative agencies under FOIA, reviewing agency compliance with FOIA, and recommending policy changes to the Congress and the President to improve the administration of FOIA. OGIS also provides services to mediate disputes between FOIA requesters and Federal agencies – an innovative approach to reduce litigation and to improve the FOIA process for the public and the government. OGIS also serves – in the words of Congress – as the nation's FOIA Ombudsman to facilitate communications between government agencies and the public. OGIS advocates for FOIA itself, not for requesters over agencies, or vice-versa.

Objective: The objective of this review is to determine whether the office has been adequately established and meeting the intent for which it was established.

Scope: The audit will assess OGIS office activities from the time the office opened in September 2009 to the present and determine whether activities performed ensure that the mission of the office is being carried out in accordance with the Federal regulation establishing the office.

Estimated Staff Days: 60

Locations: OGIS at Archives II

Audit of the National Declassification Center (NDC)

Background: On December 29, 2009, the President signed Executive Order 13526 – Classified National Security Information – which established within the National Archives a National Declassification Center (NDC). The NDC is charged with streamlining the declassification process, facilitating quality-assurance measures, and implementing standardized training regarding the declassification of records determined to have permanent historical value. According to the Archivist of the United States, “By streamlining the declassification process, the NDC is ushering in a new day in the world of access, allowing the National Archives to make more records available for public scrutiny much more quickly.”

Objective: The objective of this review is to determine whether the office has been effectively established and is meeting its mission.

Scope: The audit will assess NDC activities and output documents, and interview employees to determine whether the mission, goals, and activities ensure that NDC is meeting its intended purpose.

Estimated Staff Days: 60

Locations: NDC at Archives II

Audit of NARA’s Exit Clearance Process

Background: NARA must, in accordance with Federal law and regulation, ensure that all individuals ending their work or volunteer relationship with NARA, or relocating to a different office or facility within NARA, account for any outstanding financial responsibilities and accountable items for which the individual is responsible. In addition, NARA must terminate the individual's access to IT systems in compliance with OMB Circular A-130 titled Management of Federal Information Resources, which states that agencies are to protect government information commensurate with the risk and magnitude of harm that could result from the loss, misuse, or

unauthorized access to, or modification of, such information.

NARA 279 provides a process for employees, volunteers, student interns, foundation employees, and contractor employees to return accountable items and clear duties and financial responsibilities when they leave NARA or are reassigned to a different office or facility within NARA. It also provides procedures for terminating an individual's access to NARA IT systems when the individual leaves.

Objective: The objective of this audit is to determine the adequacy and effectiveness of NARA controls over the exit clearance process.

Scope: To determine the effectiveness of control over the exit clearance process we will review the agency's separation records, exit clearance forms, and IT system access reports. We will also interview supervisors responsible for processing the exit clearance forms.

Estimated Staff Days: 90

Locations: Office of Human Capital (H), Information Systems (I) and other offices to be determined.

Audit of NARA's Automated Parking System

Background: In November 2009, NARA announced an upgrade to the parking control system at Archives II. It was estimated to be complete by March 2010. The reason upgrade was necessary because the current parking control system no longer met NARA's requirements. Under the new system, entry to onsite parking lots would not require a hanging parking permit because entry would be permitted by vehicle license plate number. All authorized personnel with NARA identification would also be able to register more than one vehicle under the new system. Near the end of the project, a separate Notice would be issued about turning in the current hanging parking permits. As of September 2011, the project has not been completed.

Objective: The objective of this audit is to determine whether the new parking system meets the needs of NARA requirements and to determine the effectiveness of controls over the parking system.

Scope: We will review the request for proposal and contract. We will gain an understanding of the new License Plate Recognition and Vehicle Access Control System. To determine the effectiveness of control over the parking process, we will review controls over the parking system and review agency's parking system data. We will also interview staff responsible for processing parking information.

Estimated Staff Days: 90

Locations: Security Management (BX) and other offices to be determined

Audit of Selected Aspects of NARA's Security Posture

Background: The OIG remains concerned about NARA's Security Posture and, based on the audit and investigative work performed in FY 2011, this area requires additional attention. Therefore, the OIG will audit selected aspects of the security posture to include: security guard training, badging system, control and accountability of contractor access, and emergency response activities. NARA must maintain adequate levels of security to ensure the safety of its employees and integrity of the holdings within its facilities, while ensuring that the public has access to discover, use, and learn from our country's extensive heritage.

Objective: The principle objective of each of these audits will be to determine whether security controls are adequate, appropriate, and effective to protect NARA and its employees.

Scope: TBD

Estimated Staff Days: 90

Location: Archives I and II as well as selected NARA facilities around the country to be determined.

ADDITIONAL AUDIT STAFF ACTIVITIES PLANNED FOR FY 2010

Attestation Engagements

In addition to audits, the Audit Staff provides management assistance services to NARA program and administrative managers in the form of attestation engagements. These engagements concern examining, reviewing, or performing agreed-upon procedures on a subject matter or an assertion about a subject matter, and reporting on the results. The subject matter of an attestation engagement may take many forms, including historical or prospective performance or condition, physical characteristics, historical events, analyses, system and processes, or behavior. Attestation engagements can cover a broad range of financial or non-financial subjects and can be part of a financial audit or performance audit.

Non-audit Services

Non-audit services generally differ from financial audits, attestation engagements, and performance audits in that the auditor may (1) perform tasks requested by management that directly support the entity's operations, such as developing or implementing accounting systems; determining account balances; developing internal control systems; establishing capitalization criteria; processing payroll; posting transactions; evaluating assets; designing or implementing information technology or other systems; or performing actuarial studies; or (2) provide information or data to a requesting party without providing verification, analysis, or evaluation of the information or data, and therefore, the work does not usually provide a basis for conclusion, recommendations, or opinions on the information or data. In the case of non-government auditors who conduct audits under GAGAS, the term non-audit service is synonymous with consulting services.

Peer Review

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) Peer Review Committee schedules external quality control reviews, or peer reviews, of OIG audit functions once every three years. The NARA OIG Audit Division was peer reviewed on March 2011. The Investigative Committee of the President's Council on Efficiency schedules external quality reviews of the IG investigation function. The NARA OIG Investigative Division is scheduled to be reviewed in FY 2012.

Fraud Prevention Surveys

Fraud Prevention Surveys identify crime-conducive conditions and systemic weaknesses in management controls within NARA units and facilities. In FY 2012, the survey will be updated to incorporate additional analysis of potential weaknesses and vulnerabilities in IT systems and operations. In addition to conducting annually scheduled surveys of headquarters units and field locations, the OIG also conducts surveys when requested by unit heads. The primary difference between scheduled and requested surveys is that the reports of scheduled surveys are issued to the office heads and the Archivist while reports requested by managers are only issued to the individuals making the requests.

Fraud Awareness Briefings

Fraud Awareness Briefings are held with NARA employees to increase their awareness of fraud and its indicators. The briefings educate NARA staff about potential fraud in many different areas such as travel, workers' compensation, time and attendance, and cash and credit card handling operations. Additional emphasis in FY 2012 will be placed on educating employees as to specific fraud indicators when working with or overseeing contract employees. The briefing provides employees examples of fraud and fraud indicators. Discussing and educating employees on fraud helps employees to identify and report suspected fraud and helps to reduce the number of falsely-reported frauds.

2012 Audit Plan Listing of Audit Assignments

PROGRAM AUDITS

1. Audit of NARA's Preservation Program
2. Audit of NARA's Processing Program
3. Audit of Controls Over the Declassification of Classified Holdings
4. Audit of Selected Aspects of NARA's Security Posture
5. Audit of the Government Information Services (OGIS)
6. Audit of the National Declassification Center (NDC)
7. Audit of NARA's Automated Parking System
8. Audit of the NARA's Exit Clearance Process
9. Audit of NARA's Continuity of Operations Plan (COOP)

COMPLIANCE/REGULATORY AUDITS

1. Evaluation of NARA's Compliance with the Federal Information Security Management Act (FISMA)
2. Audit of NARA's Compliance with Federal Managers Financial Integrity Act for FY 2011
3. Audit of NARA's Implementation and Compliance with HSPD-12
4. Audit of NARA's Compliance with Improper Payment Eliminations and Recovery Act

IT AUDITS

1. Audit of NARA's Classified IT Systems
2. Assessment of NARA's Backup Operations
3. Audit of NARA's Cloud Computing Efforts
4. Audit of ERA System's Ability to Store, Preserve, and Recall Data
5. Audit of NARA's Network Architecture
6. Audit of the Adequacy of Controls Over Planning, Identifying, and Replacing Out-of-Date Software and Hardware

FINANCIAL AUDIT

1. Consolidated Audit of NARA's Financial Statements

GLOSSARY

Audits - Objective and systematic examinations of evidence for the purpose of providing an independent assessment of the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision-making.

Financial Audits – Financial audits are primarily concerned with providing reasonable assurance about whether financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles (GAAP) or with a comprehensive basis of accounting other than GAAP. Other objectives of financial audits, which provide for different levels of assurance and entail various scopes of work, may include providing special reports for specified elements accounts, or items of a financial statement, reviewing interim financial information, issuing letters for underwriters and certain requesting parties, reporting on the processing of transactions by service organizations and auditing compliance with regulations relating to federal award expenditures and other governmental financial assistance in conjunction with or as a by product of a financial

Performance Audits – Performance audits entail an objective and systematic examination of evidence to provide an independent assessment of the performance and management of a program against objective criteria as well as assessments that provide a prospective focus or that synthesize information on best practices or cross-cutting issues. Performance audits provide information to improve program operations and facilitate decision making by parties with responsibility to oversee or initiate corrective action, and improve public accountability. Performance audits encompass a wide variety of objectives, including objectives related to assessing program effectiveness and results; economy and efficiency; internal control; compliance with legal or other requirements; and objectives related to providing prospective analyses, guidance, or summary information.

Proactive Investigation - Investigation that is initiated by the OIG Investigations staff based on an identified agency, and/or individual weakness, or systemic problem.

Fraud Prevention Survey - An informal review of organizational operations to identify fraud conducive conditions.

Fraud Awareness Briefing - An informal briefing designed to increase the awareness of employees to fraud. The briefing provides examples of fraud and lists fraud indicators.