Department of Housing and Urban Development Records Management Program

Records Management Inspection Report

National Archives and Records Administration
October 25, 2018

INTRODUCTION

The National Archives and Records Administration (NARA) is responsible for assessing 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. In this capacity, and based on authority granted by 44 United States Code (U.S.C.) 2904(c)(7) and 2906, NARA conducted an inspection of the Department of Housing and Urban Development (HUD) departmental records management (RM) program in June 2018.

The purpose of this inspection was to examine HUD's compliance with records management laws, regulations and policies with particular attention to email and electronic records management, records scheduling and implementation, and records management training at all levels of the Department.

This inspection focused specifically on RM standards, policies, procedures, and practices at the Department level and their impact on program and regional offices. It also examined the controls the Department has implemented to mitigate risks associated with non-compliant handling of records and information and to ensure that departmental policies and procedures are implemented. The program and regional offices' RM programs were not the focus of this inspection; they are included here only to the extent that they intersect with, and to some degree, rely upon the departmental program to be effective.

In several key areas described below, NARA found that HUD is non-compliant with various elements of 36 Code of Federal Regulations (CFR) Chapter XII, Subchapter B and Federal Records Act (44 USC Chapter 21-35). Failure to manage records in a compliant manner increases the risk that records will not be readily accessible for normal business operations, for program development, and for accountability to Congress and the public. It also increases the risk of loss of Federal data and records, which raises the possibility that permanent records may not be retained for eventual transfer to the National Archives, as required by 44 U.S.C. 3101.

OVERVIEW OF HUD'S RECORDS MANAGEMENT PROGRAM

The Department records management (RM) program is located within the Office of Administration under the Assistant Secretary for Administration. The departmental RM program provides department-wide RM policy and guidance to the Department's programs and regional offices. The Agency Records Officer (ARO) is located within the Department records management program and is responsible for all RM policy and procedures, in addition to submitting all required reports to NARA.

The Department RM program directly oversees the RM program for the entire Department and HUD program offices. Each program office does not have a dedicated ARO and the program offices' RM offices are dependent on the Department RM program, with one exception -- the HUD Office of Inspector General (IG) has a dedicated and assigned ARO.

Within each program and regional office there is a staff member that has records management responsibilities and is titled a "Records Management Liaison Officer" (RMLO). While the

RMLO for each program office is under the program office, the regional RMLOs are under the Office of Field Support Services and manage records for various program offices in their respective regional offices.

FINDINGS AND RECOMMENDATIONS

This report makes 8 findings and 13 recommendations to mitigate the risk of non-compliance with critical elements of 36 Code of Federal Regulations (CFR), Chapter XII, Subchapter B, within the following RM functional areas.

NARA's methodology for conducting this inspection along with the follow up actions required for HUD are included in the appendices to this report.

DIRECTIVE AND POLICY

Finding 1: HUD has not updated and communicated its RM policy as required by 36 CFR 1220.34(c)

Federal regulations require agencies to issue directives establishing program objectives, responsibilities, and authorities for the creation, maintenance, and disposition of agency records (36 CFR 1220.34(c)). While NARA acknowledges that HUD has a RM policy, this policy was established in December 1989 and is in need of updating.

In addition, during the inspection interviews it was determined that some of the program offices did not know of the existence of the December 1989 policy and several program offices, while having knowledge of the policy, did not know who in the Department to contact or how to locate the policy.

Recommendation 1: HUD must update their overall RM policy and disseminate it throughout the agency. (36 CFR 1220.34(c))

RECORDS MANAGEMENT TRAINING

Finding 2: Role-based training is not administered as required by NARA Bulletin 2017-01.

While HUD provides RM training for all employees in the HUD learning management system, there is no role-based training for specific groups (i.e., RMLOs, senior level officials, IT staff, contractors, etc.). NARA recognizes that the Department and some program offices do provide one-on-one on-boarding training for senior level officials and political appointees, but this training is not consistently conducted. In addition, it was also noted during the interviews that some program office RMLOs do not have any RM training or knowledge on how to perform their assigned RM responsibilities. For example, one particular RMLO did not understand how to properly interpret their records control schedule.

Recommendation 2: HUD should develop role-based training for employees, especially senior-level employees, political appointees, and RMLOs per NARA Bulletin 2017-01

Finding 3: RM training is not administered as required by NARA Bulletin 2017-01.

HUD requires RM training for all new employees within 30 days of employment, and all employees are required to take refresher training annually per NARA Bulletin 2017-01 (3(B)). This training is tracked, however, HUD has not ensured that all staff have completed the training as required. Some program offices were unaware that the RM training was part of the annual mandatory training modules and/or that the training was mandatory for all new employees within 30 days of employment.

Recommendation 3: HUD must implement controls to ensure that all employees complete RM training annually per NARA Bulletin 2017-01.

Finding 4: Exit briefings are not consistently conducted.

There is no exit briefing process for departing employees. The HUD RM program does receive the signed exit form indicating whether or not records were removed by a departing employee. (36 CFR 1222.24(a)(6)).

Recommendation 4: HUD must develop a standardized exit procedure on RM for all departing staff.

RECORDS MANAGEMENT PROGRAM OVERSIGHT

Finding 5: The Department does not conduct formal, regular, and comprehensive records management evaluations as required by 36 CFR 1220.34(j).

Federal regulations require agencies to conduct formal evaluations to measure the effectiveness of their records management programs and practices (36 CFR 1220.34(j)). While NARA does acknowledge that HUD is in the process of developing an evaluation process, it has yet to be implemented. Part of this evaluation process should include a strategy to ensure that the evaluation is accurate and to strengthen risk mitigation plans.

44 USC 3506(f) requires that the Department conducts periodic reviews of electronic information systems. These reviews will ensure that HUD implements and enforces applicable policies and procedures, specifically that requirements for archiving information that is maintained in electronic format is included in the planning, design, and operation of information systems. HUD's Office of the Chief Information Officer (OCIO) conducts reviews of electronic systems however, the Department indicated that this process is not consistent or systematic.

Recommendation 5.1: HUD must develop and establish an RM evaluation process for program and regional offices. (36 CFR 1220.34(j))

Recommendation 5.2: HUD should develop a strategy for validating RM evaluation responses to ensure accuracy and strengthen risk mitigation strategies.

Recommendation 5.3: HUD must conduct systematic and regular reviews of electronic information systems to ensure electronic systems comply with RM requirements. (44 USC 3506(f))

Finding 6: Records inventories are outdated and incomplete or nonexistent.

36 CFR 1225.12(a) and (b) requires federal agencies to initiate and complete full inventories of their records. The departmental RM program seems to know the quantity and location of records of the Department and program office records that are stored at off-site locations; however, some of the program offices do not know the quantity and location of their own records, particularly those records stored at HUD facilities. In addition, file plans are not consistently used across the Department to ensure that all records are effectively managed. In particular, NARA discovered during interviews that some offices were not sure what records were contained in electronic systems.

Recommendation 6.1: HUD must conduct a full records inventory of the Department, program, and regional offices. (36 CFR 1225.12(b))

Recommendation 6.2: HUD should develop a file plan and review it annually for all departmental records, including the program and regional offices to ensure that records are managed effectively.

SCHEDULING AND DISPOSITION

Finding 7: Records schedules are outdated and not appropriately disseminated throughout the department.

HUD records retention schedules are outdated and are not media neutral. While HUD has submitted records retention schedules for various projects and systems, the vast majority of HUD's records are under old disposition authorities that are not media neutral. As a result, the current schedules cannot be applied to records that are maintained in electronic format. This puts HUD at risk of not meeting the Managing Government Records Directive (M-12-18) Goal 1.1, which states that all permanent electronic records must be managed throughout their lifecycle in electronic format. In addition, there are many records that are created by multiple program offices, but are scheduled separately. HUD submitted a revised comprehensive schedule in 2016, but it was withdrawn by HUD in 2017 due to gaps identified by HUD.

During interviews, NARA noted that RMLOs were either unaware of how to appropriately interpret their records retention schedules or were unaware of the existence of their records retention schedules.

Recommendation 7.1: HUD must update their records retention schedules to ensure that all records and any electronic systems are scheduled. (36 CFR Part 1225) and (44 USC Chapter 33) and submit the schedule to NARA for approval.

Recommendation 7.2: HUD must ensure that all approved records retention schedules are disseminated throughout the department in order to ensure that all offices are managing their records appropriately.

Recommendation 7.3: HUD must ensure that all records retention schedules are media neutral.

EMAIL MANAGEMENT

Finding 8: HUD does not have an approved records retention schedule for their email systems. ([Managing Government Records Directive (M-12-18 Goal 1.2](#) and [NARA Bulletin 2013-02](#)).

HUD is employing the Capstone approach for managing their email throughout the Department and program offices; however, a Capstone schedule has not been submitted to NARA in accordance with [NARA Bulletin 2013-02](#). HUD previously submitted a Capstone schedule to NARA on July 7, 2017 and was subsequently withdrawn on December 13, 2017.

Recommendation 8: HUD must submit their Capstone email schedule to NARA.

COMMUNICATION AND COLLABORATION

The HUD RM program office has established strong communication between the Department and the program offices. The Department has been holding quarterly and monthly meetings with the RMLOs to discuss RM issues, projects, and concerns. In addition, the Senior Agency Official for Records Management (SAORM) or designee has been attending these meetings regularly.

The vast majority of program offices spoke very highly of the support they received from the Department RM program in ensuring they transfer records off site. The program offices indicated that the Department is very responsive to any questions or concerns that the RMLOs have regarding RM issues.

RECORDS MANAGEMENT STRATEGIC PLAN

HUD's strategic plan was drafted in 2015 by the OCIO. The HUD RM program has input into HUD's strategic plan. In addition, HUD's eRecords system initiative/project is reflected in HUD's five-year plan. By including the RM program in strategic planning and in HUD's Five-Year Plan, HUD is ensuring that RM initiatives are given the resources and focus that they will need for full implementation.

ELECTRONIC SYSTEMS DEVELOPMENT/DECOMMISSIONING

The RM team is included during the System Development Lifecycle process. In addition, the RM team is responsible for all decommissioned systems. The inclusion of RM in this process enhances the security of electronic systems by insuring that the development of electronic systems will include RM functionality and that when systems are decommissioned, records are properly identified and preserved in accordance with their records retention schedule.

CONCLUSION

HUD has taken steps to improve RM in the Department and mitigate known risks by establishing strong communication channels with the program offices. There are specific areas of non-compliance that must be addressed, including updating their records schedules, updating and implementing RM policies, and developing new policies and procedures for managing electronic records and email.

Addressing the non-compliance identified in this report and making the recommended improvements will mitigate and minimize risks to departmental records, further strengthen HUD's records management program, contribute to the Department's overall mission, and enhance the effective management and preservation of the Department's records.

APPENDIX A
INSPECTION PROCESS

OBJECTIVE AND SCOPE

The objective of this inspection was to determine if HUD implements standards, policies, procedures, and other records management coordination practices to ensure that the Department and its program and regional offices have effective records management programs.

METHODOLOGY

NARA carried out this inspection by conducting interviews at HUD Headquarters with most of HUD program offices and by reviewing HUD program documentation. More specifically, the inspection team:

- reviewed records management policies, directives, and other documentation provided by HUD and its program offices;
- interviewed RM representatives from 18 of HUD's program and regional offices;
- guided the course of the inspection using a detailed checklist of questions based on Federal statutes, Federal regulations, and NARA guidance; and
- reviewed HUD and HUD's Office of Inspector General (IG) responses to current and annual Records Management Self-Assessments (RMSA), Federal Email Management Reports (FEMR), and current and past reports of Senior Agency Official for Records Management (SAORM).

BUREAUS INTERVIEWED

NARA visited HUD headquarters in Washington, DC during the week of June 18, 2018 and interviewed RMLOs from the following program offices.

- Office of Hearings and Appeals
- Field Policy and Management
- Community Planning and Development
- Government National Mortgage Association
- Housing
- Fair Housing and Equal Opportunity
- Policy Development and Research
- Inspector General
- Chief Financial Officer
- Chief Information Officer
- Office of Administration

In addition, NARA interviewed regional RMLOs via teleconference from the following regions on June 26 and 28, 2018.

- Region 1
- Region 2

- Region 4
- Region 7
- Region 8
- Region 9
- Region 10

APPENDIX B
RELEVANT INSPECTION DOCUMENTATION

"Chapter 1: Overview of Records Disposition Management Program," dated December 1989

"Chapter 2: Records Inventory and Appraisal," dated December 1989

"Chapter 2: Handbook Establishing Disposition Schedules," dated December 1989

Department of Housing and Urban Development, "Information Resource Management (IRM) Strategic Plan Update 2015," updated May 13, 2015

HUD 2015 Enterprise Roadmap, Version 6.0, dated May 2015

U.S. Department of Housing and Urban Development - Information Resources Management Policy, "Chapter 7: Electronic Mail Policy," HUD Handbook 2400.1.7 Rev 2, dated December 19, 2017

U.S. Department of Housing and Urban Development, "Programs of HUD - Major Mortgage, Grant, Assistance, and Regulatory Programs," 2017

APPENDIX C
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

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. NARA provides additional policy and guidance to agencies at its records management website - http://www.archives.gov/records-mgmt/.

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)); and
- 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)).

FOLLOW-UP ACTIONS

HUD 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.

NARA will analyze the adequacy of HUD's action plan, provide comments to HUD on the plan within 60 calendar days of receipt, and assist HUD in implementing recommendations.

HUD will submit to NARA progress reports on the implementation of the action plan until all actions are completed. The frequency of progress reports will be determined during development of the PoCA. NARA will inform HUD when progress reports are no longer needed.

APPENDIX D
ACRONYMS AND ABBREVIATIONS

ARO	Agency Records Officer
CFR	Code of Federal Regulations
CPD	Community Planning and Development
FHEQ	Fair Housing and Equal Opportunity
FEMR	Federal Email Management Reports
FPM	Field Policy and Management
GINNIE-MAE	Government National Mortgage Association
GRS	General Records Schedule
HUD	Department of Housing and Urban Development
IG	Inspector General
NARA	National Archives and Records Administration
OA	Office of Administration
OCIO	Office of the Chief Information Officer
OHA	Office of Hearings and Appeals
OMB	Office of Management and Budget
PDR	Policy Development and Research
PoCA	Plan of Corrective Action
RM	Records Management
RMLO	Records Management Liaison Officer
RMSA	Records Management Self-Assessment
SAORM	Senior Agency Official for Records Management
U.S.C.	United States Code

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