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RECORDS AND INFORMATION MANAGEMENT AS A CONDUIT TO EFFECTIVE AUDITING

Constant Okello-Obura

Department of Information Science, University of South Africa and East African School of
Library and Information Sciences, Makerere University
obura2007@gmail.com

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Abstract

*Efficient records and information management (RIM) is becoming an integral component of the management principles and practice of informed organizations. However, what seems lacking is the periodic auditing of the RIM practices by organizations. This paper conceptually looks at auditing as a key **conduit** for records and information management and **efficient** RIM as a key **factor** for auditing in any organisation. Auditing compliments RIM and likewise efficient RIM compliments auditing. Based on relevant literature review and in some instances, RIM practices in Uganda, it gives the contextual relationship of key components in Auditing of RIM, purpose of RIM audit, justified benefits of RIM auditing, structural audit compliance and recommendations for the way forward. The main purpose of this paper is to trigger critical thinking and reawakening on the need for auditing of RIM and the effective RIM's value to auditing.*

Keyword

Auditing, records and information management, records auditing, information auditing

Conceptual background

Records management is a specialized discipline that is concerned with the systematic analysis and control of recorded information, which includes any and all information created, received, maintained, or used by an organization pursuant to its mission, operations and activities (Saffady 2011). Conceptually, the understanding of auditing in records and information management field is best contextualized within the meaning of records and information management (RIM). According to ARMA (2007), RIM is,

a field of management responsible for the efficient and systematic flow or control of the creation, receipt, maintenance, use and disposition of records, including processes for capturing and maintaining evidence of and information about business activities and form of records.

The records management function should be recognized as a specific corporate responsibility within every organisation. Thus,

[i]t should provide a managerial focus for records of all types in all formats, including electronic records, throughout their life cycle, from planning and creation through to ultimate disposal (ARMA 2007).

It should have clearly defined responsibilities and objectives, and adequate resources to achieve them. The broad concept of responsibilities - from creation through use and dovetailing provision for capturing evidence about business activities - asserts the centrality of RIM to the operation of information-rich organizations and role in supporting and strengthening the organization's legal position (Dearstynne 2009). This alludes to its responsibilities for producing reliable and authentic records crucial for the smooth flow of the organization's operations. It is at this point that the issue of auditing becomes apparent. Auditing is all about reducing or avoiding risks. RIM audit is a process which identifies and evaluates an organization's records

and information flow for the smooth and meaningful benefits to the organization (Records Management Society of Great Britain 2004). Botha and Boon (2003) note that “auditing is a recognized management technique providing managers with an overview of the present situation regarding specific resource(s) and services within an organization”. Many different types of audits currently exist in the commercial world, including audits of information resources, audit of finances and audit of records management.

However, before RIM auditing is contextualized and understood further, it is structurally appropriate to understand records management risks. It is the need for avoidance of records/business risks and the strong argument to have efficient business operations that makes auditing essential.

Risks management, auditing and relation to records management

The historical progression of the notion of risk and its management can be traced to the pre-modern era when risks related to natural events were beyond human agency (Spira & Page 2003). Risk management, as today understood was largely in-existent. Risk became associated with unanticipated outcomes of human action, rather than simply the result of fate. Subsequent advances in science and technology, while offering protection against some risks, have also created some new ones, giving rise to demands for effective risk management processes to deal with increasingly complex risk situations at individual, organizational and societal levels (Spira & Page 2003). This development largely gave birth to auditing. In principle, auditing would incorporate the activity identification, possible key risks and suggestion of appropriate mitigating strategies with a specified timeframe by the responsible officer as shown in Figure 1 in the following section.

RIM auditing should clearly understand issues/activity, key risks and possible mitigating strategies if RIM system is to support any auditing processes.

Purpose of RIM audit

The word ‘audit’ is most often associated with an independent examination of financial records by external auditors or consultants, or the body or department undertaking this. In its broader context, ‘audit’ can be used to describe a review or scrutiny of any system, or of the processes that make up a system. The main purpose of an audit is to provide assurance that systems and processes are effective, compliant and risk free. It also provides a mechanism for regular scrutiny and improvements of systems. Unfortunately, in most organisations, the auditors’ main concern is on lack of accountability of funds and good governance. Questions like whether the correct procedures have been followed in accounting for funds? Whether there was equity in resource allocation as per the guideline? Whether there was compliance with established legal and statutory regulations, are often posed by auditors. However, one fundamental error of the auditors is lack of scrutiny of how well RIM should be managed to support the auditing processes. The starting point among auditors is always whether the required records are available but not whether the records are managed according to the professional guideline! It is a clear fact that the lack of supporting records and essential information during the auditing process is an indication of poor accountability and the lack of regulatory mechanism in an organization.

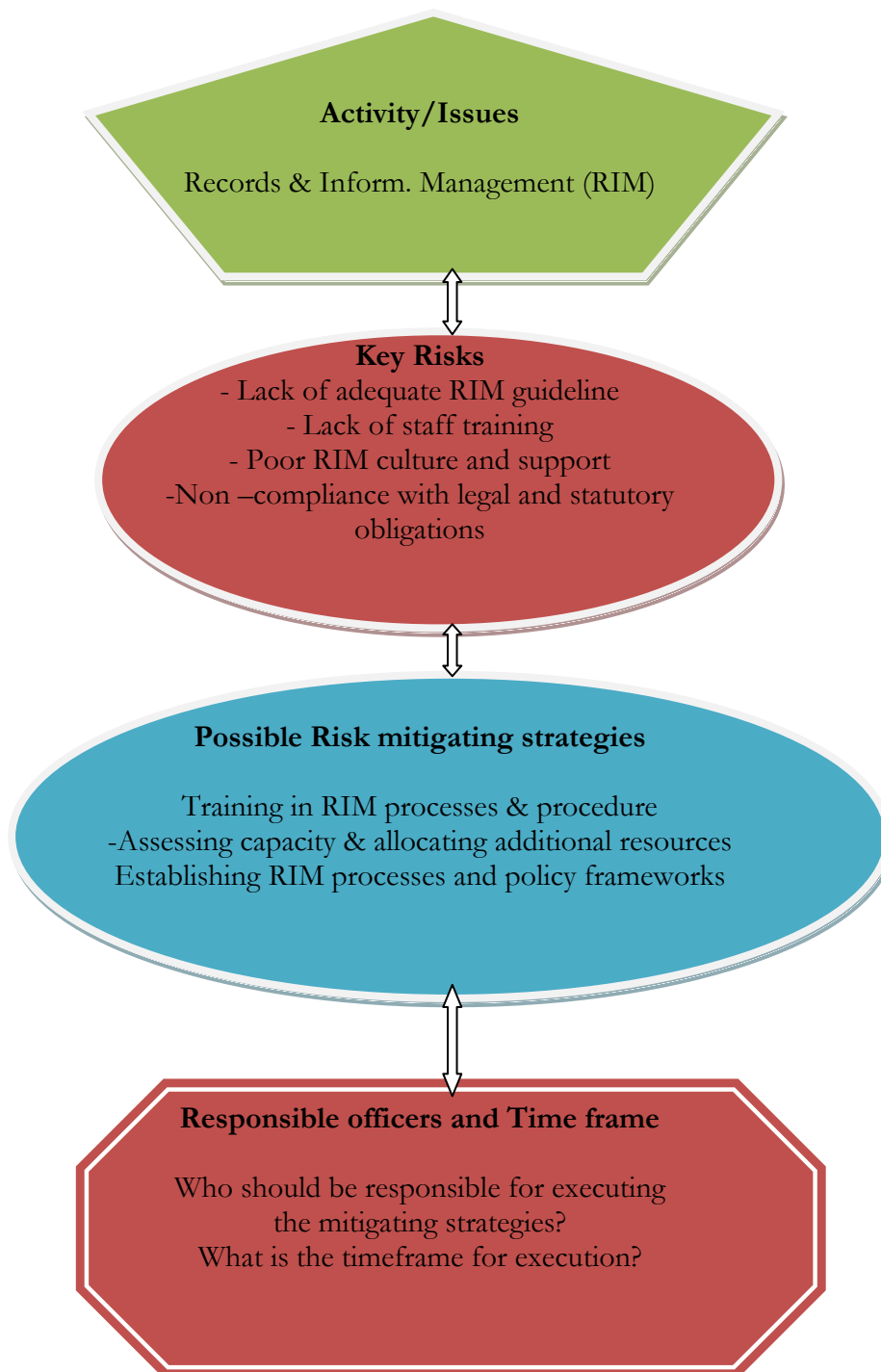


Figure1: Contextual representation of risks in relation to RIM

Records management, as a process of managing records from their inception to disposal, exists as a key enabler for organizations to account for their actions and operational dynamics (See Figure 2). It is therefore prudent that the auditing processes within organizations should go beyond accountability of funds, but to how well records and information are managed. The RIM audit helps to identify the actions and procedures required to ensure that the right record and information is with the right people at the right time and for a right purpose. The International Records Management Trust (IRMT) adds that when records are not produced at the right time, a fair judgment is denied on both the side of the offender and the government. It asserts that it

becomes very difficult for the court to make a judgment or a decision, making the public to lose faith in its government if reliable records are not maintained (IRMT 1999:8). Because of the numerous benefits derived from RIM auditing, organisations are beginning to appreciate it, though a lot is still required for total appreciation.

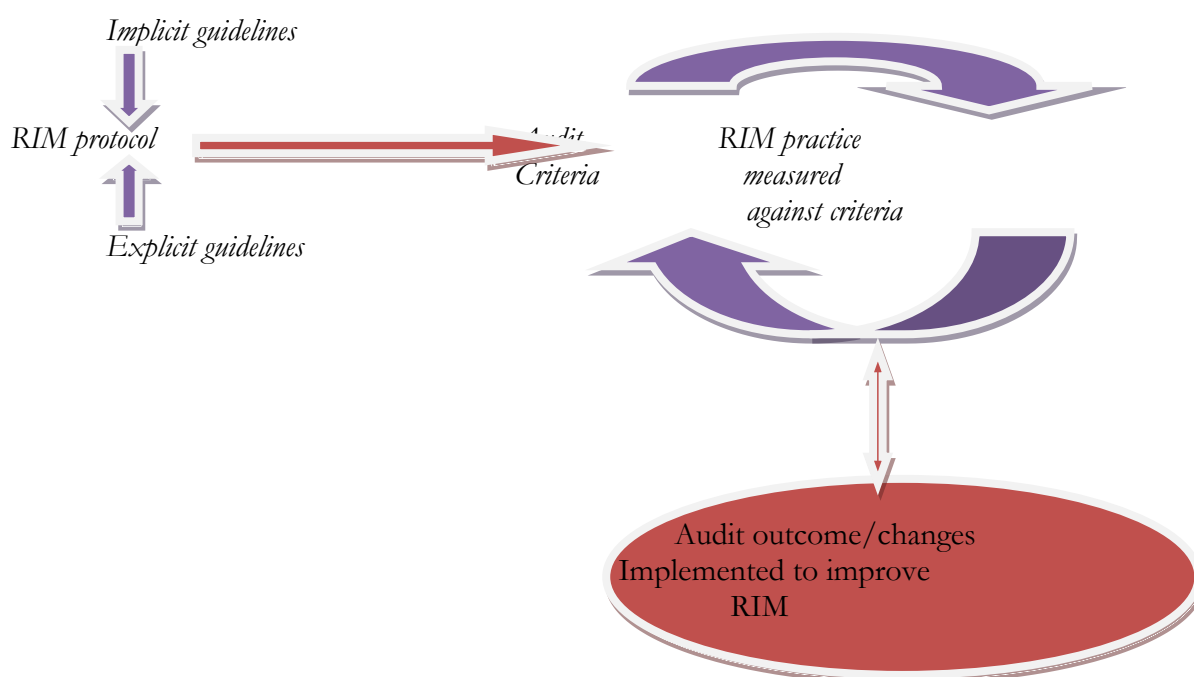


Figure 2: Linking auditing with records and information management

Figure 2 illustrates how auditing relates to RIM. For an organization to achieve efficiency in records and information management there should be RIM protocols determined by internal (implicit) guidelines. Likewise, the external factors (explicit) guidelines like the national statutory regulations do affect the manner in which RIM functions are executed. The RIM audit criteria should be clearly set to measure the practices within the protocol otherwise what would be implemented might not result in the desired change. Records and Information management protocol can effectively facilitate the auditing of other processes like accountability of funds only when the changes and improvements for enhancing the auditing process are implemented.

Records and information management audit in Uganda

Manyambula (2009) notes that well-managed records are essential components for the government or enterprise to function effectively, develop and implement policies, increase performance, provide quality service to the general public or clientele as well as achieve productivity, transparency, and accountability. The government of Uganda and its development partners have continued to initiate programs to improve records management in the public service. However, good management of records to facilitate auditing processes still remains a challenge. As Mukembo (2009) notes in his report to IRMT, Tumusiime (2003) reported an incidence in which “Hoima Police probe missing court files”, and that the staff of Hoima court in Uganda including the Grade one Magistrate were arrested due to missing files. Ssemujju (2002) reports that due to inadequate facilities and space “police in Uganda keep vital records in sacks”. It is urged that the absence of a computerised filing system in most courts in Uganda had given corrupt clerks an opportunity to manipulate loop holes in the filing systems. Olupot (2003) adds that the Uganda lawyers appealed to the government of Uganda to upgrade registries by computerizing them to save them from collapsing. Olupot (2003) singles out the Land registry

that operates on paper based records. It asserts that *milo* land documents in Kampala registry were in a tattered condition which causes disappearance of land information. The *New Vision* of 18 April 2002 reported that “every once in a while, work will be brought to a standstill because a file is lost or missing in most government institutions”. It adds that sometimes files are misplaced or at times stolen, or vanish and the disappearance is usually more dramatic in the courts of law and the police departments. The *New Vision* of 1 May 2001 reported the disappearance of a helicopter file from the registry of the Uganda’s Ministry of Justice and Constitutional Affairs. The file was concerning an investigation into the purchase of junk helicopters by the Ministry of Defence. How then can auditing be effectively done in these situations?

In a study conducted by the Office of the Auditor General of Uganda in 2010 in the Department of the Passport Control Office, it was established that the delays in passport processing were due to, among others, poor record management. The findings showed that the recording, filing and retrieval of client files at the central registry were not done properly. Some files were brought or taken out of the registry without being recorded (Auditor General, Uganda 2010). It was further noted that the problems in the registry were due to uncoordinated recording and filing activities between registry and the passport application receiving section and the lack of storage space which led to haphazard storing of records. To make matters worse, the registry stored old records of as far back as 1930s, when the first passport was issued in Uganda. Just imagine that!

The audit inspection found the central registry overwhelmed by the huge volume of records/files which were not properly stored. Records/ files with effect from 2001 to date were still lying on the registry floor (Auditor General 2010), See Figures 3 and 4.



Figure 3: Records/files fully packed in the Central registry (Auditor General, Uganda 2010)



Figure 4: Records/ files kept on the registry floor due to lack of storage space (Auditor General, Uganda 2010)

Poor records and information management affects the location and retrieval of records/files during the processing of clients queries hence causing delays in the processes. According to the Auditor General, Uganda (2010):

out of the **216** files under renewals category which were requested for from the central registry for up-country stations, only **four** files were retrieved and availed for audit after searching for two weeks.

Given all these “ugly” scenarios, how then can the auditing processes be authentic? This is why periodic records and information management audit should be an integral management principle in an organization so that processes are streamlined.

Justified benefits of RIM auditing

The benefits of effective records management, as noted by Blake (2005), include:

supporting efficient joint working and information exchange, facilitating evidence-based policy making and supporting the administration of data protection principles and effective implementation of Freedom of Information and other legislation through good organization of records.

Furthermore:

[o]ther benefits include supporting accountability by providing reliable records of actions and decisions and knowledge management across sectors of government by making reliable information available for sharing and extraction (Kemoni & Ngulube 2008).

However, it should be noted that these benefits can be fully achieved when there is periodic records and information management audit system and viable strategic interventions to address the loopholes established during the auditing processes. All in all the auditing would lead to many benefits, including (Records Management Society of Great Britain 2004):

- Improvement of corporate governance by providing an accurate view of the records and information held within an organisation, thus allowing the organisation to determine how they should be managed;

- Enhancing management and operational effectiveness and efficiency by providing better access to records and information including the identification of where records and information are stored and how to manage them appropriately. This leads to better accessibility and speed of retrieval, enhanced security and the development of business continuity plans
- Allowing compliance with legislation;
- Regular audit of RIM policies, practices and systems ensures preparedness for virtually any external decision or audit;
- Giving the opportunity to undertake some form of risk assessment relating to the record keeping systems, the identification of records and information which is worthy of permanent preservation to preserve the corporate memory;
- Facilitating the collection of the information to support the implementation of electronic document and records management systems;
- Reduction of storage costs by identifying records and information which can be disposed of safely and reducing duplication; and
- Collecting the records and information to quantify the cost of managing information, identify savings and to improve customer service.

Strategic approach to the adoption of records management audit

The adoption of the RIM audit in an organization is both a political and professional undertaking. It is political in the sense that you must garner support of management to sell the project. Knowing the deep rooted suspicions and lack of appreciation of what records and information management plays in efficient management of an organization by most managers, it would not be surprising to get top managers who may not be receptive to the RIM audit project if not well packaged. Against this background, it would be prudent that a clear and “selling” strategic approach towards the adoption of RIM audit is proposed. The most appropriate strategic approach would be to consider the following:

- When putting appeal for a case for RIM audit, it is better to emphasize the benefits which will be meaningful to the managers. For instance, improvement of records management practices may not be very welcome among the top agenda of top managers (Records Management Society of Great Britain 2004). Using benefits that would help to reduce storage cost, compliance with legislation and regulations would be the right catch benefits.
- Lobby the influential and key managers for support. In any organization, there are always people who have a lot of influence and are highly respected. Such influential people need to be consulted and briefed at the initial stages of project planning for support.
- Conduct a mini internal audit based on the organisation’s records management policies. This will help you to have a clear picture of what is expected in the main audit and in addition even prepare your records management system for external audit. The internal RIM audits could be part of your standard operating procedure that will give you the opportunity to prepare for a full-blown sales/accounting audit.

Structural RIM audit compliance

There is no best approach to auditing compliance with records and information management and organisations will need to determine the most effective and appropriate approach for their particular organization or enterprise (An Approach to Records Management Audit 2007). To be

effective, however, all audits, no matter how large or small, should be planned, executed and reported on in as structured a way as possible. This will ensure that:

- Responsibility for the audit is clearly defined;
- The scope and methodology of the audit is clear and the timing appropriate;
- Resources required for the audit are available and at an appropriate level;
- Disruption to services is minimized; and
- Outcomes are identified and communicated and improvements made (An approach to Records Management Audit 2007).

However, there are key parameters in the compliance system of auditing that need to be taken care of irrespective of the method adopted for RIM audit. A clear audit outcome, compliance, currency and corrective actions required, form the audit core component. The predictors that could act as a checklist (Government of South Australia 2004) for RIM auditing should cover the following key areas based on the desired outcome/task.

Task 1: *Determine that the creation of official records in appropriate circumstances within the organization is done.*

In auditing to see the compliance under this task, there is need to:

- Define and document good practices and determine whether they are compliant. For instance, is the register of official records required by the organisation developed and maintained? Does the organisation clearly differentiate between official records and non-official/personal records?
- In establishing the consistency of good practices, ask whether there are the Legislative and administrative requirements for creation of RIM documented? Whether the responsibility for creation is assigned? Are the business processes reviewed to map creation requirements? Are staff informed of their obligations and needs with respect to record and information creation?

Task 2: *Determine that official records are captured into corporate recordkeeping systems upon creation or receipt or as soon as practicable afterwards.*

As in Task 1, there is need to

- Define and document good practices and determine whether they are compliant. For example, is a register of corporate recordkeeping systems developed and maintained? Is the use of and existence of personal recordkeeping systems prohibited for the capture of official records?
- *Establish consistent good practice;* for instance: whether formal responsibility to capture records was assigned? Are legislative and administrative requirements adhered to? Are business transactions mapped? Are the official records assigned unique identifiers?

Task 3: *Establish whether all official records of the organization are disposed of in accordance with provisions of the organisation's legislative and policy frameworks.*

Auditing this would require that we determine:

- Whether the organisation conduct an audit of the operational disposal schedules that exist and whether these are current;
- Whether the disposal has not occurred, backlog scrutiny is conducted and permanent and temporary records are identified;
- Whether records are covered by disposal schedules and no illegal destruction occurs;
- Whether registers are kept for records etc.

Task 4: *Determine that all access to official records takes place in a managed manner using prescribed procedures.*

Ask: are specific sensitivities relating to certain records identified and documented in the organization?; are the responsibility for access assigned?, are requests for access assessed?, Are security issues identified and documented? are information privacy principles adhered to for both paper based and electronic records? Are appropriate security classifications (clearances) assigned to all staff for accessing official records?

Task 5: *Determine whether Specific official records can be found upon demand or with the minimum extra effort and delay?*

Ask whether: the organisation is able to distinguish between records that are active, semi-active and inactive and stores such records accordingly; Off-site storage is managed?; responsibility for storage is assigned? All official records have controls and locations and tools exist to manage them? The location has a unique identifier? Standard classification systems for uniquely identifying records are established across the organization? Storage facilities whether on-site or off-site comply with organization records and/or national best practice standards? Access to tools to search for record locations is assigned and whether the ability to locate records is monitored and routinely audited?

Task 6: *Determine whether the organisation implement measures to ensure the reliability of their official records as evidence of their business.*

To accomplish this task, it is important to establish whether electronic records are captured and stored in such a way that users have restricted or open access? Storage media and related technologies and practices for maintaining electronic records are specified, designed, operated and maintained so that records cannot be altered without due permission? The authority to alter or correct records is assigned? Recordkeeping systems and storage facilities are protected from unauthorised access, destruction or theft or from accidental damage by fire, flood or vermin? The responsibility for reliability of records is assigned? The organisation has a risk management plan in place? The authority to certify reliability of records has been assigned? Security measures are in place with business and record systems? Audit trails for unauthorised access or alteration to records whether electronic or paper based are maintained and routinely checked? Any required corrective action is taken accordingly?

Task 7: *Establish whether records management shall be managed and planned in a strategic and corporate manner.*

In this case, ask whether a survey of existing recordkeeping systems and their location within the agency is conducted and documented? The degree of RIM functionality and compliance with organizational standards is analysed? Corporate recordkeeping systems are modified or created to meet compliance requirements? The responsibility for management of all official records is assigned? Also ask issues regarding the break-through to best practices eg. Records management is included in organisation strategic planning process and the organisation business plan? A corporate RM plan is developed and authorised and reviewed by senior management? Vital records are identified? The corporate RIM plan applies to all records and formats? There is a disaster recovery plan for official records? Structured recordkeeping systems are in place? The responsibility for management of all official records is assigned.

Task 8: *Determine whether all staff within the organization receives training on records management as may be outlined in the organisation's records management training plan.*

This can be determine by establishing whether, fundamental records management has been incorporated into organisation's induction programs aimed at all staff; General awareness of and understanding of records management responsibilities and practices is incorporated into all job

and person specifications; A records management training plan is in place; The RM competency levels for senior managers, RM practitioners and all other staff are identified?

Task 9: *Establish whether organisation implement reporting mechanisms and progress in order to keep senior management informed about records management.*

To establish this, ask whether, there are report templates for documenting reviews of various records; Records Management practices are developed and approved by senior management? Are regular review reports on RIM practices received by senior management? Are benchmarks developed for measuring Records Management operational effectiveness? Are managers accountable for records management objectives and performance levels?

Task 10: *Find out whether the organisations has developed and implemented records management policies, procedures and practices*

To accomplish this task, establish whether, a gap analysis is conducted to determine what policies, procedures and practices are required which do not currently exist; A review of existing policies and practices is conducted to determine the degree of comprehensiveness and effectiveness; processes and practices are examined within the organisational culture context; Development and review of policies and procedures is assigned; Version control over policies and procedures is implemented; policies and procedures are widely distributed to all staff; Policies, procedures and practices are developed for records management covering all record formats; policies, practices and procedures are known and are available to all staff; policies, procedures and practices are authorised by senior management and are regularly reviewed?.

Conclusion and recommendations

Organisations survive because of the records and information they possess. Such records and information can be kept in both electronic and hard copy documents. “Records and information are as important to organisations as the engine is to motor vehicles. Without records, organisational survival cannot be guaranteed” (Turyahikayo 2011). Poor records and information management practices have adverse consequences for public service delivery. For example, officials are forced to take decisions on an ad hoc basis, without the benefit of precedence memory. Resources may be wasted, since unwanted records may continue to be stored. “Fraud cannot be proven and meaningful reporting and audits cannot be carried out, government actions are not transparent and citizens cannot claim or protect their rights, nor can they be required to fulfil their duties and obligations, and citizens cannot make an informed contribution to the governance process” (Roper & Williams 1999; Okello-Obura 2009). The service provided by records management is vital to any enterprise and to every information-using employee in it. Its primary function is to facilitate the free flow of information, to ensure that information is available rapidly where and when it is needed (Kemoni & Ngulube 2008).

Knowing what records are filed, where they are held and who owns them is an obvious first step to deciding what and how to audit records. The existence of a records inventory, no matter how embryonic, will provide a firm basis on which to plan and execute audits that are effective and of value to the organization. Principally, it is recommended that RIM auditing processes and concerns should be as follow:

- Determining how long records and information should be retained- Recorded information as an integral lifeblood of business should be retained as long as needed for administrative, legal, fiscal, research, business or other purposes;
- Compliance with laws and regulations- The organization’s regulatory environment is a major factor in determining how records and information should be organized. An audit

of how the management of records and information comply with the legal and statutory obligations in a particular organization is incredibly important;

- Managing inactive records- How well are inactive records are managed should be a dovetailed auditing question;
- Facilitating retrieval of active records- This is crucial. Dearstyne (2009) supports this by arguing that developing filing systems, computer databases, document imaging systems, and text retrieval technologies can foster access and retrieval. An auditing process should critically examine these to facilitate efficient retrieval of active records; and
- Protecting and preserving vital records- Well executed auditing processes can help ensure the survival of important documents and information essential for mission-critical operations.

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