Setting Up A Compliant Records Management Program: Where Do You Start?

By Cadence Group, www.cadence-group.com

In today's information-rich environment, keeping track of paper and electronic records is fraught with risk. It is risky because the failure to locate and produce records can result in decreased productivity, lost business, heavy fines, lawsuits, and worse, jail time for some offenders.

According to Gartner Group Research, "Legal discovery of electronic documents is a big business, and those enterprises that don't keep proper records or cannot produce them will pay heavy legal costs and, possibly financial judgments. Records management has moved out of the basement and into the executive suite."

Setting up a compliant records management (RM) program is complex. It requires professional expertise and takes a commitment of time and budget. It is replete with challenges including:

- Managing voluminous amounts of records created daily
- Setting up comprehensive policy, procedure and access controls
- Keeping pace with complex and ever changing retention, regulatory, privacy, and litigation issues
- Establishing a consistent plan for managing all aspects of records life-cycle
- Ensuring change management that effectively meets the users' needs in learning and applying the RM program once it is implemented.

In the past many enterprises underestimated the importance of records management. Today's litigation rich environment has made that a foolhardy practice. Companies now realize that inadequate infrastructure around records storage, dissemination, and retention can carry significant consequences.

Where Do You Start?

The first steps of any endeavor are crucial. Records management is no exception. Before a plan can be created, a company must determine its current RM status. This is accomplished by an overall assessment of that company's infrastructure which includes its policies and procedures, staffing, training, physical and electronic records environments, and audit review functions. This assessment should be objective, but balanced. Look for organizational strengths to exploit, while maintaining a critical eye on the deficiencies. This approach identifies what is needed to develop an efficient, compliant, and secure records retention and disposition program.

Objectives

First establish realistic expectations for the RM program. Integrate your Records Management objectives with your organization's overall business goals. A compliant RM infrastructure is as important as any other function of an enterprise and should be treated as such in the enterprise's business plans. Consider the need to:

- Secure senior leadership's participation and enthusiastic approval of the program
- Evaluate and adjust staffing to address RM needs as the system becomes integrated and matures
- Establish a viable framework of policies and procedures that govern the organization's approach to records management without stifling its core business goals

- Review current Records Retention Schedule for compliance issues
- Improve access to physical and electronic records and manage them in a way that makes their retrieval simple
- Improve security for sensitive and confidential records
- Establish an effective means of halting the destruction of documents and records related to topics under disposal suspension
- Communicate and train your RM program in a way that your users take ownership of the program.
- Annually review and assess your RM system for areas of improvement

Current State of Your Records Management Infrastructure
The overall initial assessment of the RM infrastructure should address the factors listed above and consider all types of records – electronic, paper, and other media. Records are determined by content not their media form.

Senior Leadership
In order to successfully create a compliant records management program in any company, senior leadership must emphasize the company's commitment to that program. With their guidance the program is on solid footing from the start.

Staffing
Records Management requires staffing to drive the program for the company. Assess the adequacy of records management for the company while ensuring that each function has a knowledgeable records person. This may not be a full-time position, and there is most likely a go-to information person in each main business function. Particular records management needs exist in the areas of training, IT and audits. Each of these needs should be addressed as well.

Policies
Identify and assess your existing RM policies. These policies should offer a comprehensive umbrella to address your RM needs as well as outline standard processes that govern records lifecycle. Particular attention should be drawn to topics such as Security of physical and electronic records to assure protection of sensitive and privacy related data. A comprehensive plan that halts the routine destruction of information subject to disposal suspension (legal holds) should be embedded as well as a means of resuming destruction at the appropriate time.

Records Retention Schedule
As a key tool in any company's records management program, the Records Retention Schedule identifies records by classifications and sets their retention lifecycle. A compliant Records Retention Schedule should be thoroughly reviewed at least every two years; more often depending on the business. It should organize records into Records Categories and classifications based on their content, grouping similar records with similar retention periods together. The number of classifications should remain at a manageable level. Most companies can manage the records with about 100 categories. Retention periods should be established based on the business needs, substantive legal requirements and in some instances factors that are unique to the company that require a longer retention than otherwise required. Best practices lay out the record categories using a big bucket approach and combine like records at a higher level, for example, sales contracts and vendor agreements could be combined into a category called contracts and agreements. The individual departments can still file those records separately and the Records Management department can manage those records at the same number of years for retention (e.g. Expiration + 10 years).

Physical and Electronic Records
Evaluate the following types of records based in part on these suggestions.

Paper Records
- Determine how your documents are currently cataloged, stored, and purged.

- Consider originals versus copies, storage locations, length of storage, and disposition.
- Assess the viability of imaging certain paper records to electronic as the official storage media
- Assess ease of retrieval of these records both on and off-site

Electronic Files
- Review existing IT systems and procedures for processing electronic documents and emails. Look for security measures, retention timeframes, retention life cycle capabilty, backup and recovery policies, and so on.
- Determine what document formats (MS Word, PDF, etc.) are received and how these file are retained and stored.
- Review the rules and mechanism for naming and storing electronic records.
- Review access to the records both on-site and remotely.
- Evaluate electronic systems for security issues that may jeopardize records in system
- Determine the need and priority of integrating records management and e-mail archiving systems into the current environment.

Other Media
- Determine what media other than paper and electronic documents are used in your organization, such as film, audio recordings, or video.
- Review how it is currently cataloged, stored, and purged.
- Review the storage facilities for this media to determine its compliance with environmental requirements for long term storage

Special Handling
Review and evaluate your process for identifying at-risk (i.e. rare, fragile, old) records that need special handling. Identify records that have special historic significance. For all of these considerations establish a process to address their special handling needs.

Change Management (Communications and Training)
Evaluate how change is handled within the company paying attention to the flow of understanding about records management to all levels of users within the company.
- Determine how effectively the communications plan informs employees of RM program and related subjects
- Review the communications plan for ease of two-way flow of information
- Review how training is presented and how effective is its practical application
- Evaluate the training plan's capability to continually expand all users understanding of their RM obligations

Annual Assessment and Continuous Improvement
Determine the effectiveness of the current audit and assessments plan. An effective annual audit should touch every point cover in RIM system assessment.
- Ensure that annual RM audit evaluates user knowledge, application and compliance with the rules
- Assess policies, procedure and Records Retention Schedule for current application
- Physically inspect storage facilities to ensure their adequacy.
- Look for opportunities for improvement throughout system

Disaster Recovery and Continuity of Business
Review your continuity planning processes currently in place.
- Evaluate current disaster recovery and business continuity planning documentation for your records storage facilities.

- Determine an acceptable down-time window for business operations in the case of a disaster or business interruption.
- Identify the documents needed to keep the business running and meet compliance or legal requirements.
- Evaluate the off-site location of disaster recovery/business continuity information and Vital Records

Conclusion

Record management is a complex proposition that requires detailed evaluation and planning. A value driven assessment will reveal your RM gaps and strengths to help decide on a course of action to build a reliable and compliant program. Armed with these building blocks a company can commence the journey toward a compliant Records Management program

Because of the complexities inherent in areas of records management, we recommend consulting a Records and Information Management professional to avoid snares and pitfall that can delay or derail RM efforts.

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Cadence Group is an information management company that provides Records Management solutions to help organizations achieve the most economical, efficient, and regulatory-compliant processes for managing paper records and electronic documents.

Unlike traditional Records Management software companies or off-site records storage companies who focus on only one discipline, Cadence Group objectively considers the broad implications of information management decisions and helps you reduce risk, control costs, and leverage best practices and existing technologies across your enterprise. For more information, contact us at 404-874-0544, ext. 113 or visit www.cadence-group.com.