

SECURITY OF PERSONNEL DATA FILES

EXECUTIVE SUMMARY

Based on a request from the House Subcommittee on Oversight and Investigations (Subcommittee) of the Committee on Financial Services, we reviewed the controls over personnel data files and documentation. We found that the Commission generally complied with Office of Personnel Management (OPM) guidance regarding file organization, although controls over the storage and retrieval of files and the filing of personnel records can be improved, as described below.

SCOPE AND OBJECTIVE

Our objective was to evaluate the adequacy of controls over official personnel files and personnel documentation. OPM guidelines specify how these files are to be maintained.

During the review, we interviewed staff in the Office of Administrative and Personnel Management, identified and tested management controls, and reviewed a statistical sample of 45 official personnel files, among other procedures. The audit was performed from May to June 2001 in accordance with generally accepted government auditing standards.

BACKGROUND

The Office of Administrative and Personnel Management (OAPM) maintains the official personnel file (OPF, SF-66) and related personnel documentation. This file, which is maintained for every employee, documents significant events during an employee's federal employment (*e.g.*, appointment, promotion, transfer, separation). The folder is in the custody of the employing agency (the Commission), but the Office of Personnel Management owns it.

OPM has established security requirements and retention standards for the permanent records in the file. According to the guidance, agencies should secure personnel records against unauthorized access by keeping them in locked metal file cabinets or in a secure room.

OPM categorizes personnel file documents as either long term or temporary. Long-term records such as the Notification of Personnel Action (SF-50) protect the legal and financial rights of the Government and the employee. They remain in the file for the life of the folder, usually 115 years from the employee's date of birth. Personnel actions are processed through the Department of Interior's (DOI) Federal Personnel and Payroll System (FPPS).¹

Temporary records include offer letters, requests for personnel actions (SF-52), and employee address forms. These records are discarded when an employee transfers to another agency or leaves federal service.

OPM procedures require permanent documents to be placed in order by effective date on the file's right side. Temporary documents are placed on the left side of the file. The cover of the file lists the employee's name, social security number, and date of birth.

A recent audit by the Department of Commerce (DOC) Office of Inspector General found that many forms documenting personnel actions were not in the DOC employees' personnel files and that a number of the files could not be located. In response, the House Subcommittee asked our office and others to perform a similar review of the controls over personnel files and documents.

AUDIT RESULTS

We found that the Commission generally complied with OPM guidance regarding file organization. The cover contained the required information, and permanent and temporary documents were on the correct side.

As described below, we identified improvements to the security of files, use of sign-out cards, and the filing of personnel documents.

FILE ROOM SECURITY

The OAPM file room is locked at night, but not during the day. Personnel files are maintained in an unlocked power file within the room, which also contains assorted personnel forms and a paper shredder.

According to OAPM, personnel assistants assigned to the file room closely monitor all activity in the room. Only the assistants are supposed to use the shredder. However, if the assistants leave the room, personnel files could be taken without a charge card being completed.

OAPM indicated that it would place a sign near the file room door indicating that only OAPM staff are allowed in the room. It will notify its staff that only the personnel assistants may use the shredder.

¹ The Commission contracts with DOI for certain personnel and payroll services.

Recommendation A

To further enhance security, OAPM should require the assistants to lock the file room whenever it is unattended.

SIGN-OUT CARDS

OAPM procedures require completion of a sign-out card when staff remove a personnel file. The sign-out card remains in the power file cabinet until the file is returned.

Of our representative sample of 45 files, one of the files was not available at the time of our test, and no sign-out card was in the cabinet. Without a sign-out card, the location of the file could not be readily determined. During a subsequent check, we found that the missing folder had been returned.²

We also identified one instance in which an employee signed out a file for several months, reducing file security. An OAPM personnel specialist also indicated that sometimes several staff used a signed out personnel file, thereby reducing accountability.

Recommendation B

OAPM should remind its staff to complete a sign-out card whenever a file is removed from the file room; to promptly return personnel files to the file room; and to avoid sharing signed-out files.

Response: OAPM indicated that it would notify its staff of the sign-out procedures for OPFs.

Recommendation C

OAPM should periodically review sign-out cards to verify that files are being returned promptly.

Response: OAPM indicated that it would require the personnel assistants to file sign-out cards in a box. The assistants will check the box daily, and follow-up with any OAPM staff having OPFs for more than two weeks.

FILING OF PERSONNEL DOCUMENTATION

To test filing of personnel documentation, we selected a representative sample of 308 personnel action forms (SF-50s) processed by FPPS after January 2, 1999. The forms related to our sample of 45 personnel files.

A total of seven forms (approximately 2%), which were dated about four months prior to our test, had not yet been filed.

² In an ongoing audit of controls over staff background investigations, we similarly found one file missing without a sign-out card.

Recommendation D

OAPM should develop review procedures to ensure that personnel documentation is timely filed.

Response: OAPM indicated that the personnel assistant will be required to retrieve the OPF to process each personnel action, and will file the SF-50 in the OPF at that time. When a large batch of SF-50s is processed, the assistants will file all personnel action forms within two weeks, with assistance from other OAPM staff.

GUIDANCE ON TEMPORARY RECORDS

As stated in the Background, OPM has developed retention standards for permanent personnel records. The employing agency is responsible for developing retention standards for its temporary records. The Commission has not yet developed guidance on this issue, which would help ensure consistent treatment of these records.

Recommendation E

OAPM should develop guidance on retention standards for temporary personnel records.

Response: OAPM indicated that temporary records are purged when employees separate. Temporary records include employment offer letters, checklists of personnel forms completed and returned, receipt of redeposit forms, notes of benefit problems and resolutions, personnel action requests (SF-52), and other miscellaneous documents.