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Department of the Treasury
Records Management Program

Records Management Inspection Report

National Archives and Records Administration
February 29, 2016

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EXECUTIVE SUMMARY

The National Archives and Records Administration (NARA) is responsible for assisting and assessing Federal agencies on the proper management of records in all media within Federal agencies to protect rights, assure government accountability, and preserve and make available records of enduring value.¹ In this capacity, NARA inspects the records management programs of agencies to ensure compliance with the Federal Records Act and its implementing regulations and to investigate specific issues or concerns. NARA then works with agencies to make improvements to their programs based on inspection findings and recommendations.

A successful and compliant program requires senior management support at the highest levels; a clear definition of program objectives, responsibilities, and authorities; allocation of sufficient resources to administer the program; assignment of the program to an appropriate office within the agency's organizational structure; continuous training for records management staff; and regular internal evaluations to monitor compliance and program effectiveness.

Departmental records management (RM) can be very complex due to the large size of Departments, differences between components, competing programs, and limited resources. In order to successfully implement a Departmental records management program, communication and coordination between the Department and its components are essential. Each component has its own mission and manages its records in accordance with its policies and procedures. It is the responsibility of the Departmental records management program to develop department-wide policies, directives, standards, procedures, guidance, and strategies that enable the components to design and implement compliant and effective records management programs.

NARA is interested in how well Departmental records management programs operate and incorporate records management coordination into organizational business lines and culture. In order to understand these processes more fully, we examined how the Departmental Records Officer (DRO) works with component Records Officers, and how Departmental business lines plan and implement standards, policies, procedures, and other aspects of a records management program.

In 2015, NARA inspected the records management program at the Department of the Treasury (the Department). NARA conducted this effort under the authority granted it by 44 United States Code (U.S.C.) 2904(c)(7) and 2906 to inspect records management programs and practices of Federal agencies. NARA initiated this inspection as part of a multi-year project to assess the strategic coordination and implementation of records management policies and practices by Department Records Officers with the programs within its components. Treasury, in particular, has been working to establish department-wide coordination for several years. NARA, aware of the coordination being done, was interested in learning more, and looking to discover if there are best practices that could be used government-wide.

¹ 44 U.S.C. Chapter 29, <http://www.archives.gov/about/laws/records-management.html>.

FINDINGS AND RECOMMENDATIONS

This report contains five findings and nine recommendations.

- The Department of the Treasury Information Resources Management Strategic Plan does not fully recognize or incorporate records management.
- The Departmental RM program's strategic plan needs to be finalized and include a process to review and update the plan periodically.
- The Departmental RM program would benefit from senior management support for stronger lines of communication and coordination to closely work with and assist component RM programs.
- Records management training is not mandatory for all staff throughout the Department of the Treasury.
- The Treasury Department RM program's policies, procedures, standards, and guidance require updating.

The involvement of senior-level agency officials is essential to make improvements to records management programs and to meet the requirements of the OMB/NARA *Managing Government Records Directive* (M-12-18)². The following recommendations are directed to the Senior Agency Official for Records Management (SAO). The SAO should champion efforts to:

- Ensure all parts of the agency understand the role of effective records and information management in meeting mission needs.
- Ensure compliance with records management regulations and policies throughout the organization.
- Ensure that the agency dedicates the resources necessary to meet the M-12-18 goals to manage email and permanent electronic records in electronic formats by 2016 and 2019 respectively.
- Ensure that the Departmental Records Officer and associated staff members have the resources and support needed to carry out their responsibilities.

A complete list of findings and recommendations is included as Appendix C.

To support the Department's efforts to implement these recommendations, NARA further recommends, and the Department agrees, to develop a Plan of Corrective Action (PoCA) that specifies how the agency will support each report recommendation, including a timeline for completion of action steps. NARA will review the proposed action steps and advise the Department on the scope and impact of its PoCA. Upon approval of the PoCA, NARA looks forward to continuing its engagement with the Department and assisting with the implementation of the recommendations.

² <https://www.whitehouse.gov/sites/default/files/omb/memoranda/2012/m-12-18.pdf>.

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**DEPARTMENT OF THE TREASURY
RECORDS MANAGEMENT PROGRAM**

INSPECTION REPORT

INTRODUCTION

The National Archives and Records Administration (NARA) is responsible for assisting and assessing Federal agencies on the proper management of records in all media within Federal agencies to protect rights, assure government accountability, and preserve and make available records of enduring value.³ In this capacity, NARA inspects the records management programs of agencies to ensure compliance with the Federal Records Act and its implementing regulations and to investigate specific issues or concerns. NARA then works with agencies to make improvements to their programs based on inspection findings and recommendations.

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NARA is interested in how well Departmental RM programs operate and incorporate records management coordination into organizational business lines and culture. In order to understand these processes more fully, we examined how the Departmental Records Officer (DRO) works with component Records Officers, and how Departmental business lines plan and implement standards, policies, procedures, and other aspects of a records management program.

In 2015, NARA inspected the records management program at the Department of the Treasury (the Department). NARA conducted this effort under the authority granted it by 44 United States Code (U.S.C.) 2904(c)(7) and 2906 to inspect records management programs and practices of Federal agencies. NARA would like to acknowledge the Department's cooperation in this effort.

³ 44 U.S.C. Chapter 29, <http://www.archives.gov/about/laws/records-management.html>.

BRIEF AGENCY DESCRIPTION

The Department is the executive agency responsible for promoting economic prosperity and ensuring the financial security of the United States. The Department is responsible for a wide range of activities such as advising the President on economic and financial issues, encouraging sustainable economic growth, and fostering improved governance in financial institutions. The Department operates and maintains systems that are critical to the nation's financial infrastructure, such as the production of coin and currency, the disbursement of payments to the American public, revenue collection, and the borrowing of funds necessary to run the Federal Government. The Department works with other Federal agencies, foreign governments, and international financial institutions to encourage global economic growth, raise standards of living, and to the extent possible, predict and prevent economic and financial crises. The Department also performs a critical and far-reaching role in enhancing national security by implementing economic sanctions against foreign threats to the United States, identifying and targeting the financial support networks of national security threats, and improving the safeguards of our financial systems.

The Departmental offices are composed of divisions headed by assistant secretaries and under-secretaries who are primarily responsible for policy formulation and overall management of the Department. There are a total of 13 major offices and three inspectors general:

- Domestic Finance
- Economic Policy
- Executive Secretariat
- General Counsel
- International Affairs
- Legislative Affairs
- Management
- Office of Financial Research (OFR)
- Office of Financial Stability (OFS)
- Public Affairs
- Tax Policy
- Terrorism and Financial Intelligence (TFI)
- Treasurer of the United States
- Inspector General
- Treasury Inspector General for Tax Administration (TIGTA)
- Special Inspector General for the Troubled Asset Relief Program (SIGTARP)

Other specific operations assigned to the department are carried out by 8 Bureaus:

- Internal Revenue Service (IRS)
- U.S Mint
- Alcohol and Tobacco Tax and Trade Bureau (TTB)
- Fiscal Service (FS)
- Bureau of Engraving and Printing (BEP)
- Office of the Comptroller of the Currency (OCC)
- Community Development Financial Institutions (CDFI)
- Financial Crimes Enforcement Network (FinCEN)

The inspection team conducted site visits, teleconferences, and meetings with the components and offices listed in Appendix D.

INSPECTION OBJECTIVE

The objective of this inspection was to review Department standards, policies, procedures, and other records management coordination practices to help the Department and its components maintain effective records management programs and enhance compliance with 36 Code of Federal Regulations (CFR) Chapter XII, Subchapter B. Additionally, during the course of the inspection, NARA sought to identify best practices and lessons learned related to the implementation of records management policies and practices.

SCOPE AND PURPOSE

The purpose of this inspection was to examine the methods whereby the Departmental RM program and the records programs within its components share, organize, communicate, and cooperate in order to develop and implement records management practices that strengthen the RM program within the Department as a whole. This inspection focused specifically on the RM standards, policies, procedures, and practices at the Department level and their impact on components. The inspection also examined the controls that the Department has implemented to mitigate the risks to its records and information and to ensure that agency policies and procedures are implemented.

METHODOLOGY

This inspection consisted of site visits and teleconferences with the Departmental RM staff as well as component Records Officers in Washington, DC.

This inspection also included a review of documentation and data related to Treasury policies and activities.

- The inspection team reviewed records management policies, directives, and other documentation provided by Treasury. (See Appendix A)
- The inspection team conducted site visits, teleconferences, and meetings with appropriate RM staff. (See Appendix D)

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- The inspection team used a detailed checklist based on Federal statutes and regulations as well as NARA guidance to guide the course of the inspection. (See Appendix E)
 - The inspection team reviewed Treasury and component responses to the annual Records Management Self-Assessment (RMSA) from 2012 to 2014, and Treasury's Senior Agency Official (SAO) for RM reports from 2013 and 2014.

STRUCTURE OF THE REPORT

In accordance with 36 CFR 1239 this report contains:

- (1) An executive summary;
- (2) Background and purpose of the inspection;
- (3) Inspection methodology, including offices visited;
- (4) Findings;
- (5) Corrective actions needed and other recommendations; and
- (6) Any necessary appendices, such as summaries of each site visit or the inspection instrument.

STATUTES AND REGULATIONS

36 CFR Chapter XII, Subchapter B specifies policies for Federal agencies' records management programs relating to proper records creation and maintenance, adequate documentation, and records disposition. The regulations in this Subchapter implement the provisions of 44 U.S.C. Chapters 21, 29, 31 and 33.

The Federal Records Act requirements for Federal agencies are found in 44 U.S.C. Chapter 31, Records Management by Federal Agencies. At a high level, agency heads are responsible for ensuring several things, including:

- The adequate and proper documentation of agency activities. (44 U.S.C. 3101)
- A program of management to ensure effective controls over the creation, maintenance, and use of records in the conduct of their current business. (44 U.S.C. 3102(1))
- Compliance with NARA guidance and regulations and compliance with other sections of the Federal Records Act that give NARA authority to promulgate guidance, regulations, and records disposition authority to Federal agencies. (44 U.S.C. 3102(2) and (3))

The regulations implementing the Federal Records Act are found in 36 CFR Chapter XII, Subchapter B—Records Management. NARA provides additional guidance to agencies at its records management website - <http://www.archives.gov/records-mgmt/>.

FINDINGS AND RECOMMENDATIONS

DESCRIPTION OF THE TREASURY RECORDS MANAGEMENT PROGRAM

Organizationally, the Departmental RM program is located in the Office of the Assistant Secretary for Management – Office of Privacy, Transparency, and Records. This staff oversees an agency-wide RM program and supports the RM programs of the components nationwide.

RM for the Department and its components is guided by Treasury Directive 80-05 and the related Records Management Manual, TD P 80-05 (both issued in June 2002). Both documents are currently being revised to update and/or add guidance on electronic records management, instant messaging, and cloud computing. The Departmental RM program is drafting specific guidance on email management (i.e., under the NARA “Capstone” approach) in the form of a new Treasury Directive (80-07) and the related Email Management Manual (TD P 80-07). The Departmental RM program oversees the management and disposition of agency records through the use of Departmental records schedules.

The Departmental RM program has been working to establish a department-wide, coordinated, and cohesive RM program. There are some challenges inhibiting the success of these efforts. This inspection report identifies those challenges and makes recommendations that would assist the Departmental RM program in overcoming them.

HIGHLIGHTS OF THE DEPARTMENTAL RM PROGRAM

As part of the objective of this inspection, the Departmental RM program revealed notable highlights in achieving their RM goals and responsibilities. Treasury has started the following activities and projects to improve their RM program. NARA is encouraged by these developments and looks forward to supporting the Treasury in these ongoing activities:

- **Departmental RM Communication.** At the time of the inspection, the Departmental RM program was planning a series of annual Records and Information Management (RIM) “summit” meetings to bring together Department-wide staff – representing not only records but also other information management disciplines – to share information and best practices, communicate, and collaborate. NARA understands that the FY 2015 RIM summit, which took place in September 2015, discussed critical RM topics including the Department’s Capstone approach to email management and Electronic Records Management best practices. The summit was highly attended and included RIM staff from the Departmental offices and each component.

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- **Capstone Implementation.** The Departmental RM program has been actively developing the Capstone approach to email management, and working closely with key stakeholders including the Offices of the Chief Information Officer (OCIO), General Counsel, and Human Resources (HR). Departmental RM staff is in the process of helping define IT policies, develop rules to apply document “holds” for litigation, and establish ongoing HR processes to identify new Capstone employees. The Departmental RM program has prepared high-level Capstone education, including briefings for senior leadership, and is developing a comprehensive plan to ensure that focused and essential Capstone training is available to all employees. Finally, the Department intends to use the approved General Records Schedule (GRS) for Capstone.
 - **Departmental Records Management Directive.** Updated versions of the Departmental records management directive and publications are being prepared and will reflect current Department policies on email management, electronic messaging and cloud computing services. A Department’s RM foundation must be built on RM policy that complies with NARA regulations. A compliant, effective, and efficient Federal records management policy requires incorporation of the management of electronic records into records management activities; integration of records management functionalities and preservation considerations into the design, development, enhancement, and implementation of electronic information systems; and appropriate management of electronic records.
 - **Periodic Assessments and Evaluations.** The Department has conducted two Triennial Assessments. This program complies with 36 CFR 1220.34. Conducting periodic assessments and evaluations provides documentation on how well various offices comply with records schedules and other aspects of records management. They provide opportunities to identify areas that need improvement as well as areas that are working well and could serve as models to other parts of the program. In conducting evaluations, the Departmental RM program can increase its visibility, building opportunities for briefings, training, and additional dissemination of RM information. Finally, conducting assessments and evaluations help measure the effectiveness of RM practices within the agency and ensure compliance with NARA regulations.
 - **Electronic Content Management (ECM).** Many offices within the Department have incorporated SharePoint ECM with RM functionality turned on. A compliant, effective, and efficient Federal RM program requires incorporation of the management of electronic records into RM activities; integration of RM functionalities and preservation considerations into the design, development, enhancement, and implementation of electronic information systems; and appropriate management of electronic records. Parts of the Department are developing and implementing a SharePoint ECM that will facilitate managing the Department’s records and information. The SharePoint system provides the Department with the means to electronically manage the vast majority of agency records while providing public access to most of the agency’s records and information. Once the Department fully implements the SharePoint ECM, they will have a fully integrated RM system ensuring the effective and efficient use of the Department’s information resources.

MANAGEMENT OF EMAIL AT THE TREASURY

A major focus of the Department's electronic records management (ERM) efforts is on email management and the Capstone approach.⁴ The 2014 SAO Report to NARA indicated that the Department was planning to utilize Capstone as a means of managing email. Treasury does not have a department-wide email system, which is in keeping with the federated nature of Treasury operations. The Department's components have utilized different technologies including SharePoint, Autonomy, Documentum, OpenText, and shared drive storage. The Capstone approach can be applied by all components regardless of multiple email systems. The Department has drafted Email Management Manual (TD P 80-07) to establish email policy. The key will be to properly identify Capstone accounts across all components once the Email Management Manual is implemented and the Department has obtained NARA approval to use the Capstone GRS.

It is important for the Department to have email policies, procedures, and training that enables staff to properly handle email. This is an area where the Departmental RM program, with the leadership support of the SAO and collaboration with the OCIO, will help ensure the implementation of an effective email management plan throughout the Department.

STRATEGIC PLANNING

Finding 1: The Department of the Treasury Information Resources Management Strategic Plan does not adequately recognize or incorporate records management.

The Office of Management and Budget (OMB) requires agencies to develop and maintain their Information Resources Management (IRM) plan as required by 44 U.S.C. 3506(b).⁵ Agencies, through the IRM plan, are also required by 44 U.S.C. 3506(c) (6) to implement agency information policies, principles, standards and guidelines with respect to information collection, paperwork, reduction, statistical activities, records management activities, privacy and security of records, sharing and dissemination of information, acquisition and use of information technology, and other information resource management functions. Therefore, RM should be incorporated and/or recognized in the IRM's strategic goals or objectives.

Treasury does have an IRM Strategic Plan for FY 2013-2016; however, this plan does not adequately recognize and/or incorporate records management. In fact, the word "records" only appears twice in the 45-page document. This strategic plan is currently being updated for FY 2016, and it is unclear if records management will be fully integrated into the plan.

⁴ Bulletin 2013-02: Guidance on a New Approach to Managing Email Records, <http://www.archives.gov/records-mgmt/bulletins/2013/2013-02.html>.

⁵ 44 U.S.C. 3506, www.gpo.gov.

IRM plans naturally include data management strategies, tactics, designs and proposals for new systems, and enhancements to or retiring of information management systems that create and maintain records. By not recognizing records and records management in the IRM and systems development processes, agency systems may not fully manage records appropriately from design and through the life of the system. This disconnect between RM and IRM puts Treasury at risk of being non-compliant with 36 CFR 1236.12, which states:

As part of the capital planning and systems development life cycle processes, agencies must ensure:

- (a) That records management controls (see §1236.10) are planned and implemented in the system.
- (b) That all records in the system will be retrievable and usable for as long as needed to conduct agency business (i.e., for their NARA-approved retention period). Where the records will need to be retained beyond the planned life of the system, agencies must plan and budget for the migration of records and their associated metadata to new storage media or formats in order to avoid loss due to media decay or technology obsolescence. (See §1236.14)
- (c) The transfer of permanent records to NARA in accordance with part 1235 of this subchapter.
- (d) Provision of a standard interchange format (e.g., ASCII or XML) when needed to permit the exchange of electronic documents between offices using different software or operating systems.⁶

Including the Department RM program in the IRM and system design strategic planning would also satisfy 36 CFR 1236.20, which states that recordkeeping systems must be able to declare, capture, organize, maintain security, manage access and retrieval, preserve records, and execute disposition. Additionally, by not adequately including RM, the Department risks being unable to meet the M-12-18 goal to manage permanent electronic records in electronic format by December 31, 2019.

Recommendation 1.1: The Department must fully incorporate records management and recordkeeping requirements into the goals and objectives of IRM strategic planning. (44 U.S.C. 3506(b) and 36 CFR 1222.26)

Recommendation 1.2: The Department should increase the involvement of the Departmental RM program in information management systems planning to ensure the integration of recordkeeping requirements in information and data management strategies, tactics, designs, and implementations.

⁶Title 36 Chapter XII Subchapter B, www.ecfr.gov.

Finding 2: The Departmental RM Program’s strategic plan needs to be finalized.

The Department has a draft strategic plan to further develop and guide the implementation of a comprehensive RM program. Typically these plans provide goals, objectives and tactics for enhancing the RM program, and can be utilized in developing a new RM strategic plan or for linking records management goals and objectives into the IRM strategic plan.

Finalizing the strategic plan would strengthen the ability of the Departmental RM program to identify and prioritize goals and objectives needed to enhance the program. This step would minimize the risk of RM staff acting in a reactive fashion and spending time handling issues in a crisis management mode. A strategic plan, once finalized, will provide goals and objectives, create a clear path for implementation, streamline the efforts that are already being made, and help prioritize efforts to establish a fully functioning Departmental RM program.

The effective implementation of a strategic plan requires cooperation and coordination between the Departmental RM program and the component RM programs. Leveraging the abilities and skills of the component RM staff would enhance the Departmental RM program’s efforts to maintain an effective Department-wide RM program.

Recommendation 2: The Treasury Department RM program should finalize the draft strategic plan, including a process to review and update the plan periodically, in coordination with Department components.

COMMUNICATION AND COORDINATION

Finding 3: Senior management, through the SAO, should further strengthen lines of communication, assistance, and collaboration across the Departmental and component RM programs.

Enlisting the support of senior management is essential to enhancing department-wide cooperation and coordination on records management. The OMB/NARA *Managing Government Records Directive* (M-12-18) in 2012 established a national effort to reform records management policies and practices and to develop a 21st century framework for managing Government records.⁷ One of the key tenets of M-12-18 requires agencies to appoint a Senior Agency Official for Records Management to oversee and review records management programs. One of the purposes for having an SAO is to provide executive level support, particularly where there are areas that need improvement.

The Department has appointed an SAO at the Assistant Secretary Level. With executive level support from the Department SAO and senior management, the Departmental RM program has the visibility and support to develop an effective RM program ensuring the management and preservation of Treasury's records and information. The inspection team discussed with Department and component RM staff the value of appointing SAOs at the executive component levels. There was varying levels of interest among the components. NARA suggests that the

⁷ <https://www.whitehouse.gov/sites/default/files/omb/memoranda/2012/m-12-18.pdf>.

Department conduct additional analysis to determine the feasibility, viability and value to the RM program of appointing an SAO in each of the component Bureaus.

Leveraging SAO support would greatly enhance the Departmental RM program's efforts to get disparate RM programs across the Treasury to work together and to find ways to assist each other and the DRO. The DRO should utilize this approach, as well as the RM staff across all of Treasury, for exploring and identifying better lines of communication. The Departmental RM Program should develop cooperative projects with SAO support to help achieve a more cohesive Department-wide RM program. The RM staff throughout Treasury should work together under the leadership of the SAO and DRO in order to meet the overall objective of enhancing the Department-wide RM program.

At the time of the inspection, the Departmental RM program was planning a series of annual RIM summits to bring together Department-wide RM staff – as well as staff from other information management disciplines – to share information and best practices, communicate, and collaborate. Regular RM meetings between the DRO and the components is essential, as most of the component staff we interviewed felt that these activities were important and helpful avenues for information sharing and collaboration, and many staff were eager to see an expansion of the topics discussed. The Departmental RM program can use these lines of communication to identify opportunities for the SAO to tactically engage RM leadership throughout the Department. Good communication and coordination are essential for all RM stakeholders to function in an effective and cooperative manner.

In summary, the Departmental RM program should engage the component RM programs, with the support of the SAO, to enhance records management compliance and implement best practices, especially in the following areas:

- Transitioning to electronic recordkeeping, including achieving the M-12-18 goal for managing permanent electronic records electronically.
- Overseeing the implementation of the Department's RM program.
- Ensuring proper management of records and information pursuant to applicable Federal laws, regulations, and NARA guidance.
- Ensuring the RM program is fully integrated with the Department's information governance framework. (This framework should outline strategies, practices, policies, roles, and responsibilities at both the strategic and operational level.)
- Ensuring the Department protects records against removal or loss and that all agency employees receive training on their records management responsibilities.

Recommendation 3.1: The Department should determine the viability of appointing SAO's at the component level to improve strategic coordination of RM throughout the department.

Recommendation 3.2: The Department SAO should engage with the Departmental RM program and the Treasury component RM programs to evaluate the Department's plans and progress for complying with the goals of M-12-18 and applicable records management regulations and requirements.

Recommendation 3.3: To create a more cohesive Department-wide RM program, the Department Records Officer, with the support of the SAO, should establish routine communication and cooperation between the Departmental RM program and the Treasury component RM programs.

RECORDS MANAGEMENT TRAINING

Finding 4: Records management training is not mandatory for all staff throughout the Department of the Treasury.

36 CFR 1220.34(f) and M-12-18 require agencies to provide guidance and training to all personnel on their records management responsibilities. With the added responsibilities for creating and managing electronic records and email, it is increasingly important for agencies to have RM training programs. As creators and managers of the records that document the agency's mission and accomplishments, the RM staff and all employees should have the necessary training to safeguard those records and to ensure compliance with records management statutes and regulations as well as policies, procedures, and guidance.

The Departmental RM program has developed a number of RM training products; however, the training is not mandatory for employees in the Departmental Offices or within most components. In addition, some Bureaus have developed and conducted their own RM training programs that could serve as possible models for the Departmental RM program as a whole as well as for other individual components. As a result, there is an opportunity for the Departmental and component RM programs to collaborate on, as well as champion the adoption of standardized, mandatory RM training throughout the Department.

Recommendation 4: The Departmental RM program must collaborate with component RM programs to develop and implement mandatory records management training, including email and electronic records management, for all staff. (36 CFR 1220.34)

PROGRAM DEVELOPMENT AND MANAGING ELECTRONIC RECORDS

Finding 5: The Treasury Department RM program's policies, procedures, standards, and guidance require updating.

Records management for the Department and its components is guided by Treasury Directive 80-05 and the related Records Management Manual, TD P 80-05 (both issued in June 2002). Both documents are currently being revised to update and/or add guidance on electronic records management, instant messaging, and cloud computing. The Departmental RM program is drafting specific guidance on email management (i.e., under the NARA "Capstone" approach) in the form of a new Treasury Directive (80-07) and the related Email Management Manual (TD P 80-07). The Departmental RM program oversees the management and disposition of agency records through the use of departmental records schedules.

In today's records and information environment it is essential to have policies and guidance that address the management of email and other electronic records. ERM must be a major part of the overall RM program. The Departmental RM program has good policies and guidance; however,

some are outdated. It is critical for Departmental RM guidance to reflect the most current requirements on managing electronic records, email, and records and information in cloud environments.

Recommendation 5.1: The Departmental RM program must update existing directives, policies, manuals, procedures, and standards to include guidance on managing electronic records and information, including email. (36 CFR 1220.34, 36 CFR 1236.22)

Recommendation 5.2: The Departmental RM program must provide additional guidance to all RM staff, employees, and contractors on the management of electronic records and information, including email. (36 CFR 1236)

Recommendation 5.3: The Departmental RM program, in cooperation with the OCIO, must develop and implement recordkeeping requirements for records and information being maintained in cloud environments. (36 CFR 1236)

CONCLUSION

Maintaining an effective department-wide RM program is very complex and requires senior management support; strategic planning with goals, objectives, and performance measures; assessing adequate and appropriate staffing and funding; and a great deal of coordination. The Department has expressed a strong desire to continually enhance and improve its program. The Department's SAO is committed to championing RM efforts and encouraging senior management to provide similar support. NARA fully endorses these goals and lends its support through the findings and recommendations in this report.

While the Departmental RM program, the component RM programs, and the DRO are making efforts to improve the overall Departmental RM program, this report identifies specific actions that, in NARA's view, are essential to achieving a successful and efficient Departmental RM program by:

- Developing and implementing a final RM strategic plan to provide clear goals and objectives
- Fully recognizing and incorporating records management into the Department IRM
- Strengthening lines of communication and coordination among Departmental and component RM programs, with support from the SAO senior level management
- Developing and implementing standardized, mandatory records management training for all records staff and all employees and contractors.
- Updating and addressing any gaps in the Departmental RM program's policies, procedures, standards, and guidance.

In NARA's view, implementing the recommendations in this report, along with support from the Department SAO and senior management throughout the Department of the Treasury, will strengthen the Departmental and component RM programs, help the Department achieve its mission, and ensure the effective management and preservation of Department records and information.

APPENDIX A
RELEVANT PRE-INSPECTION DOCUMENTS

- 2013-2014 SAO Reports
- 2012-2014 RMSA Responses
- Office of Inspector General Internal Inspection Reports
- Triennial Assessment Baseline Data and Final Reports
- TD 80-05 Draft of Proposal - May 2014
- TD P 80-05 Draft of Proposal - June 2014
- TD P 80-07 Draft Email Management Manual – May 2015
- Department and Component Organizational Charts
- Department and Component Internal RM Portals
- Department and Component RM Policies and Procedures
- Information Resources Management Strategic Plan dated 02/28/2014
- Enterprise Information Technology Roadmap dated 02/28/2014
- Electronic Records Management – Draft Department of Treasury 5 Year Plan to Comply with Managing Government Records Directive M-12-18

APPENDIX B

AUTHORITIES AND FOLLOW-UP ACTIONS

AUTHORITIES

- 44 U.S.C. Chapter 29
- 36 CFR Chapter XII, Subchapter B
- 36 CFR 1239, Program Assistance and Inspections

OTHER GUIDANCE

- OMB/NARA Managing Government Records Directive, M-12-18
- OMB/NARA Guidance on Managing Email, M-14-16
- Other NARA Bulletins currently in effect

FOLLOW-UP ACTIONS

- ACTION PLAN

The Department of the Treasury will submit to NARA a Plan of Corrective Action (PoCA) that specifies how the agency will address each inspection report recommendation, including a timeline for completion and proposed progress reporting dates.

The plan must be submitted within 60 days after the date of transmittal of the final report to the head of the agency.

- PROGRESS REPORTS

The Treasury will submit to NARA progress reports on the implementation of the action plan until all actions are completed.

- NARA REVIEW

NARA will analyze the adequacy of the Treasury's action plan, provide comments to the Treasury on the plan within 60 calendar days of receipt, assist the Treasury in implementing recommendations, and inform the Treasury when progress reports are no longer needed.

APPENDIX C

COMPLETE LIST OF FINDINGS AND RECOMMENDATIONS

Finding 1: The Department of the Treasury Information Resources Management Strategic Plan does not adequately recognize or incorporate records management.

Recommendation 1.1: The Department must fully incorporate records management and recordkeeping requirements into the goals and objectives of IRM strategic planning. (44 U.S.C. 3506(b) and 36 CFR 1222.26)

Recommendation 1.2: The Department should increase the involvement of the Departmental RM program in information management systems planning to ensure the integration of recordkeeping requirements in information and data management strategies, tactics, designs, and implementations.

Finding 2: The Departmental RM Program's strategic plan needs to be finalized.

Recommendation 2: The Treasury Departmental RM program should finalize the draft strategic plan, including a process to review and update the plan periodically, in coordination with Department components.

Finding 3: Senior management, through the SAO, should further strengthen lines of communication, assistance, and collaboration across the Departmental and component RM programs.

Recommendation 3.1: The Department should determine the viability of appointing SAO's at the component level to improve strategic coordination of RM throughout the department.

Recommendation 3.2: The Department SAO should engage with the Departmental RM program and the Treasury component RM programs to evaluate the Department's plans and progress for complying with the goals of M-12-18 and applicable records management regulations and requirements.

Recommendation 3.3: To create a more cohesive Department-wide RM program, the Department Records Officer, with the support of the SAO, should establish routine communication and cooperation between the Departmental RM program and the Treasury component RM programs.

Finding 4: Records management training is not mandatory for all staff throughout the Department of the Treasury.

Recommendation 4: The Departmental RM program must collaborate with component RM programs to develop and implement mandatory records management training, including email and electronic records management, for all staff. (36 CFR 1220.34)

Finding 5: The Treasury Department RM program's policies, procedures, standards, and guidance require updating.

Recommendation 5.1: The Departmental RM program must update existing directives, policies, manuals, procedures, and standards to include guidance on managing electronic records and information, including email. (36 CFR 1220.34, 36 CFR 1236.22)

Recommendation 5.2: The Departmental RM program must provide additional guidance to all RM staff, employees, and contractors on the management of electronic records and information, including email. (36 CFR 1236)

Recommendation 5.3: The Departmental RM program, in cooperation with the OCIO, must develop and implement recordkeeping requirements for records and information being maintained in cloud environments. (36 CFR 1236)

APPENDIX D
OFFICES VISITED/INTERVIEWED/PROJECTS REVIEWED DURING INSPECTION

Treasury Headquarters, Washington, DC, June 2 - 4, 2015

- Office of the Assistant Secretary for Management – Office of Privacy, Transparency, and Records
- Office of Foreign Assets Control (OFAC)
- Treasury PAR-D (Proactive Accessible Records and Digitization)
- Financial Crimes Enforcement Network (FinCEN)
- Internal Revenue Service (IRS)
- U.S Mint
- Alcohol and Tobacco Tax and Trade Bureau (TTB)
- Fiscal Service (FS)
- OCIO – Email Exchange and Capstone

Bureau of Engraving and Printing (BEP)-Teleconference July 14, 2015

Office of the Comptroller of the Currency (OCC)-Teleconference July 17, 2015

APPENDIX E

SELECTED COMPLIANCE QUESTIONS

Specific Questions/Areas Addressed:

- Responsibility and governance as they relate to the implementation and oversight of the Department's RM Program
- Dissemination of records management directives and other issuances
- Knowledge and experience of RM staff and training provided to RM staff, agency employees, and contractors
- Assignment of records management responsibilities to program and administrative units
- Coordination of RM program activities among the departmental components and communication of RM requirements to and within departmental components
- Senior management support ensuring adequate resources (time, budget) for their RM staff and other business line staff to administer the program and to pursue training, professional development, and continuing education opportunities
- The RM program ensures that recordkeeping requirements are embedded into business functions providing adequate documentation of the agency's activities
- The RM program has oversight ensuring that the agency has effective controls in place to manage records created by staff and contractors and to manage records created and shared in multi-agency environments
- Records scheduling is coordinated among the agency components including developing and monitoring the implementation of records schedules and the dissemination of records schedules changes
- Records disposition is coordinated among the agency components including the transfer of inactive records to storage, the transfer of eligible permanent records to NARA, and the tracking of all records dispositions
- Electronic records management objectives, responsibilities, authorities and guidance are incorporated in pertinent agency directives, disseminated to agency components, and monitored for compliance
- Electronic records migration strategies are designed and implemented by the agency and components to ensure electronic records are maintained to meet business purposes and to comply with NARA-approved retention schedules

- Risk management including identifying, analyzing, and assessing risks to the integrity, authenticity, reliability, usability, and preservation of its records and information
- The RM program has a coordinated program of evaluations/inspections/audits, conducted on an annual cycle or similar, to ensure the records management program is efficient, effective, and compliant
- The RM program conducts and coordinates RM training to ensure that those individuals with responsibility for records management have adequate training and professional development consistent with their responsibilities

APPENDIX F ACRONYMS AND ABBREVIATIONS

ASCII	American Standard Code for Information Interchange
BEP	Bureau of Engraving and Printing
BRO	Bureau Records Officer
CDFI	Community Development Financial Institutions
CFR	Code of Federal Regulations
DRO	Departmental Records Officer
ECM	Electronic Content Management
ERM	Electronic Records Management
FinCEN	Financial Crimes Enforcement Network
FS	Fiscal Service
GRS	General Records Schedules
HR	Human Resources
IRM	Information Resources Management
IRS	Internal Revenue Service
IT	Information Technology
NARA	National Archives and Records Administration
OCC	Office of the Comptroller of the Currency
OCIO	Office of the Chief Information Officer
OFAC	Office of Foreign Assets Control
OFR	Office of Financial Research
OFS	Office of Financial Stability
OGC	Office of General Counsel
OIG	Office of Inspector General
OMB	Office of Management and Budget
PAR-D	Proactive Accessible Records and Digitization
PoCA	Plan of Corrective Action
RIM	Records and Information Management
RM	Records Management

RMSA	Records Management Self-Assessment
SAO	Senior Agency Official
SIGTARP	Special Inspector General for the Troubled Asset Relief Program
TFI	Terrorism and Financial Intelligence
TIGTA	Treasury Inspector General for Tax Administration
TTB	Alcohol and Tobacco Tax and Trade Bureau
U.S.C.	United States Code
XML	Extensible Markup Language



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