

FHFA COMMENTS AND OIG RESPONSE.....

We provided a draft of this report to FHFA for its review and comment. The Agency’s comments are included in the Appendix to this report.

By November 30, 2023, FHFA committed to replace current manual processes with automated processes to assign and track records management training for onboarding personnel. FHFA also stated that onboarded personnel will be notified that if they do not complete the training within 60 days, their access to the Agency’s network will be disabled.

By December 31, 2023, FHFA stated that it will design and implement a new process to track completion of targeted records management training for offboarding senior officials.

We will close the recommendation upon reviewing the documentation that FHFA committed to provide by December 31, 2023, and independently determining that FHFA has implemented corrective actions addressing all aspects of the renewed recommendation.

EMBARGOED until 12:01 a.m. Thursday Aug 24, 2023

OBJECTIVE, SCOPE, AND METHODOLOGY

We initiated this compliance review in April 2023 to assess whether FHFA effectively implemented the records management training corrective actions for onboarding employees and contractors and offboarding senior officials for the period March 1, 2021, through February 28, 2023 (review period).

To accomplish our objectives, we reviewed FHFA documentation to determine whether employees and contractors completed records management training within 60 days of onboarding with the Agency as required by its Tracking Procedures.

We also reviewed FHFA documentation to determine whether RIM met with offboarding senior officials to explain their records management responsibilities and documented the meetings in an exit form. Further, we met with FHFA officials.

We conducted our compliance review from April 2023 through June 2023 under the authority of the Inspector General Act of 1978, as amended, and in accordance with the *Quality Standards for Inspection and Evaluation* (December 2020), which were promulgated by the Council of the Inspectors General on Integrity and Efficiency.

We provided a draft of this report to FHFA for its review and comment.

EMBARGOED until 12:01 a.m. Thursday, Aug. 24, 2023

APPENDIX: FHFA MANAGEMENT RESPONSE.....

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EMBARGOED until 12:01 a.m. Thursday Aug. 24, 2023



Federal Housing Finance Agency

MEMORANDUM

TO: Brian Baker, Deputy Inspector General, Office of Compliance

THROUGH: Katrina D. Jones, Chief Operating Officer KATRINA JONES Digitally signed by KATRINA JONES
Date: 2023.08.11 11:54:12 -04'00'

FROM: Tammy L. Tippie, Acting Chief Information Officer TAMMY TIPPIE Digitally signed by TAMMY TIPPIE
Date: 2023.08.10 14:04:54 -04'00'

SUBJECT: Draft Compliance Report: *FHFA Did Not Effectively Implement Records Management Training Controls for Onboarding and Offboarding Personnel*

DATE: August 11, 2023

Thank you for the opportunity to respond to the above-referenced draft compliance report by the Office of Inspector General (OIG). The compliance review tested the corrective actions implemented by the Office of Technology and Information Management (OTIM) and the Records and Information Management (RIM) branch following OIG's 2020 audit report, *FHFA Needs to Strengthen Controls Over its Records Management Program to Comply with OMB and NARA Requirements* (2020 Audit Report). In the 2020 Audit Report, OIG recommended that the Federal Housing Finance Agency (FHFA) develop and implement procedures for employee and contractor records management training and targeted records management training for the offboarding of senior officials.

To address the 2020 Audit Report recommendations, OTIM developed procedures to track the completion of records management training, developed a RIM Rules of Behavior (RoB) to document employee and contractor records management responsibilities, and added a clause to Agency contracts that requires contractor employees to follow FHFA records management requirements outlined in the RoB while working for FHFA.

During the recent compliance review, OIG assessed whether the tracking of records management trainings and the offboarding procedures for senior officials were effective. The compliance review found that the training logs were unreliable for tracking whether FHFA employees and contractors completed records management training within 60 days of starting at Agency, and RIM was unable to provide exit forms for senior Agency officials who had offboarded.

Based on the compliance review, OIG reopened Recommendation Number 4 from the 2020 Audit Report.

Recommendation 4: *Develop and implement procedures to ensure:*

- a. *FHFA employees and contractor employees complete required annual records management training;*
- b. *Contractor employees complete required records management training at time of onboarding; and*
- c. *FHFA senior officials (political appointees, senior agency officials, and senior executives) complete required targeted records management training at time of offboarding.*

Management Response: FHFA agrees with the recommendation. Historically RIM has relied on in-person training and manually intensive processes to track records management training. RIM is working with other Office of the Chief Operating Officer (OCOO) functions to automate as much of the tracking as possible by leveraging system and reporting enhancements.

To address employee and contractor annual records management training (Item a) and contractor records management training at time of onboarding (Item b), OTIM will redesign and implement process changes by November 30, 2023. OTIM will complete the following actions:

1. RIM will work with the Learning Academy to create a Records Management training module, which will be accessed through FHFA's Learning Management System (LMS) and will replace in-person training.
2. RIM will receive automated messages and reports when an individual first signs onto the FHFA network, which should be the same as or shortly after their official start date.
3. The Learning Academy will also receive the automated reports and messages and assign the new user training in LMS.
4. If the new user has not completed the RIM training within the specified (60-day) timeframe, RIM will contact the user and the manager or Contracting Officer's Representative and monitor until the training is completed. RIM will also inform the user that if training is not completed by the 60-day deadline, their network account will be disabled.

By December 31, 2023, FHFA will complete the following actions to address the targeted records management training (Item c) for senior officials (political appointees, senior agency officials, and executives):

5. RIM will work with the Office of Human Resource Management (OHRM) to receive regular reports of employees promoted to executive positions and schedule the required senior official training.
6. RIM will modify the on-boarding process to identify newly hired executives and/or their administrative support and schedule the required senior official training.

7. RIM will design and implement a new process to track completion of targeted records management training for offboarding senior officials.

If you have questions, please contact Stuart Levy at (202) 649-3610 or Stuart.Levy@fhfa.gov.

cc: Brigitte Tolbert
Edom Aweke
John Major

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