



OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID'S IMPLEMENTATION OF SELECTED RECOMMENDATIONS ON IMPROVING THE HANDLING AND MAINTENANCE OF CLASSIFIED INFORMATION AND HARDWARE (SUMMARY)

AUDIT REPORT NO. A-000-14-004-P
May 29, 2014

WASHINGTON, D.C.

This is a summary of our report on the *Audit of USAID's Implementation of Selected Recommendations on Improving the Handling and Maintenance of Classified Information and Hardware*. After WikiLeaks released classified information in 2010, the Office of Management and Budget issued Memorandum M-11-06 directing executive departments and agencies to assess their procedures for safeguarding classified information.¹ In response, USAID had two assessments performed. The first, by the Office of the Director of National Intelligence (ODNI) and the National Archives and Records Administration (NARA), included 55 recommendations for improving USAID's safeguarding of classified information.² The second, by USAID's Office of Inspector General (OIG), included five recommendations.³

Two USAID offices were primarily responsible for implementing the 60 ODNI/NARA and OIG recommendations: the Office of Security and the Office of the Chief Information Officer (OCIO). USAID officials reported that as of February 7, 2013, they had implemented and closed 37 of the 60 recommendations—36 from the ODNI/NARA report and 1 from the OIG report.

OIG conducted this audit to determine whether USAID had implemented selected recommendations for improving the handling of classified information and hardware. We found that USAID had not implemented or could not support the closure of 9 of 19 selected recommendations.

The audit disclosed the following:

- USAID could not support or had not completed closure of eight recommendations from the ODNI/NARA external assessment. Some recommendations should not have been closed because they lacked supporting documentation; others hinged on policies and procedures that were still in draft.
- USAID could not demonstrate having fully implemented one recommendation from the Office of Inspector General. USAID's standards for determining final action did not include verifying documentation submitted by the auditee, and that documentation did not contain sufficient detail.

To ensure that USAID implements the ODNI/NARA recommendations and to strengthen USAID's procedures for closing recommendations, the report recommends that USAID's Chief Financial Officer:

1. Track and monitor the status of the ODNI/NARA recommendations, and verify that the Agency takes and documents corrective action on them.
2. Revise the Audit Performance and Compliance Division's standards for determining final action to include verifying corrective action.

USAID made management decisions on both recommendations and took final action on one.

¹ "WikiLeaks—Mishandling of Classified Information," November 28, 2010.

² "United States Agency for International Development (USAID) Assessment of Safeguarding and Counterintelligence Postures for Classified National Security Information in Automated Systems," October 3, 2011.

³ "Review of Selected Controls Over the Removal of Classified Electronic Material," Report No. 2-000-11-003-S, June 8, 2011.

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