

Annual Work Plan Fiscal Year 2009



Office of Inspector General
National Archives and Records Administration

FOREWORD

I am pleased to present to Acting Archivist Thomas the Fiscal Year (FY) 2009 Work Plan for the National Archives and Records Administration (NARA) Office of Inspector General (OIG). In FY 2009 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.

A handwritten signature in black ink, appearing to read 'P. Brachfeld', written in a cursive style.

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 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, and education programs.
- We will equip NARA to meet the changing needs of our customers.

The OIG Strategic Plan will be revised in FY 2009 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 27 documents how the planned FY 2009 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 28).

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 2009 to align with the agency's revised strategic plan 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 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 2009 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. The OIG will develop a statement of work, coordinate a source selection team and work with NARA in awarding a new contract for FY 2009.

Estimated Staff Days: 120

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 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 2008

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 be submitted by the heads of each executive agency to the President and the Congress on the status of the agency's system of management controls.

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.

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). Specifically, we will determine whether (1) internal controls are adequate and have been adequately tested, and (2) information contained in individual office assurance statements is accurate and complete.

Scope: The evaluation, to be conducted at Archives II, will cover FY 2008 management control program.

Estimated Staff Days: 60

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, 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 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 Security Controls over NARA's Wireless Networks

Background: Wireless local area networks (WLAN) are groups of wireless networking nodes within a limited geographic area, such as an office building or building campus, that are capable of radio communication. WLANs are usually implemented as extensions to existing wired local area networks (LAN) to provide enhanced user mobility and network access. Wireless technology offers federal agencies a number of benefits, including increased employee productivity and ease of network installation. However, this technology also presents a number of potentially significant security risks to the confidentiality, integrity, and availability of sensitive information. These risks include the interception of communications not intended for public disclosure, denial of service attacks, and unauthorized deployment of wireless-enabled devices.

NIST Special Publications 800-97 "Establishing Wireless Robust Security Networks: A Guide to 802.11i," February 2007 and 800-48, Revision 1 "Guide to Securing Legacy IEEE 802.11 Wireless Networks," July 2008 provide guidance to organizations in securing their wireless local area networks.

Objective: : The overall audit objective is to determine whether NARA has established effective policy and implemented adequate security controls that provide reasonable assurance its wireless networks are adequately protected.

Scope: The OIG will assess the policies, procedures, and security controls in place to ensure they are adequate, effective and appropriate.

Estimated Staff Days: 100

Location: Agency-wide, travel to Presidential Libraries with wireless networks may be required.

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 may 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 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 that NARA ensure 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

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 Capitol, 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 NARA. In addition,

we will identify any obstacles impeding the accessioning process.

Staff Days: 120 days

Locations: NW and other locations TBD.

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) 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 controls are adequate and being followed to ensure that classified information is adequately received, effectively safeguarded, and properly managed.

Scope: The OIG will assess receipt of classified information controls throughout NARA and review classified information management activities.

Estimated Staff Days: 120

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

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 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 requiring 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

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 NARA's Movement of Freight Shipments

Background: Title 41 of the Code of Federal Regulation, Section 102-117 Subpart C, requires agencies to consider the following business rules before shipping freight to ensure the Government obtains the best value at the most economical price for transportation services. Specifically, when acquiring transportation or related services agencies must: (a) use the mode or individual transportation service provider (TSP) that provides the overall best value to the agency; (b) demonstrate no preferential treatment to any TSP when arranging for transportation services except on international shipments; (c) ensure that small businesses receive equal opportunity to compete for all business they can perform to the maximum extent possible, consistent with the agency's interest; (d) encourage minority-owned businesses and women-owned businesses, to compete for all business they can perform to the maximum extent possible, consistent with the agency's interest; (e) review the need for insurance; and (f) consider the added requirements on international transportation.

Objective: The objective is to determine if controls are effective and efficient to ensure that NARA obtains the best value and most economical prices for the movement of freight.

Scope: The evaluation will include an assessment of transportation planning and management as well as a review of freight movements and transportation documents.

Estimated Staff Days: 90 staff days

Locations: Agency-wide

Audit of the Accuracy of Performance Measurement and Reporting System Data

Background: NARA's Performance Measurement and Reporting System (PMRS) is a systematic agency-wide measurement and reporting system

focusing on those critical performance measures reflecting NARA's success toward achieving its strategic and long-range performance goals. The PMRS enables NARA to track and report on accomplishments against the annual performance plan objectives, as required by Government Performance Results Act (GPRA). More importantly, data contained in the system provides the basis for reporting the agency's performance to OMB. The system is populated with performance data from various NARA departments and levels of management. To adequately report to OMB and use the information derived from the system, it is imperative that accurate information be put into the system.

Objective: The objective of this project is to verify the validity of data entered into the PMRS.

Scope: The evaluation will include a comparison of information in the PMRS with source documents. Also, the evaluation will include an assessment of the adequacy of audit trails.

Estimated Staff Days: 90 staff days

Locations: Agency-wide

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 2008, 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 2009

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 2008, 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 2008 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 Audit of Controls Over NARA's Classified Holdings</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 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 Selected Components 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 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 Security Controls over NARA's Wireless Networks Audit of the Development of Various NARA systems</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: Audit of NARA's Digitization Program Audit of NARA's Grant Oversight and Grantee Use of Grant Funds</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</p> <p><u>IT Audits</u> Evaluation of NARA Compliance with the Federal Information Security Management Act (FISMA)</p> <p><u>Program Audits</u> Audit of NARA's Compliance with Federal Managers Financial Integrity Act for Fiscal Year 2008 Assessment of NARA's Procurement and Contract Management Practices Audit of the Accuracy of Performance Measurement and Reporting System Data Audit of NARA's Movement of Freight Shipments</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.