

Annual Work Plan Fiscal Year 2007



Office of Inspector General
National Archives and Records Administration

FOREWORD

I am pleased to present to Archivist Weinstein the Fiscal Year (FY) 2007 Work Plan for the National Archives and Records Administration (NARA) Office of Inspector General (OIG). In FY 2007 we remain committed to providing the highest caliber of audit and investigative coverage to those areas and programs that have a profound impact and bearing on the success of this agency. This plan includes audits, evaluations, advisory reviews, management assistance services, and fraud prevention and detection activities. Successful execution of this plan will reflect our demonstrated ongoing commitment to provide high quality service to our customers and to assist NARA in meeting its strategic mission and objectives.

In FY 2007 we will focus on critical NARA programs and operations while honoring baseline audit requirements such as those identified in the Accountability of Tax Dollars Act of 2002 and the Federal Information Security Management Act (FISMA). Examples of this orientation are outlined below:

- ◆ Provide base-level audit and investigative coverage to the Electronic Records Archives (ERA) Program.
- ◆ Assess and evaluate security over our Information Technology (IT) systems.
- ◆ Review development of the Configuration Management Program.
- ◆ Audit selected grantees.
- ◆ Evaluate facets of the Accessioning Program.
- ◆ Test and evaluate security and control over Records of Concern and Protected Records and Artifacts.
- ◆ Direct the agency consolidated financial statement audit

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

Paul Brachfeld
Inspector General

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INTRODUCTION

NARA has defined six strategic goals and the strategies to achieve them, in its strategic plan titled, “Preserving the Past to Protect the Future: The Strategic Plan of the National Archives and Records Administration, 2006 – 2016,” issued January 11, 2007. The NARA Strategic Plan sets out the six primary goals listed below:

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

The OIG Strategic Plan will be revised in FY 2007 to align with the agency’s revised strategic plan and 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 and recover funds used inappropriately and to detect and prevent waste, fraud, and abuse. The schedule on page 30 documents how the planned FY 2007 projects align with NARA’s strategic goals.

To accomplish the projects listed in this plan, we will use various audit services such as audits, attestation engagements, and nonaudit services. These services are defined in the glossary (see page 23).

OFFICE OF INSPECTOR GENERAL



AUTHORITY AND RESPONSIBILITY

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

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

OFFICE OF INSPECTOR GENERAL



ORGANIZATION

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

- The “Audits Staff” conducts and coordinates audits of NARA programs and operations, in accordance with the *Government Auditing Standards* promulgated by the Comptroller General of the United States. The Audits Staff also conducts advisory reviews as another means of providing high-quality information to decision-makers in a timely manner. Audits and advisory reviews address the management and financial operations of NARA, the economy and efficiency with which NARA’s programs and functions are managed, and the results achieved. Audits and advisory reviews assess the extent to which NARA complies with laws, regulations, and policies in implementing programs; the extent to which programs are managed effectively and efficiently; and the accuracy and reliability of financial statements.

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

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

STRATEGIC PLAN

VISION

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

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

MISSION

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

STRATEGIC PLAN

In accordance with the recommendations of the National Performance Review (NPR) and the values enunciated in the Inspectors General Vision Statement, and consistent with the need to retain its independence, the OIG developed a strategic plan that emphasizes working in a collaborative manner with line managers to evaluate the effectiveness of NARA's system of management controls for ensuring economical, efficient, and effective operations, and compliance with program and legal requirements. The OIG Strategic Plan will be revised in FY 2007 to align with the agency's revised strategic plan which was issued in January 2007.

AUDITS

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

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

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

In the interests of improving program effectiveness, public accountability, and service delivery, the Government Performance and Results Act (GPRA) demands that Federal agencies focus on results. The OIG will direct its efforts toward helping NARA meet the demands of the GPRA. The planned FY 2007 audits are designed to aid NARA in accomplishing its strategic goals and statutory or other requirements.

Consolidated Audit of NARA’s Financial Statements

Background: The Accountability of Tax Dollars Act of 2002 requires all

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

The contract requires the contractor to conduct an audit of, and report on, NARA's consolidated financial statements for FY 2007 in accordance with Generally Accepted Government Auditing Standards (GAGAS) and OMB Bulletin 01-02, "Audit Requirements for Federal Financial Statements." The contractor will then issue an Independent Auditor's Report.

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

Scope: The OIG will monitor and review the contractor's effort, to determine whether the contractor complied with GAGAS and OMB Bulletin 01-02.

Estimated Staff Days: 120

Locations: Archives II and various field sites.

Audit of NARA's Compliance with the Improper Payments Information Act of 2002

Background: Under the Improper Payments Information Act of 2002 (Public Law No 107-300), agencies are required to review annually all programs and activities they administer and identify those which may be susceptible to significant erroneous payments. This includes payments from Federal awards made by recipients and subrecipients subject to the Single Audit Act of 1984 (P.L. 98-502) as well as Federal grants and subgrants expended by for-profit and non-US based entities not subject to

the Single Audit Act.

Objective: The objective of this project is to assess whether NARA is in compliance with the Improper Payments Information Act of 2002.

Scope: We will test FYs 2005 and 2006 disbursements to determine if there were any substantial improper payments made by the agency.

Estimated Staff Days: 60

Locations: Archives II, Archivist of the United States (N)

Audit of 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's 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 allowability of grant expenditures.

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: NHPRC and site visits to grantees' locations

Evaluation of NARA's Compliance with the *Federal Managers Financial Integrity Act* for Fiscal Year 2007

Background: The OMB Circular A-123, Management Accountability and Control, prescribes policies and procedures for complying with the Federal Managers' Financial Integrity Act (FMFIA) of 1982. The Inspector General is responsible for annually assuring the Archivist of the United States that NARA has complied with the requirements of the NARA Management Control System, the FMFIA, and OMB Circular A-123.

Objective: Our objective is to determine whether sufficient evidence exists that the agency complied with the requirements of the FMFIA, OMB Circular A-123, and the NARA Management Control System, to support the Archivist's FY 2007 assurance statement to the President and the Congress. Specifically, we will assess whether (1) management controls are continually reviewed, and (2) information in the program offices' assurance statements is accurate.

Scope: The evaluation, to be conducted at Archives II, will cover FY 2007.

Estimated Staff Days: 60

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

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

Background: The FISMA requires Federal agencies to establish agency-wide risk-based information security programs that include periodic risk assessments, use of controls and techniques to comply with information security standards, training requirements, periodic testing and evaluation, reporting, and 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 the development of information security standards by the National Institute of

Standards and Technology (NIST) that are to include minimum mandatory requirements risk level.

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

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

Estimated Staff Days: 90

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

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

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

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

In August 2004, NARA awarded contracts to the Lockheed Martin and Harris Corporations for the system analysis and design phase of the ERA. In August 2005, NARA selected the Lockheed Martin Corporation to build the ERA. The goal is to have a functional subset of the system in 2007. Over its life, the contract is potentially worth hundreds of millions of dollars with countless implications for individuals, businesses, and

private and government organizations.

Objective: The OIG plans to monitor this program on an ongoing basis. Our objective will be to assess contractor performance and review contract deliverables, to provide the Archivist with an independent assessment of this critical and highly-visible program.

Scope: Our objectives will be accomplished by reviewing and evaluating program documentation, attending progress status reviews, and conducting staff interviews.

Estimated Staff Days: 120

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

Audit of NARA's Configuration Management Program

Background: The purpose of configuration management is to maintain integrity and traceability, and control modifications or changes to an item throughout its lifecycle. Relevant enterprise architecture guidance recognizes the importance of configuration management when developing and maintaining an architecture. Effective configuration management, among other things, enables integration and alignment among related architecture products. An effective configuration management process comprises four primary elements, each of which should be described in a configuration management plan and implemented according to the plan. The four elements are: configuration identification, configuration control, configuration status accounting, and configuration auditing. In addition, responsibility, accountability, and authority for configuration management should be assigned to a configuration manager.

Objective: The objective of this review is to assess and evaluate NARA's program for identifying, documenting, managing, assessing, controlling, and tracking changes of an item throughout its lifecycle.

Scope: The OIG will review the policies and procedures in place for (1) identifying and labeling configuration items; (2) coordinating, monitoring, and recording of the disposition of proposed changes, as well as the implementation of approved changes and establishment of their baselines; (3) recording and reporting the status of configuration items; and (4) verifying configuration items to their approved requirements.

Estimated Staff Days: 120

Location: Archives II

Audit of NARA's Information Technology (IT) Project Management

Background: NARA's IT project managers have day-to-day responsibilities for the creation and development of IT projects, and are accountable for completing their projects within approved time frames and budgets. Good project management is critical to the success of any IT project. It is important that specific responsibilities are assigned, deadlines and milestones are established, and ongoing management review and evaluation take place. Otherwise, deadlines may not be met, cost overruns may occur, and significant steps in the process may be omitted, leading to a system that does not meet design specifications or satisfy user requirements.

Objective: The purpose of this review is to evaluate NARA's management of its IT investments. Specifically, we will review and evaluate agency policies, practices, and procedures for managing IT investments; determine whether IT projects are completed within budget and time constraints; and determine if project managers identify potential problems in a timely manner and take adequate corrective action.

Scope: Our objectives will be accomplished by reviewing and evaluating applicable NARA project management guidance, and reviewing the management of selected IT projects.

Estimated Staff Days: Survey – 30 Days Field Work – 120

Locations: This effort will be performed at Archives II and will require access to staff and resources of the Office of Information Services (NH).

Audit of NARA's Accessioning Program

Background: Title 44 USC Chapter 21, Section 2107, Acceptance of Records for Historical Preservation requires the Archivist, when it appears to be in the public's interest, to accept for deposit with NARA the records of a Federal agency, the Congress, the Architect of the Capital, or the Supreme Court. These are records determined by the Archivist of the United States to have sufficient historical or other value to warrant their continued preservation by the United States Government. The accessioning program is the process the agency uses to add records to NARA's inventory of permanent records. The Life Cycle Management Division (NWML) is responsible for the front-end of the records life cycle. This includes appraising records to determine their long-term

evidentiary and informational value, developing management regulations and providing guidance on their implementation, reviewing and processing schedules for the retention and disposition of Federal records, providing records management training to Federal employees, and evaluating the effectiveness of records management programs in place at Federal agencies through the use of the baseline assessment system.

Objective: The objective of this audit is to determine whether all records that should come to NARA are identified, scheduled, and transferred to NARA as required.

Scope: The auditors will evaluate the processes used by management to identify, schedule, and transfer permanent records to the NARA. In addition, we will identify any obstacles impeding the accessioning process.

Staff Days: 120 days

Locations: NW and other locations To Be Determined (TBD).

Audit of the Processing of Records Accessioned into NARA

Background: NARA is responsible for the custody, use, and withdrawal of records it receives. The Initial Processing/Declassification Division (NWMD) along with the Presidential libraries and Regional Archives accession records into NARA. The activities that these offices conduct include conducting risk assessments to identify records in need of preservation; conducting a cursory review of the records to identify security-classified records present in the accession; arranging and, if necessary, reboxing and labeling the records; and providing basic records descriptions.

Objective: The objective of this project is to determine whether established controls provide adequate assurance that archival records transferred to NARA are made available to the public in a timely manner.

Scope: The auditors will evaluate the processes used by management to ensure that permanent records accessioned into NARA are timely processed and made available to the public. In addition, we will identify any obstacles to records accessibility.

Staff Days: 120 days

Locations: NW and other locations TBD

Audit of NARA's Special Access Program

Background: As required by its mission, NARA must provide access to its records. In some cases, there are restrictions placed on the records that require special access to be granted before records can be reviewed. For example, the Presidential Records Act restricts access to information in the Presidential records for up to 12 years after the conclusion of the President's last term of office. Also, John F. Kennedy materials, Independent Counsel, and similarly sensitive records, both classified and unclassified, that present restrictions on access have special access processes that must be followed to gain access to the records. There have been two instances, which the OIG is aware of, where special access was granted to records and, in both instances, records were either lost or removed from the Agency. Weak and poor controls over special access were cited as the contributing factor for the lost records.

Objective: The objective of this audit is to determine whether controls are adequate for ensuring that records are safeguarded and accounted for during periods of special access.

Scope: The OIG will review NARA's processes for providing access to materials that have restricted access.

Estimated Staff Days: 90

Locations: NL, NW, and NR

Audit of the Process for Providing and Accounting for Information Provided to Researchers

Background: NARA grants access to all its records and to donated historical materials in its custody, unless specifically prohibited by restrictions imposed by statute, Executive order, the Archivist of the United States, court order, or donors of historical materials. To review records, a researcher visits a research room and fills out a form requesting the records. NARA employees retrieve the records from the stack area and provide them to the researcher. When the researcher finalizes the records review, a NARA employee places the records back in the stack area in the appropriate location.

Objective: The objective of this audit is to determine whether controls are in place for ensuring that requested records are safeguarded and properly accounted for when requested and used by researchers.

Scope: The OIG will review NARA's actions/activities from the time a researcher requests records to the time the records are re-shelved in the stack area. This audit will not review the process by which a researcher obtains agency permission to review records.

Estimated Staff Days: 90

Location: Archives II, Archives I, Regional Records Centers, and Presidential libraries

Audit of NARA's Processing of Military Personnel Records

Background: The National Personnel Records Center, Military Personnel Records (NPRC/MPR), is the repository of millions of military personnel, health, and medical records of discharged and deceased veterans of all services during the 20th century. Records prior to World War I are held at Archives I in Washington, DC. Furnishing information from military personnel records is a matter that requires a thorough understanding of release policies. NPRC 1865.16C, Release and Access Guide for Military Personnel and Related Records at NPRC, sets forth procedural policies for the release of military personnel and medical records information. According to NPRC 1865.2C, General Information and Instructions Relating to Reference Service, "Care must be exercised to ensure that: (1) the persons requesting the information or documents are entitled or authorized to receive it; (2) the purpose for which the information is desired is in accord with pertinent laws, regulations, or policies on disclosing specific types of information; and (3) releasing the information would not be an unwarranted disclosure of personal data." During FY 2005 several inappropriate releases of veterans' military records occurred.

Objective: The objective of this review is to assess the management controls over the processing and distribution of veterans' record requests.

Scope: The OIG will evaluate NARA's process for the release of military personnel and related records, to determine if opportunities for improvement exist. This review will determine if proper authorizations were received prior to the release of military records, and will also evaluate the process for releasing veterans' records to third parties.

Estimated Staff Days: 90

Location: NPRC/MPR and Archives I

Evaluation of Management Controls over Records of Concern

Background: As a result of the events of September 11, 2001, NARA, as well as other Federal agencies, have heightened responsibility to prevent certain information in its records from getting into the wrong hands. Of particular concern is information that could be used to develop weapons of mass destruction, attack or destroy public sites or critical infrastructure, or threaten emergency planning. On March 19, 2002, the White House issued a memorandum for heads of Executive departments and agencies on safeguarding such sensitive information. The memorandum urged all departments and agencies to review records management procedures and holdings to ensure that they are adequately protecting this information. NARA implemented a nationwide program to identify records of concern in its archival holdings or legal custody. When NARA identifies records of concern in its archival holdings, it withdraws the records from public access. However, records in Records Centers are not included in NARA's records of concern program because these records are still in the legal custody of the originating departments and agencies. Therefore, for records stored in the Records Centers, it is the responsibility of each originating department or agency to implement the provisions of the White House memorandum.

Objective: The objective of this project is to determine whether management controls are adequate to detect and prevent unauthorized access to, and premature release of, records of concern.

Scope: The OIG will assess controls at several regional facilities, to determine if access to records of concern is limited to authorized agency employees or contractors. In addition, we will review controls in place to prevent the premature release of records of concern.

Estimated Staff Days: 90

Locations: Regional facilities

Audit of the Process of Accounting for and Safeguarding Library Artifacts

Background: The Presidential library's museum staff is responsible for preserving and exhibiting its holdings, to promote public understanding of the Presidential administration, the history of the period, the career of the President, and other subjects chosen by the library. Objects received from the President or his representatives, or acquired from other sources, are to be added to the museum collections of the library, and responsible care for them is to be provided at all times. Annually, each library is to conduct a physical inventory of museum items that are not subject to the valuable object inventory.

Objective: The objective of this audit is to determine whether sufficient management controls exist to safeguard and account for library artifacts.

Scope: The auditors will evaluate the processes used to ensure that all artifacts are properly secured and accounted for. Specifically, the audit will assess the libraries accessioning, registration, and inventorying of artifacts.

Staff Days: 120 days

Locations: The Office of Presidential Libraries (NL) and selected Presidential libraries

Audit of NARA's Researcher ID Card Program

Background: CFR 36 Part 1254, Using Records and Donated Historical Materials, documents regulations for public use of records in NARA. In accordance with this guidance, in order to make available to the public and at the same time to safeguard the irreplaceable records in NARA's custody, NARA requires researchers who wish to use original documents to register as researchers with NARA

Researchers must apply in person and show identification such as a driver's license or school identification card containing their picture or physical description. The researcher must also provide proof of their current address from a bank statement, utility bill, or department of motor vehicles change of address card.

Objective: The objective of this assignment is to determine whether management controls are adequate over the researcher identification process, and whether these controls ensure that records are properly safeguarded.

Scope: The OIG will assess controls over this process at various libraries, regional offices, as well as Archives I and II.

Estimated Staff Days: 90

Locations: NARA facilities TBD.

Audit of NARA's Mail Management Program

Background: NARA Directive 210, Mail Management, provides policy and requirements for the efficient, effective, economical, and secure management of NARA's mail. It applies to all materials that might pass through a Federal mail processing center, including all internal, incoming, and outgoing materials such as envelopes, bulk mail, expedited mail, individual packages up to 70 pounds, publications, and postal cards. NARA's Mail Manager located in the Facilities and Materiel Management Division (NAF) manages NARA's overall mail communications program and represents the agency in its relations with mail service providers, other agency mail managers, and the General Services Administration Office of Government-wide Policy. Directors of NARA facilities and Presidential libraries are responsible for operating their respective mail center operations. NARA offices/staffs are responsible for utilizing the most economical and efficient means to transmit mail.

Objective: The objective of this audit is to determine whether NARA is in compliance with mail management policy and procedures. We will also assess whether controls are in place to ensure that items are mailed, protected, and shipped in the most appropriate and economical manner.

Scope: The OIG will review activities/actions to implement the mail management program at NARA. We will also seek to determine if there are opportunities for improvements in the processing and delivering of NARA mail.

Staff Days: 120 days

Locations: NA, NW, NR, and NL

Audit of NARA's Energy Usage

Background: Conservation has been identified not only as a valuable resource in the battle against rising energy costs and uncertainty about foreign sources of oil, but also as a duty of each American. Executive Order 13123, Greening the Government Through Efficient Energy

Management, requires Federal agencies to improve energy efficiency by 35 percent by 2010. Further, the Energy Policy Act requires that agencies conduct energy surveys, retrofit existing systems to promote efficiency, and install practicable energy and water conservation measures with payback periods of less than 10 years. Additionally, the act directs the agency IG to assess compliance with existing energy management requirements.

Objective: The objective of this audit is to determine whether NARA can reduce energy usage and to assess whether NARA's energy management efforts are economical, efficient, and comply with Federal guidance..

Scope: The OIG will review agency energy activities/actions to implement Federal guidance and effectively and efficiently use energy and control energy costs.

Staff Days: 120 days

Locations: NA, NW, and NL

Assessment of NARA's Procurement and Contract Management Practices

Background: In FY 2001, the OIG partnered with the Acquisitions Services Division (NAA) to begin proactive efforts aimed at addressing contracting issues facing NARA and ensuring that contractors perform in accordance with contract terms and bill appropriately on NARA contracts. Our efforts resulted in questioned costs and strengthened management controls. In FY 2007, we will continue these efforts with a focus on IT-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 (5) monitor contractor performance.

Objective: The objective of this effort is 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: Assessments will be conducted at Archives II and, possibly, at field sites to be determined

Estimated Staff Days: 90

Locations: Agency-wide

ADDITIONAL AUDIT STAFF ACTIVITIES PLANNED FOR FY 2007

Attestation Engagements

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

Non-audit Services

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

Peer Review

The Executive Council on Integrity and Efficiency (ECIE) Peer Review Committee schedules external quality control reviews, or peer reviews, of OIG audit functions once every three years. The NARA OIG was peer reviewed in FY 2005. The Investigative Committee of the President's Council on Efficiency schedules external quality reviews of IG investigation functions. The NARA OIG investigative function is scheduled to be reviewed in FY 2007.

Fraud Prevention Surveys

Fraud Prevention Surveys identify crime-conducive conditions and systemic weaknesses in management controls within NARA units and facilities. In FY 2007, the survey will be updated to incorporate additional analysis of potential weaknesses and vulnerabilities in IT systems and operations. In addition to conducting annually scheduled surveys of headquarters units and field locations, the OIG also conducts surveys when requested by unit heads. The primary difference between scheduled and requested surveys is that the reports of scheduled surveys are issued to the office heads and the Archivist while reports requested by managers are only issued to the individuals making the requests.

Fraud Awareness Briefings

Fraud Awareness Briefings are held with NARA employees to increase their awareness of fraud and its indicators. The briefings educate NARA staff about potential fraud in many different areas such as travel, workers' compensation, time and attendance, and cash and credit card handling operations. Additional emphasis in FY 2007 will be placed on educating employees as to specific fraud indicators when working with or overseeing contract employees. The briefing provides employees examples of fraud and fraud indicators. Discussing and educating employees on fraud helps employees to identify and report suspected fraud and helps to reduce the number of falsely-reported frauds.

How the OIG Work Plan Aligns With NARA's Strategic Plan Goals

<p>Goal One: As the nation's record keeper, we will ensure the continuity and effective operation of Federal programs by expanding our leadership and services in managing the Government's records.</p> <p>Assignments: Audit of NARA's Accessioning Program</p>
<p>Goal Two: We will preserve and process records to ensure access by the public as soon as legally possible.</p> <p>Assignments: Audit of the Processing of Records Accessioned into NARA Audit of Management Controls Over Records of Concern Audit of NARA's Processing of Military Personnel Records</p>
<p>Goal Three: We will address the challenges of electronic records in Government to ensure success in fulfilling NARA's mission in the digital era.</p> <p>Assignments: Audit of NARA'S Electronic Records Archives (ERA) Program</p>
<p>Goal Four: We will provide prompt, easy, and secure access to our holdings anywhere, anytime.</p> <p>Assignments: Audit of NARA's Special Access Program Audit of the Process for Providing and Accounting for Information Provided to Researchers Audit of NARA's Researcher ID Card Program Audit of the Process of Accounting for and Safeguarding Library Artifacts</p>
<p>Goal Five: We will increase access to our records in ways that further civic literacy in America through our museum, public outreach, and education programs.</p> <p>Assignments: None planned for FY 07</p>
<p>Goal Six: We will equip NARA to meet the changing needs of our customers.</p> <p>Assignments: <u>Financial Audits</u> Consolidated Audit of NARA's Financial Statements Audit of NARA's Compliance with the Improper Payments Information Act of 2002</p> <p><u>IT Audits</u> Audit of NARA's Configuration Management Program Evaluation of NARA Compliance with the Federal Information Security Management Act (FISMA) Audit of NARA's Information Technology Project Management</p> <p><u>Program Audits</u> Audit of Selected Grantees' Use of Grant Funds Audit of NARA's Compliance with Federal Managers Financial Integrity Act for Fiscal Year 2007 Audit of NARA's Mail Management Program Assessment of NARA's Procurement and Contract Management Practices Audit of NARA's Energy Usage</p>

GLOSSARY

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

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

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

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

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

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