Annual Work Plan
Fiscal Year 2008

Office of Inspector General
National Archives and Records Administration

FOREWORD

I am pleased to present to Archivist Weinstein the Fiscal Year (FY) 2008 Work Plan for the National Archives and Records Administration (NARA) Office of Inspector General (OIG).   In FY 2008 we remain committed to providing the highest caliber of audit and investigative coverage to those areas and programs that have a profound impact and bearing on the success of this agency. This plan includes audits, evaluations, advisory reviews, management assistance services, and fraud prevention and detection activities. Successful execution of this plan will reflect our demonstrated ongoing commitment to provide high quality service to our customers and to assist NARA in meeting its strategic mission and objectives.

 In FY 2008 we will focus on critical NARA programs and operations while honoring baseline audit requirements such as those identified in the Federal Information Security Management Act (FISMA) and the Consolidated Appropriations Act of 2005 Division H, of Title V, section 522 on the agency's use of information in identifiable forms, and the privacy and data protection procedures of the agency. Examples of this orientation are outlined below:

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

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

Paul Brachfeld
Inspector General

TABLE OF CONTENTS

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 2008 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 2008 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 ready access to essential evidence by providing high-quality, objective audits and investigations, and serving as an independent internal advocate for economy, efficiency, and effectiveness. The OIG's independent role and general responsibilities were established by the Inspector General Act of 1978, as amended. The Inspector General reports to both the Archivist and the Congress.

STRATEGIC PLAN

In accordance with the recommendations of the National Performance Review (NPR) and the values enunciated in the Inspectors General Vision Statement, and consistent with the need to retain its independence, the OIG developed a strategic plan that emphasizes working in a collaborative manner with line managers to evaluate the effectiveness of NARA's system of management controls for ensuring economical, efficient, and effective operations, and compliance with program and legal requirements. The OIG Strategic Plan will be revised in FY 2008 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 2008 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 2008 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. This is the last option year of the contract. 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: 150

Locations: Archives II and various field sites.

Audit of Selected Grantees' Use of Grant Funds

Background: The National Historical Publication and Records Commission (NHPRC) is a statutory body, affiliated with NARA, which supports a wide range of activities to preserve, publish, and encourage the

use of documentary sources relating to the history of the United States. The Commission grant funds can be used to support: (1) publishing historical editions of the records of the founding era; (2) electronic records challenges and opportunities; (3) State Historical Records Advisory Boards; (4) publishing historically-significant records relating to the history of the United States; (5) preserving and providing access to records; (6) educational programs; and (7) publishing and distributing documentary volumes produced by previously-funded Commission projects. Grant recipients must keep financial records for each grant in accordance with generally accepted accounting principles and clearly demonstrate how the funds were spent. With the number of requests for grant funds increasing and the amounts available for grants decreasing, it 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 allowability of grant expenditures.

Scope: The audit includes a sample of various grants and site visits to grantees' locations, to review grant files and financial records.

Estimated Staff Days: 90

Locations: NHPRC and site visits to grantees' locations

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

7

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.

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

8

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 goal is to have a functional subset of the system in 2008. Over its life, the contract is potentially worth hundreds of millions of dollars with countless implications for individuals, businesses, and private and government organizations.

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

Scope: Our objectives will be accomplished by reviewing and evaluating

9

program documentation, attending progress status reviews, and conducting staff interviews.

Estimated Staff Days: 200

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

Audit of NARA's Configuration Management Program

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

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

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

Estimated Staff Days: 120

Location: Agency-wide

10

Audit of NARA's Efforts to Transition to Internet Protocol Version 6 (IPv6)

Background: Internet Protocol Version 6 (IPv6) is the next generation protocol designed to replace the current version Internet Protocol, IP Version 4 (IPV4). Most of today's Internet users use IPv4 which in now nearly twenty years old. IPv4 has been resilient in spite of its age, but it is beginning to have problems. Most importantly, there is a growing shortage of IPv4 addresses which are needed by all new machines added to the Internet. IPv6 fixes a number of problems with IPv4 such as the limited number of available IPv4 addresses. It also adds many improvements to IPv4 in areas such as routing and network auto configuration. IPv6 is expected to gradually replace IPv4, with the two coexisting for a number of years during a transition period. OMB Memorandum 05-22 has set June 2008 as the date by which all agencies' infrastructure must be using IPv6, and agency networks must interface with this infrastructure.

Objective: The objective of this audit is to assess NARA's efforts, determine whether or not NARA will be in compliance and if not determine what major obstacles or challenges exist and whether a plan for coming into compliance with OMB guidance has been developed.

Scope: The OIG will interview management and obtain and review documentation to determine compliance and associated challenges.

Staff Days: 120 days

Locations: NH, NA

Audit of NARA's Development of the Holdings Management System (HMS)

Background: NARA has recognized the need to improve its business processes to manage and track physical aspects of permanent, hard-copy, archival records in the custody of Office of Records Services – Washington, DC (NW), Office of Regional Records Services (NR), and

11

Office of Presidential Libraries (NL). Currently, NARA has a partially automated process to manage hard-copy archival records, but it does not utilize a common, integrated technology application to perform these tasks. To satisfy this need, NARA has proposed the development of a Holdings Management System (HMS) which would enhance the capabilities in three functional areas: Location and Space Management, Circulation Management, and Preservation Management.

Objective: The purpose of this audit is to determine whether NARA has adequately managed the proposal and development of HMS in accordance with Federal and agency requirements.

Scope: We will accomplish our objectives by reviewing and evaluating system documentation, applicable NARA policies and procedures, and applicable Federal requirements.

Estimated Staff Days: 90 staff days

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

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 adequately managed and properly 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.

12

Staff Days: 120 days

Locations: NA, NW, and NL

Audit of NARA's Intrusion Detection Systems

Background: Intrusion detection is the process of monitoring the events occurring in a computer system or network and analyzing them for signs of *intrusions*, defined as attempts to compromise the confidentiality, integrity, and availability, or to bypass the security mechanisms of a computer or network. Intrusions are caused by attackers accessing the systems from the Internet, authorized users of the systems who attempt to gain additional privileges for which they are not authorized, and authorized users who misuse the privileges given them. Intrusion detection systems (IDSs) are software or hardware systems that automate the process of monitoring the events occurring in a computer system or network, analyzing them for signs of security problems. As network attacks have increased in number and severity over the past few years, IDSs have become a necessary addition to the security infrastructure of most organizations.

Objective: The overall objective of this audit is to evaluate the current IDS and determine whether adequate controls are in place to safeguard NARA's information system network and assets.

Scope: The OIG will obtain and review relevant internal and external policies, procedures, and guidance; review historical, daily and weekly IDS alerts, lessons learned documents from remediated intrusions; and system specific literature from the IDS vendor. Additionally, we will interview contractors and NARA employees, and obtain and review all operating system configuration files.

Staff Days: 120 days

Locations: NA, NW, and NL

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

Background: NARA's IT project managers have day-to-day responsibilities for the creation and development of IT projects, and are

13

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

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

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

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

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

Audit of NARA's Privacy Program

Background: The Privacy Officer of each agency has the primary responsibility for privacy and data protection policy and is responsible for developing a comprehensive program including: assuring that the use of technologies sustain, and do not erode, privacy protections relating to the use, collection, and disclosure of information in an identifiable form; assuring that technologies used to collect, use, store, and disclose information in a identifiable form to allow for continuous auditing of compliance with stated privacy policies and practices governing the collection, use, and distribution of information of the operation of the program; assuring that personal information contained in Privacy Act systems of records is handled in full compliance with fair information practices as defined in the Privacy Act of 1974; evaluating legislative and regulatory proposals involving collection, use, and disclosure of personal information by the Federal Government; conducting a privacy impact

assessment of proposed rules of the agency on the privacy of information in an identifiable form, including the type of personally identifiable information collected and the number of people affected; preparing a report to Congress on an annual basis on activities of the agency that affect privacy including complaints of privacy violations, implementation of section 552a 3269 of title 5, 11 United States Code, internal controls, and other relevant matters; ensuring that the agency protects information in an identifiable form and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction; training and educating employees on privacy and data protection policies to promote awareness of, and compliance with, established privacy and data protection policies; and ensuring compliance with the agency established privacy and data protection policies.

Objective: The objective of this audit is to evaluate the agency's use of information in identifiable forms, and the privacy and data protection procedures of the agency to determine whether effective and efficient controls exist over these processes.

Scope: The auditors assess controls to ensure that the agency has established and implemented comprehensive privacy and data protection procedures governing the agency's collection, use, sharing, disclosure, transfer, storage and security of information in an identifiable form relating to the agency employees and to the public. Further, that these procedures are consistent with legal and regulatory guidance, including OMB regulations, the Privacy Act of 1974, and section 208 of the E-Government Act of 2002.

Staff Days: 120 days

Locations: NGC, NL, NW

Audit of NARA's Accessioning Program

Background: Title 44 USC Chapter 21, Section 2107, Acceptance of Records for Historical Preservation, requires the Archivist, when it appears to be in the public's interest, to accept for deposit with NARA the records of a Federal agency, the Congress, the Architect of the Capital, or the Supreme Court. These are records determined by the Archivist of the United States to have sufficient historical or other value to warrant their continued preservation by the United States Government. The

15

accessioning program is the process the agency uses to add records to NARA's inventory of permanent records. The Life Cycle Management Division (NWML) is responsible for the front-end of the records life cycle. This includes appraising records to determine their long-term evidentiary and informational value, developing management regulations and providing guidance on their implementation, reviewing and processing schedules for the retention and disposition of Federal records, providing records management training to Federal employees, and evaluating the effectiveness of records management programs in place at Federal agencies through the use of the baseline assessment system.

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

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

Staff Days: 120 days

Locations: NW and other locations TBD.

Audit of NARA's Special Access Program

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

Objective: The objective of this audit is to determine whether controls are

adequate for ensuring that records are safeguarded and accounted for during periods of special access.

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

Estimated Staff Days: 90

Locations: NL, NW, and NR

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

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

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

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

Estimated Staff Days: 90

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

Audit of NARA's Processing of Military Personnel Records

Background: The National Personnel Records Center, Military Personnel

17

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 Education Programs

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

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

Scope: The OIG will specifically determine whether controls are adequate to ensure development of appropriated programs. Further, we will assess

whether developed programs are adequate and useful and reach targeted audiences.

Staff Days: 120 days

Locations: NA, NW, and NL

Audit of NARA's Targeted Assistance Program

Background: NARA's Targeted Assistance (TA) program seeks to change fundamentally, the relationship between NARA and its customer agencies. NARA seeks to actively work with customer agencies to resolve long standing and significant records management issues. The Targeted Assistance staff work with customer agencies' staffs to resolve specific issues and develop programs and practices that will ensure a successful records management program. Targeted Assistance is an opportunity to listen and understand what our customer agencies really want and need from us. In giving our customer agencies a positive experience and delivering products they need, NARA will ensure essential evidence is created, identified, appropriately scheduled, and maintained for as long as needed. In FY 2003 the OIG performed an audit of the Targeted Assistance Program and issued Audit Report No. 03-12.

Objective: The objective of this project is to determine whether (1) the Targeted Assistance Program is meeting its intended goal and function, and (2) it is effective, efficient, and making a material impact on the customer agencies that NARA services. The audit will also verify that management actions taken in response to OIG Report No. 03-12 are in place and functioning as intended.

Scope: The OIG will review policies, procedures, organizational structure, and measures related to Targeted Assistance. The OIG will also specifically follow up on management actions taken in response to OIG Report No. 03-12.

Estimated Staff Days: 120

Locations: Archives II (NWML and NR) with regional contact as necessary to achieve audit objectives.

Audit of NARA's Progress on the Information Security Oversight Office (ISOO)'s April 26, 2006 Assessment of NARA's Programs Related to Classified National Security Information

Background: Under the provisions of Executive Order 12958, as amended, "Classified National Security Information" and in response to a request from the Archivist as well as a group of concerned individuals and organizations, the Information Security Oversight Office (ISOO) performed an audit of all NARA's reclassification activity in its belief that certain records at NARA had not been properly reviewed for declassification, but had been made available to the public. The audit also examined the effectiveness of NARA's own internal processes and procedures over this area. The audit found that some records did, in fact, contain information clearly meeting the standards for continued classification. Additionally, the audit found that in attempting to recover records that still contained classified information, there were a significant number of instances when records that were clearly inappropriate for continued classification were withdrawn from public assess. Finally, the audit found that NARA did not provide sufficient quality control and oversight of this function. The audit report contained 10 recommendations to strengthen and ensure that NARA continually employs safeguarding and information controls sufficient to deter and detect unauthorized access to the classified information for which NARA is responsible.

Objective: The objective of this audit is to determine NARA's progress in implementing ISOO's recommendations and assess whether the recommendation are effective in reducing agency risks.

Scope: The OIG will review activities/actions taken to implement the report recommendations and determine if these actions are adequate.

Staff Days: 120 days

Locations: ISOO, NW

Audit of Archives II Central Receiving Function

Background: NARA uses contractors to manage the day-to-day responsibilities for the central receiving function and to account for items received at the loading dock. Good controls are critical for the processing

of items received and the safeguarding of these assets. It is important that specific responsibilities are assigned, deadlines and milestones are established, and ongoing management review and evaluation take place. Otherwise, items are not delivered timely to program offices and the risk of theft or loss increases.

Objective: The objective of this project is to assess the adequacy of management controls over the central receiving function for safeguarding, delivering, and accounting for items received at Archives II and compliance with provisions of the contract.

Scope: Audit will be conducted at Archives II.

Estimated Staff Days: 90

Locations: Archives II

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

22

Locations: Agency-wide

Audit of NARA's FECA Program

Background: The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work-related injury or occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. It provides payment as compensation for lost wages, monetary awards for medical care, vocational rehabilitation, and survivors' compensation. FECA is administered by the Office of Workers' Compensation Programs (OWCP), within the U.S. Department of Labor's (DOL) Employment Standards Administration.

Federal agencies are responsible for continuing an employee's regular wages, without charging annual or sick leave for up to 45 days, while the employee is recovering from a FECA-covered injury or disease. When the 45-day period lapses, DOL provides compensation for lost wages and medical benefits.

Objective: The objective of this project is to determine whether management controls are adequate to detect and prevent unauthorized payments and to adequately manage and account for all compensation received by employees.

Scope: The OIG will assess whether FECA controls are followed and consistently applied for compensation received by all NARA employees.

Estimated Staff Days: 90

Locations: Archives II

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

23

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 2008

Attestation Engagements

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

Non-audit Services

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

Peer Review

The Executive Council on Integrity and Efficiency (ECIE) Peer Review Committee schedules external quality control reviews, or peer reviews, of OIG audit functions once every three years. The NARA OIG was peer reviewed in FY 2005. The Investigative Committee of the President's Council on Efficiency schedules external quality reviews of the IG investigation function. Both the NARA OIG audit and investigative functions are scheduled to be reviewed in FY 2008.

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

Goal One:	**As the nation's record keeper, we will ensure the continuity and effective operation of Federal programs by expanding our leadership and services in managing the Government's records.**
Assignments:	Audit of NARA's Accessioning Program
	Audit of NARA's Progress on ISOO's April 26, 2006 Assessment of NARA's Programs Related to Classified National Security
	Audit of NARA's Targeted Assistance Program
Goal Two:	**We will preserve and process records to ensure access by the public as soon as legally possible.**
Assignments:	Audit of NARA's Processing of Military Personnel Records
	Audit of NARA's Development of the Holdings Management System
Goal Three:	**We will address the challenges of electronic records in Government to ensure success in fulfilling NARA's mission in the digital era.**
Assignments:	Audit of NARA'S Electronic Records Archives (ERA) Program
	Audit of NARA's Efforts to Transition to Internet Protocol Version 6 (IPv6)
Goal Four:	**We will provide prompt, easy, and secure access to our holdings anywhere, anytime.**
Assignments:	Audit of NARA's Special Access Program
	Audit of the Process for Providing and Accounting for Information Provided to Researchers
	Audit of NARA's Privacy Programs
	Audit of NARA's Digitization Program
Goal Five:	**We will increase access to our records in ways that further civic literacy in America through our museum, public outreach, and education programs.**
Assignments:	Audit of NARA's Education Programs
Goal Six:	**We will equip NARA to meet the changing needs of our customers.**
Assignments:	**Financial Audits**
	Consolidated Audit of NARA's Financial Statements
	Audit of Selected Grantees' Use of Grant Funds
	IT Audits
	Audit of NARA's Configuration Management Program
	Evaluation of NARA Compliance with the Federal Information Security Management Act (FISMA)
	Audit of NARA's Information Technology Project Management
	Audit of NARA's Classified Systems
	Audit of NARA's Intrusion Detection System
	Program Audits
	Audit of NARA's Compliance with Federal Managers Financial Integrity Act for Fiscal Year 2008
	Asessment of NARA's Procurement and Contract Management Practices
	Audit of Archives II Central Receiving Function
	Audit of the Accuracy of Performance Measurement and Reporting System Data
	Audit of NARA's FECA Program

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.