



December 2, 2022

RECORDS MANAGEMENT PROGRAM COMPLIANCE AUDIT

Project # 22-RMP-01



A Report to:

Commissioners:

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**Washington Suburban
Sanitary Commission**

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Quick Look



Why the OIG did this audit

In accordance with the Washington Suburban Sanitary Commission's (WSSC) Office of the Inspector General's (OIG) Fiscal Year 2022 Risk-Based Work Plan and the authority granted to it pursuant to Public Utilities Article, § 17-605 (a)(6) of the Annotated Code of Maryland, the OIG conducted a compliance audit of WSSC Records Management Program (RMP). The General Services Department (GSD) and the Information Technology Department administered the RMP during the fiscal year ending June 2021. Effective May 2021, the GSD solely administers the RMP as part of the Enterprise Document Management program.

The OIG conducted the audit in accordance with Generally Accepted Government Auditing Standards, except for the peer review requirement.

Strategic Priority

This report addresses WSSC's Mission:
Spend Customer Dollars Wisely

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What the OIG found

The objective of the audit is to ascertain whether WSSC administers its Records Management Program (RMP) according to applicable Maryland laws and WSSC's policies, procedures, and contractual agreements. The audit scope primarily focused on WSSC's management of records stored at a third-party contractor's facility during the fiscal year ending June 2021.

The audit disclosed the following regulatory noncompliance findings in the administration of the WSSC's RMP:

- No appointed records officer for the fiscal year ending June 2021;
- No updates to WSSC's records retention and destruction schedule since 2016;
- Permanent records and certificates of destruction were not transferred to the Maryland Archives;
- No authorization from the Maryland Records Management Division (Division) to store records offsite; and
- No prompt update of access rights to third-party contractor's computer system.

The OIG presented the following recommendations intended to improve WSSC's administration of the RMP:

- Appoint a records officer and comply with the State of Maryland Law;
- Update the records retention and disposal schedules in compliance with Maryland Law;
- Update standard procedures and train staff on transferring permanent records and certificates of destruction to the Archives;
- Obtain the Division's retroactive consent to store records offsite; and
- Establish control activities to monitor electronic access to offsite records.

WSSC management addressed OIG's recommendations and presented operational improvements or provided corrective action plans with anticipated due dates, where applicable.



Interoffice Memorandum

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


Interoffice Memorandum

OG - 20211102-021002

TO: AL ROSHDIEH, DIRECTOR
GENERAL SERVICES DEPARTMENT

CHRISTOPHER CARTER, CHIEF INFORMATION OFFICER
OFFICE OF THE CHIEF INFORMATION OFFICER

THRU: JON T. RYMER, INSPECTOR GENERAL
OFFICE OF THE INSPECTOR GENERAL DS


THRU: MAXENE M. BARDWELL, ASSISTANT INSPECTOR GENERAL FOR AUDIT
OFFICE OF THE INSPECTOR GENERAL DS
MB

FROM: JANE N. LEWIS, SUPERVISORY AUDITOR
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JL

DATE: DECEMBER 2, 2022 DS
DQ

**SUBJECT: OFFICE OF THE INSPECTOR GENERAL
RECORDS MANAGEMENT PROGRAM COMPLIANCE AUDIT**

EXECUTIVE SUMMARY

Background

In accordance with the Washington Suburban Sanitary Commission’s (WSSC) Office of the Inspector General’s (OIG) Fiscal Year 2022 Risk-Based Work Plan and the authority granted to it pursuant to Public Utilities Article (“PUA”), § 17-605 (a)(6) of the Annotated Code of Maryland, the OIG conducted a compliance audit of the WSSC Records Management Program (RMP). The General Services Department (GSD) and the Information Technology Department (ITD) administered the RMP during the fiscal year ending June 2021. Effective May 2021, the GSD solely administers the RMP as part of the Enterprise Document Management program. The OIG conducted the audit in accordance with Generally Accepted Government Auditing Standards, except for the peer review requirement.

The State of Maryland has enacted records retention, and disposal schedule requirements to (1) protect records essential to government operation, (2) guarantee the preservation and the public's access to them, (3) promote an agency's legal and fiscal accountability, and (4) document an agency’s administrative history.¹ Under State Government Article (SGA), Title 10, Subtitle 6, §§ 608-611 of the Maryland Annotated Code and as further

¹ See generally COMAR 14.18.02.01.

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defined in Chapter 14.18.02 of the Code of Maryland Regulations (COMAR) requires every state, county, or local government agency to develop a program to efficiently manage records generated or received by the agency, by designating a records officer and devising a schedule. A records officer is designated by the head of the agency to serve as the liaison to the Maryland State Archives (Archives) and the Records Management Division of the Department of General Services (Division or DGS). The designated officer develops and oversees the agency's records management program.² A custodian, however, is an officer or employee of the State or a political subdivision responsible for keeping the public record regardless if they have physical custody.³ Upon transfer of any record to the Archives, the State Archivist shall become the custodian.⁴ To assist local and state agencies in their respective records management programs, the Archives and the Division provide instructions and guidance.

WSSC is an "agency" required to comply with Maryland laws pertaining to the retention, management, and disposal of its records.⁵ Section 14.18.02.02 (B)(9) states that a record is "any documentary material in any form created or received by an agency in connection with the transaction of public business, and includes:

- (1) Written materials, email, books, photographs, photocopies, publications, forms, microfilms, tapes, computerized records, maps, drawings, and other materials in any format; and
- (2) Data generated, stored, received, or communicated by electronic means for use by, or storage in, an information system or for transmission from one information system to another.

Record retention and disposal schedules are official documents that list and describe the agency's records and provide for the permanent retention of records to be transferred to Archives, and for the prompt and orderly disposition of records after a specified period, including electronic records, that the unit no longer needs for its operation.⁶ Generally, retention schedules are created on forms "DGS-550-14 and 550-15" and are approved by the State Archivist.⁷ Agencies are required to update their retention and disposal schedules at least once every two years.⁸

In 2013, WSSC executed a service contract with a third-party contractor to manage its records stored offsite. In developing its records retention and disposal schedules under Maryland law, WSSC received RMP guidance and instructions from the Archives. WSSC Records

² See SGA § 10-609 (stating that these state government agencies are responsible for defining the archival records, setting standards for developing schedules, and establishing the periodic transfer of records to archives or disposal); see also SGA § 610 (b); COMAR 14.18.02.02 (B)(11) and 14.18.02.10.

³ See COMAR 14.18.02.02 (B)(4).

⁴ See COMAR 14.18.02.09 (stating public officials charged with the statutory or delegated responsibility for administering an agency and creating, storing, and maintaining records shall be the custodian of such records).

⁵ See COMAR 14.18.02.02 (B)(1) (defining an agency as an office, department, board, commission, or other separate units of Maryland government, including the executive, legislative, and judicial branches of government and all political subdivisions).

⁶ See SGA § 10-610 (a)(2); see also COMAR 14.18.02.02 (B)(13).

⁷ In 2017, the Division revised form DGS-550-1 to 550-15.

⁸ See COMAR 14.18.02.04 (B).

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Retention Schedule, also referenced as the Records Retention and Disposal Schedule (RRDS), was authorized by a State Archivist on September 9, 2016.

Objective

The audit's objective is to ascertain whether WSSC administers its RMP according to applicable Maryland laws and WSSC policies, procedures, and contractual agreements.

Scope and Methodology

The audit scope primarily focused on WSSC's management of records stored at a third-party contractor's facility during the fiscal year ending June 2021. To accomplish the audit objective, the OIG auditors engaged in the following:

- Toured the contractor's facility on December 13, 2021, along with management of the facility;
- Interviewed WSSC staff and management in GSD and ITD responsible for administering WSSC's RMP;
- Held meetings with personnel of the Archives and the Division to understand the applicable Maryland laws; and
- Attended training offered jointly by the Archives and the Division.

To obtain further understanding concerning WSSC's compliance with the State of Maryland's records preservation and management requirements, auditors evaluated the following documents:

- Maryland Code Annotated, SGA, §§10-608 through 10-611;
- COMAR 14.18.02;
- Procurement Services Contract No. 6410 with Metropolitan Archives LLC (third-party contractor) signed October 17, 2013; and
- WSSC Manual of Standard Procedures (SP), Title 10, Subtitled II.

Generally accepted government auditing standards require the OIG to plan and perform the audit, obtain sufficient, appropriate evidence and provide a reasonable basis for our findings and conclusions based on the audit objectives. Accordingly, the evidence obtained provides a reasonable basis for our findings and conclusions based on the scope and objectives.

Conclusion

The OIG noted the following deficiencies in the administration of WSSC's RMP based on the documents reviewed and discussions with the appropriate officials:

- No appointed records officer for the fiscal year ending June 2021;
- No updates to WSSC's Records Retention and Destruction Schedule since 2016;
- Permanent records and certificates of records destruction were not transferred to the Archives;
- No authorization from the Division to store records offsite; and
- No prompt update of access rights to third-party contractor's computer system.

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FINDINGS, MANAGEMENT RESPONSES, AND ACTION PLANS

Finding 1: No Appointed Records Officer for the Fiscal Year Ending June 2021

Risk Rating: MEDIUM

According to COMAR 14.18.02.10 (A), each agency [WSSC] shall designate at least one records officer to serve as a liaison with the Division and with Archives to implement and oversee a records management program and coordinate legal disposition, including the destruction of obsolete records. A records officer is defined as any person or persons designated . . . whose responsibilities include the development and oversight of agency records management programs.⁹ Further, the head of each agency [WSSC] is required to appoint a records officer from among its executive staff.¹⁰

During the fiscal year ending June 2021, a records officer was not appointed by WSSC as required by COMAR 14.18.02.10. Based on interviews and inquiries of WSSC management, auditors understand that there was a delay in appointing a records officer due to a Commission-wide reorganization of positions and functions in 2017.

In the fiscal year ending June 2022, WSSC created and filled a new position in GSD with some of the responsibilities and duties of a records officer. The duties of the new position, however, excluded the liaison duties. Further, the new position was not a part of WSSC's executive staff as required by SGA, § 10-610 (b) of the Annotated Code of Maryland.

By delaying the appointment of a records officer as legally required of State agencies in Maryland, WSSC was not in compliance with the State law during the review period. As a result, WSSC also delayed completing its RMP, and WSSC personnel did not seek or receive guidance and instructions from the State of Maryland.

Recommendation 1: Appoint a Records Officer and Comply with the State of Maryland Law

The OIG recommends that WSSC's agency head (GM/CEO) select and appoint the records officer from WSSC's executive staff. Designating a records officer will result in compliance with the regulatory requirements for records preservation and management under Maryland law. By appointing a records officer, WSSC will have someone to:

- Serve as liaison between WSSC, the Archives, and the Division;
- Implement and oversee WSSC's records management program;
- Transfer permanent records and submit certificates to the Archives evidencing disposal of documents; and
- Obtain consent from the Division to transfer or store WSSC's documents offsite.

Management Response and Action Plan (including anticipated due dates):

⁹ See COMAR 14.18.02.02 (B)(11).

¹⁰ See SGA §10-610 (b) (stating that a records officer will serve as liaison to the Division and the Archives, develop and oversee the records management program of the agency).

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We concur with the recommendation, and the General Manager CEO will appoint Al Roshdieh, Director of the General Service Department, as the Records Officer. The Records Officer will do the following:

- Serve as the liaison between WSSC, the Archives, and the Division;
- Implement and oversee WSSC's records management program;
- Transfer permanent records and submit certificates to the Archives evidencing disposal of documents; and
- Obtain consent from the Division to transfer or store WSSC's documents offsite.

The appointment will be completed by **December 31, 2022**.

[Finding 2: No Updates to the RRDS since 2016](#)

Risk Rating: MEDIUM

According to COMAR 14.18.02.04 (B), [the] agency [WSSC] shall review and update their schedules [RRDS] at least once every two years.

While WSSC devised a records retention schedule in 2016 as required by SGA, § 10-610 (b)(2) and COMAR 14.18.02.04 (A), it has not updated its RRDS as required by COMAR 14.18.02.04 (B), since its approval in 2016. As a result, the current RRDS is out of date. Through interviews and inquiries of WSSC Management, auditors identified that the RRDS was not updated or reviewed because of the delay in appointing a records officer.

Because WSSC has not updated the current RRDS since its approval in 2016, the RRDS excludes names of WSSC operating units that the administration renamed or introduced in 2017 and after. As a result, WSSC did not transfer permanent records to the Archives.

Recommendation 2: Review and Update the RRDS in Compliance with COMAR

The OIG recommends that WSSC review and update its records retention schedule at least once every two years as required by COMAR 14.18.02.04 (B). Reviewing the RRDS will assist WSSC in identifying and promptly addressing organizational changes affecting its records management program. In addition, updating the RRDS following COMAR assists WSSC in its maintenance of the records management program, including transferring permanent records to the Archives.¹¹

Management Response and Action Plan (including anticipated due dates):

The General Services Department concurs with this recommendation. WSSC will review and update its records retention schedule at least once every two years. The General

¹¹ See COMAR 14.18.02.04 (C) and (F).

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Services Department is currently in the process of reviewing the records retention schedule/policy. The General Services Department will forward an updated records retention schedule to the General Counsel's Office and the State Archivist, which will include a biannual review and approval process. It is anticipated that approval of the updated records retention schedule by the State Archivist will be received by **June 30, 2023**.

[Finding 3: Permanent Records and Certificates of Records Destruction were not Transferred to Archives](#)

Risk Rating: MEDIUM

According to COMAR 14.18.02.04 (F), agencies shall transfer to the Archives permanent record material not needed for the current operation of the agency in accordance with procedures outlined in this regulation. A "permanent record" is defined as a public record that is considered by law, statute, rule, agency personnel, or the State Archivist to have ongoing administrative, fiscal, legal, historical, or other archival value.¹² A "non-permanent record" is defined as a public record with a temporary value that an agency may destroy after a specified period.¹³ Additionally, COMAR 14.18.02.15 states that when an agency destroys non-permanent records following an approved schedule, the agency or records center shall submit a certificate of records destruction to [the] Archives. Contrastingly, there is no guidance set forth in the WSSC Manual of Standard Procedures § 10.75 requiring staff to transfer permanent records and submit certificates of destruction to the Archives.

OIG auditors verified that WSSC did not transfer permanent records and certificates of records destruction to the Archives during the fiscal year that ended in June 2021. During this audit, after extensive research, the officials from the Archives confirmed they had not received any permanent records and certificates of destruction during the last five years.

The evidence disclosed that the former Director of the GSD, who held the RMP responsibilities, retired from WSSC in November 2019 before completing the RMP, which WSSC completed in 2021. Accordingly, OIG auditors inquired with the current directors of GSD and ITD about submitting records to the Archives. The inquiries disclosed that the formal standard procedures for transmitting permanent records and certificates of destruction had not been updated or communicated to all stakeholders.

The absence of related standard procedures and appropriate staff training resulted in some WSSC offices destroying non-permanent records without preparing certificates of destruction as required by COMAR.

Recommendation 3: Update Standard Procedures and Train Appropriate Staff

The OIG recommends that WSSC update SP § 10.75 to include the process of transferring permanent records and certificates of destruction to the Archives as required in COMAR 14.18.02.04 and 14.18.02.15. The OIG also recommends that this SP include training on the appropriate COMAR requirements on records management procedures for WSSC staff. By updating the standard procedures and training personnel, WSSC minimizes the risk of its staff destroying non-permanent records without preparing certificates of destruction.

¹² See COMAR 14.18.02.02 (B)(7).

¹³ See COMAR 14.18.02.02 (B)(6).

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Management Response and Action Plan (including anticipated due dates):

The General Services Department concurs with this recommendation. Accordingly, the Sustainability and Support Services Division will update WSSC Water standard procedures to include the process of transferring permanent records and certificates of destruction to the Archives as required in COMAR 14.18.02.04 and 14.18.02.15. The updated procedures will include training for appropriate WSSC personnel and be completed by **June 30, 2023**.

Finding 4: No Authorization from the Division to Store Records Offsite

Risk Rating: MEDIUM

COMAR 14.18.02.11 (A) states that all records shall be kept in facilities maintained by the agency responsible for the creation and maintenance of such records unless the consent of the Division is obtained for their transfer or storage elsewhere [offsite]. Maryland law, however, does not explicitly identify or state any penalties for failing to comply with this requirement.

In 2013, WSSC entered into a service contract to store, retrieve, and destroy its records with a third-party contractor. However, inquiries to Division officials disclosed that there was no request from WSSC to store its records with the third-party contractor.

During this audit, WSSC management confirmed that the agency did not obtain approval as required by COMAR 14.18.02.11 (A). This occurred because former WSSC employees departed with institutional knowledge regarding authorization from the Division.

As a result, WSSC did not obtain retroactive authorization from the Division to store its records with the third-party contractor.

Recommendation 4: Obtain Division's Consent to Store Records Offsite

The OIG recommends that WSSC obtain retroactive consent from the Division to transfer or store its records offsite with third-party contractors. Obtaining the Division's approval to store records offsite improves the chain of custody for the records.

Management Response and Action Plan (including anticipated due dates):

The General Services Department will follow up with the State Archivist regarding obtaining retroactive consent from the Division to transfer and store records offsite with third-party contractors. It is anticipated that approval will be received by **June 30, 2023**.

Finding 5: No Prompt Update of Access Rights to Third-Party Contractor Computer System

Risk Rating: MEDIUM

According to the Standards for Internal Control in the Federal Government,¹⁴ referred to as the Green Book, management designs other control activities to promptly update access rights when employees change job functions or leave the entity. Additionally, management

¹⁴ See U.S. Government Accountability Office, Standards for Internal Control in the Federal Government, GAO-14-704G, Principles 11.14 and 16.03 (2014). Last accessed on July 18, 2022, <https://www.gao.gov/assets/gao-14-704g.pdf>

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performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the ordinary course of operations.

There is no prompt update of access rights to the third-party contractor's computer system after WSSC staff terminate employment with the Commission or change job responsibilities. The third-party contractor's online access to WSSC's records stored offsite showed ten user accounts as of December 13, 2021. OIG auditors verified the ten accounts and noted the following exceptions:

- One account was for an employee who changed job functions on May 16, 2021;
- One account was for a former contract employee; and
- The contractor created three user accounts representing WSSC job functions with no staff names.

Inquires of WSSC management disclosed the lack of review concerning employee-access rights to the contractor's computer system. Management further stated that WSSC had not formalized the responsibilities for practices related to accessing the third-party information system.

As a result, WSSC did not notify the offsite storage contractor to remove or modify the users' access when two employees changed job functions. Additionally, the third-party contractor set up three accounts based on job functions instead of using employee email security-related features.

Recommendation 5: Establish Control Activities to Monitor Electronic Access to Offsite Records

The OIG recommends that WSSC establish control activities to monitor third-party computer access rights to ensure only authorized personnel has access to the computer system. In addition, we recommend that WSSC notify the third-party contractor to promptly update user access rights when WSSC personnel or responsibility changes. The recommended review procedures will assist WSSC in detecting unauthorized access and maintaining security for records stored offsite.

Management Response and Action Plan (including anticipated due dates):

The General Services Department concurs with this recommendation and will establish procedures to monitor third-party computer access rights to include notifying the third-party contractor to update user access rights. The established procedures will be completed by **June 30, 2023**.

cc: Corporate Secretary, (J. Montes De Oca)
Deputy GM/Administration, (J. Beach)
Division Manager, Information Security & Compliance, (C. Grooby)
Division Manager, Sustainability and Support Services Div. (F. Lees)
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Chief Strategy & Innovation Officer, (T. Allen)