RUNNING TOWARD THE RECORDS MANAGEMENT AUDIT

Benito Ybarra, Chief Audit and Compliance Officer
...all others must bring data

- Number of weeks that employees spend looking for records annually: 4 weeks
- Cost for storing a terabyte of information digitally (in USD): $30
- Percentage of records managers that can’t get buy-in from executives: 70%

Source: www.corodata.com
"Records management" means the application of management techniques to the creation, use, maintenance, retention, preservation, and disposal of records...

“...for the purposes of reducing the costs and improving the efficiency of recordkeeping.”

Expansive and Dynamic Premise!
Cost containment and efficiency are not prominent
If you want something new, you have to stop doing something old.

Peter Drucker
The Audit

- An independent, objective assessment
- Provides assurance
- Provides recommendations

- Promotes the importance of a function
- Can help provide insight to “blind spots”
- Can help propel a strategic initiative

The usual perspective (among other things)

Forgotten/Unrecognized Factors
How to approach an audit

Focus on the right perspective

Be ready to share

Ask questions
How to prepare

Self-evaluation / Preparation

• Describe your biggest successes over the last 2 years.
• What are your biggest challenges?
• Name 3 divisions/business units that understand your role.
• Name 3 divisions/business units that just don’t get it.
• As records management officer, what are your key initiatives for the year?

How easy or difficult are these to answer?
Questions Translated

Original Questions

• Describe your biggest successes over the last 2 years.
• What are your biggest challenges?
• Name 3 divisions/business units that understand your role.
• Name 3 divisions/business units that just don’t get it.
• As records management officer, what are your key initiatives for the year?

Questions Translated

• Do you have performance metrics in place? Are you driving for cost effectiveness?
• Do you have a vision toward driving a high standard for your organization?
• Are your standards based on performance or relationships?
• What objective, performance-based issues are you seeing? Any personality conflicts?
• Do you have focus on all of your responsibilities?

Helps establish coverage, depth, staffing and timing of audit
Strategic Planning

**Executive Summary** – highlights of the plan; easily digestible and easy to support

**Elevator Pitch** – description of your business purpose; something that sells it

**Organization’s Mission Statement** – reminder of the ultimate value of your organization and your recognition of it

**SWOT** – helps determine best opportunities to pursue; demonstrates self-awareness

**Goals** – both long-term (up to 5 years) and short term (next 12 months)

**KPIs** – Key performance indicators; formal tracking of actions meant to help achieve your goals

*Source: Forbes*
Organizational Assessment using ERM

A Focused Framework

Enterprise Risk Management—Integrating with Strategy and Performance clarifies the importance of enterprise risk management in strategic planning and embedding it throughout an organization—because risk influences and aligns strategy and performance across all departments and functions.

Governance and Culture
- Does your governing body understand the importance of records management? Is the priority/budget appropriate?

Strategy and Objective-Setting
- Is there a records management risk register (list and priority of relevant records management risks)?
- Are key records management program objectives/budget focused on the highest priority items?

Performance
- Are key records management performance indicators in place and monitored? Is cost efficiency of the program included?

Review and Revision
- When a records management performance issue is identified, is corrective action taken? Is it appropriate to manage risk to an acceptable level?

Information, Communication and Reporting
- Who receives performance and/or exception reporting?
- Is it appropriate to drive the culture positively?

### Cheat Sheet – Traditional Audit Scope Areas and Results

<table>
<thead>
<tr>
<th>Common Criteria</th>
<th>Scope Areas</th>
<th>Example Results</th>
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</table>
| Establishment of a records management program | • Is there a designated records management officer? Staff, budget? Performance metrics? | • Records managers assigned  
• Low urgency to keep program updated  
• Limited performance metrics |
| Development of a record retention schedule | • Does record retention schedule exist? Does it include/exclude areas? Is it updated? | • Schedule exists, but has not been updated adequately; includes/excludes records, systems, etc. |
| Management of filing and information retrieval systems in any media | • Is there a standard for records maintenance (e.g. contracts, correspondence, policy, etc.)? | • Records retained in multiple areas  
• Paper copies still part of the records management system (inefficient) |
| Adequate protection of state records that are vital, archival, or confidential | • Is there a records classification system? How does the agency ensure correct classification? | • No formal records classification  
• Default action is to keep too much |
| Economical and space-effective storage of inactive records | • Are inactive records classified? How are they stored? Is the space evaluated periodically? | • Inactive records kept onsite vs. more economical storage options |
| Control over the creation and distribution of forms, reports, and correspondence | • Is there a process for creation of official agency forms, reports, etc.? Any exceptions? | • Agency heads send emails that get categorized as key records |
| Maintenance of public information in a manner to facilitate access by the public under Chapter 552. | • Is there an open records function at the agency? If not, how many exceptions to Chapter 552 are there and why? | • Open records coordinators assigned throughout agency, prone to variability |
Case Study – Records Management Cost Saving Initiatives

**Documented savings**

Even modest investments in optimization of document management services can deliver significant financial benefits.

<table>
<thead>
<tr>
<th>Levers</th>
<th>Savings</th>
<th>Required investments</th>
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<tbody>
<tr>
<td>Fix the print process</td>
<td>6–11</td>
<td>1–2</td>
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<tr>
<td>Execute lean process improvements</td>
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<td></td>
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<tr>
<td>Optimize documents distributed to customers</td>
<td>24–33</td>
<td></td>
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<tr>
<td>Standardize document and design to cost</td>
<td></td>
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<tr>
<td>Increase electronic distribution, reduce volumes</td>
<td></td>
<td></td>
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<tr>
<td>Refine make vs buy decisions</td>
<td>4–9</td>
<td>10–13</td>
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<tr>
<td>Optimize postal distribution</td>
<td>20–37</td>
<td></td>
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<tr>
<td>Move transactions online</td>
<td>24–37</td>
<td></td>
</tr>
<tr>
<td>Optimize documents received from customers</td>
<td>21–31</td>
<td>3.5–4.0</td>
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<tr>
<td>Extend and improve document indexing, imaging</td>
<td></td>
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<tr>
<td>Optimize internal printing</td>
<td>15–24</td>
<td>0.5–1.0</td>
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<tr>
<td>Reduce personal printers</td>
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<tr>
<td>Move to duplex printing</td>
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<tr>
<td>Enforce print policies</td>
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<tr>
<td>Optimize postal distribution (mail room)</td>
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</tbody>
</table>

Total cost savings: 114–182

Potential Quick Wins

- Reduction of personal printers
- Move to duplex printing
- Enforce print policies
- Move transactions online
- Optimize postal distribution (mail room)


November 16, 2018
Get out of your comfort zone

Getting out can be creepy and scary
but doing it makes you and your organizations better
Recap/Next Steps

- Understand your current role
- Establish a vision
- Understand your organization’s strategy and appetite
- Measure the gap between current state and visionary state
- Sell your vision
- Execute quick wins with current resources to gain credibility
- Incrementally improve to garner support and grow your influence