



NATIONAL ARCHIVES
OFFICE *of* INSPECTOR GENERAL
ANNUAL AUDIT
WORK PLAN

FOREWORD

I am pleased to present the Fiscal Year (FY) 2014 Audit Work Plan for the National Archives and Records Administration (NARA) Office of Inspector General (OIG). This document describes how the OIG Office of Audits will achieve our mission of helping the agency effectively carry out its responsibilities by promoting economy, efficiency, and effectiveness in the administration of, and to prevent and detect fraud, waste, and abuse in, NARA programs and operations. According to the Archivist of the United States:

NARA's role in our democracy is clear and simple – we are the nation's record keeper. We safeguard and preserve the records of our national government so our citizens can use them and learn from them now and many years from now.

We prepared our Work Plan with the agency's mission in mind, aligning our Work Plan with NARA's Strategic Plan and defined Transformational Outcomes. The plan reflects the priority work we believe is necessary to provide effective oversight of the broad spectrum of NARA programs and operations.

Our planning efforts included direct outreach, and solicitation of topics and assignment suggestions from NARA's leadership, external stakeholders, and our staff. We also included our mandatory oversight requirements. Overall the plan reflects our demonstrated ongoing commitment to provide high-quality service to all of our stakeholders, while assisting NARA in meeting its strategic mission and objectives.

Overall this plan is a projection of what we would like to accomplish in FY 2014. It is ambitious, and we realize it may not be fully completed or may be modified. Like many Federal offices, resource constraints limit our abilities, and must be taken into consideration. However, this plan should not be viewed as limiting our office to these specific topics, as other issues may certainly rise in importance and require our attention. Finally, the information provided, such as audit length and locations, are only estimates and are frequently revised.

I wish to thank each member of NARA's leadership, our external stakeholders, and our staff for their direct participation in this process. I look forward to another successful year of providing high quality audit and investigative support and service to NARA, and all of our stakeholders.



James Springs
Acting Inspector General

TABLE OF CONTENTS

| | |
|--|----|
| Foreword | 1 |
| 2014 Listing of Audit Assignments | 3 |
| Audit Summaries | 4 |
| Additional Activities for FY 2014 | 18 |
| Attestation Engagements..... | 18 |
| Non-audit Services | 18 |
| Peer Review | 18 |
| Background | 19 |

2014 LISTING OF AUDIT ASSIGNMENTS

FINANCIAL AUDIT

| | |
|---|---|
| Consolidated Audit of NARA's Financial Statements | 4 |
|---|---|

COMPLIANCE/REGULATORY AUDITS

| | |
|---|---|
| Federal Information Security Management Act (FISMA) Evaluation..... | 4 |
| of NARA Compliance | |
| Audit of NARA's Compliance with HSPD-12 Policy for a Common Identification | 5 |
| Standard for Federal Employees and Contractors | |
| Audit of NARA's Compliance with Improper Payments Elimination and Recovery Act... | 5 |
| Audit of NARA's Compliance with the Federal Managers Financial Integrity Act..... | 6 |
| (FMFIA) for FY 14 | |
| Audit of NARA's Conference Activities | 7 |
| Travel and Purchase Card Program Risk Assessment | 7 |

IT AUDITS

| | |
|--|----|
| Audit of the Electronic Records Archive (ERA) Program..... | 8 |
| Audit of NARA's Cloud Computing Efforts | 9 |
| Audit of NARA's Wireless Network | 10 |
| Audit of Controls over Mobile Devices..... | 10 |

PROGRAM AUDITS

| | |
|---|----|
| Audit of Management Controls Over the Declassification and Reclassification..... | 11 |
| of Holdings | |
| Audit of Selected Aspects of NARA's Digitization Program..... | 12 |
| Audit of Management Controls over Specially Protected Records | 12 |
| Audit of Contractor Access to NARA's Network and Facilities | 13 |
| Audit of NARA's Social Media Program | 13 |
| Audit of Rental Payments to Federal Agencies Other than the General | 14 |
| Services Administration (GSA) | |
| Audit of Selected Procurement and Contract Management Practices and Functions | 14 |
| Audit of Special Telework Arrangements at NARA | 15 |
| Audit of NARA's Capital Planning and Investment Control (CPIC) Process..... | 15 |
| Follow up Audit of NARA's Oversight of Electronic Records Management | 16 |
| in the Federal Government | |
| Audit of the Interfile Process at the National Personnel Records Center | 17 |

AUDITS

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 financial statements, subject them to an independent audit, and send them to the Congress and the Office of Management and Budget (OMB). This improves 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 with the OIG serving as the Contracting Officer's Technical Representative (COTR). The contract requires the contractor to conduct an audit of, and report on, NARA's consolidated financial statements for FY 2014 in accordance with the *Generally Accepted Government Auditing Standards* (GAGAS) and OMB Bulletin 07-04, "Audit Requirements for Federal Financial Statements."

Objective: To render an opinion on whether NARA's consolidated financial statements are presented fairly in all material respects. The contractor will issue reports on their conclusion based on the testing of internal controls, and compliance with laws and regulations.

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: 120

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

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

Background: FISMA requires Federal agencies to establish agency-wide risk-based information security programs including 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: 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 and NIST guidelines, and the Department of Homeland

Security's "Inspector General FISMA Reporting Metrics" in conducting this evaluation.

Estimated Staff Days: 90

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

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 directed by the President, and referenced in 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: 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

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

Audit of NARA's Compliance with the Improper Payments Elimination and Recovery Act

Background: The Improper Payments Eliminations and Recovery Act (IPERA), P.L. 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.

Compliance with IPIA means the agency has:

- Published a PAR for the most recent fiscal year, and posted it and any accompanying materials required by OMB on the agency website;
- Conducted a program specific risk assessment for each program or activity conforming 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 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.

Objective: To determine NARA's compliance with IPIA, as amended by IPERA.

Scope: The audit will cover improper payments reported in the FY 2014 annual Performance and Accountability Report, and NARA's activities compared to the implementing guidance in OMB Memorandum 11-16, Issuance of Revised Parts I and II of Appendix C of OMB Circular A-123.

Estimated Staff Days: 60

Mandated Due Date: 120 days after the applicable PAR, approximately March 15, 2014.

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

Audit of NARA's Compliance with the Federal Managers Financial Integrity Act (FMFIA) for FY 14

Background: The Federal Managers' Financial Integrity Act (FMFIA), P.L. 97-255, amended the Budget and Accounting Procedures Act of 1950 requiring 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 PAR.

The implementing guidance for FMFIA is OMB Circular A-123, 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 will 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 will cover the FY 2013 management control program.

Estimated Staff Days: 90

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

Audit of NARA’s Conference Activities

Background: OMB Memorandum M-11-35, “Eliminating Excess Conference Spending and Promoting Efficiency in Government” (September 2011), communicates a government initiative to eliminate unnecessary and wasteful spending. The Memorandum directed all agencies and departments to conduct a thorough review of the policies and controls associated with conference-related activities and expenses. OMB Memorandum M-12-12, “Promoting Efficient Spending to Support Agency Operations” (May 2012), describes policies and procedures in the area of travel and conference expenditures to help agencies reduce costs, and improve efficiency of operations. The Memorandum outlines a series of new policies and practices for conference sponsorship, hosting, and attendance to ensure Federal funds are used appropriately, and agencies continue to reduce spending on conferences.

Objective: To evaluate internal controls over NARA funded conference related spending, and the reasonableness of conference expenses.

Scope: This audit will include a review of conference policies and procedures. It will also include a review of conference related expenses.

Estimated Staff Days: 60

Location: Archives II.

Travel and Purchase Cards Program Risk Assessment

Background: On October 5, 2012, the President signed into law the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act), Public Law 112-194, which reinforced Administration efforts to prevent waste, fraud, and abuse of Government-wide charge card

programs.

Under the Charge Card Act, we are required to conduct annual risk assessments of agency purchase cards (including convenience checks), combined integrated card programs, and travel card programs to analyze the risks of illegal, improper, or erroneous purchases. Risk assessments for travel cards are required only for agencies with \$10 million in prior year travel spending. We will use these risk assessments to determine the necessary scope, frequency, and number of audits or reviews of these programs. We are required to report to the Director of OMB 120 days after the end of each fiscal year on agency progress in implementing audit recommendations, beginning with fiscal year 2013 submission.

Objective: To conduct the annual risk assessment on purchase cards and travel cards, if necessary, recommend the frequency of audits to perform, and report the status of purchase and travel card audit recommendations to OMB.

Scope: FY 2013 purchase card and travel card transactions and controls.

Estimated Staff Days: 10

Location: Archives II.

Audits of NARA's Electronic Records Archives (ERA) Program

Background: Increasingly, government records are created and maintained in electronic formats. These digital records pose a critical challenge for NARA. The agency views success in facing this challenge 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.

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

As directed by OMB, NARA completed the ERA development phase September 30, 2011, and is now in the Operations and Maintenance (O&M) phase. The volume of data, as well as the number of ERA users, is increasing. All agencies have been required to use the ERA System to submit permanent electronic records for transfer to NARA's legal custody since the end of FY 2012. NARA reports they issue Technical Direction Letters (TDLs) to the O&M contractor to perform corrective and adaptive software maintenance to address shortcomings, and provide enhancements identified by customer Federal agencies. This is to ensure the long-term usability of the system. Of particular importance will be the system's ability to handle the increasing volume of data and users in an efficient and effective manner. 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: The OIG plans to monitor this program on an ongoing basis. Our objectives will be to evaluate the ERA's ability to meet user needs, NARA's oversight of the ERA program, and to provide the Archivist with an independent assessment of this critical and highly-visible program. Due to our limited resources, we cannot audit all aspects of the ERA program. Therefore our efforts will concentrate on reviewing various, limited aspects of the ERA program as they are identified and prioritized.

Scope: Our objective will be accomplished by evaluating ERA system documentation, and conducting interviews with ERA Program Management Office staff, as well as ERA System users.

Estimated Staff Days: 200

Locations: Archives II, ERA Program Management Office; and various other locations to be determined.

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. Agencies were required to immediately shift towards a "Cloud First" policy, and identify at least three cloud computing capable 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: To determine whether NARA is adequately managing the use and implementation 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

Location: Archives II; various NARA field sites.

Audit of NARA's Wireless Network

Background: Wireless networking enables computing devices with wireless capabilities to use computing resources without being physically connected to a network. Wireless local area networks (WLANs) are typically less secure than wired networks for several reasons, including the ease of access to the WLAN, and the weak security configurations often used for WLANs (to favor convenience over security). According to NARA's Chief Information Officer, wireless access to the Internet is a necessary element of NARA's technical infrastructure for allowing the public to access government information, and to conduct business in Federal facilities. In order to meet this need, NARA began providing unregistered access to the Internet on a dedicated public use segment of its wireless network in September 2012. Employee access to NARA's network via a wireless connection, and the addition of other enhancements are under consideration.

Objective: To evaluate the implementation, configuration, and monitoring of NARA's wireless networks. Specifically, we will determine: (1) whether adequate policies and procedures exist, (2) whether effective security controls were implemented, (3) whether the wireless network was properly configured, and (4) whether NARA employed active monitoring of its wireless network.

Scope: The OIG will review policies and procedures; test security controls in place to ensure they are adequate, effective, and appropriate; review the configuration settings of the wireless networks; and review monitoring systems or processes in place.

Estimated Staff Days: 100

Location: Agency-wide, travel to field sites with wireless networks may be required.

Audit of Controls over NARA's Mobile Devices

Background: Mobile devices, such as Universal Serial Bus (USB) thumb drives, smart phones, and tablet computers with wireless Internet access have become increasingly popular with today's highly mobile workforce. These devices allow employees to perform tasks at any time and from any place, as well as transport large volumes of data efficiently. Additionally, employees use these devices to send and receive electronic mail, browse the Internet, edit documents, deliver presentations, and access data remotely. Although portable devices may improve productivity, they also expose NARA to new security risks, such as downloading viruses or inadvertently exposing sensitive information or personally identifiable information. Security threats to portable devices include loss or theft, unauthorized access to networks or data, electronic eavesdropping, and electronic tracking of users.

Objective: To evaluate NARA's efforts to secure and deploy mobile devices on the NARA network, and to maintain and dispose of these devices. Specifically, we will determine whether

(1) adequate policies and procedures have been implemented, (2) NARA maintains an accurate inventory of its mobile devices, and (3) effective controls have been implemented to protect the information stored or processed on the mobile devices.

Scope: The OIG will review the overall management and security of mobile devices deployed in the NARA environment. This review will not include laptops because the security controls available for laptops are quite different than those available for smart phones, tablets, and other mobile device types. In addition, mobile devices with minimal computing capability, such as basic cell phones, are also out of scope because of the limited security options available, and the limited threats they face.

Estimated Staff Days: 90

Locations: Agency-wide, travel to field sites with wireless networks may be required.

Audit of Management Controls over the Declassification and Reclassification of Records

Background: In EO 13526 the President stated “[t]hroughout our history, the national defense has required that certain information be maintained in confidence in order to protect our citizens, our democratic institutions, our homeland security, and our interactions with foreign nations. Protecting information critical to our Nation’s security and demonstrating our commitment to open Government through accurate and accountable application of classification standards and routine, secure, and effective declassification are equally important priorities.” EO 13526 also established the National Declassification Center within NARA to streamline declassification processes, facilitate quality-assurance measures, and implement standardized training regarding the declassification of records determined to have permanent historical value.

Opposite of declassification, NARA may also be involved in reclassification issues whereby classification activity results in records being withdrawn from the open shelves at NARA. In 2006, the former Archivist tasked the Information Security Oversight Office with performing a review of withdrawals from NARA’s open shelves which identified several weaknesses in NARA’s process, and made recommendations.

Objective: To determine whether adequate controls exist to provide assurance classified information is appropriately declassified, and/or records are appropriately reclassified.

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

Estimated Staff Days: 90

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

Audit of Selected Aspects of NARA's Digitization Program

Background: According to NARA Directive 816, "Digitizing Activities for Enhanced Access," digitization involves the creation of digital surrogates, digital images or copies of a textual or non-textual record for dissemination by a variety of means, including the Internet and CD-ROM. The primary purpose of digitizing is to improve and increase access to NARA archival holdings. A second purpose is to preserve rare, fragile, or high-use items by providing digital surrogates, for either online use or production of high-quality publications or reproductions for users. Producing a digital surrogate is not considered a preservation action, except in so far as it relieves wear and tear on original materials by allowing researchers to use digital surrogates instead of originals.

NARA does not aim to digitize its entire holdings. Rather, NARA aims to digitize only those holdings sharing the following characteristics: (1) are highly significant, of considerable interest to the public, and in high demand; (2) generally comprise whole, organic bodies of material; (3) document the rights of American citizens, the actions of Federal officials, and the national experience; or (4) have broad geographic, chronological, cultural, or topical appeal.

Objective: To determine whether management controls are adequate to address agency and customer needs, and ensure greater access to NARA holdings.

Scope: The OIG will assess controls over this process and assess how challenges are addressed and managed.

Estimated Staff Days: 90

Location: NARA facilities to be determined.

Audit of Management Controls over Specially Protected Records (SPRs)

Background: NARA Directive 1572, "Preventing Theft and Vandalism of NARA Holdings in NARA Facilities" outlines the policy on security for NARA holdings in NARA facilities, including those needing special protection, and procedures staff must use to implement the policy. This directive informs staff, particularly in the Office of Record Services, Office of Regional Records Services, and Office of Presidential Libraries, of measures NARA must take to prevent theft and vandalism of NARA holdings.

Objective: To determine whether offices/work units are protecting, controlling, handling, and accounting for SPRs in accordance with NARA guidance.

Scope: Our objective will be accomplished by reviewing and determining the adequacy of controls over SPRs at various NARA locations.

Estimated Staff Days: 90

Location: NARA locations to be determined.

Audit of Contractor Access to NARA's Network and Facilities

Background: NARA relies on contract support for a range of IT and agency functions. Such support often requires contractors to be granted access to NARA's network systems and facilities. Federal guidance requires agencies to develop account management controls and procedures to ensure the identification and authorization of contractors, and the specification of access privileges. Further, these controls must include a process for establishing, activating, modifying, disabling, removing, and reviewing access privileges.

Objective: To determine whether NARA has adequate controls in place to identify and manage contractor access to its network and facilities. This includes whether contractor accounts and access privileges are appropriately terminated when no longer required.

Scope: The audit will include a review of the overall management of contractor access to NARA's network and facilities. This will include a review of (1) Federal and agency policies and procedures, (2) NARA contracts and memorandums of agreement, and (3) access and user control lists of NARA's network and systems.

Staff Days: 90

Location: Archives II.

Audit of NARA's Social Media Program

Background: Organizations today are jumping on the social media bandwagon in record numbers. In the US, more than 80 percent of companies have a presence on Facebook, and 45 percent are active on Twitter. Globally, approximately 16 percent of companies are using social media to interact and engage with their customers according to a 2012 IBM Global CEO Study, and that number is expected to triple in three to five years. To safeguard brand reputation, protect information and intellectual property, and mitigate legal actions, organizations need to be more proactive about managing social media risks. To set up an effective social media risk management process, organizations need to focus on (1) identifying social media risks, (2) assessing and prioritizing those risks against limited resources, (3) mitigating and managing those risks to reduce the impact on the organization and (4) evaluating emerging risks against mitigation efforts. Federal agencies have additional issues with social media, including such topics as potential applications of the Federal Records Act, increased security issues, and others.

Objective: To determine whether management controls over the use of social media at NARA are effective.

Scope: The OIG will assess the agency's social media policies, review social media training and

assess monitoring and enforcement protocols.

Estimated Staff Days: 60

Location: NARA facilities to be determined.

Audit of Rental Payments to Federal Agencies Other than the General Services Administration (GSA)

Background: Federal agencies are faced with a constant challenge to meet their missions expediently, oftentimes with limited resources. Other Federal agencies often can provide specific services through an alternate procurement mechanism known as an “Interagency Agreement” or IAA. Quick, simple, flexible and easy to prepare, an IAA is generally a convenient and easy way for federal organizations to procure services from other federal agencies.

In 2011 NARA spent \$7.5 million on rental payments to Federal agencies, other than to GSA, using IAAs and other vehicles. The OIG will review these costs to understand these payments to other Federal agencies. Like contracts, interagency agreements or other payment vehicles need to be managed and monitored to ensure adequate performance is received from the vendor.

Objective: To evaluate the rental payments to federal agencies, other than GSA, to ensure obligations are appropriate, the agreements are in NARA’s best interest, and NARA is receiving services in accordance with the agreement.

Scope: Our objective will be accomplished by (1) reviewing NARA’s guidance on interagency agreements, (2) evaluating interagency agreements and any other methods used, and (3) conducting staff interviews, including contracting officers and contracting officer representatives.

Estimated Staff Days: 45

Location: Archives II, Business Support Services (B).

Audit of Selected Procurement and Contract Management Practices and Functions

Background: In the past the OIG has partnered with the Acquisitions Services Division to perform proactive efforts aimed at addressing contracting issues facing NARA, and ensure contractors perform in accordance with contract terms and bill appropriately. Our efforts resulted in questioned costs, and strengthened management controls. In FY 2014, we will reinstate these efforts with a focus on information technology related contracts. Specifically, we will continue to (1) review contractor billings, (2) review contracts and procurement processes for compliance with the Federal Acquisition Regulation (FAR), (3) perform pre-award surveys, contract closeouts, and other contract audit services requested by management, and (4) monitor contractor performance.

Objective: To ensure that (1) procurement activities and contracts comply with the FAR, (2) contractors effectively perform contractual requirements and bill appropriately, and (3) NARA gets the best service or products possible for the contract funds expended.

Scope: Our objective will be accomplished by (1) reviewing legal, regulatory, and NARA based requirements, (2) evaluating procurement and contracting documents, and (3) conducting interviews, including contracting officers, contracting officer representatives, contractors, and NARA staff.

Estimated Staff Days: 60

Location: Archives II; field sites to be determined.

Audit of Special Telework Arrangements at NARA

Background: The term “telework” or “teleworking” refers to a work flexibility arrangement under which an employee performs their duties, responsibilities, and other authorized activities from an approved worksite other than the location from which the employee would otherwise work. In certain situations, NARA has approved special telework arrangements to accommodate employees, including full-time or long distance telework. These telework arrangements are unique situations requiring prior approval by an Executive or Staff Director, and should be renewed annually to ensure the arrangements continue to be in the best interest of NARA. This audit was identified based on concerns expressed by management related to these arrangements at NARA.

Objective: The objective of this audit is to determine whether special telework arrangements are administered in accordance with NARA policy and procedures. In addition, we will determine whether NARA supervisors are properly monitoring and certifying employee work time to ensure an acceptable level of output results from the time spent teleworking.

Scope: For individuals with special telework arrangements, we will review telework agreements, review approvals for long distance telework, and ensure the employee receives salary and locality pay based on the correct duty station. We will also review how supervisors monitor productivity and performance of employees who telework full-time or long distance.

Staff Days: 90 days

Locations: Archives II, multiple offices.

Audit of NARA’s Capital Planning and Investment Control (CPIC) Process

Background: The CPIC process is a structured approach to managing IT investments, legislatively mandated by the Clinger-Cohen Act of 1996 (CCA), and used by all Federal

agencies. CPIC ensures IT investments support a business need, and align with NARA's mission, strategic goals, and objectives. CPIC also strives to minimize risks and maximize returns throughout the investments' life cycle. CPIC relies on systematic selection, control, and continual evaluation processes to ensure the investments' objectives are met efficiently and effectively.

The OIG has identified several IT projects that have appeared to bypass NARA's CPIC process. This is a concern because satisfactory compliance with CCA requirements for capital planning and investment control help to ensure senior management is provided with timely and accurate information essential for making informed decisions about investments competing for limited resources. In addition, the CPIC process can also help projects avoid difficulties while being put into operation.

Audit of NARA's Oversight of Electronic Records Management in the Federal Government

Background: In January 2010 OIG Report 10-04, "Audit of NARA's Oversight of Electronic Records Management in the Federal Government" found controls in place were not adequate to protect permanent Federal electronic records from loss, and thus the Electronic Records Management area is a Material Weakness. Specifically, NARA could not reasonably ensure permanent electronic records were being adequately identified, maintained, and transferred to NARA in accordance with Federal regulations. NARA has worked toward improving electronic records management in the Federal government since issuance of the report.

"Presidential Memorandum - Managing Government Records" was issued on November 28, 2011. The Memorandum marked the beginning of an Executive Branch-wide effort to reform records management policies and practices, and to develop a 21st-century framework for the management of Government records. The Memorandum required a Records Management Directive be issued, and on August 24, 2012, OMB issued "Managing Government Records Directive." This Directive created a robust records management framework complying with statutes and regulations to achieve the benefits outlined in the Presidential Memorandum. The Directive required that, to the fullest extent possible, agencies eliminate paper and use electronic recordkeeping. NARA established the Office of the Chief Records Officer in 2011. This Office is implementing NARA actions to support agency records management programs as required by the Directive. The Office leads records management throughout the Federal government, with an emphasis on electronic records, and assesses the effectiveness of Federal records management policies and programs.

Objective: The objectives of this audit are to assess the effectiveness of controls in place for identifying, maintaining, and obtaining permanent electronic records. Specifically, we will determine if NARA is (1) complying with laws and regulations concerning its role in overseeing electronic records management, and (2) effectively ensuring electronic records are identified and managed in accordance with applicable guidance. Furthermore, we will review recommendations from our prior report, to determine if they were adequately implemented and functioning properly.

Scope: This audit will evaluate the agency’s electronic records management program, and efforts in implementing the “Managing Government Records Directive.” It will also review the status of recommendations made in OIG Report No. 10-04, “Audit of NARA’s Oversight of Electronic Records Management in the Federal Government.”

Estimated Staff Days: 180 staff days

Location: Archives II.

Audit of the Interfile Process at the National Personnel Records Center

Background: OIG Management Letter # 12-18, dated July 30, 2012, titled “Veteran’s Records Issues” alerted the Archivist that records which had been housed at the National Personnel Records Center (NPRC) in St. Louis, Missouri were found abandoned off the grounds of the facility. The OIG initiated a criminal investigation, which is still proceeding, and a joint team of OIG staff reviewed overall operations at St. Louis and identified a break down of internal controls over the interfile process. In response, management initiated prompt and immediate action to develop and implement management controls. The OIG committed to auditing and testing these controls in FY 14 to ensure their adequacy and effectiveness.

Objective: The objective of this audit is to assess the effectiveness and adequacy of management controls in place for accounting for, and managing, records in the interfile process.

Scope: This audit will document, test and evaluate the internal control environment over the interfile process.

Estimated Staff Days: 90

Location: NPRC.

ADDITIONAL AUDIT STAFF ACTIVITIES PLANNED FOR FY 2014

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.

Nonaudit Services

In very limited circumstances OIG audit staff may perform nonaudit services in accordance with GAGAS. Such 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 nonaudit service is typically 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. A peer review of the NARA OIG Audit Division began in September 2013. 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 2014.

BACKGROUND

NARA's purpose is to preserve and provide public access to Federal government records. NARA's mission focuses its many disparate programs and statutory responsibilities toward a common purpose of providing public access. Public access to government records strengthens democracy by allowing Americans to claim their rights of citizenship, hold their government accountable, and understand their history so they can participate more effectively in their government. To carry out this mission, the Consolidated Appropriations Act, 2014 authorized NARA \$370 million for operating expenses, \$4.13 million for OIG operations, \$8 million for repairs, alterations, and improvements of archives facilities, and \$4.5 million for grants for historical publications.

Since 2010 NARA has been engaged in a multi-year effort to transform itself into a dynamic and modern agency. The NARA Transformation is a long-term initiative to build a new, agile organizational culture that responds quickly to change, accepts risk, rewards innovation, and seeks continuous improvement. The Transformation is grounded in the open government principles that an effective government is transparent, collaborative, and participatory. Transformation requires NARA to develop new ways to engage its customers, advance new theories of archival science, and demonstrate leadership in electronic records management. NARA's Transformation is guided by six "transformational outcomes" describing how NARA will deliver on its mission in a modern environment. These goals are summed as:

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

The Transformation is designed to build the organizational culture necessary for NARA to achieve its strategic goals and mission (as outlined in the 2014–2019 Strategic Plan), and change the way people think about archives. The 2014–2019 Strategic Plan defines NARA's four strategic goals as:

1. Make access happen.

2. Connect with customers.
3. Maximize NARA's value to the nation.
4. Build our future through our people.

In the interests of improving program effectiveness, public accountability, and service delivery, the Government Performance and Results Act (GPRA) demands Federal agencies focus on results. The OIG will direct its efforts toward helping NARA meet the demands of the GPRA. In doing this, we have also linked our work processes to align with NARA's six Transformational Outcomes and strategic plan to focus on critical issues having 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. Specifically, these projects will evaluate (1) internal management and management systems, in order to recommend more effective, efficient, and economical means for achieving results; and (2) internal management controls, in order to identify unnecessary spending, recover funds used inappropriately, and detect and prevent waste, fraud, and abuse.

To accomplish the projects listed in this plan, we may use various services such as audits, attestation engagements, and nonaudit services. "Audits" are 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. They 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 can also 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" may be utilized for 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. They may also be used for financial-related work where the objective is to determine whether (1) financial information is presented in accordance with established or stated criteria, (2) the agency has adhered to specific financial compliance requirements, and (3) the agency's internal control structure over financial reporting and/or safeguarding assets is suitably designed and implemented for achieving the control objectives.

"Performance 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.