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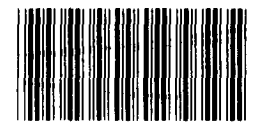
BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

Federal Records Management: A History Of Neglect

Serious deficiencies with records management have existed for years among Federal Government agencies. Examples abound of how the Government could save millions of dollars through better records management.

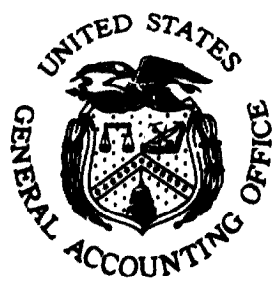


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Oversight of records management has been ineffective, and resources and management attention have been inadequate. However, some promising activities have occurred. The National Archives and Records Service is moving to improve its records management oversight, and the Paperwork Reduction Act was enacted in 1980.

The act imposes broad policysetting and oversight responsibilities on the Office of Management and Budget and requires reports to the Congress on agency information management activities.

This report should assist both the Congress and the Office of Management and Budget in assessing progress overcoming records management problems under the new legislation.



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FEBRUARY 24, 1981

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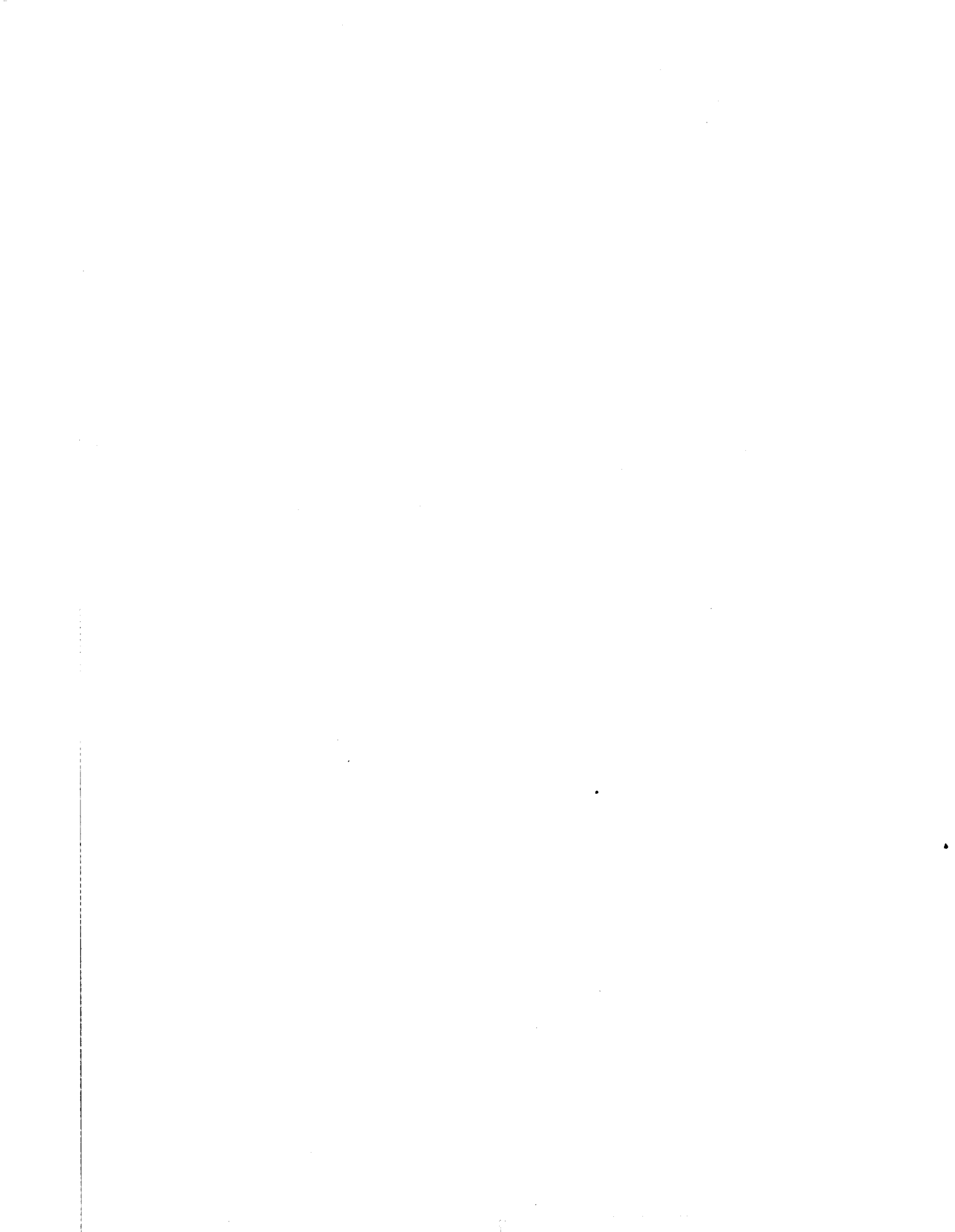
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To the President of the Senate and the
Speaker of the House of Representatives

This report discusses the status of records management in the Federal Government and recent legislation, which, if properly implemented, should promote needed improvements. We made this review because of the estimated \$43 billion annual cost of Federal records and the large potential for dollar savings.

We are sending copies of this report to the Director of the Office of Management and Budget, the Administrator of General Services, and the Archivist of the United States.

Thomas A. Starks
Comptroller General
of the United States



D I G E S T

In 1977 the Commission on Federal Paperwork estimated the Federal Government's annual records cost at \$43 billion. This figure, coupled with a history of neglect of records management by Federal agencies, suggests that improvements in records management could result in significant dollar savings to the Government. Billions of dollars in savings have been reported, but examples abound of how the Government could save millions more through better records management.

B [Records management includes various managerial activities related to the creation, maintenance and use, and disposition of records.

40. [Serious deficiencies with records management have existed for a long time.] Between 1975 and 1979, the agency with Government-wide records management responsibilities--the National Archives and Records Service (NARS)--found that many agency programs needed significant improvements. In its only multi-agency inspection reports--on mail and reports management--NARS noted ineffectiveness and inefficiency in the same agencies where major shortcomings had been found years earlier. Estimated potential savings are about \$100 million annually. [Many records management officials told GAO that weaknesses in their agency programs still exist years after NARS first reported them.] (See pp. 10 and 23.)

Recently, [agencies have made many suggestions for saving money through better records management;

--In November 1979 NARS said that the Navy could save almost \$7 million annually in typists' salaries alone through better correspondence management. (See p. 15.)

--A 1979 Department of Defense report estimated potential Defense savings of \$10 million annually through improved copy and printing management. (See p. 21.)

--A Treasury official justified a contract proposal on the basis that much of the potential to which microform could be used was being wasted at a high cost to the Government. (See p. 22.)

Persistent records management shortcomings have been attributed to many causes, including poor promotion of records management program improvements, lack of commitment by top management, emphasis on agency missions, and the low priority of records management. (See p. 25.)

Agency records management weaknesses have existed at least since the Federal Records Act gave NARS oversight responsibilities 30 years ago. NARS' ineffectiveness and poor image raise questions as to how successful its currently proposed changes will be. (See pp. 7 and 29.)

Oversight of records management has not been effective, and records management historically has been afforded limited resources and inadequate management attention.

GAO testified in favor of H.R. 6410, the Paperwork Reduction Act of 1980, in February 1980. The legislation recently passed the Congress and was signed by the President. It includes a requirement that the Office of Management and Budget send the Congress copies of its reports on agencies' information management activities and an annual report listing violations of information management laws and regulations. The Congress will also receive agency responses to the reports, detailing actions agencies are taking to solve problems. These provisions should improve agencies' accountability to the Congress and focus attention on longstanding records management problems. Savings similar to examples cited in this report should result. (See p. 31.)

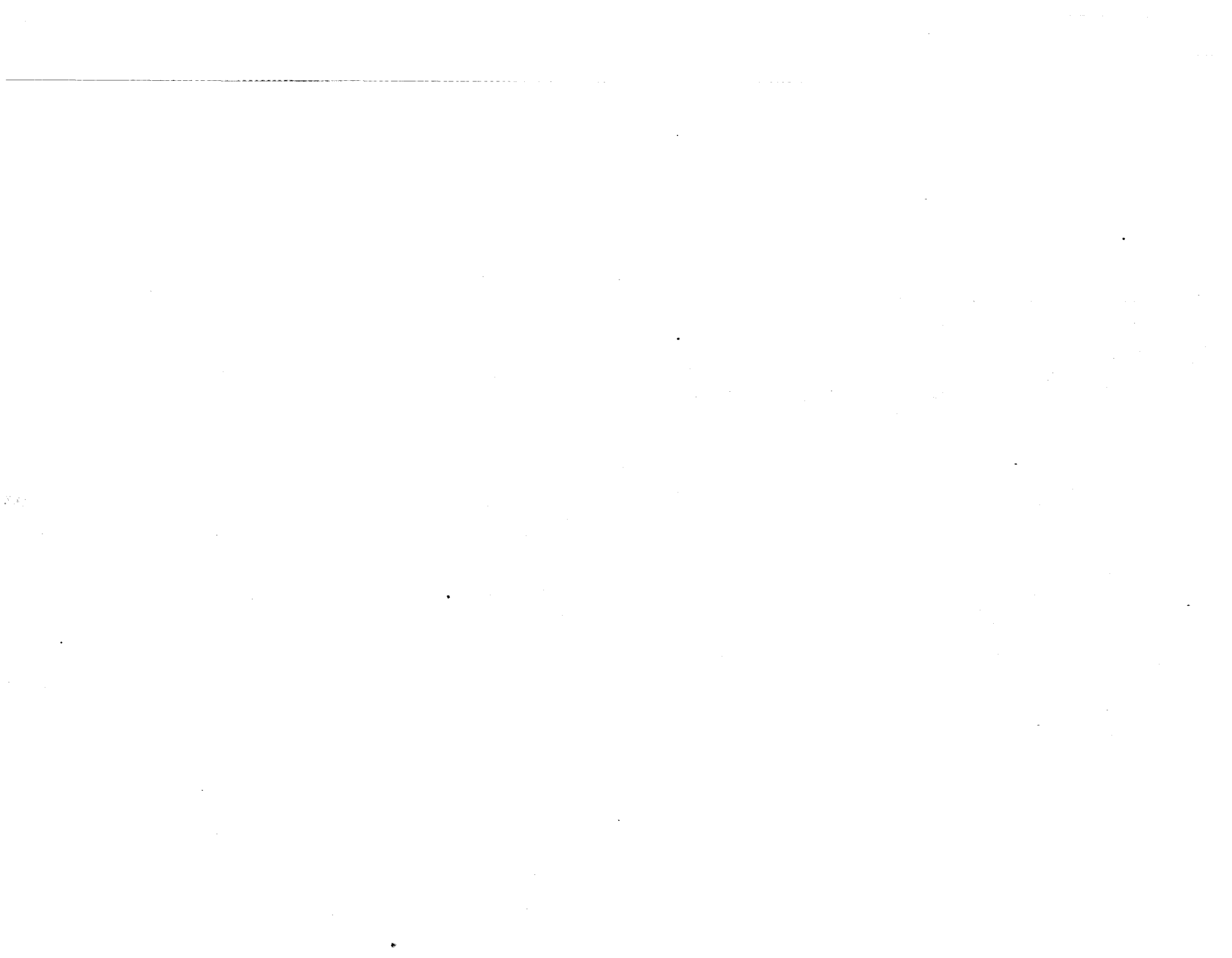
Because the Paperwork Reduction Act of 1980 emphasizes the Office of Management and Budget's oversight of information management, including records management, the Office has an opportunity to reverse records management's history of neglect. It can oversee improvements in NARS' records management program, direct agencies' attention to systematically analyzing their records management systems, require and collect agency self-evaluation reports, oversee actions on the reports' recommendations, and monitor agency weaknesses identified by NARS. (See p. 33.)

This report should assist both the Congress and the Office of Management and Budget in assessing progress overcoming records management problems under the new legislation.

AGENCY COMMENTS

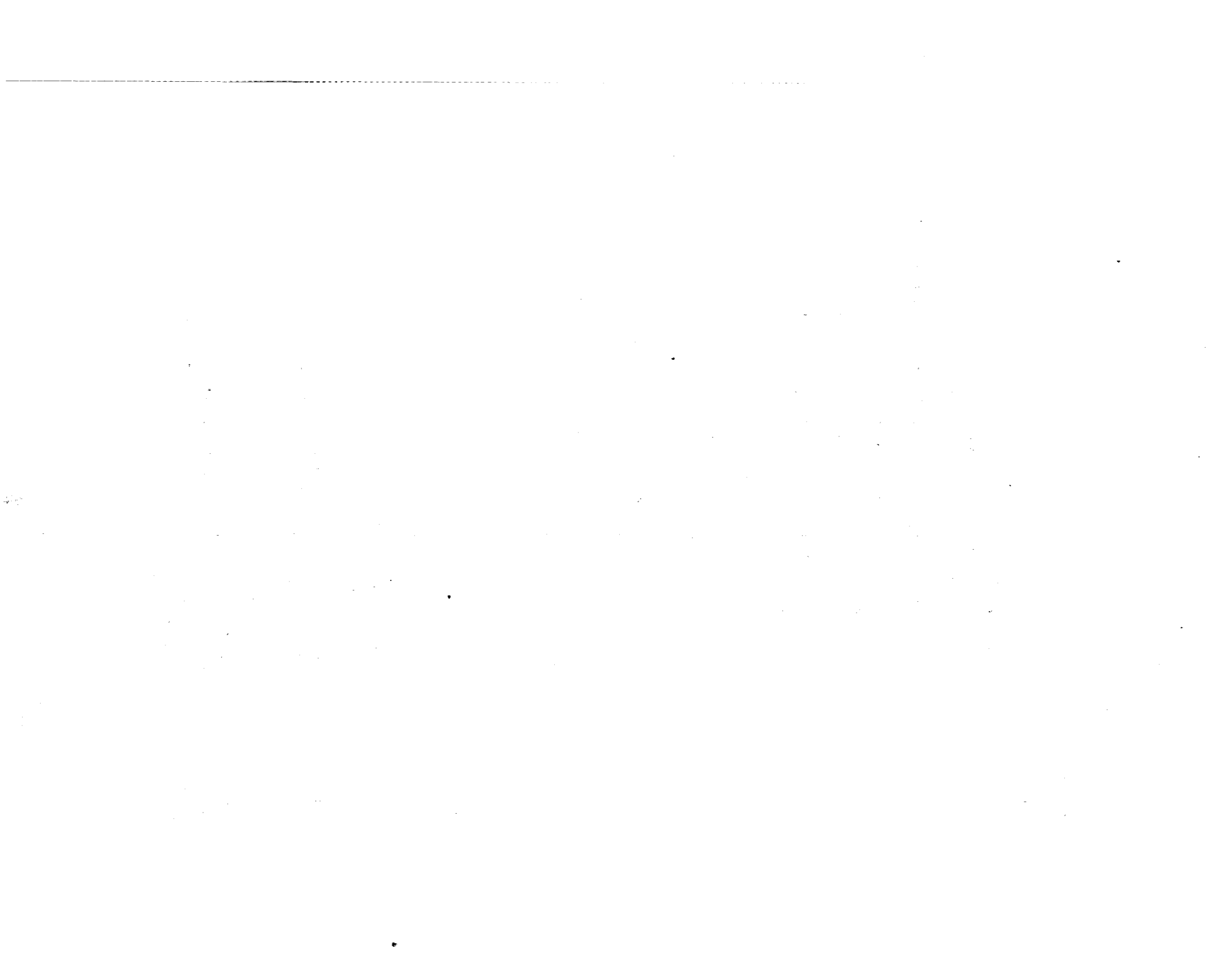
Both the Office of Management and Budget and the General Services Administration agreed that more attention should be devoted to records management. The Office of Management and Budget believes that strengthening the Government's records management operation should result in dollar savings and in improved efficiency and service to the public. The General Services Administration believes that congressional monitoring of agency records management programs and projects will help sustain the necessary degree of management commitment and agency accountability. (See p. 35 and apps. II and III.)

Tear Sheet



C o n t e n t s

		<u>Page</u>
DIGEST		i
CHAPTER		
1	INTRODUCTION	1
	What is records management?	1
	Responsibilities for records management	4
	Objectives, scope, and methodology	4
2	PERSISTENT RECORDS MANAGEMENT PROBLEMS ARE NOT CORRECTED	7
	Historical criticisms of records management	7
	NARS inspections have shown need for agency improvement	8
	Agencies have shortcomings within individual records management functions	10
	Agency problems are extensive and longstanding	23
3	ACTIONS ARE BEING TAKEN TO ADDRESS RECORDS MANAGEMENT SHORTCOMINGS	25
	Reasons given for records management shortcomings	25
	Improvements are being promoted	30
	Conclusions	33
	Agency comments	35
APPENDIX		
I	Selected reports dealing with records management	36
II	Letter dated December 5, 1980, from the Assistant Director for Regulatory and Information Policy, Office of Management and Budget	37
III	Letter dated December 11, 1980, from the Administrator of General Services	38
	<u>ABBREVIATIONS</u>	
GAO	General Accounting Office	
GSA	General Services Administration	
NARS	National Archives and Records Service	
OMB	Office of Management and Budget	



CHAPTER 1

INTRODUCTION

In 1977 the Commission on Federal Paperwork estimated the Federal Government's annual records cost at \$43 billion. The enormity of this figure, coupled with records management's history of neglect, suggests that improvements in records management could result in significant dollar savings to the Government. Recognizing this potential, the National Capital Chapter of the Association of Records Managers and Administrators for 15 years has given awards to Federal employees for simplifying paperwork and related systems. The improvements justifying these awards have resulted in Federal agencies reporting \$1 to \$1.5 billion in first-year savings and another \$650 to \$700 million in continued annual savings. Still, a 1978 presidential task force concluded in a draft report ^{1/} that obvious opportunities to save part of the \$43 billion annual cost had lagged or faltered. The potential for savings had been tapped only to a limited extent. Also, an Interior Department official has gone so far as to say that an investment of \$1 million annually in his agency's records management program would result in yearly savings of \$20 to \$50 million.

Because of the costs involved and the potential for savings, we reviewed the status of records management programs in various Federal agencies. Our objective was to determine whether records management's history of neglect undermines the possibilities for savings and then to suggest ways to alleviate shortcomings.

WHAT IS RECORDS MANAGEMENT?

What is this discipline called records management which costs so much and has the potential for such great savings? According to the Federal Records Management Amendments of 1976, records management includes various managerial activities related to records creation, maintenance and use, and disposition. It is an integral part of effective Government administration. Records themselves are defined as papers or other documentary materials worth preserving that are handled by a Federal agency.

The Commission on Federal Paperwork in 1977 noted that the three categories--records creation, maintenance and use,

^{1/}A final report of the Archives and Records Task Force of the Administrative Services Reorganization Project was never issued.

and disposition--traditionally include various specialties for analyzing processes and controlling paperwork. These three categories and definitions of some of their components follow.

Records creation

- Correspondence management-increasing efficiency, improving quality, reducing costs, and achieving standardization of correspondence; includes promoting plain writing, using form letters, creating fewer copies, promoting consistent correspondence styles and formats, and expediting correspondence preparation and dispatch.
- Directives management-developing the formal channels for an organization's written instructions.
- Forms management 1/-developing, designing, producing, purchasing, stocking, and distributing needed forms at minimum cost.
- Reports management 1/-developing the most effective reporting system for an organization, and among other things, providing a clearing system for new and revised reports.

Records maintenance and use

- Copy management-properly selecting and using copying equipment and supplies.
- Mail management-applying efficient and economical management techniques to receive, sort, open, route, distribute, deliver, and control mail.
- Files management-promoting the fast and accurate retrieval of information by efficiently and economically placing and maintaining it.
- Micrographics management-reducing the size and volume of records and the replication, distribution, storage, and retrieval of the growing volume of information.

1/Forms and reports management as discussed in this report do not include agency activities performed under the Federal Reports Act of 1942 (44 U.S.C. 3501-3512), which will be amended by Paperwork Reduction Act of 1980, effective April 1, 1981.

Records disposition

--Preparing disposal or retention schedules, destroying records, transferring them from one organization to another, and retiring them to archives.

The above definition is a traditional description of records management. By no means does everyone agree with it. Some agencies view records management solely as files and disposition. Others use the term "paperwork management" to mean essentially the same thing as records management.

The Commission on Federal Paperwork recommended introducing the concept of information resources management. If this were done, attention would be shifted to the data content of records and away from the traditional focus on the management of physical documents. Using the term "information resources management" would correct the mistaken view that records/paperwork management deals with hard-copy (paper) media only.

The House report 1/ on the Paperwork Reduction Act of 1980 described information resources management similar to the 1976 Federal Records Amendments' definition of records management. The newer definition includes the various managerial activities related to the collection or creation, use, and dissemination of information by the Federal Government. It speaks of information rather than of records and includes records management as well as other disciplines. While information resources management covers a broader area than records management, we believe that an acceptable records management program is a necessary ingredient of a good information resources management program.

Because rapid advances in information technology have been occurring and are still predicted, a firm foundation in records management is all the more important: Since records management has dealt with office automation, such as word processing, records managers may be able to play a key role in the rapid technological changes that are occurring. Many of the principles of records management can be applied to information management. The two disciplines cover common concepts, such as records and information creation and use. Our report focuses on records management in its traditional context because information resources management programs are only now emerging and good records management programs will form the bases for their development.

1/House Report No. 96-835 (96th Cong., 2d sess., Mar. 19, 1980).

RESPONSIBILITIES FOR RECORDS MANAGEMENT

Under Federal records laws, each Federal agency must have an active program for economically and efficiently managing its records. Each agency's methods of creating, maintaining, and using records must be effectively controlled. The agencies must also cooperate with the General Services Administration (GSA) in improving their records management activities.

The Administrator of General Services, in turn, has Government-wide records management responsibilities which he has assigned to the National Archives and Records Service (NARS). NARS' role is to guide agencies and to help them with their records creation, maintenance and use, and disposition programs. NARS' functions include developing and improving records management standards, procedures, and techniques; operating Federal records centers; and evaluating the effectiveness of agency records management practices.

Under the Paperwork Reduction Act of 1980, the Office of Management and Budget (OMB) is charged with developing and implementing Federal information policies and standards. One of OMB's functions is to work with GSA to coordinate the administration of records management laws with the information policies established under the 1980 law. Another one of OMB's responsibilities is to direct and oversee the review of Federal records and information management activities. OMB will also report to the Congress on its reviews.

OBJECTIVES, SCOPE, AND METHODOLOGY

We began our review of Federal records management programs to identify problems and potential savings or other improvements. The Paperwork Reduction Act of 1980 was passed after we completed our audit. If properly implemented, the act should reverse the longstanding neglect of records management problems and achieve substantial savings. We believe that this report will be useful to OMB in implementing the Paperwork Reduction Act and to congressional appropriations and oversight committees in exercising their responsibilities.

We reviewed the organization, administration, and staffing of records management programs in nine Federal agencies to determine the feasibility of requiring organizational standards or to identify other approaches for improving Federal records management practices. Because of the variety in organization of Federal programs and the general neglect of records management programs, we redirected our work to identify the reasons for this neglect as well as the reasons

why Federal agencies need to improve their records management programs. The most convincing arguments for improvements are the potential savings which can result from improved records management practices. Accordingly, we emphasized the identification of savings during our study.

To determine the status of records management programs within the Federal Government, we interviewed records management officials and their superiors, and when available, reviewed documentation. We made our review at the following Federal departments, agencies, and components in the Washington, D.C., area:

- Department of Agriculture
Forest Service
- Department of Defense
Department of the Navy
- Department of Health and Human Services
Public Health Service
- Department of the Interior
Bureau of Indian Affairs
Geological Survey
National Park Service
- Department of Transportation
Federal Aviation Administration
- Department of the Treasury
U.S. Customs Service
- Federal Communications Commission
- General Services Administration
National Archives and Records Service
- Veterans Administration

The cabinet departments visited were the six largest in terms of the number of employees; the independent agencies selected were the two largest and a much smaller one, the Federal Communications Commission. Within the cabinet departments, we chose components of different sizes and with reputations for having good, weak, or representative records management programs. We believe the offices visited gave us a cross section of the Federal Government and provided needed insight into its records management functions.

During our review, we relied extensively on interviews. Detailed case studies of agencies were not appropriate because of a lack of readily available quantitative information on records management functions and the absence of standards against which to measure the data. The interview comments we received may understate or overstate an agency's problems, depending on the interviewee's perspective. However, the records management officials are the agency experts in the field and their comments provide a good starting point. Mainly, the examples we cite come from NARS or agency documents.

We discussed our review with internal audit groups of the various agencies we visited. In most cases, they had not undertaken any work involving records management activities. In cases where they had, we reviewed reports they had written.

CHAPTER 2

PERSISTENT RECORDS MANAGEMENT PROBLEMS

ARE NOT CORRECTED

Historically, one goal of Federal records laws has been to focus continuing attention on records from their creation to their final disposition, and thus prevent unnecessary Federal paperwork. Nevertheless, the effectiveness of records management has been criticized for 30 years. Both NARS and agencies say that significant records management problems in agencies still exist. According to NARS, the Federal Government urgently needs increased emphasis on records management. Deficiencies pointed out years ago in specific records management functions and in particular agencies continue. Agencies lacking good records management programs in certain areas are not operating efficiently and are possibly missing opportunities for savings that other agencies are able to exploit. Without good programs, agencies are not always able to streamline their systems to reduce waste.

HISTORICAL CRITICISMS OF RECORDS MANAGEMENT

Appendix I shows major studies over the last 30 years that have dealt with records management. In 1949 a task force of the first Hoover Commission on Organization of the Executive Branch of the Government issued a report on records management, citing the high cost of records and the burden on the taxpayer. Its recommendations led to the Federal Records Act of 1950. In 1955 the second Hoover Commission concluded that Federal agencies often lacked a clear-cut concept of the value of and economies possible from careful attention to paperwork management. It estimated that improvements could bring yearly savings of at least \$250 million.

Congressional hearings in the 1960s and 1970s cited continuing problems with Federal records management. A 1966 congressional report, "How To Cut Paperwork," said that no Federal agency managed its total paperwork. In 1975 a sponsor of amendments to the Federal Records Act noted

"* * * agencies' inability to cope with the incomprehensible volume of Government records, their endless propensity to proliferate paperwork, their failure to institute efficient records-keeping systems, and their neglect to dispose of documents that have outlived their usefulness."

The 1977 records management report of the Commission on Federal Paperwork cited common shortcomings in the individual records management functions and noted problems with program fragmentation and organizational placement. It also noted the (1) existence of few full-scale records management programs, (2) almost total absence of long-range records management plans and substantive systems analysis, (3) variation in records management staffing patterns, and (4) lack of good research. According to the report, NARS inspections were only marginally successful in enforcing records management law and regulations.

As mentioned previously, the 1978 draft report of a presidential task force concluded that, within the Government, the potential for savings had been tapped only to a limited extent. In 1979 a GSA internal audit report concluded that NARS resources must be directed toward accomplishing the long-term Government-wide records management program. And in 1980, we 1/ said that NARS could better fulfill its responsibilities for improving Government records management practices. We made this statement 7 years after one of our reports 2/ found that NARS had limited success in persuading agencies to correct weaknesses in their records management activities.

NARS INSPECTIONS HAVE SHOWN NEED FOR AGENCY IMPROVEMENT

One of the best ways NARS can improve agency records management practices is through its inspection program. NARS inspections consist of onsite work at agencies followed by formal reports pointing out weaknesses and suggesting improvements.

Over the years NARS inspection reports have been fairly critical of agency records management programs. Between 1965 and 1970, NARS issued reports on 33 agencies. Table 1, compiled by NARS and cited in our 1973 report and in the 1977 records management report of the Commission on Federal Paperwork, summarizes the status of the 33 agencies' programs. This chart shows that few agencies managed their paperwork well. For the 21 functions rated, an average of 27 of the 33 agencies needed improvement.

1/"Program To Improve Federal Records Management Practices Should Be Funded by Direct Appropriations" (LCD-80-68, June 23, 1980).

2/"Ways To Improve Records Management Practices in the Federal Government" (B-146743, Aug. 13, 1973).

Table 1

Scoresheet of 33 Agencies Reviewed by NARS

<u>Records management functions</u>	<u>No. of agencies in each category</u>			
	<u>Good program and emphasis</u>	<u>Some effort but improvement needed</u>	<u>No program or effort</u>	<u>Not covered in evaluation</u>
Program authority (covering directives)	6	24	3	0
Responsibility assigned	3	29	1	0
Adequate staffing	1	31	0	1
Systems analysis applied	0	15	18	0
Correspondence management program	1	24	8	0
Correspondence guidelines	10	17	6	0
Reports management program	4	17	11	1
Reports control system	4	17	11	1
Forms management program	0	26	7	0
Forms control system	5	26	2	0
Directives management program	4	22	6	1
Directives system	3	29	1	0
Mail management	1	28	3	1
Files management program	2	25	6	0
Files classification system	2	25	6	0
Records disposition	3	27	3	0
Agency disposal standards	6	25	2	0
Quick copy controls	1	11	7	14
Microfilm program/controls	0	10	3	20
Automatic data processing records management	1	20	2	10
Vital records	2	13	11	7

To see how NARS' impressions of agencies have changed since the late 1960s, we reviewed 12 agency inspection reports issued from 1975 through 1979. Our criteria for classifying the results of NARS inspection reports may differ from what NARS used a decade ago. We also limited our analysis to nine traditional records management functions. (See pp. 1 to 3.) Nevertheless, a summary of the 12 inspection reports, shown in table 2, indicates that over the last few years NARS has still been finding significant problems. The 1975-79 reports cited many programs that were good or needed only some improvement. Many other programs, however, required more drastic actions.

Table 2

Scoresheet of 12 Agencies Reviewed by NARS

<u>Records management functions</u>	<u>No. of agencies in each category</u>			
	<u>Good program</u>	<u>Some improve-ment needed</u>	<u>Much improve-ment needed</u>	<u>Other (note a)</u>
Mail management	3	3	6	0
Reports management	2	5	5	0
Correspondence management	1	3	8	0
Directives management	1	5	6	0
Forms management	1	4	7	0
Files management	5	2	5	0
Records disposition	4	3	5	0
Copy management	2	1	9	0
Micrographics management	1	4	4	3

a/Not covered separately in inspection report, no conclusion drawn by NARS, or NARS said program not needed.

AGENCIES HAVE SHORTCOMINGS WITHIN INDIVIDUAL RECORDS MANAGEMENT FUNCTIONS

Somewhat consistent with what NARS has found, many agencies told us of current problems with records management functions.

At our request, agency officials ranked the effectiveness of their own programs on a scale of 1 to 10, with 10 being the most effective. We recognize the subjective nature of the ratings, but they provide a starting point for examining a program's relative effectiveness. Table 3 summarizes how the 17 agencies and components we visited ranked their program functions.

Table 3

Number of Agencies or Components
in Effectiveness Categories

<u>Records management functions</u>	<u>Effectiveness ranking</u>									
	<u>1 or below</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
Mail management	-	1	-	-	4	4	2	4	2	-
Reports management	3	1	3	-	2	3	1	2	2	-
Correspondence management	-	1	2	3	1	1	2	3	2	2
Directives management	-	1	-	1	1	1	2	4	3	4
Forms management	1	-	1	2	3	-	2	4	2	2
Files management	-	-	2	2	-	2	4	6	1	-
Records disposition	1	-	1	1	-	3	1	3	4	3
Copy management	-	-	-	1	1	-	3	7	3	2
Micrographics management	4	2	3	-	2	2	1	2	1	-

A high effectiveness ranking does not necessarily mean that an agency program function has little room to produce dollar savings. Highly ranked programs often have the staff who can identify potential savings and implement needed changes. For example, the Public Health Service, which rated its mail management program highly, recently identified \$800,000 that could be saved by using lower classes of mail service more often.

The following sections provide examples of some of the shortcomings and successes of the nine agency records management functions covered in the preceding table. We believe that agencies with shortcomings in particular areas might miss opportunities for savings that other agencies are able to exploit. The only records management functions for which NARS has done multiagency inspections are mail and reports

management. Estimated potential savings in these two areas are about \$100 million annually. According to NARS officials, if NARS inspected the other records management functions, its projections for savings would be similar.

Mail management

Five of the 17 agencies or components we visited rated their mail management programs 5 or below on a scale of 1 to 10. This statistic probably understates the magnitude of weaknesses, since in 1979 NARS found good practices to be the exception. NARS estimated that agencies possibly could save more than \$60 million a year in postage costs, including \$30 million a year just by using envelopes that are not too large. Mail is often sent in oversized envelopes at a cost of at least \$0.54 each, as opposed to letter-size envelopes which cost \$0.15 each. Also, first-class or priority mail service frequently was used when less expensive service would have sufficed.

Problems in mail management are not new. The long-term continuation of weaknesses can best be illustrated by looking at agencies that NARS inspected in its overall study. Table 4 compares NARS' recent findings with those of previous years.

Table 4

NARS' Assessment of Department and Agency Mail Management

<u>Department or agency</u>	<u>Recent assessment (note a)</u>	<u>Previous assessment</u>
Commerce	Program not effective	1971 - No formal program
Health, Education, and Welfare	Serious deficiencies in three components inspected	1969 - No existing program
Interior	Lack of direction; need to implement a strong program	1973 - Lack of a department-controlled mail policy
Bureau of Land Management	Inefficient practices	1973 - Well organized and managed
National Park Service	No program directive or written standards and procedures	1973 - No formal program although mail operation is sound
U.S. Geological Survey	Inefficient practices	1973 - Program being developed
Justice	Need to develop a strong program	1969 - No program
Federal Trade Commission	Program does not meet requirements of regulations	1968 - Responsibility and program content for program not documented
National Science Foundation	Program does not meet requirements of regulations	1966 - No major mail operating problems
Veterans Administration	Program does not function as efficiently and effectively as possible	1970 - No significant problems

a/Based on NARS inspections made in 1978 and 1979.

After NARS issued its mail management report, GSA described the study in a letter to the heads of executive agencies. GSA asked the agencies to inform NARS of the results of specific actions to reduce mail costs or improve service. Agencies' responses included the following:

- An expectation of saving 10 percent of an agency's total \$240,000 mail budget.
- A claim that postal bills have been increasing at a much lower percentage than mail volume increases.
- An announcement that initiation of a nightly mail courier service was saving \$100,000 a year.
- A claim of a \$1.2 million reduction in mail costs despite a postal rate increase.

If NARS' findings are properly addressed, many more statements like these undoubtedly will follow in the future. One statement may come from the Veterans Administration which is studying the potential use of metered mail. On the basis of other agencies' experiences with metered mail, the agency estimates that it may be able to save \$2.5 to \$4 million a year.

Reports management

Nine of the 17 agencies or components we visited ranked their reports management programs 5 or below on our effectiveness scale of 1 to 10. In its multiagency reports management inspection, NARS found ineffective programs, little compliance with regulations, and poor practices to be the rule. Only 85 of the 170 organizations responding to a NARS questionnaire said they were complying with all Federal reports management regulations. But even this low ratio might be overstated. NARS' field experience indicated that agencies claiming to be in compliance might not be interpreting the regulations correctly. Agencies' poor reports management practices included collecting unneeded information, unnecessarily distributing information, and failing to assess the continuing need for approved reports and reporting systems.

NARS estimated that executive agencies could save \$38 million by strengthening their review and approval of internal reports and by eliminating unneeded and unused information. Such potentially large dollar savings should not obscure the fact that, just as for mail management, the possibility for these savings is not new. In 1955 the Hoover Commission estimated potential yearly savings of \$50 million. It found only isolated examples of good reports management programs. This finding was similar to NARS' finding 24 years later that poor practices were the rule. Furthermore, the recent NARS assessment of agency reports management revealed significant problems even though previous assessments also showed substantial shortcomings, as table 5 indicates.

Table 5

NARS' Assessment of Department and Agency Reports Management

<u>Department or agency</u>	<u>Recent assessment (note a)</u>	<u>Previous assessment</u>
Agriculture	Program generally ineffective	1975 - Inadequate and poorly used investment in program
Health, Education, and Welfare	Program not effective	1969 - No program
Transportation	Program ineffective	1972 - Need for a continuing management system
Treasury	No indication that basic practices are applied consistently	1974 (note b) - Area needs immediate attention
Civil Service Commission	Program not as effective as it could be	1978 - Excellent start

a/Based on NARS inspections made in 1979.

b/This report was a draft and was never issued.

In individual inspection reports on specific agencies' reports management programs, NARS cited examples of potential savings. For instance, one Agriculture report, required by law, was not being used. NARS recommended seeking legislative changes to remove the reporting requirement, saving \$16,000 in preparation and production costs. Another NARS recommendation was to discontinue the automated collection and storage of a seldom-used Federal Railroad Administration report. This could save \$45,000 a year in contractor and data processing costs. Conceivably, other agencies with weak reports management programs have similar possibilities for savings.

Correspondence management

At seven of the agencies or components we visited, the records management officials rated the correspondence management program 5 or below on our effectiveness scale of 1 to 10. Weaknesses cited included outdated correspondence handbooks, unstandardized correspondence procedures within an agency, and failure to properly promote form letters and to

reduce the layers of review for correspondence. NARS found some of these same problems over the last 5 years. A NARS official went so far as to tell us that, in his opinion, correspondence management does not really exist in the Federal Government.

NARS believes that form letters are the surest way to cut correspondence costs. In November 1979 it said that, if one Navy component were able to achieve the same percentage of form letters in its correspondence as another component already had, the Navy could save \$7 million annually in typists' salaries alone. NARS also said that, if units of the Small Business Administration could raise their proportion of form letters to 40 percent, they could save nearly \$2 million annually.

The use of form letters is only one way to reduce correspondence costs. Generally, these costs also can be lowered by reducing the time necessary to plan, write, type, review, deliver, read, and file letters. In its handbook on correspondence management, NARS cited agencies that actually cut rewrites in half, eliminated 130,000 letter reviews annually, reduced followup correspondence by 50 percent, and reduced the number of extra copies by 200,000 a year.

A good correspondence management program should also increase employee productivity by properly using equipment and supplies. But in our 1979 report, ^{1/} we found that Federal productivity was suffering due to poor management of word processing--a technological advance in office machines that could improve correspondence and other records management program functions. Unchecked equipment proliferation resulted in agencies finally placing moratoriums on equipment acquisition.

While our review was not designed to uncover all of an agency's missed opportunities for correspondence savings, we believe that opportunities similar to those presented here exist where records managers see problems in their own agencies.

Directives management

Officials at most agencies or components we visited told us that they had fairly good directives programs. However, in a NARS official's opinion, the programs throughout the

^{1/}"Federal Productivity Suffers Because Word Processing Is Not Well Managed" (FGMSD-79-17, Apr. 6, 1979).

Federal Government are sometimes good and are sometimes not. Typical shortcomings NARS has found in recent years include directives that are not reviewed periodically, easily understood, or inclusive of all policy instructions, and directives that are expensive to rewrite, supplement, and reproduce.

The Department of the Interior has approved an assessment and improvement project to deal with issues such as these. We were told that the Interior had no comprehensive, modern directives system at the department level. Policies were distributed outside the directives system. Memoranda stating policy, calling for coordination, and requiring reports were circulated even though they were not directives. If individuals in the organization, especially new employees, needed to know the Department's policy on a particular matter, they could not necessarily go to the directives system to find it. Rather, the employees would have to sift through whatever personal filing systems they had developed, hoping to find the right memorandum; that is, assuming they remembered or knew it was issued. At other agencies, we were told that a significant cost associated with directives is the time employees spend looking for them. For example, if employees cannot locate the latest information on travel policy, they must call around for it, taking their own and other people's time.

When we visited the Department of Agriculture, the departmental directives system was in disarray, according to a departmental memorandum. The memorandum also stated that many directives reflected out-of-date and inadequate policies and procedures. The system, which was developed in the mid-1940s, required modernization. Accordingly, Agriculture signed a contract in February 1980 to improve its departmental directives system. According to directives management theory, only with a good directives program can operations be carried out uniformly and in accordance with policy. Only then can employee turnover not unduly disrupt operations.

The Navy is conducting a zero-base review of its directives to identify and eliminate duplication and to reduce its internal paperwork. Also, the Navy is establishing policies on eliminating lower echelon reiteration of policy and procedural directives.

In 1978 NARS found that Air Force subcommands and bases were excessively supplementing command directives and estimated that a 25-percent reduction in lower echelon supplements would save \$6 million a year. Since the NARS report, the Air Force no longer permits this practice and enforces its policy through internal audits and other procedures. Interestingly enough, in 1955 the Hoover Commission cited lower echelons' rewriting and expanding instructions as wasteful.

Forms management

Seven of the agencies or components we visited ranked their forms management programs 5 or below on our effectiveness scale of 1 to 10. NARS' criticisms of agencies over the last 5 years have included the following:

- Poor and costly forms design and content.
- No functional index to facilitate stocking, ordering, and analyzing forms.
- No periodic review of forms for need, design, and possible economies in reproduction, stocking, and distribution.
- Duplication of forms.
- No agency review to identify forms which may be consolidated or eliminated.

A NARS official believes that agencies do not have true forms programs in the sense of analyzing the cost of information gathered.

At the Department of Transportation, we were told that no Department-wide forms management program existed. NARS had found little forms management effort at the departmental level in 1972. A 1979 memorandum prepared by a Transportation records management official said that a departmental program would help rid duplicate forms. Multiple versions of several general administration forms existed, such as forms for expediting correspondence, routing and transmitting documents, controlling correspondence, and obtaining signatures and clearances. The memorandum noted that the "duplication has consumed valuable Departmental resources for the forms analysis and design, composition, printing, warehousing and the distribution of each of these duplicated forms." During our fieldwork, Transportation was trying to decide where to place a forms management program.

Neither the Department of Transportation nor other agencies with allegedly poor forms management programs attached dollar figures to the savings that better forms programs would produce. However, forms savings can be significant. An effective program reduces the labor, material, and storage costs of forms by challenging the need for each form. For instance, the Environmental Protection Agency reduced a 37-page form to a 1-page form and used automatic data processing equipment to complete part of it. Quantifiable benefits as of late 1977 amounted to over \$1.2 million

in saved material and personnel. Valuable staff resources could be diverted to other much needed programs. Storage and reproduction costs were reduced significantly as well. With better forms management programs, other agencies could more often achieve these types of savings.

Files management

Although at most agencies or components we visited officials believed that they had good files management programs, four rated their programs' effectiveness at 4 or below. Many agencies NARS has inspected in recent years have had fairly good programs, but a few have not. A NARS official told us that Federal files management programs range from mediocre to poor. One problem NARS has found is the use of different filing systems within the same agency, which hinders the timely disposal of some records.

The Federal Communications Commission is an example of an agency with a fairly poor files management program. In January 1978 we noted files problems during a review of broadcasting policies. Files were missing, information was missing from the files, and information was misfiled. We were told during our current review that similar filing problems could exist in various Commission bureaus, resulting in excessive time spent on retrieving information. Work was begun in two bureaus in 1979 to establish better control over files, make it easier to find them, and develop up-to-date files manuals.

Agencies like the Commission which need to update files manuals may be provided further incentive by the example of the Food and Drug Administration. This agency developed a manual to simplify filing methods, facilitate file user needs, and improve compliance with NARS guidance. In the process, it claimed estimated annual savings of \$516,000 and estimated further annual savings of \$86,000 in repair costs from converting to a different type of file system.

Records disposition

Most agency records management officials are pleased with their records disposition programs. Only three rated their programs 4 or below. A NARS official agrees that agencies are doing fairly well. However, according to a NARS report to the Congress, substantial advances made by several agencies in fiscal year 1979 were offset by continuing serious deficiencies in others. Similarly, a fiscal year 1978 report attributed slow implementation of a sound, Government-wide records disposition program to agency inaction and apparent disinterest.

According to a NARS report, one agency with a poor program is the Navy. Serious deficiencies remained in fiscal year 1979 despite NARS criticisms in 1970, 1974, and 1978. In November 1979 the Navy still had over 550,000 cubic feet of unscheduled records stored in Federal records centers at a cost of almost \$400,000 a year. When records are unscheduled, they do not have approved retention periods and therefore cannot be destroyed. The associated cost is not an actual cash payment, but it is the allocated worth of the space used. If the records are held indefinitely, more space might have to be acquired to hold future records. According to NARS, the Navy's situation has remained basically unchanged for 18 years due to the Navy's inactive records disposition program. The only defense a Navy official offered us for the Department's laxness was the fact that the Navy has undergone several reorganizations during this period.

Serious problems also continue in other agencies. For instance, the Internal Revenue Service has about 400,000 cubic feet of unscheduled corporation tax returns covering 1909 to 1977, which it maintains are needed to establish audit trails. Storage costs for these records for the period 1975-79 were over \$1.1 million. According to an April 1980 report, the Internal Revenue Service and NARS were exploring various alternatives to alleviate the situation. Unless the problem is resolved, NARS fears that severe space shortages will result in Federal records centers.

The Navy and organizations in similar situations can learn from other agencies' experiences. A Securities and Exchange Commission employee was honored in 1977 for allowing the Commission, "for the first time in over 40 years, to discard records in accordance with a practical, logical, and workable schedule." The Commission was expected to dispose of more than 20,000 cubic feet of hard copy records and save about 50 staff years annually by fiscal year 1981. At the U.S. Customs Service, a NARS project to rewrite a records control manual was just starting during our fieldwork. An agency official hoped that

"this project would save Customs hundreds of thousands of dollars immediately by freeing up records for disposal or destruction, and would save millions over the long term by ensuring the records will not stack up in the future."

One year's records destruction activities by the California State Government resulted in over 35,000 file cabinets not being bought and over 250,000 square feet of floor space not being needed. Records disposition frees up space that newly created records require.

Copy management

Most of the agency officials we contacted believed that they had good copy management programs, although several said their programs needed substantial improvements. According to a NARS official, copy management Government-wide has tremendous room for improvement. A recurring finding in NARS inspection reports covering the late 1970s was that the cost to make one copy of a document varied widely from machine to machine. Costs per copy were sometimes too high because high capacity machines were used to make too few copies. Since agencies underused some of their copy machines, their monthly rental charges could not be justified.

A Department of Defense experience shows what can happen if an agency's copy program is not tightly controlled. In February 1979 the Defense Audit Service issued a report on Defense's management of printing and duplicating operations. The report concluded that Defense activities often established printing plants and duplicating centers without considering the availability of services from nearby Defense components. Defense also supported these facilities with more equipment and people than were needed. The report noted that a Defense task group made similar observations in 1963. The report estimated that possible savings of \$10 million annually could be achieved through better management. The facilities could be consolidated and staffing could be reduced.

The auditors attributed the proliferation of printing plants and duplicating centers throughout Defense to a lack of centralized control. No one had the responsibility for monitoring facilities to see that capacities matched requirements. Accordingly, the Defense Audit Service made four recommendations to the Deputy Assistant Secretary of Defense (Administration). Although the Service asked him for comments on the draft and final reports, it received none.

According to a Defense official, the Deputy Assistant Secretary was withholding a response to the report until deciding what to do to improve the situation. We were told that the conditions described in the report still existed.

As the Defense example shows, savings related to copy management can be tangible. Within Defense itself, the Army has been cited for saving an estimated \$100,000 by switching rental plans for copiers to less expensive plans or types of equipment used. In 1976 the President announced a \$12 million cost reduction in reproduction equipment and supplies as part of a presidential management initiative. In 1977 a Federal employee wrote President Carter about a \$57,000 saving from using an offset duplicating machine instead of office copiers for larger volume jobs.

Micrographics management

Micrographics includes various microform systems, such as microfilm and microfiche. When we talked to officials about this area or its components, 11 out of 17 rated their programs 5 or below. This is consistent with NARS' findings over the last few years that certain agencies are not paying enough attention to micrographics.

An example of a fledgling micrographics program is the one at the Department of the Treasury. A Treasury official has proposed a contract for a firm to develop a comprehensive micrographics system for the Treasury. He justified the proposal by noting the existence of several microform systems within the Department. According to him, much of the potential to which microform could be used was being wasted at a high cost to the Government. The microform systems had been established to deal with specific problems without systematically considering the needs of the entire organization. No Department standards existed to ensure compatibility between the Treasury systems, nor did a provision exist for sharing microform capability across organizational lines. Also, the Treasury did not systematically attempt to control the proliferation of its microform systems. During our fieldwork, the proposal was still pending.

What is ironic about the Treasury's initiative is that a December 1979 article in "Information and Records Management" cited micrographics savings in a Treasury component, the Bureau of Government Financial Operations. One micrographics project there is expected to save more than \$250,000 over 5 years. Yearly savings will include 11 tons of computer paper, 1,000 nonproductive workhours, and over 1,220 computer hours. Another project will reduce information retrieval time by more than 50 percent, saving more than \$162,000 over 5 years. Officials familiar with the projects told us that the projects were not part of an overall Treasury micrographics program. If the Treasury had an overall program, savings similar to those in the Bureau could be occurring throughout the Department. If another Treasury component--the U.S. Customs Service--had a formal program, it would not have what one Customs official termed "a mish-mash of micrographics cameras, readers, and reader-printers employing different reduction ratios; film sizes, formats, and emulsions; and so on."

We believe that the potential for additional savings also exists for other agencies that have done little with their micrographics programs. If agencies do not pay enough attention to micrographics, the result may be missed opportunities for micrographics applications, inappropriate applications,

inadequate proposal studies, and generally more costly and inefficient programs. An example of the magnitude of dollars that could be involved is the idea of replacing paper computer printouts with computer output microfilm or microfiche as often as possible. Using microfilm, the State of Georgia claims savings of over \$4 million a year and the Federal Communications Commission estimates a \$2 million saving over 6 years.

AGENCY PROBLEMS ARE EXTENSIVE AND LONGSTANDING

Not only do problems with particular records management functions, such as mail and reports management, continue to exist, but weaknesses in individual agencies are extensive, and, in many cases, have persisted for years.

NARS has both complimented and criticized agency programs. It has also applauded and chided agency actions since inspection reports were issued. Although NARS has discontinued official followup inspections in favor of monitoring agency plans for achieving recommended improvements, three followup reports issued between 1975 and 1979 revealed continuing problems in agency programs. Two of them, in 1977, reported that many findings and recommendations contained in 1968 and 1969 reports generally were still valid.

In 1972 and 1975 NARS issued inspection reports criticizing the department-level records management program at the Department of Transportation. NARS found limited staff devoted to records management and no records management evaluations conducted, both manifestations of the low priority given to records management. During our fieldwork in 1980, Transportation's records management officer characterized the program as weak and fragmented, commanding limited staff and attention, and performing few evaluations. Specifically, we were told that in spite of 1972 and 1975 NARS recommendations, Transportation still has no fully developed departmental forms management program, no directive on microfilm, and no uniform control over files.

Problems at the Department of the Interior noted in a 1974 NARS inspection report have not all disappeared. Having no agencywide records management program in 1974, the Interior proposed one that NARS considered to be comprehensive and innovative and that projected savings at \$6 million a year. However, in late 1978 NARS found that the number of staff assigned to the Interior's Paperwork Management Division had been reduced, its proposed program was far from full implementation, and its 1974 problems persisted. NARS reported that, unless the Interior seriously tried to improve its practices, these problems would continue. Nevertheless,

when we visited the Interior, the paperwork management staff had not grown, although the information area had been reorganized. A January 1980 memorandum from the chief of the Paperwork Management Division stated that the Interior was not complying with the paperwork management requirements of statutes, regulations, or presidential policy or direction.

The Department of Agriculture has also been slow to react to specific NARS recommendations. Three years after a 1975 inspection report, NARS found that Agriculture had not started implementing recommendations for department-level management of the records management program or for a program evaluation system. One of NARS' 1975 recommendations was that Agriculture develop and implement, by directive, department-wide programs for managing correspondence, directives, mail, files maintenance, and records disposition. We were told that a February 1980 Agriculture contract to improve the directives system is the first step toward complying with that recommendation.

At the Department of the Treasury, the departmental program manager for information resources told us that some problems identified in a 1974 NARS inspection still existed. These included the Department's failure to do records management evaluations of its bureaus and the continuing lack of a microform program.

A 1979 NARS inspection report of the Department of the Navy concluded that the Navy did not have a satisfactory management program for mail or copying. NARS also found that the Navy

- had not adequately defined either the scope or direction of its correspondence management program,
- needed to study its directives program from a systems viewpoint to reduce the duplication of directives, and
- did not have a systematic program for transferring its permanently valuable records to NARS.

Navy officials told us that NARS simply could have copied its 1970 inspection report on the Navy and said that the same problems still existed and that the situation may even have deteriorated. The Navy had been a pioneer in records management within the Federal Government, but over the years, the number of staff devoted to records management has dwindled.

Of course, not every agency has major problems with its records management program. Some agencies have shown improvements after NARS inspections. Also, departments with poor programs might contain components with excellent programs. However, after years of shortcomings, certain parts of agencies' records management programs still have significant weaknesses.

CHAPTER 3

ACTIONS ARE BEING TAKEN TO ADDRESS

RECORDS MANAGEMENT SHORTCOMINGS

Many reasons are cited for the continuing records management shortcomings within agencies. These include poor salesmanship of program improvements, lack of commitment by top management, emphasis on agency missions, the low priority of records management, the lack of internal systematic analyses of records management systems or internal evaluations of records management programs, the lack of records management information and standards, and NARS' ineffectiveness and poor image.

NARS is acting to improve its records management program. Also, recent passage of the Paperwork Reduction Act of 1980 strengthens the policymaking and oversight of both records management and other related information management programs by placing them in OMB. The act also provides that OMB will review agency information management practices and report the results to the Congress. Agencies must respond to the reports indicating corrective actions taken to alleviate problems or deficiencies. If properly implemented, these requirements should ensure that records management problems receive adequate attention and are not allowed to continue indefinitely.

REASONS GIVEN FOR RECORDS MANAGEMENT SHORTCOMINGS

Many reasons have been given for the persistence of problems in records management. Records managers are said to poorly sell their own programs. Top management may not be totally committed to improving records management due partly to its need to focus on agency missions. Lack of commitment leads to a low priority being assigned to records management, and consequently, to program fragmentation and to programs being placed low in the organizational structure. Internal evaluations of records management within agencies often are not done, creating the possibility that potential savings are not identified. Finally, records managers believe that NARS has been an ineffective leader in promoting records management.

Inability to sell agency programs

One cause cited for weak agency records management programs is the limited ability of records managers to sell their programs to top management. NARS told us that agency officials have to be willing to take more chances to show

that dollars can be saved. Navy officials acknowledged their lack of quantitative information showing the value of records management, but they also said that they do not have the resources to develop the data. And without the data the Navy cannot make a convincing case for more resources. Other agencies made similar comments. NARS said that the assertion of this vicious cycle may have some validity.

However, some experts believe that records managers must also share the responsibility for program weaknesses. According to a January 1980 "Records Management Quarterly" message by the President of the Association of Records Managers and Administrators, records managers should be more decisive and assertive, "pounding desks" to explain records management and elicit proper staffing and support. Complaining about the lack of support at the top is not enough.

Lack of top management commitment

A recurrent theme we heard from records managers was the lack of top management support. This complaint is not new. In 1956 the Archivist of the United States--head of NARS--cited the lack of agency top management interest as a major problem. A 1963 proceeding on records management was begun with the assertion that top management still did not know that records management was more than files maintenance and disposal. Congressional reports in 1965 and 1966 pointed to management's general lack of understanding of paperwork's importance and to the lack of glamour attached to the area. In 1979 NARS attributed ineffective reports management to the disinterest of most Federal managers.

Some records managers see the evidence of the lack of top management commitment in the restrictions on staff and resources provided records management. For instance, a U.S. Customs Service records management official attributes Customs' "out-of-control" program to senior management's failure to appreciate the importance of records management to a labor-intensive organization with profuse paper flows. This lack of appreciation, he noted, manifested itself in organizational and staffing problems. However, agencies that felt they had good records management programs attributed their success to having top management support and therefore sufficient and highly graded staff.

Related to the question of top management commitment to records management is the emphasis management must place on accomplishing the agencies' missions. Agencies exist to defend the country or to deal with national problems, not to improve records management. Because high-level positions in agencies sometimes experience rapid turnover, officials holding

these posts may not always consider long-range records management improvements germane to their administration. In times of tight budgets, administrative support services, including records management, are said to be reduced first. Unfortunately, according to one records management official, the support area has the best potential for savings or productivity improvements. The Commission on Federal Paperwork cited other officials' feelings that records management is most productive when trying to improve, reduce, or eliminate mission-oriented paperwork.

Program fragmentation, organizational placement, and low priority

In 1977 the Commission on Federal Paperwork reported that where records management is located within an agency has an important bearing on how effective the program will be. Hierarchical placement, together with organizational environment (management or analysis versus administrative or office services), is one of the better ways to gauge a program's effectiveness. Programs buried "six levels down" and totally decentralized will be viewed as second-class citizens lacking in coordination of plans, programs, and budgets. Fragmented programs may lose sight of the interrelationships between records management functions.

The continuation of these concerns is epitomized by an Interior official's statement. The official believed that managers and the personnel and budget staffs generally are unaware of the scope, complexities, and responsibilities of records management. Two causes of this are (1) low and therefore ineffective organizational placement of the function and (2) program fragmentation, creating problems in communications, coordination, and management control.

A January 1979 NARS survey showed variety in the degree of centralization of records management activities. We also found significant variation, not only in organizational structure but also in people's perceptions of the merits of centralization versus decentralization. For example, officials at Transportation believe that their spread-out program should be combined to improve efficiency. Saying that forms, reports, directives, and other interrelated systems cannot be effectively managed unless people working on them are brought together, a Customs official suggested putting the systems located around the Customs building together into one office. However, a Forest Service official thought separation of functions did not cause coordination problems or detract from good systems.

Program fragmentation and low organizational placement, the lack of top management commitment, and the necessity to

focus on agency missions may all point to one factor: the low priority accorded records management. Time and again we heard tales of records management's low prestige, low grade structure, and limited resources. Agencies that rated their programs fairly successful attributed their success to high visibility, high grade levels, and adequate resources; in short, to substantive management commitment. Where records managers perceive a low priority, they may doubt the organization's desire to improve an admittedly weak program.

Few agency self-evaluations of records management practices

A 1966 congressional report, "How To Cut Paperwork," recommended that agencies review their major paperwork pipelines at least annually. Pipelines are systems or sets of procedures applied in routine paperwork activities. Examples of pipelines are the processing of social security applications and the steps of report preparation. After the congressional report came out, NARS issued guidelines on how pipeline reviews should be conducted. By following NARS procedures, such as flow charting systems, agencies were supposed to be able to not only streamline paperwork activities but also to seek cost benefits. Pipeline studies could be done either routinely or for systems that were in trouble. According to a NARS official, agencies have not routinely documented their systems through flow charts or other means due to a lack of resources. He added that systems studies might not always be warranted but could be useful in internal evaluations where problems are known to exist.

Federal regulations require agencies to periodically inspect programs as their resources permit. Over the years, however, NARS has criticized agency records management programs for conducting few self-evaluations. Many of the records management officials we interviewed recognized the importance of these evaluations but maintained that they did not have the staff to perform them. Also, few of the agency audit groups we contacted within agencies reported doing evaluations of records management. Many said that they had higher priority areas to audit.

When internal evaluations are done, the results can be striking. The previously cited potential \$10-million savings in copy and printing costs reported by Defense auditors is an example. So is the assertion by the Public Health Service's Office of Management that a 20-percent shift to lower class mail service would save \$800,000. In areas such as these, the evaluations may pay for themselves. Hence, by not doing evaluations, agencies may be missing opportunities for potential savings.

Lack of records management information and standards

To properly evaluate how effective a records management function is, an agency needs both information on the function's activity (such as number of copiers and their rate of use) and a standard to measure that information against. Unfortunately, difficulties exist in both areas.

According to a NARS official, one problem is that NARS is not really sure what information agencies should collect. Also, agencies that do gather data are sometimes unaware of its possible uses. And some agencies, we are told, do not keep data on the activities of particular records management functions.

A few examples will illustrate the situation. According to NARS' mail management inspection report, agencies were either not providing or not using essential management information on mail volumes or types. As another example, within the Department of the Interior, neither the Geological Survey nor the Bureau of Indian Affairs had implemented the data system needed to evaluate their programs. For the first time, the Public Health Service is combining mail usage data to examine how postal dollars can be better spent agencywide. Also, the Service is developing standard cost factors for use in analyzing forms creation, elimination, and consolidation. For the first time, NARS' draft regulation on directives management will require agencies to keep information, such as the cost and time required to prepare, review, and distribute directives.

Generally, NARS is trying to determine what data should be gathered for records management functions so that agency and Government-wide trends can be analyzed. This effort is consistent with the Commission on Federal Paperwork's 1977 observation that NARS needed more hard, quantitative standards to use as an audit base.

NARS ineffectiveness and poor image

Both of our reports and reports by others in 1973, 1977, 1979, and 1980 (see app. I) questioned the effectiveness of NARS' oversight of records management. The agencies we visited echoed this criticism. Records management officials in 14 of 17 agencies believe that NARS is not as effective as it should be. According to them, NARS' promotion of records management lacks clout, leadership, forcefulness, competent staff, standards by which to measure improvement, timeliness, good working relationships with agencies, credibility, an attitude of helpfulness, and persuasiveness. While this

image of NARS exists among many records managers, NARS officials told us that agency program managers call them often for advice. NARS officials also point to numerous improvements made by agencies in response to their work.

IMPROVEMENTS ARE BEING PROMOTED

The problems cited here are not new. NARS and the Congress have recognized many of them and over the last several years have been trying to address them.

Improvements at NARS

NARS has implemented many changes aimed at promoting better records management in Federal agencies. In recent years, NARS has tried to develop subject matter experts to better serve agencies. NARS' regional offices are increasing their involvement in inspections of Federal agencies. NARS has begun multiagency inspections of single program functions, such as mail management. It has begun program mission inspections assessing the impact of records and information management practices on an agency's mission. Also, NARS now monitors agency action plans for achieving recommended improvements. Furthermore, to better use its limited staff, the initial phase of NARS' agency inspections is now devoted to surveying different program functions and deciding which ones to review in detail. To try to increase agency top management commitment to improve records management, NARS now sponsors forums for agencies' assistant secretaries.

Our 1980 report 1/ said that NARS should increase its inspection efforts. It recommended that the Administrator of General Services direct NARS to do the following:

- Develop plans and establish priorities for using NARS staff resources to better address its records management responsibilities.
- Accelerate the development of records management standards, guidelines, and handbooks.
- Encourage agencies to provide more resources for records management studies.

1/"Program To Improve Federal Records Management Practices Should Be Funded by Direct Appropriations" (LCD-80-68, June 23, 1980).

- Send copies of inspection reports to OMB and appropriate congressional committees.
- Report the results of NARS technical assistance studies (aimed at helping agencies improve records management activities) to OMB and the Congress, including both needed improvements and agency actions.

During our review, NARS was conducting cost-benefit studies of its inspection function and was considering alternatives for directing resources to high-priority program areas. It was also researching standards, developing handbooks, and publishing self-evaluation guidelines for agencies to use in inspecting their own programs.

The Paperwork Reduction Act of 1980

NARS is not the only focus of changes to records management oversight. Public Law 96-511, designated the Paperwork Reduction Act of 1980, was signed by the President on December 11, 1980. This act promotes records management and includes it under the information management umbrella.

The Paperwork Act establishes a new office--the Office of Information and Regulatory Affairs--within OMB. This new organization consolidates policysetting and oversight functions related to information management. Records management is one of the specific areas covered. OMB's records management functions include helping GSA administer records management laws and reviewing Federal agency compliance with the laws and GSA regulations.

The act requires OMB, with GSA's help, to selectively review the adequacy and efficiency of each agency's information management activities at least once every 3 years. Review reports will be sent to the appropriate agency head and to congressional operations, appropriations, and legislative committees. The agency will have 60 days to respond to the reports and to tell the committees in writing how it is alleviating or removing the problems noted in the inspection report. OMB will submit a report to the Congress at least annually including, among other items, a list of violations of the act and related rules and regulations.

The act also charges OMB with accomplishing certain duties within specific time frames. For instance, within 1 year of the act's effective date, April 1, 1981, OMB will have to set standards and assign responsibility for agency audits of all major information systems. Also, within 2 years, OMB will have to establish a schedule and management

control system to ensure that various information handling disciplines, such as records management, are properly integrated with the information policies established under the act.

The act also requires each Federal agency to assign a senior official, reporting to the agency head, to carry out information-related responsibilities. Also, it requires agencies to periodically review their information management activities.

We testified in favor of H.R. 6410, the proposed paperwork act, in February 1980. We noted that, historically, limited resources have been applied to information management, and records management has not received the level of management attention it deserves. We believe that the assignment of oversight responsibility in OMB and the periodic evaluations required by the act, if properly implemented, will help remedy the situation.

The House report on the act stated that the need to improve Federal agencies' information activities is well documented. It noted that "improvements will cost money, but their potential for savings due to increased efficiencies in Government operations far outweigh these costs."

When we visited various Federal agencies, we asked records management officials what impact they thought the then proposed paperwork act would have on agency records management. Their reactions were mixed. On the one hand, some agency officials believed that OMB would carry more clout and therefore be a more effective overseer of records management. On the other hand, records management officials questioned OMB's staffing levels, interest in records management, and success in overseeing public use reports for which it is now responsible.

OMB has never before exercised responsibility over records management, although it has been the addressee of NARS' records management annual report. During our fieldwork, options being considered by OMB for implementing its new responsibility included devoting one or more people full time to records management or assigning the function completely to NARS.

NARS officials questioned the feasibility of a 3-year review cycle for agency information management systems. Spending only 8.8 staff years of analyst time and issuing only four inspection reports in fiscal year 1979, NARS could never cover a third of the Government in a year given its current approach. NARS estimates that a multiagency study of only one records management function takes 10 staff years.

Consequently, NARS officials suggested that their efforts be supplemented by inspections made by agency internal auditors. However, we found that many agencies had no or few internal evaluations of records management. If the 3-year goal is to be approached, inspection activity will have to be increased or streamlined.

Even if adequate inspections were made, some records managers wondered if sending the reports to congressional committees would accomplish anything. NARS has sent the Congress annual summary reports of its records management activities, and some agencies' problems still persisted. Congressional appropriations are said to be based on agency missions rather than on agency records management. However, according to one official, improved records management may help an agency better perform its mission by freeing up staff time. For records management to be significantly improved, many feel that the Congress must take a more active role. Suggested congressional actions include following up inspection reports with questions directed to the agency or with hearings featuring the official responsible to the agency head for records management. By following these suggestions, the Congress could better fulfill a purpose of its receiving the annual summary report--continuous monitoring of records management activities and evaluation of the effectiveness of the total records management program.

A recent case at the Immigration and Naturalization Service shows how increased congressional oversight can work. In 1977 Members of Congress and the public perceived major problems in the Service's responsiveness. To solve these problems required basic changes in the Service's way of handling information and managing records. Consequently, the Service began automating its records. In congressional hearings in 1979, we recommended improvements to the Service's approach. Still, a year later in May 1980, we testified in congressional hearings that improvements were not being implemented. Although the problems had not gone away, neither were they being ignored by the Congress.

CONCLUSIONS

Examples abound of how millions of dollars could be saved through better records management in the Federal Government. Yet, records management has been plagued with a history of neglect. Serious deficiencies exist and have existed for a long time. NARS inspection reports from 1975 through 1979 found that many agency programs needed significant improvements. Savings such as those cited in this report should be powerful incentives to improve weak records management programs.

If such savings are possible, why do agency shortcomings persist? We have been given many reasons. Records management officials are said to be poor sellers of their own program improvements. Top management may not be committed to improving records management because of a need to focus on agency missions and to accomplish short-term objectives. This lack of commitment evidences itself in records management program fragmentation, low organizational placement, and low overall priority. Probably because of the low priority and staffing limitations, internal evaluations of records management are not always done even though potential savings may justify the additional expense. Even when evaluations are done, they are hampered by a lack of information and standards. On top of all this, NARS has not always been as effective as possible, and as a result, has a poor image.

These issues are not new by any means. Agency records management weaknesses have existed at least since the Federal Records Act gave GSA oversight responsibilities 30 years ago. GSA exercises this responsibility through NARS. Given this history of neglect, NARS' ineffectiveness and poor image raise questions as to how successful its proposed changes will be.

Because oversight of records management has not been effective and because the history of records management has been one of limited resources and inadequate management attention, we believe heightened attention is needed. Accordingly, in February 1980 we testified in favor of the Paperwork Reduction Act of 1980.

The act, as signed by the President, establishes an information management policymaking and oversight office in OMB. If the act is properly implemented, OMB has an opportunity to reverse the history of neglect that has plagued records management. For example, it could monitor NARS' changes to its inspection function and its development of records management standards to better ensure they proceed quickly. OMB could also direct agencies' continuing attention to conducting systematic analyses of their records management systems where warranted, trying to streamline procedures and reduce costs. Few of these analyses are being done now, but periodic agency reviews of information management activities are required under the new law.

The Paperwork Reduction Act will permit close congressional oversight of records management activities by requiring that OMB send the Congress copies of its reports on agencies' information management activities and an annual report which will list violations of information management laws and regulations. The Congress will also receive agency responses to the reports, detailing actions the agencies are taking to solve identified problems. The reports and agency responses should improve agencies' accountability to the Congress and focus attention on longstanding records management problems.

We believe that the information provided by OMB and agencies will help congressional appropriations and oversight committees in exercising their responsibilities. The potential and actual savings cited in this report are examples of the improvements the Congress should expect to see as a result.

To keep the Congress informed on progress in implementing the Paperwork Reduction Act and to ensure that its goals are achieved, we will monitor both OMB and agencies' actions on its implementation.

AGENCY COMMENTS

Both OMB and GSA agreed that more attention should be devoted to records management. In OMB's view, strengthening the Government's records management operation should result in dollar savings and in improved efficiency and service to the public. GSA believes that congressional monitoring of agency records management programs and projects will help sustain the necessary degree of management commitment and agency accountability.

SELECTED REPORTS DEALING WITH
RECORDS MANAGEMENT

<u>Date</u>	<u>Report</u>
1949	U.S. Congress. Commission on Organization of the Executive Branch of Government. <u>Report on Records Management in the United States Government.</u>
1955	U.S. Congress. Commission on Organization of the Executive Branch of Government. <u>Paperwork Management in the United States Government, Part I.</u>
1965	U.S. House of Representatives. Committee on Post Office and Civil Service. <u>The Federal Paperwork Jungle.</u> 89th Cong., 1st sess., Report No. 52.
1966	U.S. House of Representatives. House Committee on Post Office and Civil Service. <u>How To Cut Paperwork.</u> 89th Cong., 2d sess., Report No. 2197.
1973	U.S. General Accounting Office. "Ways to Improve Records Management Practices in the Federal Government." B-146743, August 13, 1973.
1977	Commission on Federal Paperwork. <u>Records Management in Federal Agencies.</u>
1978	"Findings and Alternatives" (draft). President's Reorganization Project, Administrative Services Reorganization Project, Archives and Records Task Force. A final report was never issued.
1979	U.S. General Services Administration Office of Audits. <u>Review of Management and Operations of the National Archives and Records Service.</u>
1980	U.S. General Accounting Office. "Program to Improve Federal Records Management Practices Should Be Funded by Direct Appropriations." LCD-80-68, June 23, 1980.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEC. 5, 1980

Mr. William J. Anderson
Director
General Government Division
General Accounting Office
Washington, D. C. 20548

Dear Mr. Anderson:

We have reviewed the GAO draft report on "Records Management: A History of Neglect."

Your report clearly indicates that there is considerable potential for strengthening the government's records management operation. Such strengthening should result in the savings of many dollars and in improved efficiency and service to the public.

The Paperwork Reduction Act of 1980 (H.R. 6410), which we strongly supported, assigns important records management functions to OMB. The bill, now passed by both Houses of Congress and awaiting Presidential action, calls for OMB to work with the General Services Administration to promote effective records management by the departments and agencies and to coordinate those activities with the other information responsibilities H.R. 6410 requires them to assume. Your report points out that one of the major problems in the records management area has been the low organizational placement of the function in the agencies. The Paperwork Reduction Act would require that a senior official be in charge of all the information management functions in each agency. This requirement should significantly change the perceived importance of this function.

If the Act is approved, we plan to work with the General Services Administration to assure that the records management function is given more and higher level attention by the agencies and that these functions are effectively coordinated with the other responsibilities under the Paperwork Reduction Act of 1980.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jim J. Tozzi".

for Jim J. Tozzi
Assistant Director for
Regulatory and Information Policy



General
Services
Administration Washington, DC 20405

DEC. 11, 1980

Mr. R. W. Gutmann
Director, Logistics and
Communications Division
U. S. General Accounting Office
Washington, DC 20548

Dear Mr. Gutmann:

Thank you for sending copies of your draft report "Records Management: A History of Neglect."

I concur with both principal recommendations and was pleased to see Congressional passage of paperwork reduction legislation. I concur with your view that Congressional involvement in agency records management programs and projects, in a monitoring role, will be helpful in sustaining the necessary degree of management commitment and agency accountability.

As competition for resources continues to grow, I fear that support activities will more and more frequently be underfunded, unless mechanisms are established that ensure proper determinations of agencies' priorities.

Sincerely,

(941201)



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