

PERSONNEL FILES

SUMMARY

We found that the Office of Human Resources (OHR) has taken several steps to improve controls over official personnel files. OHR has relocated the file room, installed a cipher lock, and put a sign on the door limiting access.

We are recommending several additional steps, including guidance on signing-out and safeguarding files being used, periodic inventories of files, and storing certain records electronically.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our objectives were to follow-up on our prior recommendations on personnel files (in Audit No. 338, issued August 13, 2001), and to identify further improvements. We interviewed OHR staff, and reviewed a judgment sample of 21 personnel files, 22 charge-out cards, and 28 personnel actions (on form SF-50) processed between April and May 2006.

We conducted this inspection under the *Quality Standards for Inspections* (dated January 2005) issued by the PCIE/ECIE.

BACKGROUND

The Office of Human Resources (OHR) maintains an official personnel file (OPF) for each Commission employee. This file documents significant information about an employee during the employee's federal employment (e.g., appointment, promotion, salary increase, transfer, or separation). The file contains sensitive personally identifiable information about employees, including but not limited to Social Security Numbers. The file is in the custody of the current employing agency, but the Office of Personnel Management (OPM) owns it.

OPM has issued a *Guide to Personnel Record Keeping (Guide)* which agencies must follow in maintaining their personnel files. OPM has established security requirements and retention standards for the permanent records in the personnel file. For example, agencies should secure personnel records against unauthorized access by keeping them in locked metal file cabinets or in a secure room.

OPM categorizes documents in the personnel file as either long term or temporary. Long-term records include official personnel actions (on Standard Form 50), the employee's application for employment, and coverage determinations for health and life insurance. These documents protect the legal and financial rights of the Government and the employee.

OPM requires all long-term records to be placed on the right side of the personnel file in chronological order by the effective date, with the most recent document on top. Long term records are retained for the life of the file, normally 115 years from the employee's date of birth.

OPM requires temporary records to be placed on the left side of the file. These records include offer letters, requests for personnel actions (SF-52), employee address forms, and other employee-related personnel documents.

However, when an employee leaves an agency, the left side of the personnel file must contain only the temporary documents authorized by OPM. These include the Record of Leave Data (SF-1150), documentation of indebtedness to health benefits funds, and four years of performance records.

Agencies can maintain most personnel documentation electronically, if they obtain prior approval from OPM (under Section 1-12 of the *Guide*). Exceptions include forms designating a beneficiary for group life insurance and retirement benefits, and documentation of periods of employment not under OPM record keeping procedures.

Inspection Results

We found that OHR has improved its controls over personnel files, in response to our prior audit. The steps it has taken are described below, together with our recommendations for further improvements.

File Room Security

OHR has moved personnel files to a more secure room, and installed a cipher lock on the door of the room. The room is kept locked, and a sign restricts access to authorized personnel. A shredder in the room was moved to an alternate location (reducing the need to enter the room).

Filing of Personnel Documentation

Our prior review found that seven of 308 sampled personnel action forms (SF-50s) were not filed timely (the forms were dated four months prior to our test). In our current review, all 10 of the forms we selected which required filing were placed timely in the personnel file (our sample included 11 forms which did not require filing).

File Charge-out

OHR uses blue sign-out cards to track personnel files while they are in use by OHR and other Commission staff. The sign-out card contains the employee's name and Social Security Number.

The person taking the file writes his or her name on the card and the charge-out date. The card is then placed in alphabetical order in a separate file for sign-out cards. Files are supposed to be returned within two weeks.

During our prior review, we found that one file of a sample of 45 was not available, and a sign-out card had not been properly filed. We also identified one instance in which an employee signed out a file for several months.

For this review, we selected a judgment sample of 22 charge-out cards. We found that 12 of the files had been charged out longer than two weeks (from 15 to 312 days). Six charge-out cards did not have a charge-out date indicated, so we could not determine how long these files were in use (one of these six also lacked the user's initials).

We also selected a judgment sample of 21 personnel folders to determine if they were readily available. We found that 14 of the files were available (i.e., a signed charge-out card was on file).

The other 7 files did not have a signed charge-out card. To locate these files, OHR had to query its staff.

Recommendation A

OHR should remind its staff of the requirements for charging-out personnel files and conduct periodic inventories of the files.

According to OPM guidance, agencies should secure personnel records against unauthorized access at all times by keeping them in locked metal file cabinets or in a secure room when not in use. When a file has been charged out, it needs to be locked up when the employee is not at his or her desk (e.g., at the end of the work day).

Recommendation B

OHR should provide guidance to its staff on the requirements for storing charged-out personnel files, and ensure the staff have a locked cabinet available for these files.

Electronic Personnel Records

As stated in the Background, agencies can store most personnel records electronically, after approval by OPM. Electronic records must also meet the National Archives and Records Administration's standards.

This option is worth exploring (e.g., it would reduce the administrative burden of manually filing personnel action forms, and save space).

Recommendation C

OHR should consider requesting approval from OPM to store certain records (e.g., SF-50 personnel action forms) electronically.