

# DAA-GRS-2016-00XX

## External Oversight Reporting and Internal Controls Records (GRS 5.7)

This file contains three documents. The draft schedule describes the records proposed for inclusion in this new GRS. The appraisal memorandum provides additional background explanation and includes the appraiser's justification for the retention decisions proposed in the schedule. The crosswalk matches authorities in the draft schedule with current GRS authorities.

This schedule has not yet been entered into the Electronic Records Archives, pending finalization through agency and stakeholder review.

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National Archives and Records Administration  
Office of the Chief Records Officer  
GRS Team  
October 3, 2016

## GENERAL RECORDS SCHEDULE 5.7: External Oversight Reporting and Internal Controls Records

This schedule covers agencies required reporting on administrative functions to external federal entities and the internal control records focused on implementation, assuring compliance, correcting issues, and assessing various types of risks.

Reporting on agency mission (such as annual reports to Congress like the PAR) is not covered by this schedule or elsewhere in the GRS. Reports received by the oversight agencies are not included in this schedule.

Item	Records Description	Disposition Instruction	Disposition Authority
010	<p><b>Mandatory administrative reporting files sent to external federal oversight entities</b>, such as the White House, Congress, OMB, OPM, or GSA, among others. Includes drafts, research, submission compilations, copies of reports and other related files.</p> <p>Types of reports include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Paperwork Reduction Act (including submission packet developed by agencies)</li> <li>• Whistleblower Act</li> <li>• Small and Disadvantaged Business Utilization files</li> <li>• IRM Triennial files</li> <li>• reports to the Joint Committee on Printing</li> <li>• FAIR Act reporting</li> </ul> <p><b>Note:</b> This item schedules records not already incorporated into a GRS function. For example, external reporting in functions such as finance (GRS 1.1), training (GRS 2.6) or ethics (GRS 2.8) are not addressed by this item.</p> <p><b>Supersedes:</b></p> <ul style="list-style-type: none"> <li>• GRS 16, item 6 (NC1-GRS-80-7, item 1)</li> <li>• GRS 16, item 11 (N1-GRS-87-15, item 1)</li> <li>• GRS 16, item 12 (N1-GRS-87-16, item 1)</li> <li>• GRS 3, item 17 (N1-GRS-87-14, item 1)</li> <li>• GRS 3, items 18a and 18b (N1-GRS-05-2, items 18a and 18b)</li> <li>• GRS 13, items 5a-5b (GRS 13, 1952, items 6a and 6b)</li> </ul>	<p><b>Temporary.</b>            Destroy 6 years after report submitted; longer retention is authorized if required for business use.</p>	DAA-GRS-2016-00XX-0001

Item	Records Description	Disposition Instruction	Disposition Authority	
020	<p><b>Internal control records</b></p> <p><b>Exclusion:</b> These items do not cover agency annual reports submitted directly to the President or Congress.</p>	<p><b>OMB Circular A-123 and related directives.</b> These files are created in response to OMB Circular A-123 and related guidance, statutes, and policy. Agencies are responsible for establishing and maintaining internal controls to achieve the objectives of effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. OMB Circular A-123 was initially written to implement the Federal Managers' Financial Integrity Act of 1982 (FMFIA). It was updated by OMB to ensure that internal controls for Executive-branch agencies mirror (when appropriate) the requirements for publicly-traded companies listed in the Sarbanes-Oxley Act of 2002.</p> <p>Includes:</p> <ul style="list-style-type: none"> <li>• external directives</li> <li>• related correspondence for performing management reviews</li> <li>• comprehensive plans documenting agency efforts to comply with OMB Circular A-123 (or succeeding requirements)</li> <li>• risk analyses</li> <li>• tracking files of report production and organization</li> <li>• annual reports and compliance statements from agency components that contribute to the agency unified report for submission to the President or Congress</li> </ul> <p>Supersedes:</p> <ul style="list-style-type: none"> <li>• GRS 16, items 14a-14e (N1-GRS-91-5, items 1a, 1b, 1c, 1d, N1-GRS-98-2, item 23)</li> </ul>	<p><b>Temporary.</b> Destroy 1 year after submission or when superseded; longer retention is authorized if required for business use.</p>	DAA-GRS-2016-00XX-0002

Item	Records Description	Disposition Instruction	Disposition Authority
021	<p><b>Review files by office with responsibility for coordinating internal control functions.</b> Correspondence, reports, action copies of audit findings, and other records that identify program internal control weaknesses, and corrective actions taken to resolve such problems. Since OMB Circular A-123 provides for alternative internal control reviews under OMB Circulars A-76, A-127, or A-130, this item also applies to copies of these reviews, provided they are identified as alternative reviews in the management control plan.</p> <p><b>Note:</b> Internal control review files created or managed by offices who contribute to internal controls but are not responsible for this function are covered by GRS 5.1, item 010.</p> <p><b>Supersedes:</b></p> <ul style="list-style-type: none"> <li>• GRS 16, items 14f1 (N1-GRS-91-5, item 1f1)</li> </ul>	<p><b>Temporary.</b> Destroy 5 years after no further corrective action is needed; longer retention is authorized if required for business use.</p>	DAA-GRS-2016-00XX-0003
030	<p><b>Administrative directives.</b> Notices and types of directives related to routine administrative functions, such as payroll, procurement, personnel, and human capital. Includes related files that document aspects of the development of administrative directives.</p> <p><b>Exclusion:</b> Directives related to mission activities are excluded. Such records should be scheduled on an agency-specific schedule.</p> <p><b>Supersedes:</b></p> <ul style="list-style-type: none"> <li>• GRS 16, item 1a and 1b (NC1-GRS-81-5, items 3c and 3d)</li> </ul>	<p><b>Temporary.</b> Destroy when superseded or obsolete; longer retention is authorized if required for business use.</p>	DAA-GRS-2016-00XX-0004



**Date:** September 27, 2016  
**Appraiser:** Addie M. Compton  
**Agency:** General Records Schedule (GRS)  
**Subject:** DAA-GRS-2016-00XX

**DRAFT**

## INTRODUCTION

### Schedule Overview

GRS 5.7: External Oversight Reporting and Internal Controls Records

### Additional Background Information

This schedule was designed to address government transparency in the matter of how well the federal government operates itself and the related processes of internal controls designated to assess and control various areas of risk. One aspect of the schedule is externally focused towards reporting to oversight entities. Agencies are required to report to other oversight federal entities, such as the White House, Congress, OMB, and OPM. The other aspect of the schedule is internal controls put in place to improve government performance through better evaluation and management of risk, especially financial mismanagement, but other types of risk as well. Administrative directives and administrative authorizations and delegations of authority records have been included in this schedule as one of their roles is to assist with the response to reporting requirements (as directives announce the requirement and state how the agency will comply) and authorizations and delegations of authority

NARA developed this schedule with assistance from the following agencies: OMB, GSA, the Small Business Administration, and the Joint Committee on Printing.

GRS 16, item 5, Project Control Files, (NC1-64-77-8, item 7) has been rescinded as there is no evidence federal agencies are using it, the purpose is unclear, and the language is overly generic.

GRS 16, item 14f2, Management Control Records, Review Files – Copies maintained by other offices as internal reviews, (N1-GRS-91-5, item 1f2) has been rescinded as these records, if still in use, should be treated as non-record or reference copies.

### Overall Recommendation

I recommend approval of the attached schedule.

**Item 0001 (GRS 5.7, item 010): Mandatory administrative reporting files required by external federal oversight entities (such as the White House, Congress, OMB, OPM, or GSA, among others).**

These reports and related files are designed to increase governmental transparency through providing information for the purpose of oversight of administrative functions. These reports share several characteristics. First, the reports are administrative in nature even as the topics vary widely. Examples include reports on fleet management, travel costs, energy management, mail management, and

information management. Second, these reports are required – not optional - from an outside federal oversight entity. (Responding to a public interest entity from outside the federal government, for instance, would not be covered by this item.) In many instances, that oversight entity is the Congress or the White House but individual federal agencies often exercise oversight in their areas of focus. Finally, these reports are regular. They are submitted to the oversight entity on a schedule. That schedule could be annual, biannually, quarterly, monthly or another timeframe but it is regular.

There were a number of items in the existing GRS that fit this overall framework. Instead of revising more individually focused items, a bucket item was created that captured the purpose of these reports. The item was specifically written to allow agencies to apply to future required external oversight reports. There are always new reports being demanded from agencies and this item removes the need to create and update a slew of individual requirement items, either in the GRS or in agency specific schedules. It also would not be necessary to delete or substantially change schedule items, again either in the GRS or in agency schedules, if a requirement sunsets or is eliminated, as occasionally happens.

Some reports are explicitly excluded from this item. Mission-related reports are not covered by this item. Reports received by the oversight agency are not covered by this item. For example, OMB, which has a number of required reporting from agencies, schedules those reports in an OMB schedule because they are related to OMB's mission. However, if OMB was required by a Congressional Committee to report on a given administrative function, those reports by OMB would be covered by this item. (Congressional Committee records are handled by NARA's Legislative Archives and are not subject to the Federal Records Act. However, if this was an executive federal agency, they would need an agency-specific schedule.)

Administrative report already scheduled by the GRS, such as reports to the EEOC on agency EEO activity, are currently excluded from this item. The citations included are: GRS 1, items 25f, 25d2, 25h1, 25h2, 25h3 and 25h4. Other examples include GRS 1, items 24a and 24d, GRS 11, item 2b1, GRS 2.8, items 030, 031, 040, 060, 061, 062, and 070, 071, 072, 080, 081, and 082 (some of these items concern reports filed by individuals in response to an Office of Government Ethics mandate – generally external required reporting is done on an agency level and not on an individual level.), GRS 3.2, item 020, GRS 4.1, items 010 and 020, GRS 4.2, items 070, 080, and GRS 6.2, item 060. NARA reserves the right to consolidate these items into GRS 5.7, item 010, if deemed appropriate.

**Proposed Disposition:** Temporary.

**Appropriateness of Proposed Disposition:** Appropriate.

**Appraisal Justification:**

\* Previously approved as temporary.

GRS 16, item 6 (N1-GRS-80-7, item 1)

GRS 16, item 11 (N1-GRS-87-15, item 1)

GRS 16, item 12 (N1-GRS-87-16, item 1)

GRS 3, item 17 (N1-GRS-87-14, item 1)

GRS 3, items 18a and 18b (N1-GRS-05-2, item 18a and 18b)

GRS 13, items 5a-5b (GRS 13, 1952, items 6a and 6b).

\* Has little to no research value. Records are administrative in nature.

**Adequacy of Proposed Retention Period:** Adequate from the standpoint of legal rights and accountability.

The current items have a variety of retentions:

GRS 16, item 6 - 2 years

GRS 16m items 11 and 12 - 7 years,

GRS 3, item 5a - 3 years,

GRS 3, item 5b - 1 year,

GRS 3, item 17 - 3 years,

GRS 3, item 18a - 6 to 10 years,  
GRS 3, item 18b - 2 years.

It is standard best records management practice when consolidating disparate items to select the longest retention period. In this case, 6 years was chosen because it is sufficient in case of audit or legal concerns. It is the 'Goldilocks' solution of not too long but not short. Ten years which would have been the longest retention, is not required and would be burdensome to apply to all of these records. Agencies are authorized to keep these records longer if necessary.

**Media Neutrality:** Approved.

**Item 0002 (GRS 5.7, item 020): Internal controls records – OMB Circular A-123 and related directives.**

This item reflects the process of implementing OMB's Circular A-123, and any related or succeeding guidance on internal controls. OMB Circular A-123 was initially created to implement the Federal Managers' Financial Integrity Act of 1982 (FMFIA) and was updated to reflect the new regulatory requirements for private sector companies contained in Sarbanes-Oxley Act of 2002. It provides a framework and requirements for federal agencies to assess and manage risk, mostly financial but other kinds as well, and to set up various internal controls to assess, manage and respond to those risks.

This item is a consolidation of several very granular items, similar to item 0001 (GRS 5.7, item 010). It is designed to allow new internal controls governed by OMB Circular A-123 or succeeding guidance to be scheduled by this item as OMB guidance evolves over time.

**Proposed Disposition:** Temporary.

**Appropriateness of Proposed Disposition:** Appropriate.

**Appraisal Justification:**

- \* Previously approved as temporary.  
GRS 16, items 14a-14e (N1-GRS-91-5, items 1a, 1b, 1c, 1d, N1-GRS-98-2, item 23)
- \* Has little to no research value. Records are administrative in nature.

**Adequacy of Proposed Retention Period:** Adequate from the standpoint of legal rights and accountability. The prior items were very atomized as well as disparate in their cutoff instructions and their dispositions. However, none was longer than a year; most were variations of 'Destroy when superseded, submitted, or no longer needed.' A year was selected as an appropriate overall length of retention, triggered by the actions of being superseded or submitted. Agencies are authorized to keep these records longer if necessary.

**Media Neutrality:** Approved.

**Item 0003 (GRS 5.7, item 021): Internal control records - Review files by office with responsibility for coordinating internal control functions.**

This item remains separate from Item 0002 (GRS 5.7, item 020) as it schedules the process of implementing other internal controls (managed by OMB Circulars such as A-76 and A-130), identifying issues in internal control implementation and compliance, issuing corrections in response and continuing to report.

**Proposed Disposition:** Temporary.

**Appropriateness of Proposed Disposition:** Appropriate.

**Appraisal Justification:**

- \* Previously approved as temporary.  
GRS 16, items 14f1 (N1-GRS-91-5, item 1f1)
- \* Has little to no research value. Records are administrative in nature.

**Adequacy of Proposed Retention Period:** Adequate from the standpoint of legal rights and accountability. This item's disposition has not fundamentally changed from its predecessor – the cutoff instructions were merged into the disposition instructions is the only cosmetic change. In addition, agencies are now authorized to keep these records longer if necessary.

**Media Neutrality:** Approved.

**Item 0004 (GRS 5.7, item 030): Administrative directives.**

This item is designed to apply to routine directives or issuances on administrative functions within an agency. Mission related directives are excluded from this item and should be scheduled by the agency as they may be of permanent value.

**Proposed Disposition:** Temporary.

**Appropriateness of Proposed Disposition:** Appropriate.

**Appraisal Justification:**

- \* Previously approved as temporary.  
GRS 16, items 1a and 1b (NC1-GRS-81-5, item 3c and 3d)
- \* Has little to no research value. Records are administrative in nature.

**Adequacy of Proposed Retention Period:** Adequate from the standpoint of legal rights and accountability. The prior items were merged; the retention is consolidated but essentially unchanged. The prior item for administrative issuances (GRS 16, item 1a, NC1-GRS-81-5, item 3c) was triggered for destruction by becoming superseded or obsolete. The related case files in the prior item (GRS 16, item 1b, NC1-GRS-81-5, item 3d) were destroyed upon the destruction of the issuance so the retention was not different in kind. Agencies are authorized to keep these records longer if necessary.

**Media Neutrality:** Approved.

ADDIE MAY COMPTON  
Appraiser



**GRS 5.7**

New GRS				Old GRS			
GRS No.	Item No.	Retention	ERA Number/ Disposition Authority	GRS No.	Item No.	Retention	Disposition Authority
5.7	010	6 years	DAA-GRS-2016-00XX-0001	16	6	2 years	NC1-GRS-80-7, item 1
				16	11	7 years	N1-GRS-87-15, item 1
				16	12	7 years	N1-GRS-87-16, item 1
				3	17	3 years	N1-GRS-87-14, item 1
				3	18a	6-10 years	N1-GRS-05-2, item 18a
				3	18b	2 years	N1-GRS-05-2, item 18b
				13	5a	3 years	GRS 13, 1952, item 6a
				13	5b	1 year	GRS 13, 1952, item 6b
5.7	020	1 year	DAA-GRS-2016-00XX-0002	16	14a	When superseded	N1-GRS-91-5, item 1a
				16	14b	When superseded	N1-GRS-91-5, item 1b
				16	14c	After next review cycle	N1-GRS-91-5, item 1c
				16	14d	After next reporting cycle	N1-GRS-91-5, item 1d
				16	14e	1 year	N1-GRS-98-2, item 23
5.7	021	5 years	DAA-GRS-2016-00XX-0003	16	14f1	5 years	N1-GRS-91-5, item 1f1
5.7	030	when superseded	DAA-GRS-2016-00XX-0004	16	1a	When superseded	NC1-GRS-81-5, item 3c
				16	1b	When issuance destroyed	NC1-GRS-81-5, item 3d