

## HOW IMPORTANT ARE YOUR BUSINESS RECORDS?

Think about it. The records of an organization document its history; they represent the views, thoughts, and decisions of the owners and the team they have built. That includes records of clients, organizations, citizens, students, employees, and so on. Some are confidential while others may just be sensitive – for owner’s eyes only. But losing or releasing sensitive or confidential information can ruin an organization. Conversely, organizing records can save time and resources by being able to find records quickly and systematically discarding obsolete records, decreasing the amount of space needed for storage.

Did you know that there are generally accepted recordkeeping principles (GARP)<sup>1</sup>? ARMA International, a not-for-profit organization and leading authority on records and information management (RIM), and the RIM community has recognized the importance of records to an organization. That recognition motivated them to develop practical standards that anyone can use in their daily business and personal affairs. Maybe some of these principles will motivate you and your organization to ponder the records you are responsible for and whether changes should be made to assure records are maintained as long as required and stored in a secure location, as appropriate.

To develop standards that anyone can follow, ARMA obtained input from the RIM community and reviewed international best practices and standards to develop a set of principles to consider when creating and implementing a records management plan. They also ran the principals by practical users and reviewed United States case law. Presented below are the principles that they developed along with points to reflect upon:

**Accountability** – One person within an organization should head up the efforts of creating and implementing a records management plan. This person should seek help and assign people in other departments to execute the plan. Preferably this person has the ability to twist the arms of “the powers that be” to assure the program is implemented by all.

**Integrity** – Can you prove that your records are authentic and unaltered? Here are some things to consider when developing a plan:

- Are the policies and procedures right for the records maintained and is the entire organization using the established policies and procedures?
- Is training proactive and consistent and include every individual within the organization?
- Is there an acceptable audit trail and is a quality assurance process in place?

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<sup>1</sup> **About ARMA International and the Generally Accepted Recordkeeping Principles** ®: ARMA International ([www.arma.org](http://www.arma.org)) is a not-for-profit professional association and the authority on managing records and information. Formed in 1955, ARMA International is the oldest and largest association for the information management profession with a current international membership of more than 10,000. It provides education, publications, and information on the efficient maintenance, retrieval, and preservation of vital information created in public and private organizations in all sectors of the economy. It also publishes Information Management magazine, and the Generally Accepted Recordkeeping Principles ® (GARP ®). More information about GARP ® can be found at [www.arma.org/garp](http://www.arma.org/garp).

- Does the current recordkeeping system prove reliability and integrity of the records?

**Protection** – It is essential that private, sensitive, and confidential information be available only to those who have the authority to access it. Measures should be taken to assure records – electronic and paper – that could damage the entity if lost, stolen, or released, are secured. As part of the audit trail, it is important to show that records have been reasonably protected.

**Compliance** – Does your current recordkeeping program consider rules and other binding authorities that the organization must follow, based on the type of business you are in? Do the policies and procedures show compliance, provided they are being followed? Recordkeeping activities must be lawful and may be subject to legal requirements such as maintaining tax records for a certain period of time. Therefore, an entity should:

- Have the supporting documentation needed to prove that business is being conducted in a lawful manner.
- Follow rules related to how the records are entered into the recordkeeping program.
- Maintain the records in a manner and for the time period established by laws.

**Availability** – Can you find records timely, efficiently and accurately? Identifying where a record is suppose to be stored, locating that record, and retrieving it quickly can save time and resources of personnel. If this makes you consider all the times you couldn't find something you really needed, perhaps this will motivate you to organize and index stored files.

**Retention** – How many records do you produce in a day? How about in a year? Are they stored electronically or in hard copy? Can you guarantee that the records are stored for an appropriate time period, taking into consideration legal, regulatory, fiscal, operational, and historical requirements? It is important to assess the risk of records being kept. You should ask whether these records are helpful or harmful to the entity and if they could be detrimental for business if kept for too long or not long enough.

**Disposition** – How long should records be maintained? Once deemed obsolete, how are they disposed of? Does every piece of paper get thrown in the recycle bin or do some get shredded? In some cases, records may be returned to the original owner, such as a client, while in others, they are stored in an expensive off-site storage unit even though they are no longer useful or required. Electronic storage also costs money and the more information that is stored, the more cluttered the system can become. Establishing a records disposal policy can help keep an organization in compliance and organized and keep storage costs reasonable.

**Transparency** – Who really cares about how you maintain your records? You would be surprised! Employees, clients, governing authorities, auditors, investigators, litigants, and the general public could all have an interest, depending upon the circumstance. Therefore, documenting how records are maintained can help prove that recordkeeping practices are in compliance with laws, that confidential records are secured, and that activities are accurately and completely recorded.

The records of every entity are important. They document the historical aspects of the business, help in understanding past decisions, show compliance, and support daily activities. Maintaining records in a responsible manner is a vital business practice that has not gotten the attention it deserves. Creating a program can initially cost time and resources that seem unnecessary until something catastrophic happens. But once established, a records management program can actually save an entity valuable resources by assuring compliance, save time looking for information, and save on storage costs.

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