NATIONAL ARCHIVES
OFFICE *of* INSPECTOR GENERAL

ANNUAL AUDIT WORK PLAN

FOREWORD

I am pleased to present the Fiscal Year (FY) 2016 Audit Work Plan for the National Archives and Records Administration (NARA) Office of Inspector General (OIG). This document outlines a plan for how the OIG Office of Audits will achieve its mission in FY 2016. The OIG helps the agency effectively carry out its responsibilities by promoting economy, efficiency, and effectiveness in the administration of NARA programs and operations, while at the same time working to prevent and detect fraud, waste, and abuse. According to the Archivist of the United States:

> The core mission of the National Archives remains unchanged from the day we were created as a Federal agency in 1934: making the records of the U.S. Government available to the public. We are passionate about this mission because these records are the cornerstone of our democracy. They give people the information they need to learn from the past, to ensure their rights, to hold their government accountable, and to participate in the civic process.

We prepared this Work Plan with the agency's mission in mind, aligning it with both NARA's Strategic Plan and NARA's six defined Transformational Outcomes. Our planning efforts included direct outreach and solicitation of topics and assignment suggestions from NARA's leadership, external stakeholders, and our staff. This plan reflects priority work we believe is necessary to provide effective oversight of the broad spectrum of NARA programs and operations. It reflects our demonstrated, ongoing commitment to provide high-quality oversight and service to our customers while helping NARA meet its strategic mission and objectives.

Overall, this plan is a projection of what we would like to accomplish in FY 2016. It is ambitious, and we realize it may not be fully completed or may be modified. Further, it should not be viewed as limiting our office to these specific topics, as other issues may certainly rise in importance and require our resources.

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

James Springs
Inspector General

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2016 LISTING OF AUDIT ASSIGNMENTS

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 Congress and the Office of Management and Budget (OMB). This improves the ability of 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 2016 in accordance with Generally Accepted Government Auditing Standards (GAGAS) and OMB Bulletin 14-02, "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 its 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 14-02.

Estimated Staff Days: 120, by November 15, 2016

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

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 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 the Department of Homeland Security "Inspector General FISMA

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Reporting Metrics," in addition to OMB and NIST guidelines, 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, 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

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significant improper payments.

To determine compliance we will review the agency's PAR (and any accompanying information) for FY 2015. Compliance with IPIA means 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.

Objective: To determine NARA's compliance with IPERA.

Scope: The implementing guidance for IPERA is OMB Memorandum 15-02, Appendix C of OMB Circular A-123, "Requirements for Effective Estimation and Remediation of Improper Payments." The audit will cover improper payments report in the FY 2015 annual Performance and Accountability Report.

Estimated Staff Days: 30

Mandated Due Date: 120 days after the applicable PAR, approximately March 15, 2016.

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 2016

Background: FMFIA, P.L. 97-255, amended the Budget and Accounting Procedures Act of 1950. It requires 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 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

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controls and an internal control management and evaluation tool.

Objective: 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, 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 audit will cover the FY 2015 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 Compliance the Reducing Over-Classification Act

Background: The Reducing Over-Classification Act, P.L. 111-258, Section 6(b) mandates certain evaluations from Inspectors General of Federal departments, or agencies with an officer or employee authorized to make original. The Director of the Information Security Oversight Office (ISOO) was designated with original classification authority by Presidential Order, "Original Classification Authority," (OCA), dated December 29, 2009.   ISOO, an administrative component of NARA, is responsible to the President for policy oversight of the Government-wide security classification system and the National Industrial Security Program. The Director of ISOO has responsibility for classification determinations in instances when there is an exceptional need to classify information but an agency with appropriate subject matter interest and classification authority cannot be readily determined. The Director of ISOO has never used this authority.

Objective: According to the Act, the required evaluations are "(A) to assess whether applicable classification policies, procedures, rules, and regulations have been adopted, followed, and effectively administered within such department, agency, or component; and (B) to identify policies, procedures, rules, regulations, or management practices that may be contributing to persistent misclassification of material within such department, agency or component."

Scope: This evaluation will include a review of the policies, procedures, rules, regulations, and management practices relating to original classification actions, and interviews of staff within ISOO.

Estimated Staff Days: 30

Location: Archives I.

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Audit of NARA's Compliance with the Digital Accountability and Transparency Act (DATA Act)

Background: Signed into law May 9, 2014, the purposes of the DATA Act are to: (1) expand the Federal Funding Accountability and Transparency Act by disclosing direct Federal agency expenditure and lining Federal contract, loan, and grant spending information to programs of Federal agencies to enable taxpayer and policy makers to track Federal spending more effectively; (2) establish Government-wide data standards for financial data and provide consistent, reliable, and searchable Government wide spending data that is displayed accurately for taxpayers and policy makers on USA spending.gov; (3) simplify reporting for entities receiving Federal funds by streamlining reporting requirements and reducing compliance costs while improving transparency (4) improve the quality of data submitted to USA spending.gov by holding Federal agencies accountable for the completeness and accuracy of the data submitted; and (5) apply approaches developed by the Recovery Accountability and Transparency Board to spending across the Federal government.

The DATA Act requires the IG of each Federal agency to review a statistically valid sampling of the spending data submitted under the DATA Act by the Federal agency, and submit to Congress and make publically available a report assessing the completeness, timeliness, utility, and accuracy of the data sampled and the implementation and use of data standards by the Federal agency. The first IG reports are due November 2016 with others following at two year intervals.

Objective: Review and assess a sampling of spending data submitted under the DATA Act to assess the completeness, timeliness, utility, and accuracy of the data.

Scope: This evaluation will include a review of the policies, procedures, rules, regulations, and management practices relating DATA Act reporting and interviews of staff within the Chief Financial Officer's Office.

Estimated Staff Days: 30

Location: Archives II.

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 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.

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. Further, cloud computing can eliminate the long procurement and certification processes often required for in-house systems. NARA's Strategic Plan identifies a number of IT challenges facing the agency related to storage, big data, and public access. Cloud computing offers a wide range of benefits-such as economies of scale, flexibility, and speed-which NARA could potentially utilize in addressing these challenges.

Objective: To determine whether NARA is adequately implementing, utilizing, and managing 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 and selected NARA field sites.

Audit of NARA's Preparation and Planning for the Transfer of the Obama Administration's Electronic Records

Background: The Presidential Records Act (PRA) gives the Archivist of the United States responsibility for the custody, control, and preservation of Presidential records upon the conclusion of a President's term of office. The Act states the Archivist has an affirmative duty to make such records available to the public as rapidly and completely as possible consistent with the provisions of the Act. NARA will immediately need to be able to respond to time-sensitive and often high-visibility special access requests for these records. Such special access requests come from former and incumbent Presidents, the courts, and the Congress.

Knowing there will be a presidential transition on inauguration day in January 2017, NARA must plan for the transfer of a significant volume of electronic records from the Obama Administration. The Bush Administration transferred over 79 TB of data to NARA, which was about 35 times the amount of electronic records transferred from the Clinton Administration. This data growth is supported by survey results showing data volume is growing at a rate of 30% per year in environments such as the Federal agencies with 50 TB or more of data.

Objective: The objective of this audit is to review the preparation and planning for the transfer of the Obama Administration's electronic records.

Scope: Our objective will be accomplished by evaluating the planning documents for the transfer of the Obama Administration's electronic records, and conducting interviews with responsible NARA officials.

Estimated Staff Days: 100

Locations: Archives II (primarily), and other sites to be determined.

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

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 an 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. 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, ERA completed its development phase September 30, 2011 and is now in the Operations and Maintenance (O&M) phase. As of the end of FY 2012, all agencies are required to use the ERA System to submit permanent electronic records for transfer to NARA's legal custody. NARA plans on issuing Technical Direction Letters (TDLs) to the O&M contractor to perform corrective and adaptive software maintenance. The TDLs will be used to address shortcomings and provide enhancements identified by customer Federal agencies, ensuring the long-term usability of the system. Of particular importance will be the system's ability to handle the increased volume of data 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 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 more 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.

Audit of NARA's Management Control over Microsoft Access Databases

Background: NARA's Office of Information Services (I) plans to rollout Microsoft (MS) Access 2013. However, the rollout has been put on hold due to the number of Access databases in use in NARA organizations. NARA's last MS Access upgrade was performed in 2009, which involved the conversion of MS Access 2000 databases to MS Access 2007. The project revealed various issues related to developing and managing Access databases and applications. NARA currently utilizes MS Access 2007, and the security and sustainability of the databases after the MS Access upgrade is not ensured. Access databases developed by NARA organizations do not go through an authorization-to-operate (ATO) process, and NARA's Office of Information Services does not have visibility of: (1) how many Access databases are in use; (2) where the databases reside; or (3) the security of the databases.

Objective: The objectives of the audit are to: (1) identify the MS Access databases in use at NARA and need to be supported beyond the MS Access upgrade; (2) assess the security controls for those databases; and (3) determine whether NARA is appropriately positioned to accommodate and maintain the databases and security controls after the planned MS Access upgrade.

Scope: A survey will be distributed to each NARA office to identify any MS Access databases used in the office and their locations. After the databases are identified, a judgmental sample will be selected to determine the appropriateness of the security controls for them. NARA IT security requirements, as well as applicable NIST guidance and regulatory requirements, will be reviewed to determine whether the current security controls for the databases are adequate. In addition, the sustainability of the sampled applications beyond the MS Access upgrade will be assessed by reviewing the discontinued features and modified functionality between Access 2007 and Access 2013.

Estimated Staff Days: 90

Locations: Archives II.

Audit of NARA's System Tracking and Monitoring Process

Background: The Federal Information System Management Act (FISMA) requires the head of each agency develop and maintain an inventory of major information systems operated by or under the control of the agency. A system inventory is a basic organizational tool that helps identify systems (and their boundaries). It also provides support for information resources management including monitoring, testing, and evaluation of information security controls. Without a system inventory agencies are not able to adequately plan, budget, acquire, and manage information technology resources within the agency. The development of a system inventory leads to many other activities agencies must conduct, such as classifying each system as a major, minor or general support system. The classification determines if the system needs to be tracked on the inventory or included in security plan for a major or general support system. If

the system is included on the inventory then it should be categorized using Federal Information Processing Standards Publication199 (FIPS 199). FIPS 199 is the mandatory standard to be used by all federal agencies to categorize all information and information systems collected or maintained by or on behalf of each agency based on the objectives of providing appropriate levels of information security according to impact.

Objective: To determine if NARA has implemented a comprehensive process to track and monitor all systems operated or maintained throughout NARA as required by FISMA. We will also determine if NARA has implemented a standard process for classifying and categorizing NARA's systems. Finally, we will determine if all of NARA's systems have been classified and categorized.

Scope: Our objective will be accomplished by reviewing existing policy directives, supplements, and interim guidance. We will also conduct an agency-wide system survey to evaluate NARA's current system inventory for completeness and accuracy, as well as proper categorization in accordance with FIPS 199. In addition, we will determine if NARA is incorporating the minor systems into the appropriate major or general support system documentation.

Estimated Staff Days: 90 days

Location: Archives II.

Audit of NARA's Public Facing Websites

Background: NARA is unique among Government agencies in that it is charged with making the Government's historical information available to the public. The importance of this effort is further emphasized in NARA's Strategic Plan, which includes the goal of providing prompt, easy and secure access to its holdings anywhere, anytime. A key component of this goal is NARA's websites. OMB Memorandum 05-04 states "Federal agency public websites are information resources funded in whole or in part by the Federal government and operated by an agency, contractor, or other organization on behalf of the agency. They present government information or provide services to the public or a specific non-Federal user group and support the proper performance of an agency function." According to NIST 800-44, "As organizations have gotten better at protecting and hardening their network perimeters, OSs, and Web servers, attackers have increasingly turned to exploiting vulnerabilities in Web applications and the way information is processed on Web servers." That is why securing public facing websites is critical in ensuring the security of the NARA network.

Objective: The objective of this audit is to evaluate the security of NARA's public facing websites. In addition, we will evaluate NARA's progress toward implementing HTTPS on all government websites as required by Office of Management and Budget Memorandum 15-13 "Policy to Require Secure Connections across Federal Websites and Web Services."

Scope: This audit will assess the security of NARA's public facing websites. We will judgmentally select approximately ten websites from the OIG list of public facing websites and

conduct an assessment as to whether these websites are secure. We will also evaluate the HTTPS configuration of NARA websites that currently have website encryption implemented. Finally, for those websites that do not have HTTPS encryption implemented we will evaluate NARA's progress toward implementing Office of Management and Budget Memorandum 15-13 "Policy to Require Secure Connections across Federal Websites and Web Services."

Estimated Staff Days: 90

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

Audit of NARA's Procurement Program

Background: The Acquisition Services Division (BCN) directs the nation-wide program to acquire the supplies and services needed by NARA units, sets agency procurement policy, oversees the training of all procurement officials, and monitors their adherence to NARA policy and the Federal Acquisition Regulations (FAR). Contracting officers (CO) are authorized to procure goods and services in accordance with the FAR, subject to any limitations set forth in their CO appointment letter or SF 1402 certificate. Only CO's acting within the scope of their authority may enter into contracts on behalf of the government. Buyers are individuals who support a CO by preparing documentation, conducting market research, entering and maintaining data in PRISM Finance and Acquisition System, preparing solicitations, administering contracts and orders, and performing other duties and responsibilities to assist the CO with acquiring supplies and services on behalf of the agency. The Director of BCN appoints all COs by issuing warrants.

Objective: To determine whether NARA's contract environment is efficient and effective in acquiring products and services providing the best value to NARA.

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

Estimated Staff Days: 90

Location: Archives II.

Audit of the Purchase and Travel Cards Program

Background: On October 5, 2012, the President signed into law the Government Charge Card Abuse Prevention Act of2012 (Charge Card Act), P.L. 112-194, which reinforced 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

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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 our risk assessment as a tool to audit NARA's oversight of the purchase and travel card program.

OMB Circular No. A-123, Appendix B, "Improving the Management of Government Charge Card Programs" prescribes policies and procedures to agencies regarding how to maintain internal controls reducing the risk of fraud, waste, and error in government charge card programs.

Objective: To determine whether NARA's oversight of the purchase and travel card program is effective.

Scope: FY 2013-FY 2015 purchase and travel card transactions.

Estimated Staff Days: 90

Location: Archives II.

Audit of NARA's Efforts to Safeguard Personally Identifiable Information (PII)

Background: Safeguarding PII is a core responsibility for every government agency. The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. Because Federal agencies maintain significant amounts of information concerning individuals, we have a special duty to protect that information from loss and misuse. As a result, the federal government has made it a priority to ensure that PII is protected.

Objective: To determine whether NARA is adequately protecting PII from being compromised; and if it is compromised, to determine if NARA is adequately reporting the loss of PII. Additionally, we will determine if NARA's policies and procedures relating to PII are adequately disseminated to employees.

Scope: The OIG will interview management and review NARA's privacy program. We will also review NARA's policies and strategies for protecting PII and reporting any potential loss of PII.

Estimated Staff Days: 90

Location: Archives II and selected NARA field sites.

Audit of NARA's Grant Oversight and Selected Grantees' Use of Grant Funds

Background: The National Historical Publication and Records Commission (NHPRC) is a statutory body, affiliated with NARA, which supports a wide range of activities to preserve, publish, and encourage the use of documentary sources relating to the history of the United

States. The Commission grant funds can be used to support: (1) publishing historical editions of the records of the founding era; (2) electronic records challenges and opportunities; (3) State Historical Records Advisory Boards; (4) publishing historically-significant records relating to the history of the United States; (5) preserving and providing access to records; (6) educational programs; and (7) publishing and distributing documentary volumes produced by previously-funded Commission projects. Grant recipients must keep financial records for each grant in accordance with generally accepted accounting principles and clearly demonstrate how the funds were spent. With the number of requests for grant funds increasing and the amounts available for grants decreasing, it is critical that NHPRC funds are spent as intended.

Objective: The objective of this project is to determine whether grant funds are being expended in accordance with grant goals and objectives. Specifically, we will determine whether grant funds can be properly accounted for, and assess the allow ability of grant expenditures. Additionally, we will review NHPRC's internal controls to determine whether they are adequate to properly account for and manage grant funds.

Scope: The audit includes a sample of various grants and site visits to grantees' locations, to review grant files and financial records.

Estimated Staff Days: 90

Locations: Archives I: NHPRC. Site visits to grantees' locations.

Audit of NARA's Human Capital Hiring Process

Background: The OIG's Semi-Annual Report to Congress as of September 30, 2015 identifies Human Capital Management as a Top Ten Challenge. Currently, the agency has not developed a comprehensive and cohesive approach to human capital management. Adequate policies and procedures have not been developed, updated, and communicated which make it difficult to recruit, retain, support, and manage human capital effectively and efficiently. NARA's hiring process, perhaps the most important HR function is of particular concern. If NARA is unable or challenged with filling vacancies timely and hiring the right people it may not be able to meet its strategic goal of "building the future through its people."

Objective: The objective of this audit is to evaluate the efficiency and effectiveness of NARA's human capital hiring process.

Scope: This audit will include a review of applicable human capital policies and procedures and the day-to-day operations of the Human Capital Office relating to the hiring function..

Estimated Staff Days: 120 days

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

Audit of NARA's Records Scheduling Process

Background: All Federal records, in all formats, must be covered by a NARA-approved records schedule. Agencies must compile a schedule for records, including descriptions and disposition instructions for each item and submit the records schedule for approval by the Archivist of the United States. NARA's Chief Records Officer leads a program of agency inspections and surveys designed to improve agencies' scheduling of records, especially electronic records. Under the Chief Records Officer, the Records Appraisal and Agency Assistance Division (ACRA) provides a wide range of records management services to agencies with an emphasis on appraisal and scheduling. Further, ACRA develops general records schedules comprising retention standards for Federal records common to all or several agencies for use in headquarters and field agencies and works with agencies to inventory and schedule previously unscheduled Federal records.

Objective: To determine NARA's processes for the development, review, and approval of Federal records schedules.

Scope: Our objective will be accomplished by: (a) reviewing NARA records management policies for records scheduling; (b) reviewing documents related to NARA's review and approval of records schedules; (c) evaluating NARA's development of general records schedules; (d) reviewing NARA's processes for identifying and scheduling previously unscheduled Federal records; and (e) conducting interviews with applicable NARA staff.

Estimated Staff Days: 90

Location: Archives II.

Audit of NARA's Accounting for Scheduled Records

Background: NARA's Permanent Records Capture Team (ACRC) under the Chief Records Officer identifies and transfers eligible permanent records into NARA's custody. Records deemed by the Archivist of the United States (Archivist) to be historically significant and requiring continued preservation are transferred to NARA per the records schedule established for those records. All NARA-approved records schedule have a transfer date at which point the records are no longer needed for the conduct of business at the originating Federal agency. If the originating agency determines the scheduled permanent records are needed for continued business past the transfer date, the agency can request in writing a waiver from the Archivist. Once transferred, Research Services archival units will accession into NARA the records having historically significant value. However, all scheduled permanent records are not being transferred to NARA in a timely manner. If NARA is not receiving all the historically significant records scheduled for accessioning, the agency cannot meet its mission of providing access to those records.

Objective: To evaluate NARA's processes for accounting for historically significant records scheduled to accession into the agency.

Scope: Our objective will be accomplished by: (a) reviewing NARA policies and regulations; (b) evaluating tracking mechanisms in place for NARA to account for records it receives versus records it does not receive; (c) determining how NARA communicates with Federal agencies regarding the transfer of records; (d) determining processes in place for reviewing and approving waiver requests from Federal agencies; and (e) conducting interviews with applicable NARA staff from Agency Services, Research Services, and others as necessary.

Estimated Staff Days: 90

Location: Archives II.

Enterprise-wide Risk Assessment

Background: Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government* provides the overall framework for establishing and maintaining an effective internal control system. Office of Management and Budget's (OMB's) Circular No. A-123, *Management's Responsibility of Internal Control,* provides specific requirements for assessing and reporting on controls in the federal government. OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budge*t, provides requirements for entity-wide, or enterprise risk management, including assessment and management of risk(s) to strategic objectives, goals, and outcomes.

Objective: The goal of this project is to obtain audit or related services for an enterprise-wide risk assessment of controls and the risks to NARA's operations and procedures. The risk assessment will be used to (1) provide NARA's OIG a framework for assessing and analyzing risks and the adequacy of controls in the auditable units, (2) select areas to include in NARA OIG's annual workplan that have the greatest risk exposure, and (3) assist NARA in enhancing its current Internal Control Program.

Scope: Our objectives will be accomplished by: (1) performing comprehensive reviews and identify the audit universe, including all of the auditable units within NARA's organization. Auditable units can be projects, Information Technology Systems, business functions, departments, business processes/sub-processes, and assets (physical, financial, human, and intangible); (2) performing comprehensive reviews and identify objectives, controls, and risks to the organization and assess the risks potential impact and likelihood; and (3) developing a risk matrix to include (a) assessing the inherent risk of each auditable unit based on impact and likelihood, (b) assessing the strength of the control environment in each auditable unit to identify those with a high reliance on controls, (c) identifying the controls within the business process/unit and the systems maintained and used for the business process/unit, incorporating the risk associated with the system into the overall risk rating; and (d) developing control monitoring and testing for each auditable unit and make recommendations for addressing gaps, commensurate with the overall risk rating.

Estimated Staff Days: 180

Location: Archives II.

ADDITIONAL AUDIT STAFF ACTIVITIES PLANNED FOR FY 2016

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. The NARA OIG Audit Division is scheduled to be peer reviewed in September 2016. The CIGIE Investigative Committee schedules external quality reviews of the IG investigation function. The NARA OIG Investigative Division is also scheduled to be reviewed in FY 2016.

BACKGROUND

NARA strives to drive openness, cultivate public participation, and strengthen the nation's democracy through public access to high-value government records. NARA's mission is to provide public access to Federal Government records in its custody and control. 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. .

In fiscal year 2015, NARA was appropriated $365 million for operating expenses, $4.1 million for OIG operations, $7.6 million for repairs, alterations, and improvements of archives facilities and $5 million for grants for historical publications.

NARA is engaged in a multi-year effort to transform itself into a dynamic and modern agency. The NARA Transformation—launched in 2010—is a long-term undertaking to foster a new organizational culture that is agile and responsive 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" that describe how we will deliver on our mission in a modern environment. These goals are listed below

- 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:

Collaborate: Create an open, inclusive work environment built on respect, communication, integrity, and collaborative teamwork.

Innovate: Encourage creativity and invest in innovation to build our future.

Learn: Pursue excellence through continuous learning and become smarter all the time about what we know and what we do in service to others.

The Transformation is building the organizational culture that is necessary for NARA to achieve its strategic goals and realize its mission, as outlined in the 2014–2019 Strategic Plan, and change the way people think about archives. The plan defines four strategic goals and the strategies to achieve them and are listed below:

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

The OIG has linked its work processes to align with NARA'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 may use various audit services such as audits, attestation engagements, and nonaudit services. "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 Federal agencies focus on results. The OIG will direct its efforts toward helping NARA meet the demands of the GPRA. The planned FY 2016 audits are designed to aid NARA in accomplishing its strategic goals and statutory or other requirements.

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 audit.

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. As used in this plan, program audits are a type of performance audit. 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.