

Best Practices in Records Management: Practical Guidelines for Achieving Compliance

Records management is more critical than ever before, and many companies are raising questions about how their program performs. Answering questions about records management standards and performance is often easier said than done. This paper discusses tools that records managers can use too:

- Demonstrate practices for responsible records management.
- Assess records management programs.
- Benchmark program performance against other companies.
- Communicate the strengths and weaknesses of their program to internal audiences.

BACKGROUND: RECORDS MANAGEMENT MATTERS NOW MORE THAN EVER

Records management occupies an increasingly important role in organisations, due to:

More stringent laws and regulations such as Sarbanes-Oxley and the Privacy Act

Recent corporate scandals led to new laws, and a strong linkage between corporate ethics and records management. The result is an increased cost of risk that goes beyond fines, settlements, and litigation costs: Executives are now personally liable, and non-compliance creates a lack of trust that may impact corporate share prices.

The volume and complexity of records resulting from increased technology

Technology has impacted records management in several ways. Organisations now have a greater volume of records to manage, and the management of electronic records depends heavily on employee cooperation. The expanding number of electronic records demands more resources within organisations, including time and storage space. In addition, the courts expect organisations to access and retrieve electronic records in the same timeframe as traditional hardcopy records.

Heightened levels of litigation and regulatory investigation

Regulators are imposing new laws to safeguard against potential fraud in the interest of protecting the public. Regulators are also investigating organisations with a new level of intensity. The Courts, have shifted the financial burden to the defendants for discovery expenses.

The increased importance of records management has led organisations to examine their own practices, often for the first time in many years. When organisations evaluate their records management program in today's climate, they often find more questions than answers.

Many records managers have questions like:

What are the standards for a records management program-how do I know what my company should be doing, and whether we're meeting or exceeding minimum standards?

Our program may never be perfect, but what is "good enough?" How do I demonstrate good faith efforts?

How does our records management program stack up against other companies? Where can I get benchmarking data to make comparisons?

To meet growing customer demand for guidance and advice on records management standards, Iron Mountain launched a comprehensive Best Practices program.

Best practices in records management are rooted in pragmatism: The intent is to enable companies to define a practical records management program for achieving compliance, and not necessarily to establish a "perfect" records management program. In records management, best practices function as guiding principles for designing and implementing a compliant program. Best practices provide value for every organisation-whether the goal is a consistently average program or a "5-star" program.

In records management, consistency is everything. Records management should be viewed like any other compliance program: The primary objective is to be able to project an image of good faith—not necessarily to have a perfect program. Organisations should be able to prove they've made a good faith effort to consistently develop, implement, and oversee a compliant program. If a program is consistently applied, issues that arise in the future are less likely to be viewed as malicious and more likely to be seen as an isolated problem.

The Best Practices program offered by Iron Mountain has various benefits for organisations:

- **Risk Assessment tools:** A methodology for assessing records and information management programs to determine how well existing rules and processes perform, and to identify areas of risk.
- **Benchmarking data:** The opportunity to compare Risk Assessment data from a single organisation to overall and industry averages.
- **Customised solutions:** Documented solutions matched to an organisation's records and information management programs.
- **Continued improvement:** A continuous improvement path as needs change and evolve.

DEFINING BEST PRACTICES

Iron Mountain plays a critical role in shaping and delivering records management programs for leading companies. As a leader in the records management industry, Iron Mountain launched an initiative in June 2003 to establish best-in-class behaviours for records management. The Best Practices initiative drew on Iron Mountain's own experience and intellectual capital, and involved outside advisors and thought-leading customers.

THE FIVE ESSENTIAL COMPONENTS OF BEST PRACTICES

Iron Mountain defines five areas as essential components of Best Practices in records management.

<i>Retention</i>	A legally compliant records and retention program ensures that records are kept as long as legally and operationally required, and that obsolete records are disposed of in a systematic and controlled manner.
<i>Policies and Procedures</i>	Along with a legally compliant records retention schedule, policies and procedures are the foundation of an effective records management program. Policies and procedures should address the handling of records in accordance with operational and legal requirements.
<i>Disposal</i>	All records should be disposed of in a regular, systematic and secure manner and in accordance with an approved records retention schedule.
<i>Indexing and Access</i>	Records must be properly indexed to ensure timely and accurate retrieval. Security controls must be in place to ensure proper access and maintenance of confidentiality requirements.
<i>Audit, Compliance and Accountability</i>	Determines overall organisational ownership of program initiatives and standards, business unit implementation, audit and oversight, and end-user accountability of policies and procedures.

For each Best Practice area, Iron Mountain provides guidelines for building and maintaining solid records management programs. These guidelines provide actionable direction for organisations seeking to improve their programs. (For more information on the Best Practices guidelines, refer to the Resources section of the Iron Mountain Web site at www.ironmtn.com.au)

Risk Assessment tools and benchmarking data

To enable organisations to start applying Best Practices, Iron Mountain offers a records and information management Risk Assessment. The Risk Assessment provides a process and tools for individual organisations to determine how well their records management program performs relative to Best Practices standards. The centrepiece of the Risk Assessment process is a 24-item questionnaire organised around the five essential components of Best Practices. By completing the questionnaire, an organisation can score its performance in each best practice area and determine the overall health of its current program.

Action must follow awareness to reduce risk

Many organisations say laws such as Sarbanes-Oxley, Privacy Act have led to greater interest in records management and compliance. Looking forward, most organisations also claim they are very committed to the continued improvement of records management. At the same time, many organisations acknowledge that their current initiative lacks consistency. Despite an awareness of potential risk, organisations wait for a "trigger event," such as an auditor litigation, before discovering or taking action to correct problems in their records management program.

Awareness of potential compliance issues — and the intention to address issues — are steps in the right direction, but don't address the problem. Unless organisations take action to address shortcomings, there is no reduced risk for the organisations and its executives. By providing standards and tools, Iron Mountain gives organisations a means to systematically act on concerns and threats posed to litigation, audits, and new laws.

Many organisations find the assessment component of the Best Practices program particularly useful for communicating to senior management. For companies trying to increase visibility and funding for records management, Iron Mountain's Risk Assessment provides quantitative data and benchmarking comparisons that get the attention of internal audiences like senior management.

IN CONCLUSION

The world of records management is changing and companies must continually evaluate the effectiveness of their programs. The best form of regulation is self-regulation. By proactively addressing your records management program in each of the five Best Practice areas for all media, you will be able to ascertain how close you are to "good faith efforts". The next step is taking action. Organisations who have evaluated themselves against Iron Mountain's Best Practices standards, applied these guidelines to their programs and reviewed benchmarking comparisons realise a meaningful improvement in their records management program.

For a copy of the Best Practices Guide, please call 1800 IRONMTN

© 2005 Iron Mountain Incorporated. All rights reserved. Iron Mountain and the design of the mountain are registered trademarks of Iron Mountain Incorporated. All other trademarks are the property of their respective owners.



Level 1 785 Toorak Road
Hawthorn East Vic 3123
1800 IRONMTN

Iron Mountain operates in major markets worldwide, serving thousands of customers throughout the U.S., Europe, Canada, Latin America, and Asia Pacific. For more information, visit our Web site at www.ironmtn.com.au.