



Office of Inspector General

June 15, 2011

MEMORANDUM

TO: John Peevey, Director
Management Services, Management Bureau

Cheryl Frederick, Director
Administrative Management Services, Africa Bureau

Rebecca Maestri, Director
Administrative and Management Services, Asia Bureau

FROM: Joy Kadnar, Director /s/
Inspections and Evaluations Division, Office of Audit

SUBJECT: Review of the Information and Records Division's Implementation of Agency
Records Management Program (Review Report No. 2-000-11-004-S)

This memorandum transmits the final report on the subject review. We considered your comments on the draft in finalizing the review report and have included your responses in Appendix II.

This report contains six recommendations to improve the Agency's records management program. Based on an evaluation of management comments, final action has been taken on Recommendation 1, and management decisions have been reached on Recommendations 2, 3, 4, 5, and 6. A determination of final action on these recommendations will be made by the Audit Performance and Compliance Division upon completion of the planned corrective actions.

I appreciate the cooperation and courtesy extended to my staff during this review.

SUMMARY

Federal agencies are required to manage their records according to the Federal Records Act and corresponding regulations. Pursuant to the Federal Records Act, the National Archives and Records Administration (NARA) issues records management guidance for federal government agencies. USAID, in turn, established Automated Directives System (ADS) 502, "The USAID Records Management Program," to implement NARA regulations. ADS 502 established the Bureau for Management, Management Services, Information and Records Division (IRD), and designated the Chief of IRD as the Agency's Records Officer, who is also responsible for implementing the Agency's records management program.

The objective of this review was to determine whether IRD manages USAID's records program according to NARA and Agency policy. The review covered practices and controls in the Asia and Africa Bureaus.

Our review indicated that USAID's records management program was not compliant in the following ways:

- The Asia and Africa Bureaus did not comply with disposition requirements (page 4).
- The Asia and Africa Bureaus did not submit files plans, listing all files that a bureau maintains, to IRD (page 4).
- USAID employees did not attend training in records management (page 5).
- Records were improperly kept in shared drives and other electronic systems (page 6).

This report contains six recommendations to address these matters. Specifically, it recommends that:

1. The Asia Bureau Director of Administrative Management Services assign file custodians for each office (page 4).
2. The Directors of Administrative Management Services for Asia and Africa bureaus include records management duties in the work plans and performance evaluations of file custodians and records liaison officers (page 4).
3. The IRD Chief amend ADS 502 to make bureaus responsible for implementing the records management program and IRD responsible for establishing policy and ensuring compliance (page 5).
4. The IRD Chief amend ADS 502 to include provisions for mandatory Agency-wide records training (page 6).
5. The Director of the Human Resources Training and Education Division include an introductory module on the importance of records management and records management policies and procedures, including keeping electronic records, to be presented by IRD during new employee orientation (page 6).

6. The IRD Chief coordinate with the Chief Information Officer to develop and execute a plan for managing electronic records via a records management application (page 7).

Detailed results follow. Our evaluation of management comments is on page 8. Appendix I contains the scope and methodology. Management comments are presented in their entirety in Appendix II.

REVIEW RESULTS

Bureaus Did Not Comply With Disposition Requirements

USAID follows NARA disposition schedules, which indicate how long records should be kept for all records, and the USAID Washington Disposition Schedule, Chapter 5, “Geographic Bureau General Records.”¹ ADS 502.3 made IRD responsible for the overall management of the records management program, and designated bureau-appointed records liaison officers and file custodians executors for the disposition of records and other program elements.

The review found that neither the Asia Bureau nor the Africa Bureau complied fully with Chapter 5 disposition schedules. For example, in the Asia Bureau, country records were found that should have been disposed of 12 years ago. In the Africa Bureau, congressional notification records were kept for 6 years instead of 1 year as scheduled, while briefing files were kept for only 1 year instead of 3 years. The Asia Bureau did not comply with records disposition schedules in part because it did not have file custodians to assist in records management duties. Furthermore, neither bureau included records management responsibilities in the work plans of records liaison officers or file custodians.

When files are not kept for the proper duration, timely and complete response to Freedom of Information Act requests or e-discovery² could be impaired. If documents are disposed of early, it is impossible for bureaus to produce all requisite documents when requested. Conversely, retention of records authorized for disposition exposes the Agency to potentially expensive e-discovery in legal proceedings. Improper record disposition presents legal and reputational risks to the Agency. To facilitate compliance, this review makes the following recommendations.

***Recommendation 1.** We recommend that the Asia Bureau’s Director of Administrative Management Services assign file custodians for each office.*

***Recommendation 2.** We recommend that the Directors of Administrative Management Services for the Asia and Africa Bureaus include records management duties in the work plans and performance evaluations of file custodians and records liaison officers.*

Bureaus Did Not Submit Files Plans to the Information and Records Division

USAID’s ADS E502.5.7 requires records inventory and disposition plans, also called files plans, show the location of the file station, the files maintained, the proper method for disposition of the files, and the name and title of the file custodian. According to IRD Notice 0938, these plans should be submitted to IRD annually.

The Asia Bureau had no files plan, and only one of the ten offices in the Africa Bureau

¹ A mandatory reference for ADS Chapter 502.

² Discovery in litigation that deals with the exchange of information in electronic format is called e-discovery.

submitted a files plan. Furthermore, according to IRD, less than 50 percent of offices Agency-wide submitted files plans.

The Asia and Africa Bureaus did not submit files plans because the bureaus' organizational structures do not clearly identify areas of authority and responsibility or establish clear lines of reporting regarding records management as required by the Government Accountability Office's *Standards for Internal Controls in the Federal Government*.³ Although ADS 502.3 states that IRD is responsible for the overall management and implementation of the Agency's records management program, bureau-appointed records liaison officers and file custodians are the program's de facto implementation agents. In other words, IRD is not part of the line of reporting for and has no authority over those responsible for carrying out its mandated function.

Without files plans, bureaus may not be able to locate important records. For example, the Asia Bureau could not locate printed briefing or program correspondence files, and one manager said he did not know that records were kept in Washington. The Africa Bureau could not locate requisite printed program correspondence files.

To improve internal controls over records management, this review makes the following recommendation.

Recommendation 3. *We recommend that the Chief of the Bureau for Management, Management Services, Information and Records Division, amend USAID's Automated Directives System 502 to make bureaus responsible for implementing the records management program and Information and Records Division responsible for establishing policy and ensuring compliance.*

USAID Employees Did Not Attend Training in Records Management

Title 36 of the Code of Federal Regulations, Part 1220 (36 CFR 1220.34(f)), states that all Agency employees should receive records management training. This training should include identification of federal records in all formats and media. To fulfill this requirement, IRD sends notices of and holds periodic training courses and offers online training.

However, this review determined that few USAID employees attended or completed records training. Interviews disclosed that:

- Five of the ten managers interviewed from the Asia and Africa Bureaus stated that they had not attended records management training.
- Neither the Record Liaison Officer in the Asia Bureau nor her supervisor had attended records management training.
- Only 372 employees Agency-wide had completed USAID's online records management class, which is a prerequisite for instructor-led records management courses.

IRD offers training but cannot compel employees to take records training without support from bureau managers. Despite NARA guidelines, records management training is not mandatory

³ GAO/AIMD-00-21.3.1, November 1999.

for Agency employees. In addition, the new employee orientation does not include any discussion of records management. As a result, USAID employees do not understand their records management responsibilities. For example, 5 of 10 managers interviewed categorized their knowledge of records policies as low, and 5 categorized their knowledge as medium. In addition, employees interviewed during fieldwork frequently expressed confusion about records management policies, ranging from incorrectly believing that it is Agency policy to keep only electronic records to not knowing how to identify a record in the first place. To facilitate training, this review makes the following recommendations.

Recommendation 4. We recommend that the Chief of the Bureau for Management, Management Services, Information and Records Division, amend Automated Directives System 502 to include provisions for mandatory Agency-wide records training.

Recommendation 5. We recommend that the Director of the Human Resources Training and Education Division include an introductory module on the importance of records management and records management policies and procedures (including electronic records) to be presented by the Information and Records Division in USAID's new employee orientation.

Records Were Improperly Kept in Shared Drives and Other Electronic Systems

ADS 502.5.6b states that electronic text documents must be printed and maintained in paper record-keeping systems because the Agency has not adopted a standard electronic record-keeping system or an electronic information system to manage electronic text documents. If individual offices have created or acquired an electronic record-keeping system, they may use it to store some records provided they coordinate with IRD to ensure that the system meets NARA guidelines. To begin such coordination, offices must submit electronic system inventory form AID 502-1 before implementing an electronic record-keeping system.

In carrying out day-to-day business functions, Agency practices allow records to be managed electronically in shared drives as long as the records are printed periodically and organized in properly labeled folders, and IRD is consulted for instruction on the records' disposition. It is a violation of federal policy to dispose of records in advance of their approved disposition schedule or to dispose of records that have not yet been assigned a schedule.

The review revealed that the Asia and Africa Bureaus did not systematically maintain electronic text documents in hard copy. The Asia Bureau did not have any printed briefing files. Asia Bureau officials indicated that their briefing files and subject files were kept electronically in a shared drive (P-drive) and continuously updated. The Africa Bureau had briefing files for only 1 year prior and planned to cease printing them altogether in 2011. In addition, program correspondence files, which include subject and country files, were kept only in the P-drive.

Noncompliance with the electronic record-keeping policy stemmed from a misunderstanding of policy, insufficient records management requirements for some of the electronic systems currently in use, and lack of coordination between the Office of the Chief Information Officer (CIO) and IRD. Some employees believed that they were following policy by not printing electronic text documents. In addition, because some electronic systems were approved for keeping some types of records, offices were uncertain about which records to print and which to

store electronically.

The review also indicated that offices did not submit form AID 502-1 before new electronic systems were implemented for record keeping, and the CIO did not coordinate with IRD in implementing new electronic record-keeping systems. The CIO has already taken steps to correct this deficiency by requesting that the guidance manual be updated to include confirmation of submission of forms to IRD. Furthermore, printing all electronic text documents currently in shared drives would be expensive and time-consuming.

Neither the Asia Bureau nor the Africa Bureau complied with electronic storage of several types of text documents discussed in USAID's Disposition Schedule Chapter 5. As a result, these bureaus cannot ensure that records—some of which may be essential to preserving the rights of individuals and the federal government—are being identified and preserved. The bureaus may have difficulty properly responding to inquiries such as Freedom of Information Act requests and e-discovery in legal proceedings.⁴

In addition, these bureaus may be improperly disposing of federal records. Absent a printed copy, the electronic record is the official federal record and should not be destroyed. When an electronic file is updated and saved without capturing the previous version (by printing or choosing "Save As" instead of "Save"), the previous version is effectively destroyed. Continuously updated electronic files found in the Asia and Africa Bureaus are at high risk of such inadvertent destruction. Given that the P-drive is a file organizer with no record-keeping functionality, it cannot be used to track the full history of document edits. USAID may also employ other systems that cannot track the full history of document edits, making it impossible to know whether USAID employees are improperly deleting federal records by not printing or saving electronic documents. To address this problem, this review makes the following recommendation.

Recommendation 6. *We recommend that the Chief of the Bureau for Management, Management Services, Information and Records Division, work with the Deputy Chief Information Officer to develop and execute a plan to manage e-mail records and text documents electronically in accordance with National Archives and Records Administration guidelines.*

⁴ The Freedom of Information Act, codified at 5 U.S.C. 552 *et seq.*, allows for the full or partial disclosure of previously unreleased documents controlled by the U.S. Government.

EVALUATION OF MANAGEMENT COMMENTS

After evaluating management's response to the draft report, we have determined that final action has been taken on Recommendation 1, and management decisions have been reached on Recommendations 2, 3, 4, 5, and 6.

Recommendation 1. The Asia Bureau agreed with the recommendation, and file custodians for each of the Asia Bureau's management units have been identified. All file custodians attended the records management workshop offered by IRD in the Ronald Reagan Building March 15-17, 2011. Final action has been taken on this recommendation.

Recommendation 2. The Africa Bureau agreed with the recommendation, has planned to prepare draft language for inclusion in the work plans and performance evaluations of all bureau file custodians and records liaison officers, and provided a target date for completing action.

The Asia Bureau agreed with the recommendation in principle but stated that it did not have the proper authority to implement this recommendation. However, the Asia Bureau's Administrative and Management Services office instructed the bureau's unit managers to include relevant records management language in the 2011 performance objectives of direct-hire file custodians on May 11, 2011. Through subsequent discussions with the Asia Bureau, a target date of September 30, 2011 for completing action was provided.

A management decision has been reached on this recommendation with a target date of September 30, 2011, by which both bureaus plan to have completed action.

Recommendation 3. The IRD Chief agreed with the recommendation. IRD plans to revise ADS 502 to make bureaus responsible for implementation of the records management program and IRD responsible for establishing policy and ensuring compliance. The revision to ADS 502 will include the delineation of duties and responsibilities for the IRD Chief and all assistant administrators, mission directors, the Offices of Inspector General and General Counsel, office directors, and division and branch chiefs. The target date for completing these revisions to ADS 502 is December 31, 2011. A management decision has been reached on this recommendation.

Recommendation 4. IRD agrees with the recommendation and will revise ADS 502 to make records training mandatory. The target date for the completion of the ADS revisions is December 31, 2011. A management decision has been reached on this recommendation.

Recommendation 5. IRD and the Human Resources Training and Education Division agreed with the recommendation and will develop an "Introduction to Records" presentation for USAID's new employee orientation. The target completion date is September 30, 2011. A management decision has been reached on this recommendation.

Recommendation 6. IRD and the CIO agreed with the recommendation and will develop a plan to implement a solution that will manage e-mail records and text documents electronically in accordance with NARA guidelines. The plan will contain a plan of action, milestones, and

budget requirements for implementation. The target completion date is December 31, 2012. A management decision has been reached on this recommendation.

Management comments are presented in their entirety in Appendix II.

SCOPE AND METHODOLOGY

Scope

The Office of Inspector General's Inspections and Evaluations Division conducted this review of IRD's management of USAID's records program. This review complies with general standards in Chapter 3 as well as with the evidence and documentation standards in Paragraph 7.55 and Paragraphs 7.77 through 7.84 of the generally accepted government auditing standards. Those standards require that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions in accordance with the review objective.

The purpose of this review was to determine whether IRD manages USAID's records program according to NARA and Agency policy. Although the review primarily focused on IRD, testing took place in the Asia and Africa Bureaus because they are the largest geographic bureaus in terms of obligated fiscal year 2010 program funds. We conducted this review at USAID headquarters in Washington, D.C., from January 5 to February 2, 2011. The USAID CIO and USAID Human Resources Division were involved in discussions regarding implementation of recommendations.

The review focused on IRD's implementation of USAID's ADS 502, with particular attention to compliance with NARA standards. The testing was limited to the implementation of controls over the creation, use, and disposition of records. File inspections were limited to records described in USAID Washington Disposition Schedule, Chapter 5, "Geographic Bureaus General Records."

Methodology

To answer the review objective, we determined whether USAID's record-keeping policies in ADS 502 incorporate all applicable NARA guidelines. We tested compliance by categorizing ADS 502 controls into those pertaining to creation, use, or disposition of records.

- Under creation, we examined whether electronic records, including e-mails, were either (1) held in qualified systems or (2) printed. We tested whether form AID 502-1 was submitted before new electronic systems were implemented for record keeping. In addition, we surveyed managers regarding their level of records management training and policy awareness.
- Under use, we verified the existence of file stations and reviewed files plan submissions. We confirmed whether the bureaus conducted internal file reviews, followed files plans, and kept classified documents separately.
- Under disposition, we looked for the five file types, a total of 10 specific records, referenced in USAID Washington Disposition Schedule, Chapter 5, "Geographic Bureaus General Records." We noted whether the records were found, how long they were kept, and in what format they were kept.

MANAGEMENT COMMENTS



May 11, 2011

MEMORANDUM

TO: Joy Kadnar, Director
Inspections and Evaluations Division, Office of Audit

FROM: John Peevey, Director /s/
Management Services, Management Bureau

Cheryl Frederick, Director /s/
Administrative and Management Services, Africa Bureau

Rebecca Maestri, Director/s/
Administrative and Management Services, Asia Bureau

SUBJECT: Management Response to the Review of the Information and
Records Division's Implementation of Agency Records
Management Program (Review Report No. 2- 000-11-003-S)

Thank you for the opportunity to respond to the draft review report. This memorandum contains the management decisions for the Draft Review of the Information and Records Division's Implementation of Agency Records Management Program.

The following are our management decisions and corrective actions regarding the proposed review recommendations:

Recommendation 1. We recommend that the Asia Bureau Director of Administrative Management Services assign file custodians for each office."

Management Decision: The Bureau concurs. File custodians for each of the Bureau's management units have been identified. All attended the Records Management Workshop offered by M/MS/IRD in the Ronald Reagan Building March 15-17, 2011.

Recommendation 2: We recommend that the Directors of Administrative Management Services for Asia and Africa Bureaus include records management duties in the work plans and performance evaluations of file custodians and records liaison officers

Management Decision: The Africa Bureau concurs with the recommendation and will prepare draft language for inclusion in the work plans and performance evaluations of all bureau file custodians and records liaison officers. This draft language will be submitted to supervisors no later than June 30, 2011 for inclusion in the 2011 mid-year reviews of civil service work plans.

Target Date for Completion: June 30, 2011

The Asia Bureau does not concur with this recommendation. While AMS agrees in principal with this recommendation, it does not have the authority to write performance objectives for employees of other management units in the Bureau. Doing so falls under the purview of the employee and his/her supervisor. In this regard, AMS instructed the Bureau's unit managers to include relevant records management language in the 2011 performance objectives of their USDH file custodians. Please note that many of the Bureau's file custodians are institutional support contractors and do not receive performance evaluations from Bureau managers. 2011 performance objectives for the Bureau's RLO and the AMS file custodian reflect recommended records management language.

Additional actions recently undertaken by the Bureau are listed below:

- On February 18, 2011, AA/ASIA/AMS issued a phased approach to addressing the Bureau's record management responsibilities to ASIA managers. This includes:
 - identifying unit file custodians;
 - records management training for ALL Bureau employees;
 - Work with M/MS/IRD to "review current records, establish files in accordance with ADS guidance, establish a file plan, and archive official records as necessary."
- ASIA hired a summer intern who will be tasked to assist in the Bureau effort cited above;
- The bureau's RLO, AMS director, and AMS file custodian met with M/MS/IRD on April 19, 2011 to discuss the Bureau's approach mentioned above.

Recommendation No. 3: We recommend that the Division Chief of the Bureau for Management, Management Services, Information and Records Division amend USAID's Automated Directives System Chapter 502 Records Management Program to make bureaus responsible for implementation of the records management program and Information and Records Division responsible for establishing policy and ensuring compliance.

Management Decision: The Information and Records Division (IRD) concurs with the

recommendation and the Division Chief of the Bureau for Management, Management Services, Information and Records Division (M/MS/IRD) will:

1. Revise ADS 502, in conjunction with the stated goals above, to reflect the following delineation of duties and responsibilities:
 - a. The Director, Management Services, has overall responsibility to develop and implement an agency-wide records program for the management of all official Agency records (paper, multi-media, electronic) and record systems.
 - b. The Division Chief, M/MS/IRD is responsible for the overall management of the Agency's records program. M/AS/IRD is responsible for developing and implementing Agency-wide standards and requirements for management of all paper and electronic records. M/AS/IRD is also responsible for the Agency Vital Records Program.
 - c. The Division Chief, M/MS/IRD position as the Agency's Records Officer is responsible for establishing policy and ensuring compliance.
 - d. All Assistant Administrators, Mission Directors, Inspector General and General Counsel, Office Directors, Division and Branch Chiefs are responsible for:
 - i. Implementation of the records management program
 - ii. Ensuring compliance with the provisions of this Directive and all other records management practices.

Target Completion Date: December 31, 2011

Recommendation No. 4: We recommend that the Division Chief of the Bureau for Management, Management Services, Information and Records Division amend Automated Directives System Chapter 502 Records Management Program to include provisions for mandatory Agency-wide records training.

Management Decision: The M/MS/IRD Division Chief concurs with the recommendation and will revise ADS 502 to include mandatory records training requirements for affected personnel, which will include:

1. Completion of the current online Records Overview Course available through USAID University; or
2. Completion of the current instructor-led Records Overview Course

Target Completion Date: December 31, 2011

Recommendation No. 5: We recommend that the Director of Human Resources Training Division include an introductory module on the importance of records management, records management policies and procedures (including electronic records) to be hosted by the Information and Records Division in USAID New Employee Orientation.

Management Decision: M/MS/IRD and the Human Resources Training Division (HR/TE) concur with the recommendation. M/MS/IRD will develop an Introduction to Records module for presentation at USAID New Employee Orientation and HR/TE will include on the NEO agenda when scheduling.

Target Completion Date: September 30, 2011

Recommendation No. 6: We recommend that the Chief of the Bureau for Management, Management Services, Information and Records Division work with the Deputy Chief Information Officer to develop and execute a plan to manage email records and text documents electronically in accordance with National Archives and Records Administration guidelines.

Management Decision: Management Decision: M/MS/IRD and the Office of Chief Information Officer (OCIO) concur with the recommendation and will develop a plan to implement a solution that will manage email records and text documents electronically in accordance with National Archives and Records Administration guidelines. The plan will contain a plan or action, milestones and budget requirements for implementation.

Target Completion Date: December 31, 2012