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FARM CREDIT ADMINISTRATION
Records Management Program

Records Management Inspection Report

National Archives and Records Administration
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**FARM CREDIT ADMINISTRATION
RECORDS MANAGEMENT PROGRAM
INSPECTION REPORT**

INTRODUCTION

The National Archives and Records Administration (NARA) is responsible for assessing the management of records in all media within federal agencies to protect the rights of citizens, 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 Farm Credit Administration (FCA) records management (RM) program in January 2021.

The purpose of this inspection was to examine FCA's compliance with RM laws, regulations, and policies, with particular attention to email and electronic records, records scheduling and implementation, and RM training.

This inspection focused on FCA's RM standards, policies, procedures, and practices at its headquarters in the Washington, DC metropolitan area and other regional offices across the United States. It also examined the controls FCA's RM program has established to mitigate risks associated with non-compliant handling of records and to ensure that all RM policies and procedures are effectively implemented and followed throughout all FCA locations.

In several key areas described below, NARA found that FCA is non-compliant with various elements of 36 Code of Federal Regulations (CFR) Chapter XII, Subchapter B and the Federal Records Act (44 U.S.C. Chapter 21-35).

Failure to manage agency records in a compliant manner increases the risk of records not being readily accessible for normal business operations, program development, and accountability to Congress and the public. It also increases the risk of loss of federal information 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. To help mitigate the risks associated with non-compliance, this report makes 8 findings and 12 recommendations; follow-up actions required of FCA and NARA are included in Appendix C.

OVERVIEW OF FCA RECORDS MANAGEMENT PROGRAM

The FCA is a small independent agency of the executive branch of the federal government. Established by Congress in 1933, FCA derives its authority from the Farm Credit Act of 1971, as amended, and is charged with regulating and examining the banks, associations, and related

institutions of the Farm Credit System institutions and the Federal Agricultural Mortgage Corporation (Farmer Mac). The agency is governed by a presidentially appointed Chief Executive Officer (CEO) and a three-member board that approves FCA's regulation and enforcement activities. The CEO also serves as the chairman of FCA's board.

Headquartered in McLean, Virginia, the agency has approximately 340 employees and operates five field offices across the country. FCA has similar experiences to other small federal agencies that are challenged in achieving optimal RM goals because of limited funding and staffing resources. Additionally, the COVID-19 pandemic has further impacted RM operations, by limiting access to onsite offices, storage facilities, and FCA hardcopy records.

In spite of these challenges, FCA's senior leadership has shown considerable commitment to structuring a sounder and more compliant RM program evidenced by the recent move of the RM program from the Office of Agency Services to the Office of Information Technology, and incorporation of the RM program into the FCA Change Control Board and Data Advisory Group.

In October 2020, FCA hired a new Agency Records Officer (ARO) who immediately began evaluating the RM program's compliance with federal RM regulations, consequently developing a 5-year RM plan that not only provides practical strategies to improve FCA's RM controls, customer service, education, policies and processes, but also aligns with the findings and recommendations outlined in this report.

FINDINGS AND RECOMMENDATIONS

POLICY

Finding 1: FCA's current RM Policy does not sufficiently cover several federal recordkeeping requirements.

In order for an agency to systematically execute control over the creation, maintenance, use, and disposition of federal records it is imperative to establish an agency-wide RM policy that clearly and comprehensively outlines federal recordkeeping requirements and regulations. FCA's current policy is outdated and does not cover recently updated RM regulations and guidance.

During the inspection FCA's ARO indicated that a review of the current RM policy was completed prior to the commencement of the inspection and revisions to shore up deficiencies in the policy were already underway.

Recommendation 1: FCA must complete revisions to the drafted RM Policy and ensure that the

revised policy effectively covers federal recordkeeping requirements for electronic RM (36 CFR 1236), Information Security (OMB Circular No. A-130), RM program evaluation (36 CFR 1220.34(j)), records scheduling (36 CFR 1226), unauthorized disposition (36 CFR 1230.12), and essential RM (36 CFR 1223).

PROGRAM MANAGEMENT

Finding 2: RM responsibilities for records liaisons (RLs) are not written into their position descriptions or performance plans.

36 CFR 1220.34(d) requires that federal agencies assign RM responsibilities in each program (mission) and administrative area to ensure incorporation of federal recordkeeping requirements and records maintenance, storage, and disposition practices into agency programs, processes, systems, and procedures.

Recently, FCA established a network of agency staff, records liaisons (RLs), within each program office. FCA's RL positions are designed to be a supportive element for program offices and are considered integral in executing RM program initiatives across the agency.

Oftentimes when agency staff are given RM responsibilities it is in an ad hoc manner, where RM responsibilities fall under "other duties as assigned" and typically results in RM duties not given much priority. While not specifically indicated by federal regulation, putting RM duties into position descriptions and or performance plans can elevate the importance of RM and can enhance staff's ability to prioritize and execute RM program policies and procedures within their program office.

Recommendation 2: FCA should include RM duties into the position description and/or performance plans of those employees who serve as RLs, RM program staff, and other staff or contractors required to regularly support FCA's RM program.

Finding 3: FCA's Information Resource Management (IRM) Strategic Plan does not include RM.

According to OMB Circular A-130, systematic attention to the management of government records is an essential component of sound public resources management. The agency's IRM plan shapes the redesign of work processes, and guides the development and maintenance of federal information resources. To ensure that the IRM plan appropriately covers the management and disposition of records in accordance with the Federal Records Act, the RM program must assess whether or not IRM goals and initiatives sufficiently address applicable RM policies, procedures and federal recordkeeping requirements and incorporate RM within the IRM plan.

FCA's IRM plan outlines 3 goals and 8 initiatives that identify the agency's business priorities and objectives as it relates to its IT infrastructure, but the plan does not assess, identify, and incorporate RM to ensure proper management and disposition of records in accordance with federal RM regulations.

Recommendations 3: FCA must assess how current IRM goals and initiatives impact RM and revise the IRM plan to include information that covers RM to satisfy 44 U.S.C. 3506(f) and the Federal Records Act.

Finding 4: FCA does not have an established Essential Records Program.

FCA's pre-inspection questionnaire responses regarding essential records indicated that although RM is mentioned in the agency's Continuity of Operations Plan (COOP), FCA does not have a formal essential records program.

An Essential Records Program (ERP) is a crucial part of a federal agency's Continuity of Operations Program. An agency's ERP must provide information needed to conduct business under other than normal operating conditions and resume normal business afterward, and must also enable agency officials to identify and protect the most important records dealing with the legal and financial rights of the agency and of persons directly affected by the agency's actions.

Recommendation 4: FCA must develop and implement a comprehensive plan, with milestones, that establishes an ERP in accordance with 36 CFR 1223.

RECORDS MANAGEMENT AND CONTROLS

Finding 5: FCA has insufficient controls in place to ensure agency records are organized, described, indexed, and dispositioned appropriately.

FCA is at risk of destroying records prematurely and maintaining records longer than necessary because FCA has not established sufficient processes and procedures to comprehensively identify all federal record types, locations, and associated disposition instructions.

Also, FCA does not use NARA suggested language as agency-specific terms and conditions in federal contracts to ensure proper management of records created by contractors. 36 CFR 1222.32 requires federal agencies to safeguard records created, processed, or in the possession of contractors or non-federal entities. Agencies must specify in their contract agreements government ownership and the delivery to the government of all records necessary for the adequate and proper documentation of contractor-operated agency activities and programs.

Furthermore, 36 CFR 1225.12(a) and (b) instructs agencies to conduct a functional or work process analysis to identify the functions or activities performed by each organization or unit; identify the recordkeeping requirements for each and develop an inventory for each function indicating records series, systems, and nonrecord materials. Agencies cannot effectively execute control over its records without identifying the records being created and managed across the agency.

Recommendation 5.1: FCA must develop a plan to conduct a complete inventory of all agency records, in all formats (i.e., hardcopy, electronic, audio visual, and cartographic records) and develop a process or system that identifies record types, locations, and disposition instructions for all records in accordance with 36 CFR 1220.34(i).

Recommendation 5.2: FCA must create a plan to meet the requirements of 36 CFR 1222.32, and should include the contract language as stated in the NARA RM Handbook, RM Language for Contracts section, to ensure proper capture and disposition of records that are created and managed by contractors.

Recommendation 5.3: FCA must develop a plan to institute controls that ensure all records, scheduled and unscheduled, regardless of format, are properly organized, classified, or indexed, accurately described and made available for easy retrieval and use (36 CFR 1220.34(i) & 36 CFR 1224.34).

Finding 6: FCA is not managing all permanent records electronically.

OMB/NARA Memorandum, M-19-21, *Transition to Electronic Records*, item 1.1, mandates that by 2019 all federal agencies must ensure that all permanent electronic records are managed in electronic formats, with appropriate metadata.

During inspection interviews FCA indicated that certain program offices recognized the official recordkeeping copy of certain permanent records as electronic, but in practice these records are actually being managed in hardcopy.

Recommendation 6: FCA must develop and implement processes and procedures to ensure that all permanent electronic records are managed in electronic formats only (M-19-21).

RECORDS SCHEDULING AND DISPOSITION

Finding 7: FCA has not implemented processes and procedures that ensure effective disposition of agency records in accordance with 36 CFR 1224.10.

36 CFR 1224.10 requires federal agencies to implement an effective records disposition program that ensures that all federal records are covered by a NARA-approved disposition authority. This requirement applies to records in any medium and instructs agencies to periodically review and update existing disposition authorities, incorporate records retention and disposition functionality in recordkeeping systems, and provide training and guidance to all employees on records scheduling and disposition.

The list of agency records that FCA submitted for the inspection indicated that FCA has at least 6 unscheduled record types. Additionally, some FCA offices are referencing superseded disposition authorities and some disposition authorities only cover records in hardcopy format, even though the records are born and managed electronically.

Finally, the inspection revealed that FCA has both permanent and temporary records at FCA offices, and a NARA Federal Records Center (FRC), that are overdue for disposition.

Recommendation 7.1: FCA must develop a comprehensive plan to identify and schedule all records, in all record formats, throughout the agency in accordance with 36 CFR 1225.12. This plan should also include a process that establishes regular reviews and updates to existing disposition authorities.

Recommendation 7.2: FCA must develop a plan to establish and implement a process that will ensure the timely transfer of permanent records in its custody to NARA and initiate the immediate transfer of any overdue records in FCA custody or at a NARA FRC (36 CFR 1235.12).

Recommendation 7.3: FCA must develop a plan to establish and implement processes and procedures that ensure regular and appropriate disposition of temporary records at FCA and NARA FRCs.

RECORDS MANAGEMENT TRAINING

Finding 8: FCA's basic RM training is not fully compliant with 36 CFR 1220.34 and NARA Bulletin 2017-01.

FCA now requires all staff to complete basic RM training annually and has developed role-based RM training for RLs and political appointees/senior staff. Specific RM training requirements for all federal agencies are outlined in 36 CFR 1220.34 and NARA Bulletin 2017-01.

Upon review, NARA determined that FCA's annual RM training does not sufficiently cover the

recommendations made in NARA Bulletin 2017-01. Specifically, the training does not:

- Describe how records are maintained and filed in the agency;
- Describe how records schedules and/or files plans are implemented and updated;
- Describe what to do with record and non-record materials when an employee leaves the agency;
- Require trainees to practice what they are learning using job relevant scenarios; and
- Include an assessment of learning.

Recommendation 8: FCA must revise its annual RM training to ensure that it meets all requirements outlined in 36 CFR 1220.34 and NARA Bulletin 2017-01.

CONCLUSION

As previously mentioned, it is quite evident that FCA's senior leadership is significantly committed to not only establishing a more comprehensive and compliant RM program, but also elevating the visibility and importance of RM throughout the agency. The recent inclusion of the RM program into the Office of Information Technology, Change Control Board and Data Advisory Group should enhance the RM program's ability to implement meaningful changes to the information management culture at FCA. Throughout the inspection process, FCA's senior leadership provided considerable cooperation with NARA and even participated in several program office interviews.

FCA's success in the adoption and implementation of the recommendations made in this report will depend on senior leadership's continued commitment to the prioritization of RM throughout FCA and the allocation of sufficient resources to support the initiatives of the RM program.

APPENDIX A

INSPECTION PROCESS

OBJECTIVE AND SCOPE

The objective of this inspection was to examine how well FCA's RM program complies with statutory RM mandates and other federal recordkeeping requirements. The inspection focused on the development of RM policies and procedures and its implementation throughout the agency. There was particular emphasis on electronic records management and the implementation of OMB/NARA Memorandum, *Transition to Electronic Records* (M-19-21) and OMB/NARA Guidance on Managing Email (M-14-16) goals.

METHODOLOGY

NARA carried out this inspection by conducting six interviews via video conferencing; one interview with FCA's RM program which resides at its headquarters in the Washington D.C. metro area and the other interviews were with FCA's Office of the Board Chairman, Office of Examiners, Office of Congressional and Public Affairs, Office of General Council, and Office of Information Technology. The inspection team also reviewed FCA's responses to a pre-inspection questionnaire and the RM program documents that were submitted prior to the interview.

APPENDIX B
RELEVANT INSPECTION DOCUMENTATION

- FCA ARO Position Description
- FCA Change Control Board Charter
- FCA Disposition Authorities
- FCA Electronic Systems List
- FCA Holdings Report
- FCA Internal RM Controls Assessment
- FCA IRM Strategic Plan
- FCA OIG Inspection Report on Records Management and Preservation
- FCA Organizational Charts
- FCA Policy - Email Management
- FCA Policy - Records Management
- FCA Policy - Social Media
- FCA Records Liaisons List
- FCA Records List
- FCA RM Annual Training: Political Appointees and Senior Officials
- FCA RM Liaison Training
- FCA RM Training Overview and Plans
- FCA RIM Five Year Plan
- NARA Pre-inspection Program Questionnaires

APPENDIX C AUTHORITIES AND FOLLOW-UP

AUTHORITIES

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

OTHER GUIDANCE

- OMB/NARA Transition to Electronic Records (M-19-21)
- 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 ACTIVITIES

FCA will submit to NARA a Plan of Corrective Action (PoCA) that specifies how the agency will address each 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 FCA's action plan, provide comments to FCA on the plan

within 60 calendar days of receipt, and assist FCA in implementing recommendations. FCA 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 the development of the PoCA. NARA will inform FCA when progress reports are no longer needed.



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