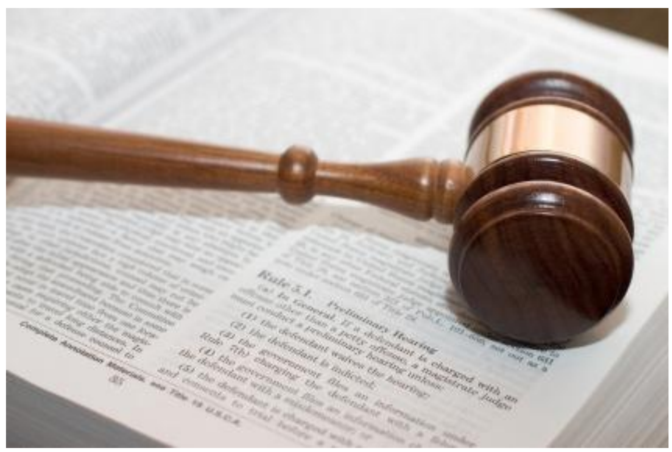
Guide to developing and operating a records retention programme in South Africa



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Records Management Do's and Don'ts

This report presumes that the reader has a basic knowledge of records management. Those familiar with the realities of records management will know that it offers organizations great operational benefits, yet many entities still see records management as a grudge purchase. In other words it is seen as yet another corporate overhead, costing vast quantities of money, absorbing resources, taking time, and never delivering anything tangible. The decision where to store records is hardly something that executives wish to waste their time with. Therein lies the problem, the challenge and the opportunity. This report looks at the absolute essentials of a records management program (Records retention), and explores ways that benefits can be derived. Benefits can and must include at least the following, or the initiative will be expensive and deliver little value:

- Cost savings
- Productivity improvements
- Ease of access to information
- Improved utilization of office space
- Comfort that legislative requirements are being met
- A solid platform for e-initiatives (Enterprise Content Management, document imaging and workflow)

These will be explored in greater depth later, but the first critical steps are to understand why a program needs to be initiated (What are your specific drivers), and to garner executive support and sponsorship. Bear in mind that organizations face three choices when it comes to records management:

1. Ignore it in the hope that it will go away. Whilst this may be attractive initially as the cheapest, least effort option, former executives at Worldcom, Enron, Arthur Anderson and a multitude of other organizations will testify that this is the option that could force you to close your doors, and at the very least will prove hugely expensive.

2. Conduct a "least-effort" approach and implement some form of records management just because you have to. This is the most expensive in the short term because it adds a "compliance" overhead to the organization without delivering any benefits. This approach generally leads companies to keep far too much information and for far too long. Companies who adopt this approach are reluctant to destroy any records because they know that they haven't taken the proper time and effort to determine where, how and which records to store.

3. Adopt an "embracing" approach. These companies realize that they have to meet records retention requirements embodied in a number of laws, regulations, industry practices and recommendations (such as King II). These companies will spend more initially as they will take the time to implement correct policies and processes, however they will end up spending significantly less, and will derive the benefits mentioned above. Some of these direct benefits include:

Documents will only be kept for as long as they are required. This means that costs of storing both electronic and paper documents will be vastly reduced. These cost savings come about because:

- Only those documents which need to be kept are in fact kept. Money spent on storing duplicates and non-records is saved.

- Documents are only kept for the required period. In determining the correct period, legal requirements need to be considered in conjunction with business requirements (ie for customer service). Once a document is no longer required, it can be destroyed according to the records management program. Many companies do not make the decision to destroy because they know that the time hasn't been taken to determine the appropriate retention period.

- Documents are stored on the appropriate medium and in the appropriate location. For example, documents that are only being kept to satisfy legal requirements, that may never be retrieved, should be stored in the lowest cost environment. The lowest cost environment is NEVER in expensive office space, in expensive office furniture. The same applies to electronic information. If the retrieval requirements are low or nil, then disk space is NEVER the most cost effective media.

- The same document is no longer kept in different media formats. Printed copies of electronic documents are no longer stored in addition to the original electronic version. Attachments embodied in e-mails are no longer kept on local hard drives in addition to the original e-mails, multiple copies of which may be scattered around the organization.

- The time and cost of back-ups and restores is significantly reduced.

Other benefits are:

- Ease and speed of access to company information is significantly improved, as information is stored in a uniform manner. That information which is needed to be used by multiple people simultaneously is imaged, and made available electronically.
- Because the "junk and duplicates" are removed, it becomes easier to find information.

- Uniformity of filing systems means that everyone knows exactly how to store and retrieve information. When an employee resigns, the replacement is quickly taught how to store and find information, hence information is not lost.

- Compliance becomes a “given” rather than a constant headache. All information is treated in a pre-defined manner, reducing the potential for lost information and reducing the exposure to litigation.

- Information that is destroyed is done so according to a pre-determined plan, which is auditable. Produced as evidence in court this is acceptable practice so long as the plan takes the correct legislation into account, and has provision for a “records hold”. This requires that documents due for destruction are not destroyed if there is any pending or ongoing litigation which may conceivably require the use of these documents as evidence.

- Having taken the time to correctly identify the information held in the business means that any future initiatives requiring this information (document management, imaging, workflow or ERP implementations) will be that much easier and stand a greater chance of success, as the necessary knowledge of the information has already been gathered.

Given that the potential benefits are so great, businesses still rightly ask – “So where do we start?” The following steps should be followed in developing a records retention program. This records retention program forms the guts of the records management program and meets the initial requirement of legislative compliance, yet forms the basis for delivery of the other benefits described above.

These guidelines have been adapted from the ARMA international guideline for Records and Information Management – Developing and operating a Records Retention Program. ISBN: 0-933887-18-3, and should be read in conjunction with ISO 15489 (SANS 15489 in South Africa): Information and Documentation – Records Management (Parts 1 and 2)

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Program Principles

There are a number of principles which underpin the records retention program:

1. Management and co-ordination

Executive support and sponsorship is crucial. Records management spans all divisions of the company and requires representation from a number of disciplines. Without this senior support records management will not succeed.

Records retention coordinators should be appointed who will be responsible for the day to day development and implementation of the program

IT, legal, compliance, risk, business unit heads need to be included in the development of the program.

2. Program development

A systematic approach as detailed in this report is required. Records management cannot be conducted in a haphazard manner.

Staff who create, use, and manage information in the organization need to be consulted.

A records inventory must be created which identifies all record and information types in the organization. This inventory must also determine the operational, legal, fiscal and historical value of the records

Retention requirements per record type must be identified, taking into account the often conflicting needs of the various role players identified in 1.3 above.

The process of developing the program needs to be documented, including working papers, records of decisions made and their rationale. Final program policies, procedures and schedules need to be carefully documented.

The retention program needs to be reviewed in the light of other records management elements which are being developed.

3. Content

The retention schedule must cater for disposition (destruction) of record originals and any duplicates at the appropriate time.

All media types need to be included. This is becoming increasingly critical as companies increase the amount of electronic information held in e-mails, electronic documents. video, voice, and possibly microforms. The paper records need to be considered in relation to the other media types to ensure that the information is held on the most appropriate media, and that destruction takes all media types into account.

All legal requirements must be considered and included. It must be recognized that conducting the legal research by itself is not adequate – the legal work must translate into a retention schedule which is disseminated enterprise-wide, employees are trained, and adherence is enforced.

4. Implementation and on-going operations

Records must be destroyed in a systematic manner, which must be part of the documented retention program and appropriate schedules.

Types, quantities and date of destruction must be recorded as part of an ongoing audit trail.

A records-hold must be designed and the processes implemented so that records destruction can be halted.

Training, audit trails, documentation procedures and program enforcement must be implemented.

An underlying principle that spans all of the above is that the records retention program must become part of the culture of the organization. It needs to be built into Key Performance Indicators of all staff who are responsible for company records, and it must become second-nature to all concerned.

3

Development and operation of the records retention program

There are a number of generic steps which should be followed. It should be borne in mind that this will differ slightly for every organization, although each step should be considered, and the applicability or extent of the implementation of each step taken into account.

Initial steps

All organizations conduct some form of records management intuitively, although the extent to which this is formalized differs significantly across organizations. The activities which are already being performed need to be considered. This should take place before the formal launch of the retention program so that the extent of the initiative can be understood. Questions which need to be asked, and initial steps must include:

- What records controls are already in place? Who has responsibility for records management, and what functions do they perform?

- Are there any records retention schedules already in place? To what extent were they formally prepared, and did they take into account all legislation? How long ago where they prepared and what new legislation has been introduced subsequently? Is there any other documentation available related to management of company information?

- An initial project plan needs to be developed, taking into account the size, complexity and geographic spread of the organization, costs, time schedules and an estimate of resource requirements.

- A realistic action plan needs to stem from this, which includes how to justify the program, and gather executive commitment and sponsorship.

Organisational implications

Whilst the number and responsibilities of staff will differ for each organization, at least the following needs to be included:

Retention Program coordinator (Records Manager)

One person must be given overall responsibility for development of the program. If this is not the case, the risk of gaps, duplication of effort and conflicting schedules exists. This person must have the backing of the executive sponsor and must have the necessary authority and accountability to ensure the effect development of the program. One of the challenges facing South African organizations is that there are few people around with these skills; hence a learnership or mentorship program may be advocated.

At least the following functions should be performed by this individual:

(Note: South African Governmental organizations can look to the National Archives and Records Service (NARS) documentation for the functions of this person. This is on the NARS web site and contained within the document: Performance criteria – records managers of governmental bodies. This should be read in conjunction with the NARS leaflet - Records management and the law - what government bodies need to know.

1. Create an inventory and classify all records in the organization.

2. Establish a records retention schedule for all records in each department or line of business. If multiple schedules exist, then create and maintain a master schedule.

3. Ensure that all schedules have been approved by the necessary interested parties. This should include IT, Legal, Compliance, Risk and business units. In the case of Government, schedules need to be approved by the appropriate Provincial archives.

4. Develop the necessary templates for destruction and implement notices of intentions to destroy at the appropriate times. The processes here must be developed to ensure that destruction holds can be implemented.

5. Liaise with the various departments and committees assigned records management tasks.

6. Coordinate the retention program with other elements of the overall records management program. If this program does not exist yet, then steps should be taken to consider these aspects – Active filing systems, transfer to off-site storage centres for inactive records,

archival preservation of both paper and electronic information, and any microforms that may exist. Voice and video must also be catered for when applicable.

Records Retention Committee

This committee must be created and coordinated by the records manager, and must involve representation from business units, legal, IT, financial, archivist (if applicable), compliance and risk. This committee should act as a steering body and be the liaison between the program and senior management/exco.

The function of the committee is to review, recommend changes and approve the program to ensure that it meets the needs of the various organizational stakeholders.

Departmental coordinators

One of the major challenges facing companies globally and in South Africa is that each department operates autonomously. Whilst this may have value in achieving bottom line profitability, it does not work in a records management environment. The various departmental coordinators must be appointed, and must form a team that creates a standardized way of managing records across the organization that meets the requirements of both the records management program and the lines of business. The coordinators have a responsibility for reviewing all records in the department, transferring records from active to inactive storage, and gaining approval for destruction of records according to the retention schedule.

The role of senior management

It cannot be stressed strongly enough that the success of the program is dependent upon senior management support, sponsorship and commitment. Senior management have a role to play in approving and/or developing the policies around the program, and ensuring the organisational alignment and adherence to the program. The documents that will need to be approved by senior management include:

Policy statement

- Describing the retention program
- Identifying and acknowledging the appointment of the records manager
- Describing the composition and functions of the records steering committee
- Requesting cooperation from all staff

The policy statement should not stand alone, and should be supported by a number of directives.

Directives

- Description of the organizational benefits. This is an important document as it changes the focus from one of pure compliance, to one of business advantage.
- A strong statement directing all appropriate staff to cooperate
- Specifics in terms of what cooperation will be required. This will initially take the form of interviews, access to files, time spent in defining inventories, and selection of the records coordinator. This will later move to day-to-day operational requirements of the records coordinator, which will require less input from other departmental staff.
- Schedules of events

Budget

Additional staff may be required initially to complete the inventory, develop the retention schedules, and do records cleanups. This can often be outsourced to specialist companies so as not to create an additional on-going overhead. One factor that is often underestimated is the amount of time and effort to properly analyse all the appropriate legislation. A study performed by Metrofile in conjunction with the law firm Mostert, Opperman, Goodburn in 2005 gives a good indication of the number and type of legislation which applies to records retention in South Africa. *Retention laws survey 2005

Ongoing staff may be required to be appointed as records coordinators.
The program may require technology in the form of hardware and software to manage records (both paper and electronic), and where appropriate document imaging and workflow may be of benefit. These technologies should only be introduced once the basic program and principles are in place.

4

The Records Retention program

Once the initial steps have been completed, the organization should be committed to the process, and the necessary role players in place. The next steps are the development of the program itself.

Records Inventory

The first step is to understand what records exist in the organization. This entails creation of a records inventory. Once the records are identified, information about the records needs to be gathered to determine how best to handle them.

The inventory plan

1. Identify what information is to be collected. This can be challenging as most organizations have masses of information. Key to this process is only to gather the necessary information.

2. Identify how the information is to be gathered – inventory forms, questionnaires, interviews need to be developed

3. Identify where the information exists, and create a schedule of whom to see and when.

4. Train the data collectors to ensure consistency of input.

Departmental support

Support from departmental heads is critical to ensure that the necessary cooperation is forthcoming. Keep them in the loop at all stages. They must become an integral part of the initial and following stages.

Gather the inventory data

On-site tours must be conducted to get a first hand experience of the state of records currently under management. Detailed descriptions, drawings and photographs all are useful in understanding the existing scenario.

Complete inventory forms (this data must be gathered in such a way that it is easily understood and assimilated)

Some of the information gathered must include:

- *Records series.* A records series is a group of related records. Inventories should be at a records series level, rather than at a file folder level. Records series should be identified by unique names and number.

- *Records description.* A brief description of the content of the record series. This must be simple and useful so that future staff can intuitively understand the contents.

- *Volume.* How much space are the records currently occupying.

- *Originators or custodians.* Who owns or creates the records? Do they have multiple owners throughout their lifecycle.

- *Period of use.* This should identify activity levels at different stages of the record lifecycle, which will highlight when and whether records can be moved off-site.

Interviews

Interviews should be conducted in a carefully structured manner. These can be time consuming and can be frustrating for both the records management team, and the departmental staff who may feel that their time is being wasted. Great care must be taken to ensure that the process is smooth, efficient, and that the appropriate information is quickly gathered with the least impact on departmental staff.

The individuals to be interviewed must be carefully identified, and departmental heads involved in this process. They must willingly allocate the responsibility to individuals who have the necessary knowledge.

Schedule interviews on a departmental basis to minimize disruption. This also ensures that the collective input from the department is gathered and collated effectively.

Data analysis

The quality of the data gathered will be determined by the thought that was put into the inventory forms, and the training of the data gatherers. For many organizations, the most critical initial information pertains to legal retention requirements. This should be coupled with additional questions, so that as much information can be gathered which can be used later, without having to re-conduct interviews. At least the following information should be gathered:

- Records series description

- File code (if appropriate)
- Media
- Office or group responsible for the information
- Period during which the record series is active
- The trigger points causing the records to become inactive
- Total retention period for legal purposes
- Additional retention periods for business purposes
- Requirements for these or similar records in other departments
- Destruction method (especially for confidential or classified information)
- Determining the records value. Records can have operational, legal, fiscal or historical value and need to be analysed in terms of each of these. This is a detailed procedure and beyond the scope of this report.

Once gathered, this information needs to be collated into retention schedules which must include the procedures for staff involved in the records retention program.

NOTE: For Governmental departments in South Africa, these and other requirements are contained in guidelines and statutes developed by the National Archives and Records Service, and they should be consulted early in the processes to ensure compliance.

COR Concepts has developed a comprehensive listing of the various regulations in South Africa which require retention. Contact paulm@corconcepts.co.za to discuss how this can be utilised in your organisation.

Finalisation, approval and publishing of schedules

Once the schedules are completed at a departmental level they need to be approved by the records steering committee, who will then also be able to develop an understanding of the overall records retention schedules for the whole organisation. Once the committee has reviewed the schedules these should be signed by the necessary participants, including legal, risk, IT, and departmental heads.

The records retention program then needs to be published and disseminated to all players. This should ideally be accompanied by departmental training to ensure that all players clearly understand what is required of them in the on-going implementation of the program.

Operation of the records retention program

The records manager and coordinators have the primary responsibility for ensuring the day-to-day operation of the program. This entails:

- Ensuring that the records retention schedules, policies and procedures are kept up-to-date, and available to all concerned.

- Providing regular training, especially as the schedules change, new legislation is introduced, and as a part of the induction process for new employees.

- Reviewing the program on a regular basis.

- Ensuring that destruction of documents is carried out regularly and according to the plan.

- Treatment of confidential and classified information.

- Enforcing records-hold procedures in the event of pending or current litigation or legislative occurrences.

- Conducting records retention audits to ensure compliance with the program.

- Gathering and protection of policies, procedures, work papers, records forms etc which may have to be produced as evidence in court to show that records have been retained or destroyed according to the records retention program.

- Coordination with other elements of the records management program. This report has focused purely on the records retention aspect of records management. Other functions such as forms management, micrographics, voice and video recordings, archives management, active filing systems, electronic document management and imaging initiatives need to be constantly considered.

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Major Goals / Tips for Records Managers

1. Move immediately to establish an organization-wide centrally managed RM program. If this isn't done, disparate programs with duplicate records will emerge, and it will cost more. Standard policies, procedures and processes must come first, and must be completed with full executive support.

2. Don't do it alone, and don't reinvent the wheel. There are enough resources, programs already in place that can be utilized. Best practice and standards are there for a reason – other people have already been through the pain, and you don't need to. Aggressively network to gather RM resources unique to your industry. Find the policies, procedures, documents that have already been created, ask for it and use it. Some of this information will be closely guarded by consultants, and if this is the case, utillise their services to get a quick start.

3. ISO/SANS 15489 provides ample guidelines for a program, and the steps outlined in this report are a good starting point, as a full implementation of ISO 15489 may take too long.

4. Tie RM programs closely to the needs of the users, customer services, legal, administration, archives and IT. IT support is absolutely critical for success. A very strong partnership needs to be formed between IT, legal, the designated Records Manager, Lines-of-business and compliance.

5. As soon as possible take an inventory of your company records, develop and implement a legally valid records retention schedule, determine via internal consensus and industry specific research which are vital records, then take steps to back-up and protect them.

6. Immediately get and implement a standardized filing methodology across the organization. The filing of company information can no longer be left to each and every secretary with their own ideas how best to store information. Remember that in many parts of your organization there are no longer teams of secretaries, so many managers and professional staff are now expected to store information somewhere and somehow. It must be an enterprise-wide implementation that everyone is taught and that everyone understands and adheres to.

7. At least twice annually conduct executive and staff briefings on records management.

8. Methodically create meetings and discussions to determine which information/records should be made available on the intranet or shared folders.

9. As soon as possible designate filing systems supervisors for each of your paper filing systems and build these responsibilities into KPIs.

10. Go electronic with as many Records Management applications as possible. The future of RM is largely electronic, including the management of paper records. Bear in mind that the first step is always policies, procedures and processes. Without a proper grip on these, the electronic records management system will fail

11. As soon as possible methodically meet with users of your storage and retrieval systems and evaluate adequacy of our current transfer times from active to inactive records