Annual Work Plan
Fiscal Year 2010

Office of Inspector General
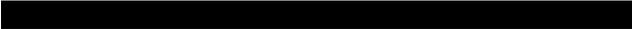### National Archives and Records Administration

FOREWORD

I am pleased to present to Archivist Ferriero the Fiscal Year (FY) 2010 Work Plan for the National Archives and Records Administration (NARA) Office of Inspector General (OIG). In FY 2010 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.

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, revised and re-issued October 1, 2009. The NARA Strategic Plan sets out six primary goals:

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

The OIG has linked its work processes including audits and investigation efforts to align with the agency's 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 23 documents how the planned FY 2010 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 24).

OFFICE OF INSPECTOR GENERAL

AUTHORITY AND RESPONSIBILITY

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

- assesses the effectiveness, efficiency, and economy of NARA programs and operations;

- recommends improvements in policies and procedures to enhance operations and correct deficiencies;

- recommends cost savings through greater efficiency and economy of operations, alternative use of resources, and collection actions; and

- investigates and recommends legal and/or management actions to correct fraud, waste, abuse, or mismanagement.

OFFICE OF INSPECTOR GENERAL

ORGANIZATION

In accordance with NARA Administrative Directive 1201, "Audit of NARA Programs and Operations," the OIG is organized into two units, the Audits 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. Audits address the management and financial operations of NARA, the economy and efficiency with which NARA's programs and functions are managed, and the results achieved. Audits and advisory reviews assess the extent to which NARA complies with laws, regulations, and policies in implementing programs; the extent to which programs are managed effectively and efficiently; and the accuracy and reliability of financial statements.

- The "Investigations 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 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 2010 to align with the agency's revised strategic plan currently under development.

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 2009 audits are designed to aid NARA in accomplishing its strategic goals and statutory or other requirements.

Consolidated Audit of NARA's Financial Statements

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

The contract requires the contractor to conduct an audit of, and report on, NARA's consolidated financial statements for FY 2010 in accordance with Generally Accepted Government Auditing Standards (GAGAS) and OMB Bulletin 07-04, "Audit Requirements for Federal Financial Statements." The contractor will then issue an Independent Auditor's Report.

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

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

Estimated Staff Days: 90

Locations: Archives II and various 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

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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: NHPRC and site visits to grantees' locations

**Audit of NARA's Compliance with the *Federal Managers' Financial Integrity Act*
For Fiscal Year 2009**

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

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

Objective: The OIG has a responsibility to ensure that NARA's Management Control Program and the requirements of the FMFIA have been carried out. The objective of the audit is to evaluate NARA compliance with FMFIA, A-123 (including Appendix B), and NARA developed internal control guidance contained in NARA 114. 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.

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Scope: The evaluation, to be conducted at Archives II, will cover FY 2009 management control program.

Estimated Staff Days: 90

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

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

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

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

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

Estimated Staff Days: 90

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

Audits 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 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 system achieved an Initial Operating Capability (IOC) in June 2008, and Full Operating Capability is scheduled for FY 2011. 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 objectives will be to evaluate contractor performance and NARA oversight of the ERA program, and 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 program progress status reviews, and conducting staff interviews.

Estimated Staff Days: 200

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

Audit of NARA's Implementation of Wireless Networks

Background: To provide greater access to NARA records, information about records, and to more efficiently provide services for records, NARA plans to install high-speed internet and network access at all of its facilities nationwide. A Time & Material, Indefinite-Delivery Indefinite-Quantity contract was issued in August 2009 to conduct site surveys at NARA location requiring wireless capability.

Objective: The audit objective is to evaluate the development, implementation, and maintenance of NARA's wireless networks. Specifically, we will determine whether the investment was adequately planned and whether adequate security controls were implemented.

Scope: The OIG will review planning and acquisition documents, review policies and procedures, and test security controls in place to ensure they are adequate, effective and appropriate.

Estimated Staff Days: 100

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

Audit of NARA's Monitoring of Computer Security Incidents

Background: Attacks on computers and networks have become more numerous and more severe in recent years. Intrusion detection is the process of monitoring the events occurring in a computer system or network and analyzing them for signs of possible incidents. Intrusion detection and prevention systems are primarily focused on identifying possible incidents, logging information about them, attempting to stop them, and reporting them to security administrators. They have become a necessary addition to the security infrastructure of nearly every organization.

Objective: The objective of this audit is to evaluate the intrusion detection technologies in use at NARA. Specifically, we will determine whether the intrusion detection capability is effective in monitoring computer security incidents.

Scope: The OIG will review the major components of the intrusion detection system (IDS), information collected and recorded by the IDS, and security of the IDS components.

Staff Days: 90 days

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

Audit of NARA's Trusted Internet Connections

Background: In November 2007, the Office of Management and Budget (OMB) issued memorandum M-08-05 announcing the Trusted Internet Connections (TIC) initiative. This initiative called for agencies to consolidate to a target of 50 external Internet connections across the Federal government. Each agency was required to develop a comprehensive plan of action and milestones (POA&M) with a target completion date of June 2008. The memo also asked agencies to devote employees to work on the development and implementation of TIC. Benefits of this initiative include enhancing incident response capabilities and optimizing individual agency's network services into a common solution for the federal enterprise.

To meet this goal, OMB has provided guidelines to assist agencies. These guidelines suggest

that agencies inventory and document all of their gateway conditions; assess their architecture, policy, governance and enforcement plans as well as implementation results; and define their target inventory and architecture. TIC compels agencies to gain an in-depth understanding of their breadth of their total Internet presence.

Objective: The objective of this audit is to assess NARA's efforts and determine whether NARA is in compliance with the goals of the Trusted Internet Connections (TIC) initiative.

Scope: The OIG will interview management and review NARA's plans for meeting the TIC initiative and addressing any identified gaps.

Staff Days: 90 days

Locations: Agency-wide

Audit of NARA's Classified Systems

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

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

Scope: The OIG will interview key NARA personnel and identify and examine applicable classified systems security regulations including those issued by NARA and those that preside government-wide. We also will examine available pertinent systems security documentation including classified system security plans, certification and accreditation, risk assessments, security controls testing reports, contingency plans, etc.

Staff Days: 90 days

Locations: NA, NH, NW, and NL

Assessment of NARA's Data Backup Operations

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

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

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

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

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

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

Estimated Staff Days: 120 staff days

Location: Archives II and selected NARA field sites

Assessment of NARA's Patch Management Program

Background: Patch management is a security practice designed to proactively prevent the exploitation of information technology vulnerabilities that exist within an organization. Patch management reduces the time and money spent dealing with vulnerabilities and exploitation of those vulnerabilities. Proactively managing vulnerabilities of systems will reduce or eliminate the potential for exploitation and involve considerably less time and effort than responding after an exploitation has occurred.

Patches are small pieces of code developed to fix problems (commonly called "bugs") with or update a computer program. They provide additional functionality or address security flaws within a program.

Timely patching of security issues is generally recognized as critical to maintaining the operational availability, confidentiality, and integrity of information technology (IT) systems. However, failure to keep operating system and application software patched is one of the most common issues identified by security and IT professionals. New patches are released daily, and it is often difficult for even experienced system administrators to keep abreast of all the new patches and ensure proper deployment in a timely manner.

Objective: The objective of this project is to determine if NARA has a systematic, accountable, and documented process for managing exposure to vulnerabilities through the timely deployment of software patches. Specifically, we will determine if: (a) patch management policies and procedures have been established and documented; (b) roles and responsibilities have been defined; (c) patches are tested, validated, and documented before they are implemented; and (d) newly released security patches are installed in a timely manner.

Scope: The assessment will include: (a) a review of the agency's patch management policies and procedures and the roles and responsibilities of those individuals assigned to perform patch management functions, and (b) the examination of recent patches applied to NARA's computer network and information systems.

Estimated Staff Days: 120 staff days

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

Audit of the Development of Various NARA Systems

Background: NARA is currently developing several critical systems which will assist the agency in performing its mission more economically, efficiently and effectively. However, if requirements for these systems are not adequately and properly defined, and system development not adequately managed NARA could end up with exorbitant over priced systems that do not meet NARA requirements. The OIG has found over and over again that systems are not always being developed in accordance with NARA 801 guidelines, system projects are not always

effectively management and monitored, and that proper system acceptance activities my not occur prior to the agency accepting delivery of a system. As a result the OIG has listed project management and system development activities as one of NARA's top ten challenges noting that the agency is challenged with planning projects, developing adequately defined requirements, analyzing and testing to support acquisition and deployment of systems, and oversight to ensure effective or efficient results within costs.

Objective: The objective of this audit is to assess the development efforts of various NARA systems and determine whether systems are being developed in accordance with NARA 801, requirements properly defined, the system development is adequately managed and monitored to ensure requirements are met NARA in the most economical and efficient manner.

Scope: The OIG will review project management activities and documentations and interview management and system owners and contractors regarding system development activities.

Staff Days: 90 days

Locations: Agency-wide

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

Background: The widespread use of information technology systems throughout the Federal Government has seriously challenged NARA's business model for managing Federal records. NARA's current records management program was designed around a paper based approach to records creation and management, whereas in today's environment, many records are created and maintained electronically, presenting records management issues and challenges not encountered in a purely paper based system. The proliferation in the volume and format (text documents, spreadsheets, photographs) of electronic records; nature in which electronic records are created and maintained (e.g. e-mail, cloud computing, web based information), and; constantly changing nature of technology, all pose challenges to NARA's ability to adequately ensure electronic records are properly identified, maintained, scheduled and disposed (whether disposition be transfer to the National Archives or destruction at the end of their useful life).

NARA has taken a number of approaches to address these new challenges over the last several years, including the Records Management Initiative consisting of a series of pilot projects that are designed to rethink how NARA participates in the records management process. NARA is also taking the lead in developing standards for permanent electronic records that will permit agencies to transfer them to NARA. And finally, ERA is designing a system that will preserve and make available electronic records regardless of their format.

Objective: The objective of this audit is to assess the effectiveness of controls in place for identifying, maintaining, and obtaining permanent electronic records. Specifically, we will determine if NARA (1) is complying with laws and regulations concerning its role in overseeing

electronic records management; (2) effectively ensuring electronic records are identified and managed in accordance with applicable guidance, and; (3) effectively identifying permanent electronic records and ensuring they are properly managed and transferred to NARA.

Scope: This evaluation will include (a) a review of Federal electronic records management laws, regulations, and guidelines; (b) a review of NARA's electronic records management program including an assessment of program success in meeting programmatic goals and supporting agency mission, and; (c) assessment of the adequacy of internal controls associated with NARA's ability to adequately or reasonably ensure permanent electronic records are identified, maintained, scheduled and ultimately transferred to NARA.

Estimated Staff Days: 180 staff days

Location: Archives II

Audit of NARA's Preservation Program

Background: Title 44 United States Code (USC), chapter 21, states the Archivist of the United States shall provide for the preservation, repair, and rehabilitation of records or other documentary material transferred to him as may be needful or appropriate. NARA's Strategic Plan (revised FY 2009) identifies appropriate preservation of NARA holdings as a goal necessary for ensuring NARA achieves its mission. In June 2005, the OIG issued an audit report that identified resource and reporting deficiencies associated with NARA's Preservation program[1] and declared them to constitute a Material Weakness. Specifically, the audit identified: (a) items needing preservation had not been identified; (b) inadequate staffing necessary for addressing preservation needs in a timely manner; (c) lack of criteria for assessing preservation needs/item condition; (d) NARA facilities that did not meet minimum environmental standards for the preservation of records, and; (e) inaccurate preservation performance data. NARA declared Preservation a Material Weakness in their FY 2005 FMFIA statement.

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

Scope: This evaluation will include (a) a review of NARA guidance on Preservation; (b) a review of internal controls related to the program with a specific focus on their ability to

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1 OIG Report No. 05-13, Evaluation of NARA's Preservation Program (June 22, 2005)

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

Estimated Staff Days: 180 days

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

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

Background: On August 27, 2004, President Bush signed HSPD-12 to take a defensive line against terrorist attacks, espionage and cyber threats. The Directive requires the development and agency implementation of a mandatory, government-wide standard for secure and reliable forms of identification for Federal employees and contractors. The theory behind the directive is to develop a common identification standard that ensures that people are who they say they are, so government facilities and sensitive information stored in networks remain protected. HSPD-12 requires agencies o issue, manage, and account for smart cards to federal employees and contractors.

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

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

Staff Days: 90 days

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

Audit of Management Controls over the Receipt and Management of Classified Records

Background: NARA defines *Classified National Security Information* as information that has been determined pursuant to Executive Order (E.O.) 12958, Classified National Security Information, as amended, or any predecessor Executive orders to require protection against unauthorized disclosure in the interest of national security and is marked to indicate its classified status when in documentary form. Classified information falls into one of three basic classification levels: TOP SECRET, SECRET, or CONFIDENTIAL. The designation UNCLASSIFIED is used to identify information that does not require a security classification.

NARA guidance requires that Classified information (a) be identified, controlled, safeguarded, and declassified in accordance with NARA guidance; (b) declassification efforts receive emphasis due to NARA's important role in ensuring that information remains classified only as long as required in the interest of national security; and, (c) proper management is included as a critical element or item to be evaluated in the rating of security managers or specialists and all other personnel whose duties significantly involve handling classified information.

Objective: The objective of this audit is to determine whether adequate controls exist to provide assurance classified information is appropriately controlled, properly managed, and effectively safeguarded.

Scope: The OIG will assess controls associated with (a) the receipt of classified information, (b) security surrounding classified information while in NARA custody, and (c) safeguards against inadvertent or purposeful removal/disclosure of classified material. Processes which may be included in the review include: accessioning, shipping, storage, reference, disposal, and declassification.

Estimated Staff Days: 120

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

Audit of the Management of Classified Information at the Washington National Records Center

Background: Classified information (Top Secret, Secret, or Confidential) must be controlled in a secure manner in order to avoid potentially damaging unauthorized release. Records containing classified information are housed at several NARA facilities, including the Washington National Records Center (WNRC) in Suitland, MD. In January 2009 the Office of Inspector General issued a Management Letter (Management Letter OI 09-01) which identified a series of problems at WNRC relating to the management and handling of classified material. These problems, dating back as far as 1998, resulted in unacceptable and even dangerous practices associated with classified records management at WNRC. The OIG report identified four specific issues as contributing to the improper management of classified material and asked management to respond with action taken or planned. In February 2009, management responded significant steps had been taken, or were in process, to remedy identified deficiencies.

Objective: The objective of this audit is to evaluate the sufficiency of management action taken, evaluate management action planned or in process management, and determine whether weaknesses cited in the January 2009 report are being adequately addressed.

Scope: The OIG will test controls cited as being in place by management in their February 2009

response and evaluate their effectiveness in addressing cited weaknesses. The OIG will also review and evaluate controls cited as in process or planned.

Estimated Staff Days: 90

Location: Washington National Records Center – Suitland, MD and Archives II – College Park, MD.

Audit of NARA's Digitization Program

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

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

Objective: The objective of this assignment is to determine whether management controls are adequate to address agency and customer needs and ensure greater access to NARA holdings.

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

Estimated Staff Days: 90 staff days

Locations: NARA facilities TBD.

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, used by researchers, and returned to storage locations.

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 Education Program

Background: Goal 5 in the NARA Strategic Plan states that NARA will increase access to records in ways that further civic literacy in America through our museum, public outreach, and education programs. A specific strategy mentioned for accomplishing this goal is to work with other Federal and state agencies whose primary purpose is education, to support teachers and students, to create a cadre of educators and researchers who use primary sources as teaching tools. NARA 1604 sets out controls and policies on NARA's educational programs for schools and the general public.

Objective: The objective of this audit is to evaluate the effectiveness and efficiency of NARA educational programs for schools and the general public.

Scope: The OIG will specifically determine whether controls are adequate to ensure development of appropriated programs. Further, we will assess whether developed programs are adequate and useful and reach targeted audiences.

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 2010, 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 2010

Attestation Engagements

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

Non-audit Services

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

Peer Review

The 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 2008. The Investigative Committee of the President's Council on Efficiency schedules external quality reviews of the IG investigation function. Both the NARA OIG audit and investigative functions are scheduled to be reviewed in FY 2011.

Fraud Prevention
Surveys

Fraud Prevention Surveys identify crime-conducive conditions and systemic weaknesses in management controls within NARA units and facilities. In FY 2010, 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 2010 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

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.**
Assignments:	Audit of NARA's Oversight of Electronic Records Management in the Federal Government Audit of Controls Over the Receipt and Management of Classified Holdings
Goal Two:	**We will preserve and process records to ensure access by the public as soon as legally possible.**
Assignments:	Audit of NARA's Preservation Program
Goal Three:	**We will address the challenges of electronic records in Government to ensure success in fulfilling NARA's mission in the digital era.**
Assignments:	Audit of Selected Components of NARA'S Electronic Records Archives (ERA) Program
Goal Four:	**We will provide prompt, easy, and secure access to our holdings anywhere, anytime.**
Assignments:	Audit of the Process for Providing and Accounting for Information Provided to Researchers Audit of NARA's Classified IT Systems Audit of Trusted Internet Connections (TIC) Audit of NARA's Implementation of Wireless Networks Audit of the Management of Classified Information at WNRC Audit of the Development of Various NARA systems
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.**
Assignments:	Audit of NARA's Digitization Program Audit of NARA's Grant Oversight and Grantee Use of Grant Funds Audit of NARA's Education Program
Goal Six:	**We will equip NARA to meet the changing needs of our customers.**
Assignments:	**Financial Audits** Consolidated Audit of NARA's Financial Statements **IT Audits** Evaluation of NARA Compliance with the Federal Information Security Management Act (FISMA) Audit of NARA's Monitoring of Computer Security Incidents Assessment of NARA' Backup Operations Assessment of NARA's Patch Management Program **Program Audits** Audit of NARA's Compliance with Federal Managers Financial Integrity Act for Fiscal Year 2009 Assessment of NARA's Procurement and Contract Management Practices Audit of NARA's Implementation and Compliance with HSPD-12 Audit of NARA's Movement of Freight Shipments

GLOSSARY

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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.