

Principles and Practices in
Managing Financial Records:
A Reference Model and
Assessment Tool



International Records Management Trust
RIGHTS AND RECORDS INSTITUTE



**The
World
Bank**

Information for Development
Programme (*infoDEV*)

Principles and Practices in Managing Financial Records: A Reference Model and Assessment Tool

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**International Records Management Trust
RIGHTS AND RECORDS INSTITUTE
London, UK**

March 2001

Published by the International Records Management Trust, Rights and Records Institute and sponsored by the World Bank Information for Development Program (*infoDEV*).
March 2001

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1818 H Street, N.W.
Washington, D.C. 20433, USA

Produced by the International Records Management Trust
Rights and Records Institute
12 John Street
London WC1N 2EB
United Kingdom

Printed in the United Kingdom

Copies available from:

<http://www.infodev.org/>
<http://www.irmt.org/resources/mfr.html>

ACRONYMS AND ABBREVIATIONS

ICA (International Council on Archives)

IFMS (Integrated Financial Management System)

IRMT (International Records Management Trust)

ISO (International Standards Organisation)

MPSR (Management of Public Sector Records Study Programme)

RCRs (Records Control Requirements)

RM (Records Management)

SSM (Soft Systems Methodology)

ACKNOWLEDGEMENTS

The success of this initiative is a result of the support we received from a number of individuals and organisations. We are grateful to the World Bank's Information for Development programme and the United Kingdom Department for International Development for funding the research. Special thanks go to Mr Clive Smith, World Bank Archivist and Ms Jacqueline Dubow, *infoDEV* Programme, World Bank without whose encouragement and active support, this project would never have taken off.

In addition, we would like to express our thanks to the governments of The Gambia, Namibia, Tanzania and Zimbabwe and their civil servants at all levels for their kind assistance with our initial research, and for information and advice offered throughout the study.

We would also like to thank the many people who have contributed to the preparation of this reference model, in particular, Mr Ray Bennett, Director UK National Audit Office (retired); Mr Andrew Griffin, IRMT; Dr Michael Parry, Chairman, International Management Consultants Ltd; Mr Kelvin Smith, UK Public Records Office; and Mr Tony Williams, Head, Business Performance Unit, UK Home Office. We would particularly like to thank Mike Haynes, Creative Strategies and Systems for Management (CSSM), for his work on producing the computerised records systems models.

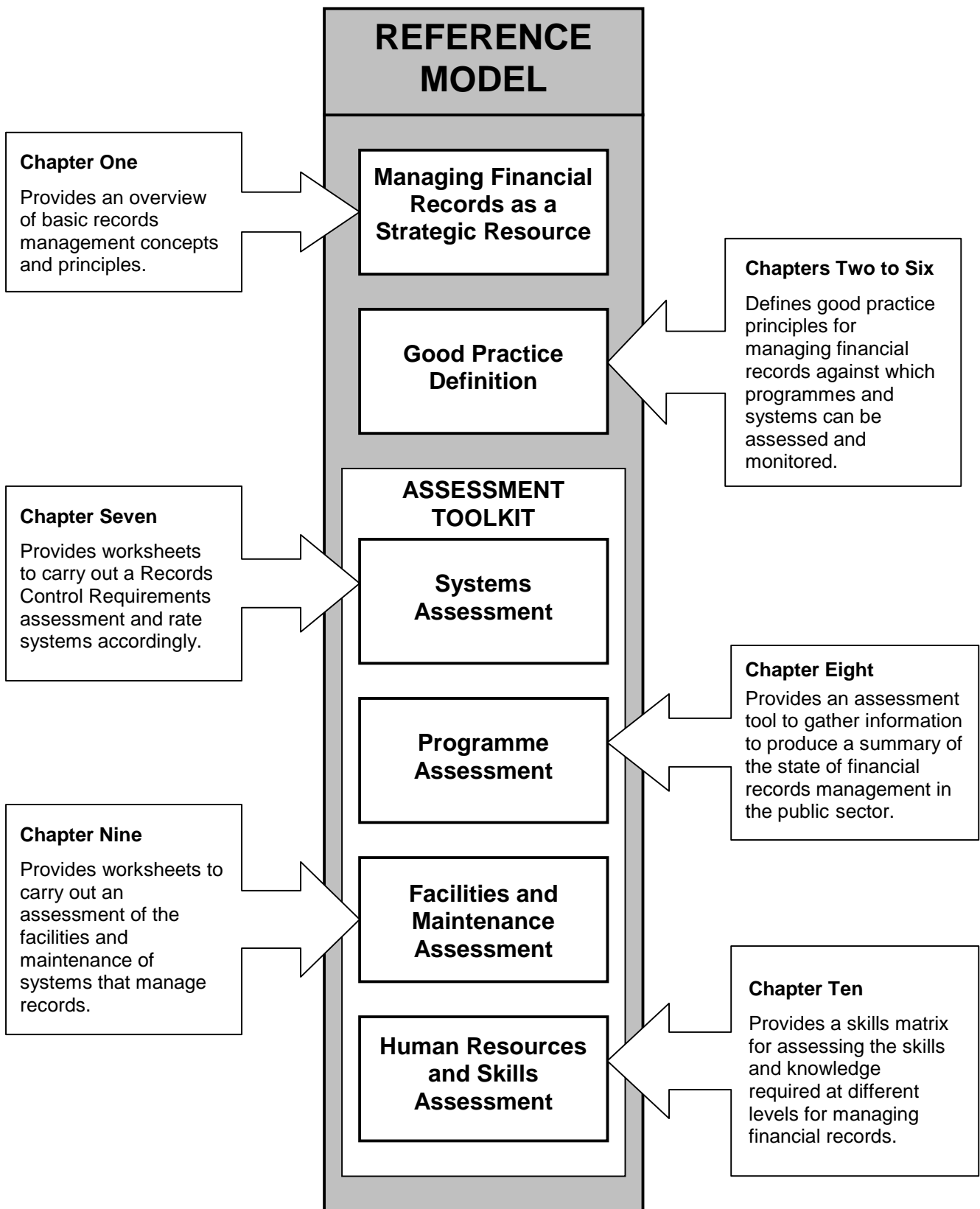
We would like to thank the many people who reviewed the Exposure Draft including Dr Pino Akotia, University of Ghana; Dr Niels Bruebach, University of Marburg; Mr Tom Connors, University of Maryland; Ms Kate Cummings, State Records Authority of New South Wales; Dr Wendy Duff, University of Toronto; Mr Don Brech, Records Management International; Dr Anne Thurston, IRMT; Ms Elizabeth Box, IRMT; Mr Neil McCallum, IRMT; Ms Tanya Karlebach, IRMT; Ms Vicki Lemieux, University of West Indies; Professor Alan Doig, Liverpool Business School; Mr David Bearman, Archives and Museums Informatics; Mr David Gray, CIPFA; Mr Pitt Kuan Wah, National Archives of Singapore; Mr Jeremy Pope, Transparency International; Dr Justus Wamukoya, Moi University; Mr Michael Wettengel, Bundesarchiv, Germany; and Mr Geoffrey Yeo, University College London.

We are also grateful for the support given to us by our Steering Committee: Mr Ray Bennett, Director UK National Audit Office (retired); Mr Peter Dean, World Bank Loan Department; Ms Elizabeth Kariuki, PriceWaterhouseCoopers; Dr Michael Parry, Chairman, International Management Consultants Ltd; and Mr James P Wesberry, Jr, Director, Americas Accountability/Anticorruption Project (AAA Project).

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Reference Model Overview



PREFACE

Many countries around the world are in the process of strengthening their democratic institutions. More generally, public disquiet and awareness of widespread corruption on virtually every continent has focused attention on the need for institution building, especially the need for greater financial accountability.

Public sector accountability, particularly financial accountability, is also a high priority on the bilateral and multilateral donors' aid agenda. Donor agencies are *de facto* stakeholders in financial management reforms through the provision of funding in the form of grants or loans for many public sector projects. However, aid agencies are only just beginning to recognise the need to strengthen records management systems as part of wider institutional capacity building and policy reforms. This is partly because, hitherto, there has not been a readily accessible reference model for development specialists and government financial managers that specifies how record keeping systems should be designed and implemented to support financial management systems. Nor have there been tools for assessing how well existing arrangements and systems are performing. This publication fills these gaps.

This Reference Model is the principal product of the 'From Accounting to Accountability: Managing Accounting Records as a Strategic Resource' project. The Rights and Records Institute has carried out the project with funding from the World Bank Information for Development (*infoDEV*) programme and the UK Department for International Development. The project focussed on public sector financial records in sub-Saharan Africa. Case studies from Namibia, Tanzania and Zimbabwe have been produced.

The research called attention to the deterioration of records systems that should underpin financial management and thus provide a safeguard against corruption and fraud; it placed the decline of record keeping systems in the context of the strategies adopted by donor agencies and developing countries to promote better financial management accountability, and reduce the spread of economic crimes. Increasingly, these strategies include introducing electronic systems to co-ordinate and manage government financial functions.

The study also identified good practice, both internationally and locally, and strategies that are working well in developing country contexts. The findings are distilled in this Reference Model. It is intended to be of use to both the accounting and information professions, by those who are designing new systems and those who need to improve existing systems. It is also hoped that the reference model will assist in changing attitudes in the development community, by specifying good practice for managing both paper and electronic records and providing diagnostic tools to assess whether existing arrangements are adequate.

Piers Cain
Director, Rights and Records Institute
London, March 2001

FOREWORD

In the 20th Century records came to be unmanageable and unmanaged in many countries. Manual records and increasing volumes of documentation of vastly growing government activities outpaced human capabilities and government resources.

Today's 21st Century technology and the growing demand for better accountability and more transparency coincide to open a new century of strategic resources available for public sector managers. Timely indeed is this century-opening contribution by the International Records Management Trust providing a reference model for modern management of financial records.

During the 20th Century the concept of the integral nature of financial management systems and records nearly completely disappeared as governments and their transactions became so fragmented that effective integration of data became impossible under the systems then in effect. This happened so fast during the period of public sector and public service expansion that no one actually realized that governments were losing control over the information vital to their own management. The philosophy of dispersed record keeping among the different offices of governments without any framework for consistency resulted in the absence of any harmony as to the philosophy or practice of keeping financial, not to mention non-financial, records.

Because there was very little relationship between financial records and operational records, governments could never determine the degree of efficiency and effectiveness of their programs and activities. Often government accounting consisted of what old time auditors called "cigar box accounting" with separate cubby holes, boxes or other containers for paper items that were different, and separate recording in non-existent accounting entities or funds to segregate their recording in like manner to the papers' physical segregation.

Financial records are but some of the records that constitute the foundation of accountability that in turn supports the edifice of democratic government. Other records are likewise important. But those records that permit the review and audit of what has been transacted in the name of the citizenry are perhaps even more important than all others. Well maintained financial records permit accountants to prepare useful financial reports for managing resources and for communicating their use to the public. Well maintained financial records permit independent auditors to give the public assurance that financial reports are credible. Well maintained financial records, reports and audits thus constitute the bridge between the politician, the bureaucracy and the citizen that must exist to provide communication, retroalimination and credibility in a democratic state.

This pioneering compilation and presentation of good practices and guides for the management of financial records fulfils a century-old need at the beginning of a new century. Its Reference Model for systems assessment, organization, control and the resultant increased degree of accountability provides a beacon to guide financial managers and government officials across the world is shedding light upon the mysteries of the great bureaucratic entities that constitute 21st Century governments.

No publication could be more timely, appropriate or useful, than one that opens the long closed door of comprehensible transparency to the financial affairs of governments.

Jim Wesberry
Americas Accountability/Anticorruption Project (AAA Project)

INTRODUCTION

Six Questions to Answer

- Is the government planning to introduce a new financial management system?
- Do the Auditor General's reports complain of large volumes of unvouched or inadequately vouched expenditure?
- Do management or auditors complain they are unable to obtain source documents within a reasonable period of time?
- Are piles of disorganised financial records routinely visible in government offices?
- Is there a significant problem of fraud in the revenue collection area?
- Do government suppliers or contractors complain that departments are unable to answer reasonable queries about their contracts or tender bids?

If the answer is 'yes' to any of the above, this reference model may be of use to you.

Purpose and scope of the Reference Model

The Reference Model highlights the contribution of records management to the mainstream objectives of government. The management of public finance is a fundamental responsibility of any government. A sound financial management system supports national accountability by disclosing to the public and to the government information on the use of resources past, present and future. In an era of economic policy reform, this has become the critical element determining the overall ability to manage the economy and to ensure transparent, accountable government.

The Reference Model defines good practice for the management of financial records and provides tools to evaluate and monitor the performance of record keeping systems. It focuses on the transaction records that are used by and produced as a result of financial management functions, in particular the accounting function. Normally, these are required for audit purposes. Relevant administrative, operational and policy records are also taken into account, including tenders, contracts, accounting directives, loan agreements and so on.

Many countries are introducing computerised integrated financial management systems that include all financial functions from budgeting to audit. The Reference Model takes account of the requirements for managing records in computerised systems and analyses the optimal ways of creating the linkages between the manual (ie paper-based) and computerised parts of systems.

The scope of the Reference Model extends from the national programme level to the individual records management systems employed within line ministries and local authorities to control financial records.

The financial records to which this Reference Model refers comprise broadly four categories:

- paper transaction records
- electronic transaction records managed by computerised financial management systems
- systems documentation and other records held by information technology units
- paper correspondence, contracts and other records held in registry filing systems.

Most of the financial records to which this reference model refers are transaction records. These might include purchase orders, payment vouchers, invoices, payroll records, cash books, subsistence and travel expense reports, bills of lading, value added tax (VAT) receipts, inland revenue returns and so on. However, contracts, tenders, loan agreements, payroll case files and other documents that support financial transactions must also be part of a comprehensive programme; where appropriate the links between the two must be maintained.

Applicability

The Reference Model is intended primarily for use by government financial managers, records managers and development advisers wishing to design new financial management systems or by those wishing to evaluate whether existing arrangements for managing financial records are adequate. The tools were developed for a developing country context. However, financial systems are governed by established international standards and are largely similar the world over, therefore the guidance provided should apply to most financial systems. The tools take into account the control environment, capacity and sustainability of existing arrangements. This will enable governments to identify areas of weakness that require improvement and plan interventions. It is expected that the assessments would be carried out by of a professional records manager and a qualified accountant working in partnership.

The Reference Model was developed to evaluate and strengthen financial record systems in countries that, broadly speaking, are included in the British tradition of administrative practice. In countries that follow another administrative tradition, there may be differences in practice but not in general principle. The Reference Model does take into account international good practice in the fields of accounting and records management.¹

¹ Judith Ellis, ed. *Keeping Archives*. Second Edition (Port Melbourne, Australia: D W Thorpe in association with the Australian Society of Archivists Inc., 1993); Judith Fortson. *Disaster Planning and Recovery: A How-To-Do-It-Manual for Librarians and Archivists*. Number 21 (New York: Neal-Schuman Publishers, Inc., 1992); Ira A Penn, Gail Pennix, and Jim Coulson. *Records Management Handbook*. Second Edition. (Hampshire, England: Gower Publishing Limited, 1994); Mary F Robek, Gerald F Brown and Wolmer O Maedke. *Information and Records Management*. Third Edition (Lake Forest, IL: Glencoe, Macmillan/McGraw-Hill, 1987); Solinet Preservation Services Leaflet Series.

Rationale

The Reference Model provides a means of improving government financial accountability by strengthening financial records systems. Records managers are rarely involved in the design of financial management systems, the assumption being that the management of financial records is the responsibility of accountants. In the past this was of little consequence, but as more and more organisations introduce sophisticated computerised integrated financial management systems, the need to implement records management functionality at the design stage becomes more important. In practice, the maintenance of financial records often falls in the gap between the two professions. This problem tends to extend through all financial management functions.

Accountants create records to provide evidence without which efficient management is impossible. Moreover, a large part of the auditor's job is to assess the accuracies, completeness and authority of financial records. However, few accounting staff are introduced to actual records management principles and practices. Many financial managers and accounting clerks are unfamiliar with concepts of destroying records and identifying records for archival purposes. As a result, most accountants insist that records be kept beyond statutory requirements or indefinitely, which in turn wastes valuable office space and resources in managing these records.

Records must be managed from creation until destruction or transfer to an archives repository for permanent preservation. This should be the role of the records manager. The records manager for financial records could be a separate post, or where the workload is not sufficient, a role assigned to an existing position with a broader remit of responsibilities. The key point is the post holder should have appropriate knowledge of records management principles and practices especially how records should be kept and when they should be transferred or destroyed.

Conformance

Records management programmes differ considerably in scope and complexity. It would be difficult to find two identical programmes, even among organisations of similar size and purpose. They are as varied in structure and size as the organisations they serve. However, a well functioning programme depends on:

- a well-established tradition of good record keeping
- a centralised competence for records management programmes
- the support from senior management for record keeping issues
- competent and well-trained personnel.

The approach to good practice used in the Reference Model and the associated assessment tools is based on developing a thorough understanding of what exists on the ground and emphasises a 'good fit' rather than any one-size-fits-all notion of 'best practice'. The Reference Model defines what needs to be in place to ensure that financial records are managed well.

Those using the tools included in the Reference Model should take into account what is working on the ground and give greater weight to what is affordable and realistic in the specific circumstances pertaining in the country concerned. However, it should be noted that in many countries there is a tendency to ignore infrastructure and support issues when implementing large-scale financial management projects, to the detriment of their long-term sustainability. This Reference Model, if used appropriately, could reduce this risk. Therefore it is important that the concept of ‘good fit’ takes into account both short-term needs and the long-term sustainability of the systems.

Related Standards

Good practice has been defined from a number of sources including the draft International Standards Organisation standard ISO 15489 (Records Management), the Australian Records Management Standard (AS 4390/1996) produced by Standards Australia, and other seminal records management texts. Thus, the reference model is also the product of the practical experience of the International Records Management Trust over ten years in a broad range of countries in Africa and the Caribbean.

Document Structure

The document is divided into two parts. Part I provides information about good practices for improving the management of financial records in the public sector. Part II provides a toolkit for diagnosing weaknesses and planning solutions. Part I provides the statements of good practice against which records management systems and programmes can be assessed using Part II. Part I comprises chapters one to six.

Chapter One introduces the basic principles and concepts underpinning records management systems. Fundamental to this is an understanding of the characteristics of records and what makes them valuable as evidence. The chapter also seeks to define the role of records management in supporting the objectives of financial management.

Good practices are documented strategies and tactics employed by organisations. No organisation is ‘best-in-class’ in every area. Good practice as defined here reflects the continuous process of learning, feedback, reflection and analysis of what works (and what does not) and why. It draws on practical experiences and professional standards. Organisations that pursue appropriate good practices deliver higher levels of performance.

The good practice principles defined in these chapters address the problems and concerns for managing public sector financial records in Commonwealth developing countries. However, the principles provided are not necessarily exclusive to this environment and lessons can be drawn and applied to other types of records.

Chapters Two through **Six** set down at a high level the generic principles for managing financial records. They distil good practice and practical experience applicable to the task of implementation. The information provided is derived from a variety of sources including: the draft international Records Management Standard (ISO 15489), the Records Management Standard (AS 4390.1/1996) produced by Standards Australia, and other seminal records management texts, including: Judith Ellis, ed. *Keeping Archives*. Second Edition (Port Melbourne, Australia: D W Thorpe in association with the Australian Society of Archivists Inc., 1993); Judith Fortson. *Disaster Planning and Recovery: A How-To-Do-It-Manual for Librarians and Archivists*. Number 21 (New York: Neal-Schuman Publishers, Inc., 1992); Ira A Penn, Gail Pennix, and Jim Coulson. *Records Management Handbook*. Second Edition. (Hampshire, England: Gower Publishing Limited, 1994); Mary F Robek, Gerald F Brown and Wolmer O Maedke. *Information and Records Management*. Third Edition (Lake Forest, IL: Glencoe, Macmillan/McGraw-Hill, 1987); Solinet Preservation Services Leaflet Series.

In addition, these chapters reflect the collective work of the International Records Management Trust (IRMT) over ten years in a broad range of countries. This includes experience in analysing financial records systems in Belize, The Gambia, Ghana, Namibia, Tanzania, Uganda and Zimbabwe. This chapter also draws upon the Trust's Management of Public Sector Records (MPSR) study programme.²

The good practice advocated here is neither prescriptive nor exclusive. Consequently, the principles and practices described should not be construed as being the only way to implement a record keeping system or a records management programme.

Chapter Two describes the essential characteristics and functions of a records management control system, including:

- registration and classification
- tracking
- access and retrieval
- maintaining audit trails
- scheduling and retention
- transfer
- destruction.

² The MPSR study programme was developed by IRMT in a joint enterprise with the International Council on Archives (ICA). It comprises a suite of modules, manuals and case studies covering all aspects of an integrated records and archives programme. In developing the MPSR programme, the aim was to draw on global good practice and to adapt it to the needs of developing countries. The primary audience for the programme is working professionals, particularly those in Commonwealth countries that have emerged from or adopted an English common law model of government. Additional information on the programme is available on the IRMT website at <http://www.irmt.org/education/education.html>

Chapter Three examines the records management control framework, which includes:

- legal and regulatory framework
- standards and regulations affecting records
- records management policy statements
- the institutional framework.

It also defines Records Control Requirements for Paper Systems and Records Control Requirements for Computerised Systems, with associated diagrams.

Chapter Four describes maintenance and facilities requirements:

- storage of paper records
- storage of electronic records
- vital records and disaster planning.

Chapter Five provides guidance on monitoring and compliance to ensure the sustainability of records management systems.

Chapter Six addresses human resource issues including:

- career structure
- competencies
- training.

Part II provides a toolkit for diagnosing the weaknesses and improving the management of financial records in the public sector. It comprises **Chapters Seven to Nine**. The assessments are derived from the good practice outlined in **Part I**. This includes:

- **Chapter Seven** is a *Records Management Systems Assessment*. It is used to provide a systematic assessment of the functioning of the record keeping system for a particular computerised financial management function or for paper financial records kept by a particular agency. Outputs include an assessment against good practice, an analysis of weaknesses and a prioritised intervention plan.
- **Chapter Eight** is a *Records Management Programme Assessment*. It is used to assess the state of financial records held in ministries and agencies throughout government and the records management environment at the national level. Outputs include an assessment against good practice which can be used to prioritise interventions.

- **Chapter Nine** is a *Facilities and Maintenance Assessment*. It is used to assess the storage conditions in which financial records are kept and provisions for preventing disasters. Outputs include an assessment against good practice which can be used to prioritise interventions.
- **Chapter Ten** is a *Human Resources Assessment*. It is used to provide a systematic assessment of the staff structures and training needs throughout government. Outputs include an analysis of gaps in the structures, an assessment against good practice for developing a training programme.

Following the toolkit, there is a section in **Further Information**, which provides contact details of useful international, regional and national organisations plus a select bibliography. Lastly, there is a **Glossary** which defines key terms used throughout the Reference Model.

PART I

PRINCIPLES AND PRACTICES

MANAGING FINANCIAL RECORDS AS A STRATEGIC RESOURCE

Basic Principles and Concepts of Records Management

What is a Record?

A *record* is defined as a document regardless of form or medium created, received, maintained and used by an organisation (public or private) or an individual in pursuance of legal obligations or in the transaction of business, of which it forms a part or provides evidence.

The term *record* includes all the documents that institutions or individuals create or receive in the course of administrative and operational transactions. The records themselves form a part of or provide evidence of such transactions. As evidence, they are subsequently maintained by those responsible for the transactions, who keep the records for their own future use or others with a legitimate interest in the records, eg Auditors.

Records come in a variety of media. Many are still created on paper, for example, correspondence, vouchers, contracts and supporting documentation. Information may also be recorded on paper in ledgers, journals and registers, or they may be in the form of computer printouts. Such records may be hand-written, hand-drawn, typed or printed. Increasingly, computers create financial records, and they may only exist in electronic format. Electronic mail is a form of record.

The Nature of Records

While all records convey information, not all sources of information are necessarily records. For example, a published book or an externally provided database will not be a record, although information selected from it and reused in a new context may itself become a record.

Records arise from transactions or events. They should have four important qualities or characteristics:

- records are fixed
- records have authority
- records are unique
- records are authentic.

Records are fixed

During the creation of a record, it will go through a process of development and change, ie drafting minutes for review and approval. Once this process of creation is finished and the document is considered complete, it may be regarded as a record. In order to provide evidence, the record must now be fixed and must not be susceptible to change. If a record is changed or manipulated in some way, it no longer provides evidence of the transaction it originally documented.

Records have authority

Records provide the 'official' evidence of the activity or transaction they document. To be reliable they must have authority, ie by whom was the record generated or issued, under what authority and can this authority be proved? Obvious indicators of the official nature of records are signatures (also electronic signatures), letterheads, seals and office stamps. However, not all records have such apparent indicators. Therefore the continuous safekeeping of records also protects their reliability. It is also important to note that a record can be reliable in the sense that it is accurate and complete, however, it may have been created by someone without due authority to effect that act for which the record was created.

Records are unique

Records are unique in the sense that, maintained in their appropriate context, they are a component in a unique compilation or sequence of transactions rather than isolated bits of information. They have meaning because they were generated during a particular transaction or business process. The records make sense within the context of the overall functions and activities of the individual or organisation that created or used them.

Records are authentic

It must be possible to prove that records are what they say they are. The authenticity of a record is derived from the record keeping system in which it was created or received, maintained and used. A record is authentic if it can be verified that it is now exactly as it was when first transmitted or set aside for retention.

Records may be produced in a range of systems and stored in a range of media, including paper and electronic forms; different versions may be stored in different media in different locations. This phenomenon is increasing with the growth of information communication technology.

Electronic Records (ie Computerised Records)

An electronic record is a record that can be manipulated, transmitted or processed by a computer. It is

- written on magnetic or optical medium (including magnetic tapes, cassettes, CD-ROMs, hard disks and diskettes)

- recorded digitally
- accessed using computer software and hardware
- easily manipulated (that is updated, deleted and so on).

Traditionally records have been physical objects. However electronic records are recorded on a medium such as a magnetic tape or a disk, but their status as records is not dependent upon that medium; the medium is not the record.

Computer systems become obsolete so rapidly that it is unrealistic for these systems to remain useable for the length of time it may be necessary to retain the records created by them. Electronic records, which are to be retained for more than a very short period, have to be migrated on to new systems in such a way that they can still be read and understood while maintaining their integrity and authenticity.

Although the technological challenges in managing electronic records are formidable, the management issues are equally as important. Electronic records are fragile. They cannot survive without active intervention to migrate the records on to new systems. This process is expensive and requires the implementation of policies and procedures that affect the working practices of the entire organisation.

Financial managers must ensure that records are available for legal and audit purposes. This applies to both paper and electronic records. However, depending on the legal jurisdiction there may be few precedents for the admissibility of computer records in a court of law. The weight of electronic records as legal evidence may be open to challenge, unless controls can be shown to be so strong as to remove reasonable doubt about the authenticity and integrity of the data.

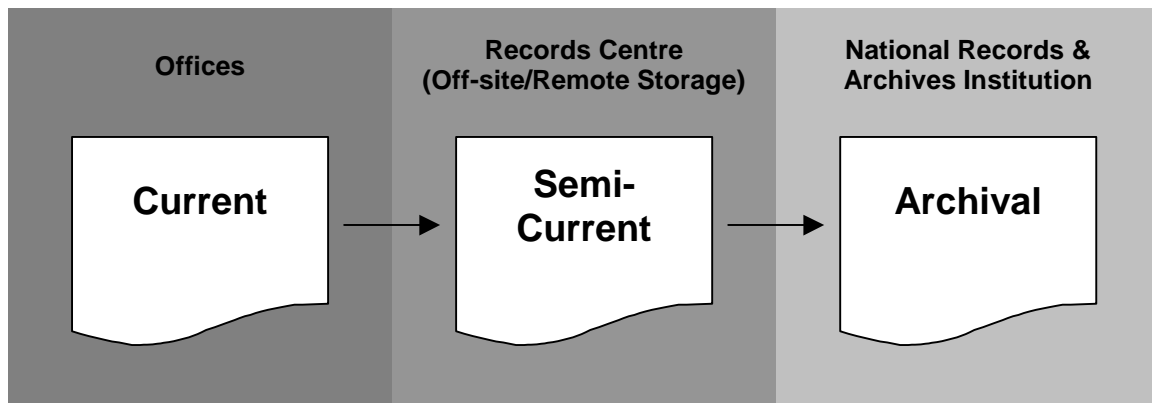
Records management

A Records management programme is concerned with achieving economy and efficiency in the creation, maintenance, use and disposal of the records of an organisation and in making the information they contain available in support of the business of that organisation. The objective is to furnish accurate and complete information when it is required to carry out the functions and meet the objectives of government.

Records management is the area of general management responsible for maintaining records. It includes the management of records from creation and capture, through to maintenance and use and their ultimate transfer to an archives or destruction.³ The records controls through which this management is conducted are described in **Chapter Three**.

³ There are two schools of thought regarding the description of records management. The first is the *life cycle* approach is an analogy drawn from the life of a biological organism. A records is created, used for so long as it has value and is then disposed of by destruction or by transfer to an archival institution. The *continuum* concept suggests that four actions continue or recur throughout the life of a record: identification; intellectual control; provision of access; and physical control.

An important principle in records management is that records have different phases through which they pass as follows:



Current records: records regularly used for the conduct of the current business of an organisation. These will normally be maintained in or near their place of origin or in a records office.

Semi-current records: records required only infrequently in the conduct of current business. These will normally be maintained in a records centre or other intermediate storage pending their ultimate disposal.

Archives: these are records that have been identified as having long-term value and are therefore selected for permanent preservation. Archives of government will normally be preserved in the national records and archives institution.

Allied to this are two further principles:

Provenance: Provenance is the context; it makes the record evidence and makes it understandable by establishing who created or used a record, where, when and why. Therefore the records of separate agencies must be managed separately even if the agencies in question were involved in similar activities. In addition, paper records must be maintained according to the original order in which they were filed and retrieved, as that order reflects the way in which the records were created and used.

Levels of arrangement and description: These are two integrated practices designed to make records physically and intellectually available for use. Central to these activities is the understanding that records can be arranged and described at levels. These levels are used to allow records to be managed collectively rather than at the level of the individual item. The key level of arrangement is the *records series*. The records series brings together those records relating to the same function or activity or having some other relationship arising from their creation, receipt or use.

Key to the effective functioning of a records management system is the transfer and destruction of records when necessary. Failure to do this is the chief cause in the breakdown of systems. Often systems are not in place to ensure that when records are no longer required; frequently they are transferred to less costly storage, freeing up office space for current business. In addition, both office and intermediate storage can also become congested with records that have no further operational value and should be destroyed.

Situating Records Management in the Context of Financial Management

Government is accountable to its citizens through the legislature. The legislature approves the budget and spending plans and government is obliged to demonstrate that its spending is in accordance with what has been approved. In the public sector, the rendering of accounts to public scrutiny is critical to meeting accountability requirements.

Record keeping is a fundamental activity of public administration and is essential to financial management. Financial records are the records that result from the conduct of business and activities relating to accounting and auditing; they provide prima facie evidence that:

- resources have been received, committed or spent
- assets have been acquired or disposed of
- government agencies have certain liabilities.

Certain financial records (eg ledgers, cash books, vote books) also provide a basis for the preparation of financial statements. Effective financial management systems provide decision makers and public sector managers with the means to

- ensure resources are matched to objectives, ie ensuring that money is allocated and spent in accordance with the government's strategic priorities by controlling the budget and publishing accounts of actual expenditure
- strengthen accountability and minimise the risks of implementing unsustainable policies, ie comprehensive information generated from the system facilitates managers to make informed policy decisions and prioritise resource allocation.

Financial management systems require records as inputs and generate records as outputs. The following table illustrates the types of record inputs and outputs that different financial systems might use or produce.

Financial Management: Main Information Systems and Records			
Function	Main Information System(s)	Record Inputs Include:	Record Outputs Include:
Macro-fiscal planning	systems for macroeconomic forecasting	external economic data; public sector work program document; fiscal reports (previous); expenditure reviews (previous); accounts data; data on tax revenue collections; data on non-tax revenue collections; data on domestic borrowings; data on external borrowings grants/grants in aid; debt service projections; data on civil service complement/emoluments/benefits	macroeconomic framework; public sector investment programme; fiscal plan
Budget preparation	systems for budget preparation; spending agency budget preparation systems; public enterprise budget preparation systems; tax systems; customs systems	macroeconomic framework document, public sector investment programme; fiscal plan; public sector work programme; expenditure reviews (previous); fiscal reports (previous); budget guidelines and ceilings; line agency budget submissions; draft budget	initial budgetary allocations to programmes/projects' budget call circular; line agency budget submissions; draft budget; approved budget
Budget implementation	systems for budget execution and fiscal reporting; core government accounting system; spending agency budget execution systems; public enterprise budget execution systems; payroll and pension systems; personnel information systems; purchasing systems	expenditure review; public sector work programme; fiscal reports; fiscal plan; public sector investment programme; approved budget, public sector work programme; cash flow forecasts; fiscal reports; contracts; purchase requests; cost evaluations; bids; reviews of contractor performance; inventory documents; personnel documents; payroll documents; expenditure authorisations; commitment transactions; invoices; vouchers; shipping documents; inventory documents; receiving reports; payment authorisations	expenditure plan; budget warrants; purchase orders; procurement transactions; payment vouchers; payment receipt transactions; virement request transactions; expenditure authorisations

Financial Management: Main Information Systems and Records			
Function	Main Information System(s)	Record Inputs Include:	Record Outputs Include:
Budget monitoring and evaluation	systems for monitoring investment projects; systems for monitoring public enterprises; spending agency investment projects monitoring systems	approved budget; public sector work programme; fiscal plan; public sector investment programme; macroeconomic framework; fiscal reports	fiscal reports; expenditure reviews
Cash management	cash management systems	cash flow forecasts; fiscal reports; expenditure review; data on domestic borrowings; approved budget; public sector work programme; fiscal plan; macroeconomic framework	liquidity position; issues and redemptions of government securities
Debt management	debt management systems	fiscal plans; public sector investment programme; fiscal reports; expenditure reviews; data on issues and redemptions of government securities; approved budget; public sector work programme	data on domestic borrowings
Foreign aid management	foreign assistance co-ordination system	public sector investment programme; fiscal plan; approved budget; public sector work programme; approved budget; data on external borrowings/grants/etc	data on external borrowings/grants/grants-in-aid; data on foreign aid disbursements/repayments
Revenue administration	tax administration systems; customs administration systems	macroeconomic framework; fiscal plan; approved budget	data on tax revenue/collections; data on non-tax revenue/collections
Accounts administration	core government accounting system	approved budget; public sector work programme; financial transactions; data on government receipts/receivables; data on government payment/payables; expenditure authorisations	balance sheets; trial balance; general ledgers; subsidiary ledgers; accounts receivable ledgers; accounts payables ledgers; fixed-assets accounts ledgers; cost accounting reports
Auditing	systems for auditing	work programme; government books of accounts – ledgers – transactions; audit plan; assets and liabilities	audit reports

The diagram *Financial Management and Accountability Framework* shows how records management fits into the broader structures that exist to ensure that public sector revenue, expenditure and assets are properly accounted for. At the centre is the Process where financial transactions take place by means of accounting and other financial management systems. Documents are used as inputs into the financial management system which produces output documents as a result of processing financial transactions. In order to ensure that these transactions are authorised and are in accordance with the budget approved by parliament, the transactions must be carried out in accordance with rules and procedures set out in the law, professional practices and codes. If applicable, these should include the relevant national or international standard for records management and records management procedures, usually issued by the national records and archives institution.⁴

The financial management function has very strong monitoring mechanisms by means of internal and external audit; internal audit reports to management and external audit reports to the public accounts committee and ultimately the legislature. In many countries, the system for records management inspection is much less developed, but is equally important for ensuring that records management procedures and standards are being consistently applied across government.

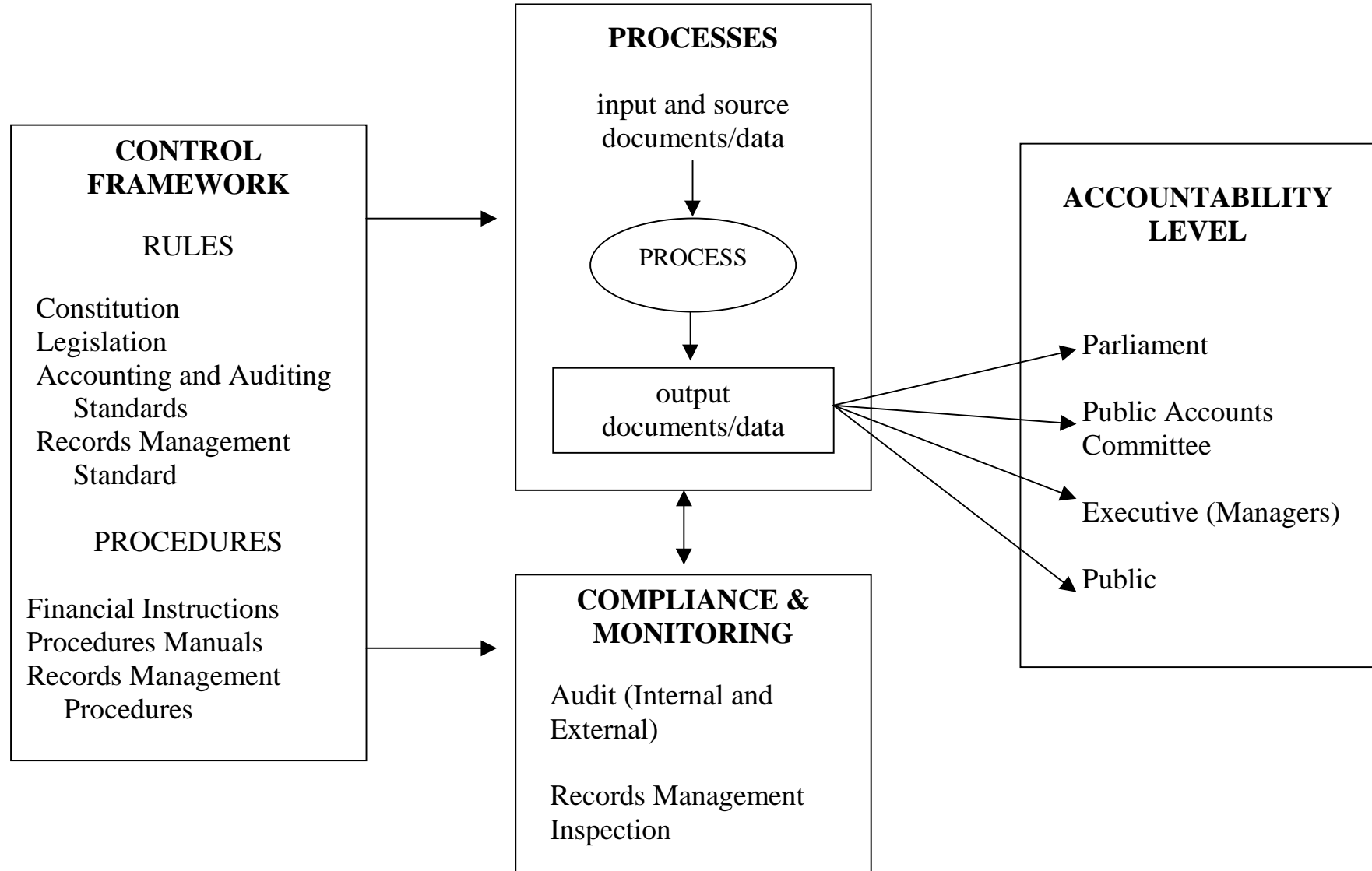
The final products are financial reports and statements to Parliament via the Public Accounts Committee, the Executive (including civil service managers) and the public either directly or through the media.

The second diagram, *Institutional Systems Process Level* expresses the relationships modelled in the *Financial Management and Accountability Framework* diagram within the context of individual line ministries. The purpose is to illustrate that the records management function is one of the support services that every ministry needs and is typically located in the part of the ministerial organisation structure devoted to support services.

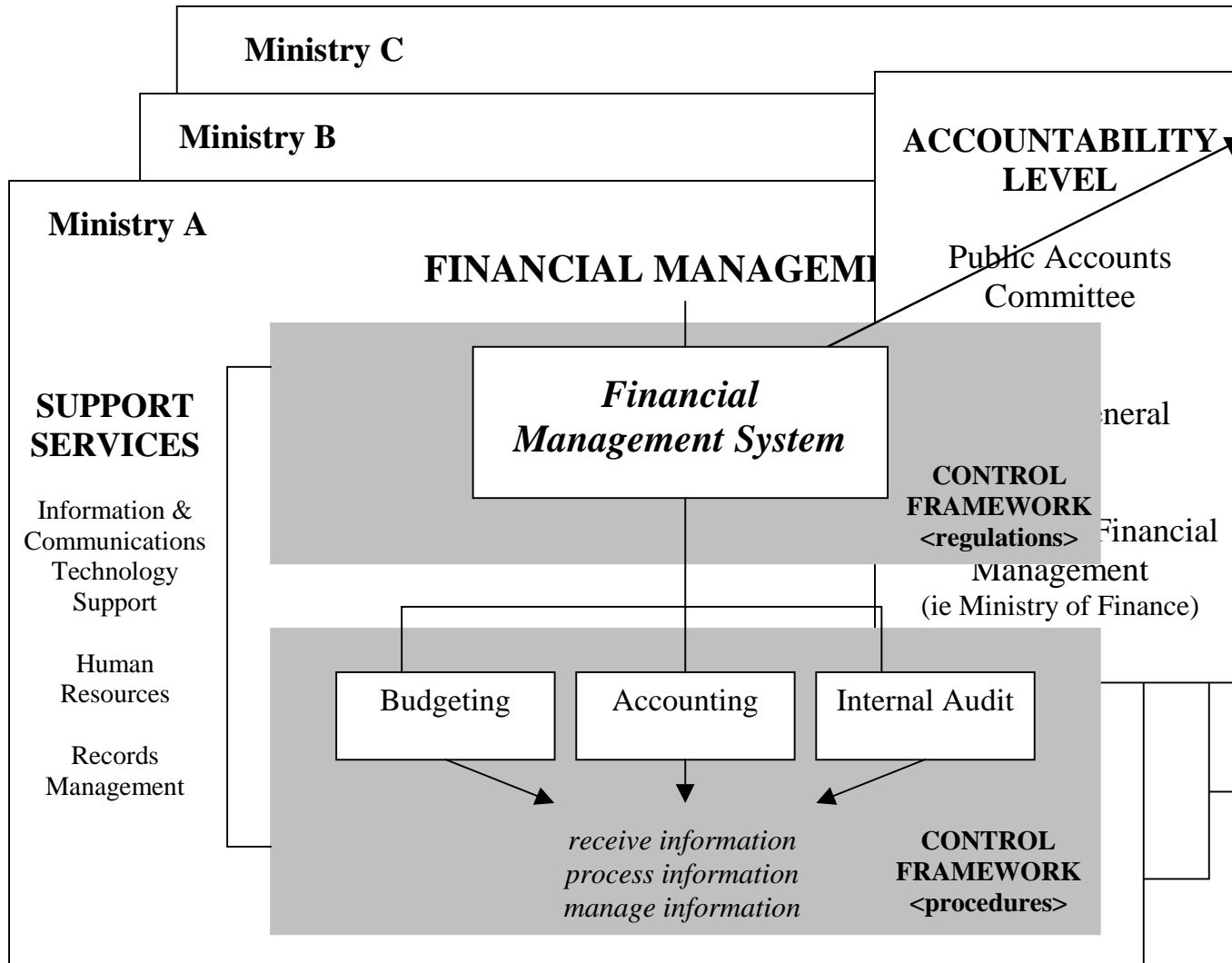
These diagrams represent an ideal. In many countries the institutional arrangements fall short of good practice.

⁴ Most countries do not at present have a National Standard. However, the International Organization for Standardization (ISO) has a draft International Records Management Standard (ISO 15489).

Financial Management and Accountability Framework



Institutional Systems Process Level



THE CONTROL SYSTEM

Introduction

A records management control system is vital to ensuring that the financial records created, received and used by an organisation during its daily activities are sufficient, reliable, relevant and easily accessible. This chapter introduces briefly the process of capturing financial records into a system and the key records control functions required to manage them for operational and audit purposes.

Records Capture

Capturing records involves determining which documents the system will control. This in turn implies decisions about how the records are used, who may have access to them and how long they are to be retained.

The financial management system should be designed to capture all financial transaction records for the period of time determined by legislation. In a paper-based records control system, capture is achieved by physically placing a document into a sequence within a file or folder or, in the case of transaction records, in a batch. Adding papers to a file (ie capturing the record) becomes a conscious process of deliberately placing it in a pre-defined and known sequence of documents. Paper added progressively to files should be dated or numbered sequentially to provide additional security in defining the sequence of action.

Additional indexing points may be added subsequently to the file to ensure that the specific document can be located and retrieved. Disposal and access conditions may be applied by adding notes on the file or in control systems. It should also be understood that financial documents, such as contracts and tenders should also be captured and links provided to the relevant transaction records (eg tender board numbers). Increasingly these links must extend from manual systems to computerised systems and then return to manual systems to take account of paper source documents, computerised accounting records and printed outputs (eg financial reports).

Incorporating the creation of a document as part of a standard process also acts as a form of records capture. This process locates the document within the context of the action that needs to take place following its creation or receipt and acts as an acknowledgement that it is taking part in business transactions. For example, this may apply to the accumulation of paper documents that comprise the record of a purchase: quotation + purchase requisition + purchase order + invoice + payment voucher = procurement record.

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Metadata

Computerised financial systems which capture records also need to capture *metadata* associated with the record in a way that:

- describes the record both for what it contains and the context of the business taking place
- enables that record to be a fixed representation of action
- enables the record to be retrieved and rendered meaningfully.

These aspects are often referred to as *context*, *structure* and *content*. Metadata is an important element in any records and archives programme where the object is to preserve the authenticity and integrity of the data and records and to retain the context with which to analyse the actual records. In addition, it is a critical factor in ensuring that records can be found, retrieved and accessed easily.

Metadata is data about data; it is an *abstraction* of the data. In effect it is the information about a record that explains the technical and administrative processes used to create, manipulate, use and store that record. For example, corporate name = Ministry of Finance; function = debt management; document type = database.

Records Inventories

Once captured, records need to be managed. However before records management systems can be designed it is important to understand what records exist, in what format and where they are located. Without this information systems are unlikely to meet the needs of financial managers. A records inventory is a key tool used to find out everything necessary for the design, justification and establishment of a records control system. It contains basic information regarding the quantity, physical form and type, physical condition, storage facilities, rate of accumulation, uses and similar data about the records of an organisation.

Carrying out an inventory of financial records will give a better understanding of the financial management functions and the records created by them. It will enable the records manager to identify all record series and the extent of their use. The greatest value of the inventory is that it gives a reasonably objective and complete overview of the records and their uses. In addition, the process of compiling an inventory of financial records helps the organisation to:

- know what information exists
- identify the relevant records and the procedures for working with them
- learn the users' information needs
- establish the location of all available storage media.

Overview of the Control Process

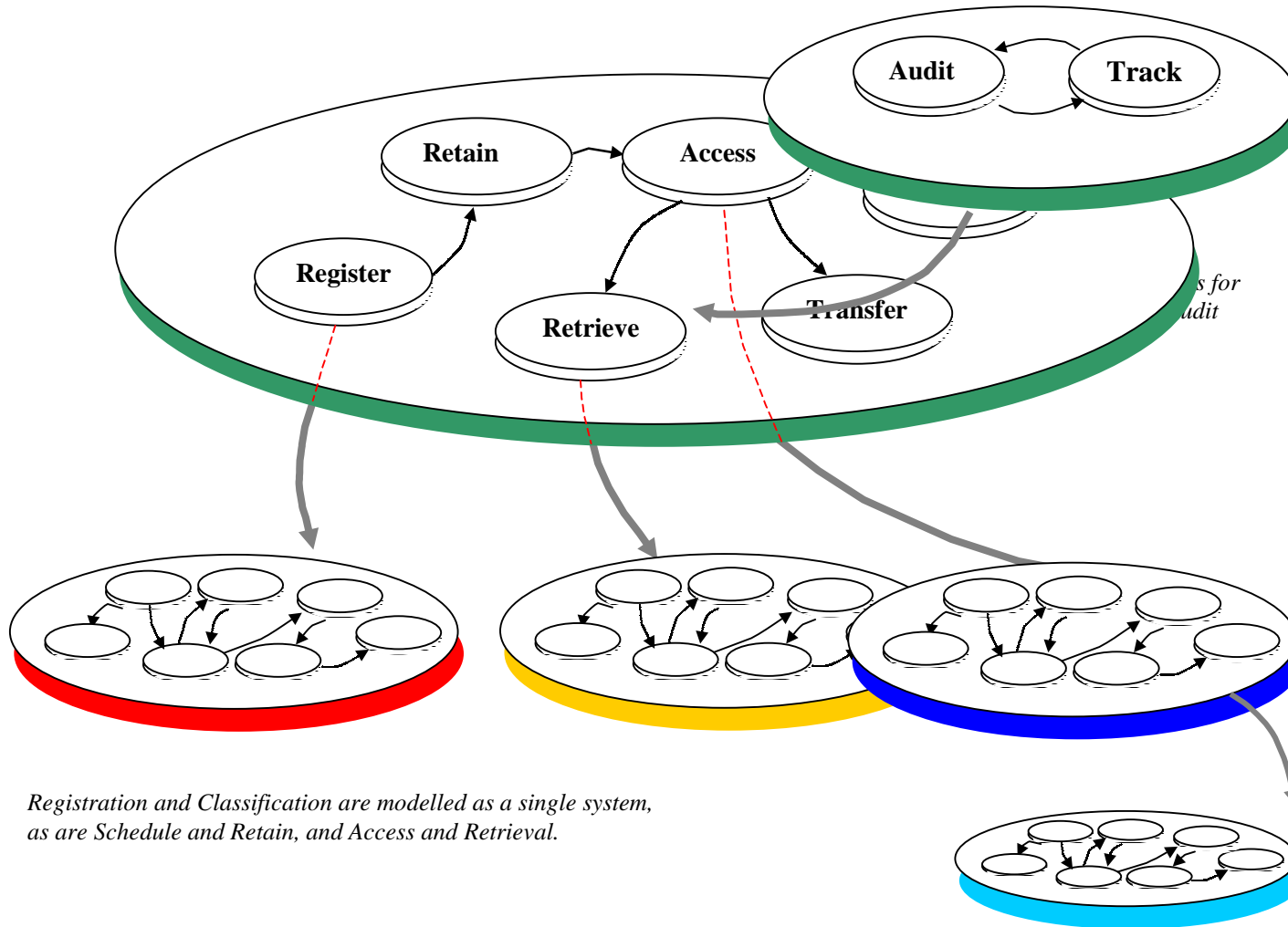
The essential characteristics of a records management control system for financial records consist of registration and classification, tracking, maintaining an audit trail, access and retrieval, scheduling and retention, destruction and transfer to the appropriate archive authority. The system should reflect how records relate to the business of the organisation and its business processes. This is particularly important in an electronic environment where adequate records will not be captured and retained unless the system is properly designed.

Soft Systems Methodology (SSM)

SSM has evolved out of a 30-year programme of action research pioneered by Professor Peter Checkland at Lancaster University, UK. It is rooted in the core systems concepts of emergence, hierarchy, communication and control. The approach has been developed specifically to deal with complex strategic and information issues in large private and public sector organisations particularly where multiple perspectives need to be taken into account and accommodations reached.

SSM uses models of purposeful human activity to learn about and bring clarity to confused problem situations. It has proved to be especially helpful in helping organisations to determine their information needs in such environments. Government accounting systems are essentially information or records systems used for financial management. They are used to financially manage the operational delivery of public services, often through complex organisational arrangements. It is difficult for an individual working in one part of a government organisation to gain an overview and so have a better understanding of the relevance of their own role and the relationship between the work of their department and that of others. Thus the generic models of SSM help to provide a vehicle for managers to learn about the whole system for managing financial records and the role that they play.

A System for Managing Financial Records



Registration and Classification are modelled as a single system, as are Schedule and Retain, and Access and Retrieval.

RECORDS CONTROL REQUIREMENTS MODEL

Registration and Classification

All financial records should be registered and classified as the foundation for managing their use, retention and eventual disposal.

Registration

Registration provides evidence that a record has been created or received into a records system. It formalises the capture of the record. It involves recording brief descriptive information about the record in a register, and assigning the record a unique identifier. Although implicit in computerised financial management systems, capturing the date of the transaction at the time of registration is an important part of the registration process. Registration, as a process is vital for accountability. It is also a key point at which a variety of data that can facilitate the accessibility and management of a record can be captured and made available.

All financial transaction records and supporting documents require registration. Records can be registered at one or more levels of aggregation within a records system depending on the assessment of the evidence requirements. Financial transaction records should be registered at the item level using reference numbers (eg purchase order number, payment voucher number, cheque number and so on). Often owing to sheer volume, paper transaction records may need to be filed for storage at the batch level using batch numbers. However, if this is the case, links should be maintained to the transactions through the batch numbers. In a computerised system transaction records are registered at the item (ie document) level. Financial documents such as contracts, tenders, payroll case files and so on should be registered at the file level. In practice, registration of financial records usually implies assigning purchase order numbers, voucher numbers, payroll numbers and so on, which are unique in principle but may overtime be recycled. The uniqueness of this number usually depends upon its being combined with a date of transaction, surname, supplier name and so on. This is not registration in the traditional records management sense as would be applied to records filed in a registry system, such as contracts, tenders and so on.

In manual (ie paper-based) control systems, a register is normally a separate record, where in computerised systems a register can comprise a combination of data elements. This may include classification and determination of disposal and access status. Computerised systems can be designed to register records through automatic processes, transparent to the user of the system and without the intervention of a records manager. Even where registration is not totally automated, elements of the registration process can be automatically derived from the computing and financial business environment from which the record originates.

Classification

A classification system for financial transaction records comprises the revenue and expenditure categories established by the government to plan revenues, expenditures, financing and other financial flows in the budget/planning system, and subsequently used as codes in the accounting system to classify actual revenues, expenditures, financing and other flows, and to record assets and liabilities. Classification systems enable an organisation to

organise, describe and provide improved access, retrieval, use and dissemination of its records, as appropriate. It organises files and documents into a logical (ie hierarchical) arrangement to facilitate controlled access and disposal. For example, tender board documents will be allocated a code that denotes that they have been generated by the tender board along with a document number. Many of such classification schemes are based on functions and activities because this provides the most logical and useful structure. This ensures that records relating to the same activities are linked together.

Tracking

Tracking is critical to aid retrieval and ensure that records are not lost or misfiled. Staff should be able to determine in a timely and efficient manner the location of every transaction record or file, as appropriate, for which they are responsible. Tracking is also an important control for deterring unauthorised access.

The tracking function is concerned with the movement of records. A common mechanism for ensuring the integrity of financial transactions is to separate duties (eg one individual is responsible for creating the record, another for posting details to subsidiary ledgers and another for authorising). The record keeping system should be able to track records through processes and systems.

In order to aid retrieval, help maintain physical integrity and prevent unauthorised access or use, it is essential that the location and custody of financial records be controlled and monitored and that use be controlled through the implementation of user permissions and views in a computerised environment and through access restrictions in a manual environment. (See *Access and Retrieval*).

In a manual, paper-based records management system, each time a file is moved, this fact must be recorded in the records office. File movements are monitored in a number of ways: on file transit sheets that are filed in a file transit book, on transit ladders that appear on file covers, on file movement slips and through regular file censuses. This process works well for financial records that are filed in a registry or in a centralised office filing system (eg contracts, tenders, financial correspondence and so on). However, this may not be a practical method of controlling transaction records.

The day-to-day retrieval and movement of financial records within the records creating unit, eg the accounting office, does not normally require recording. Records retrieved from their permanent location for operational purposes should be returned at the close of business each day. The storage location of current and non-current records should be clearly identified and logged in a location register. If records are issued to another agency, this should also be recorded. It is advisable to limit the number of records issued to another agency and the period of time that they may be retained. For example, auditors may need to temporarily remove records from the system, but this loan should be monitored closely and the records should be retrieved if they are not returned within the agreed period of time.

A computerised financial management system should be able to track where a transaction is in the financial management process; links should be provided through the registration and classification process to the supporting paper source documents.

The financial instructions and/or accounting manual ought to specify clearly how transaction records are to be kept and where they are to be stored to facilitate access once the transaction is complete.

Access and Retrieval

Records must remain useable throughout their lifetime. However, access must be restricted to authorised individuals to protect the integrity of the records.

Records should be physically identified and arranged to facilitate retrieval by authorised individuals for the entire period of their retention. It is important to maintain finding aids that document the location of all financial records storage facilities, and the location of particular records series. Strategies for retaining electronic records and associated metadata removed from current records systems have to be formulated to ensure that electronic records remain accessible throughout the entire period of their retention. Such strategies must be integrated into all systems design processes.

Access to records must be restricted to protect:

- the integrity of the financial records
- personal information and privacy
- intellectual property rights and commercial confidentiality
- security of property (physical, financial)
- state security.

Equally important, there may be legally enforceable rights of access embodied in the finance act, freedom of information legislation, privacy protection, and archival and legal process law. Development of security and access schemes should take these rights of access into account.

It is essential to identify who has rights of access to particular groups of financial records and to define the regime of restrictions. Security classifications should be clear and be captured as part of the systems business rules. Security classification differs from classification as described in the first section in that it identifies access rights and restrictions applicable to records and should take into account public service security and access classification rules. The more complex the organisation, the greater the need for standard procedures to apply access and security categories to records. The categories of access restriction should be developed in consultation with relevant business areas to reflect organisational usage.

Access classifications should be task-oriented (ie apply to job positions), both those with responsibility for managing the financial records and those with rights of access. As a next step, responsibilities have to be identified clearly. Those positions that have access to particular groups of financial records should be defined and captured in the records system.

Where appropriate, the access and retrieval function in a computerised system should also take account of security and access classification schemes. The responsibility for allocating user permissions, particularly for computerised systems, should be clearly assigned to designated individuals against strict criteria.

In addition, records must be stored in secure accommodation in order to prevent unauthorised access. The individual in charge of the facilities should control access to storage facilities in accordance with prescribed security and access rules.

Maintaining an Audit Trail

An audit trail is required to ensure that transactions can be traced from creation, through processing, to the final statements. Without an audit trail an auditor may not have sufficient appropriate evidence on which to base an audit opinion.

Fiscal management depends upon the ability to secure timely, accurate and complete information. This makes financial systems different from many other kinds of systems. The record keeping system, whether manual or computerised, must provide sufficient and reliable evidence that only valid transactions have been processed. The system must permit the auditor to trace transactions between original source documents, system generated transactions (either manual or computerised) and internal allocation transactions and the financial statement, in both directions, and through successive levels of summarisation.

The functions of tracking and maintaining an audit trail are closely related. The tracking function helps provide the audit trail, but the audit trail may include other information required by internal or external auditors. An important function of an audit trail is to link individual transactions with an aggregated total. An example of an audit trail may be a record showing the occurrence of specified events relevant to the security of a computer system. The register in a registry system and the minutes in a file also provide a form of audit trail. As mentioned, the tracking function in a computerised system also creates an audit trail. (See *Tracking*).

The audit trail should be well protected against manipulation by a variety of security provisions (eg automatic documentation of access, write-protection, off-line security copies, automatic access control and so on). It is impossible to fully protect records. However, using a combination of provisions, it is possible to make sure that it is difficult to manipulate them and that any changes can be traced back.

Scheduling and Retention

Records must be managed in accordance with retention schedules to ensure that records are kept as long as they are required for evidence, and disposed of as soon as possible to maintain efficiency.

A retention schedule is an instrument to standardise decision-making in the disposal of records. It consists of a formally approved schedule of records series, retention periods and appropriate disposal actions, which is submitted for approval by an external authority, such as a national records advisory committee. Any financial records created or captured must have a retention period assigned so it is clear how long they should be maintained. Without a controlled approach, records required as evidence may not be kept, and other records may be kept for longer than they are needed. This would have a negative impact on the efficiency and cost-effectiveness of the agency and could hinder the efficient retrieval of records for audit purposes. Retention schedules must be updated to take account of any amendments to the legal and regulatory framework and changes to business processes.

An analysis of the organisation's legal and regulatory framework and accountability requirements will determine which financial records should be captured and how long they should be kept. This analysis involves:

- establishing the legal or administrative requirements for maintaining records within the system
- finding out how records are actually used within the system and consider the broad range of other functions for them
- ascertaining the links to other systems.

Retention periods should be allocated on the basis of the total system evaluation. Groups of records performing or recording similar activities within the system should have similar retention periods and disposal action. Some form of disposal authority should cover all records within a records system. Event-driven retention periods should be stated clearly and unambiguously, with disposal triggers clearly identified. For example, destroy 'x' years after audit, or destroy 'x' years after the file is closed.

The schedule should list records at series level, thus avoiding the need to make repeated decisions on the same series. The retention schedule should identify the format of the record, eg both paper printouts and digital data. The retention requirement should be defined for each format.

Stakeholders should be given an opportunity to assist in developing schedules. These include the Auditor-General, Accountant General, internal auditors, lawyers, senior managers in the Ministry of Finance and records managers. Once approved, issued with the Financial Instructions. The national records and archives institution should be responsible for keeping the schedule up to date.

Transfer

Records must be transferred according to agreed disposal instructions to demonstrate compliance with the legal and regulatory framework and to maintain efficiency.

There are several reasons why records should be transferred from the custody or ownership of the agency that created them, including restructuring within the organisation, the outsourcing of business activities or transfer to a records centre or archives according to requirements laid down in retention schedules. When records are transferred to a records centre, ownership is usually retained by the transferring agency. The records centre is simply the custodian of the records, responsible for protecting them, tracking their movement within and outside the centre, and ensuring their proper destruction.

In transferring records, it is essential to determine accountability for their custody. This involves:

- establishing operational and administrative needs for the transfer of records
- addressing issues of authority and accountability
- fulfilling ongoing legislative, policy and regulatory obligations.

If electronic records are transferred, other issues must be addressed, including:

- hardware and software compatibility
- metadata
- data documentation
- licensing agreements
- standards.

One person within the transferring agency, usually a member of the records management staff, should have responsibility for co-ordinating transfers with the records centre. It is essential to prepare accurate transmittal lists that provide evidence of the records transferred and to pack the records securely. Records should be transferred in the original order in which they were maintained.

Destruction

Records must be destroyed according to authorised disposal instructions to demonstrate compliance with the legal and regulatory framework and to maintain efficiency.

Records must be destroyed in a controlled and secure manner and in accordance with authorised disposal instructions. The destruction of records must be clearly documented to provide evidence of destruction according to an agreed programme.

Physical destruction of records must be undertaken by methods appropriate to the confidentiality of the records and in accordance with disposal instructions. An audit trail documenting all destruction of records should be maintained by the creating agency. Certificates of destruction should be obtained for all destruction undertaken by third parties. Where disposal schedules are not in place, the written authorisation of the national records and archives institution should be obtained prior to destruction.

Approved methods of destruction must be specified. For paper records this may be by shredding or burning. If records are shredded, this must be a specified size to ensure that information could not be reconstructed. Procedures should specify who must supervise the destruction of records.

Electronic records must be deleted irretrievably. This may be by reformatting or rewriting if it can be guaranteed that the reformatting cannot be reversed. Delete-instructions are not sufficient to ensure that all links to the data incorporated into the system software have also been destroyed. In computerised financial systems, only authorised individuals should be permitted to delete records. The system should require a second confirmation of the delete action before proceeding with the command.

Backups of system data also need to be reformatted or rewritten before effective destruction of information in electronic form is complete. Physical destruction of storage media is an appropriate alternative, especially if deletion, reformatting or rewriting are either not applicable or are unsafe methods for destroying digital information.

THE CONTROL FRAMEWORK

The control framework for financial records refers to all the laws, regulations, policies and procedures that should provide assurance that records are created, managed and used in support of the government's financial accountability requirements. Records management controls work on the assumption that all transactions are to be clearly documented and recorded, and the documentation is to be readily available for as long as necessary to meet operational, legislative, regulatory and accountability requirements.

Legal and Regulatory Framework

Financial records are subject to tight legislative and regulatory control. Legislative provisions must be assessed when implementing records management controls.

The functions and processes that define the financial management system are derived from and must adhere to a legislative and regulatory framework. Legal and regulatory controls are defined at several levels as described below.

- *Records and archives legislation* enables a national records and archives institution to operate with authority in its dealings with other agencies of the state. It should set out the respective responsibilities of the heads of public offices and of the director of the national records and archives institution for managing public records and archives at each stage of their life (ie current records, semi-current records and archives). It should also define clearly what constitutes a public office and what a public record is.
- *Finance and audit legislation* and *financial instructions* define the functional areas that govern financial management in the public sector. The financial instructions specify the detailed controls needed to ensure that transactions are properly authorised, documented and accounted for, and that agencies do not exceed the amount of money assigned for that purpose.
- Regulations, administrative instructions and administrative practices specify the *standards and procedures* to be followed when carrying out functional processes. These include:
 - ◇ controls at the document and transaction level to ensure correct processing, full and correct recording and audit trails
 - ◇ controls on access to ensure that only authorised personnel can record, change or report information
 - ◇ controls over the entire system to ensure that it embodies the established processing standards.

The legal framework affecting financial records comprises the constitution, which may provide for the supervision and audit of public accounts, and laws relating to finance, audit and government records. Legislation normally forbids the destruction of financial records for a set period of years after the accounts have been audited. Failure to observe these requirements could lead to prosecution.

Other legislation enacted in support of government functions may also give rise to financial records or specify conditions for their maintenance, use or disposal. For example, pensions legislation imposes an obligation on departments to maintain records of contributions. Revenue laws may indicate a time limit on the recovery of tax or duties, thereby establishing a minimum period for the retention of revenue files. Subsidiary requirements such as accounting instructions and financial regulations are frequently promulgated under powers conferred by a main law, such as a finance act. These lay down more detailed conditions and procedures for accounting and financial records, including their creation, filing, storage, production and disposal.

Records managers must identify the legal and regulatory framework in which they operate to establish which laws and regulations may have specific requirements in relation to financial records or have implications which affect their management. Organisations that are required or have decided to subscribe to standards and codes of good practice may find that these impose obligations that affect financial records.

Records managers should therefore consider the regulatory framework in a very broad sense to ensure that they have identified all requirements and implications and considered the risks of not meeting them.

Standards and Regulations Affecting Records

Organisations should make use of available standards or codes of good practice for managing financial records against which performance can be measured.

The creation, maintenance or disposal of financial records in public sector organisations may be regulated by:

- standards, technical reports and/or codes of good practice issued by international or national standards bodies
- regulations, standards and codes of good practice issued by archival, accounting and/or auditing authorities (ie financial instructions, accounting manual, auditing manual, archives code and so on)
- software development and other documentation standards that affect record creation and the maintenance of electronic records.

Records Management Policy Statements

Public sector organisations should have a records management policy in place to define and assign to individuals records-related responsibilities; this should encompass the management of financial transaction records. This policy should be implemented and maintained at all levels in the organisation.

A records management policy statement is a statement of intentions. It sets out what the organisation intends to do and should include an outline of the programme and procedures that will be put in place to achieve those intentions. In the case of financial records, this policy should be closely tied with the Financial Instructions.

The policy statement should refer to other policies relating to information, for example on information security, but should not seek to duplicate them. It should be supported by procedures and guidelines, planning and strategy statements, authorised disposal instructions and other documents that together make up the records management regime.

Support and endorsement of the policy is needed at the level of the political directorate and senior officials, as well as by all employees. It is particularly important that the policy should impose an obligation on all employees to create and maintain records, which meet the needs of the organisation and should make provision for monitoring of compliance with the policy. Senior civil servants should work to establish and promulgate a sound records management control culture.

Institutional Framework

National Records and Archives Institution

In many countries the national records and archives institution is regarded as primarily a cultural institution. In fact, its role is broader, it is to protect and preserve the nation's records and archives. It should have responsibility in law for the management of both current and semi-current records as well as for archives. Therefore, its location within the public service is key to its ability to meet its statutory responsibilities for ensuring good records management practice in all ministries, departments and agencies. Ideally the national records and archives institution is attached to the office responsible for the civil service, which often comes under the office of the president or the prime minister. If that is not feasible, it should come under some other ministry with responsibility for other cross government support services.

It is important that the national records and archives institution should be led by a professional head (eg director) and an effective management team. Together they should be expected to:

- provide strategic direction in establishing policies, standards and programmes for the implementation and maintenance of systems for managing financial records across government, including the drawing up of retention schedules

- offer positive support to records staff in the national records and archives institution and in agencies through the professional management of the records series. This strategic approach ensures cohesion and direction in decision-making.

Policy development for managing financial records should take place in conjunction with the Ministry of Finance. A member of the national archives and records institution's management team should be responsible for the management of financial records, including establishing and monitoring retention schedules, inspecting financial records systems in line ministries, liaising with the Treasury in the Ministry of Finance about policy, and liaising with information systems staff to ensure that record keeping requirements are built into the development of computerised financial management systems.

Managing semi-current records on site is acceptable as long as appropriate intermediate storage conditions can be provided. If this is not possible, it can be cost effective for the national records and archives institution to provide a records centre to which agency records managers can transfer semi-current records for storage. Where systems are decentralised, the national records and archives institution should ensure that strategic planning and development programmes extend to the regions.

Ministry of Finance, Treasury

The Treasury also has a central policy making role. In many countries, responsibility for the government's accounts is located within the Treasury department of the Ministry of Finance (although in some countries, the Accountant General's Office has this responsibility). The Treasury has responsibility for financial policy and for the regulations governing the creation and maintenance of financial records. The Treasury should be responsible for ensuring that procedures for managing financial records are built into Financial Instructions and are implemented. This is key to ensuring the implementation of uniform procedures throughout government.

In some countries the Ministry of Finance has responsibility for the accounting cadre in ministries, departments and agencies. Within the Treasury a designated senior manager should be responsible for co-ordinating the development and implementation of policies for managing financial records across government. It is essential to ensure that the accounting cadre keeps abreast of changes in legislation, regulations, systems and procedures. This senior manager should work closely with the national records and archives institution.

Line Ministries

The heads of ministries and departments are usually designated the 'Accounting Officer' and are fully accountable for resources received or spent. They are expected to manage resources in accordance with rules or direction issued by the Treasury. Moreover, they are to ensure proper books and records are maintained and that financial statements are produced. In many countries, the permanent head of the ministry or department will usually be able to draw upon the services of an officer responsible for administration and finance who will be in charge of the daily operation of the financial management systems within the department.

Accounting staff are allocated responsibility for the day to day keeping of financial records. It is important that a senior accountant is designated as liaison to the head of the records management unit with respect to the management of financial records to ensure that good practice is followed. In the event there is no records management unit, the senior accountant should liaise directly with the national records and archives institution.

Ideally, line ministries should have a records management unit within an agency to provide timely and efficient access to records under controlled conditions. This involves:

- creating and managing current records within appropriate filing systems
- implementing general and agency retention and disposal schedules
- transferring semi-current records to a records centre.

In the records management unit, this responsibility is exercised through the agency records manager. This individual should be a professional records manager. There should be a clear distinction between the management roles of the director of the national records and archives institution and records managers within agencies. In addition, just as it is important that the national records and archives institution should have an appropriate ‘sponsor’, so it is also vital that the records management unit should be part of a division headed by a senior officer with responsibility for the internal management of the agency (usually with a title such as Director of Administration, Establishment Officer and so on). In countries where these arrangements may not be appropriate, it remains important that an individual with professional records management qualifications be allocated these responsibilities. In the case of smaller line ministries, this post may assume responsibilities for more than one ministry.

Supreme Audit Institution

In many countries the supreme audit institution is the Auditor General’s department or a National Audit Office. The supreme audit institution is responsible for examining, evaluating and reporting independently on the ministries and departments on the collection, expenditure and management of public funds and resources.

The supreme audit institution is also responsible for ‘value for money’ audits. Value for money audits examine the economy, efficiency and effectiveness with which an organisation has used its resources in discharging its functions.

- Economy involves minimising cost (spending less).
- Efficiency involves maximising output for a given input or minimising input for a given output (spending well).
- Effectiveness involves ensuring the results achieve the objectives, goals or intended effects (spending wisely).

While auditing has traditionally been about financial management and performance, there is a growing tendency to expand the role to include monitoring the performance of particular programmes or functions. External auditors are becoming involved in performance auditing for a range of government activities, involving reporting on how activities or programmes are carried out and what systems and controls are in place for monitoring and reporting. Auditors are thus increasingly interested in issues such as corporate governance of public sector bodies, ethical management, risk management and accountability.

Internal Audit Units

Internal audit is an appraisal or monitoring activity set up by the management of an organisation to review and evaluate accounting and internal control systems. As such, it can be considered to be part of an organisation's overall control system. In the central government sector, accounting officers are responsible for establishing appropriate internal audit arrangements within their departments. Often this takes the form of an internal audit unit. Many countries have pre-audit personnel who are part of the internal audit department. They have responsibility for checking the authenticity and accuracy of transactions.

Central Computing Bureau/IT Department

Computerised financial systems need to be maintained by IT specialists. Sometimes these specialists are organised into units dedicated to supporting specific strategic applications, such as payroll. These units are often physically located at the ministry in charge of finance. In other cases, they are operated by a central computing bureau on behalf of that ministry. In either case, IT specialists have a responsibility for providing advice on the choice of IT standards, systems and applications.

FACILITIES AND MAINTENANCE

Storage Facilities

Appropriate storage conditions ensure that records are protected, accessible and managed in a cost-effective manner. Storage facilities must provide for the security of records, including the incorporation of fire and flood controls, in addition to keeping them secure from unauthorised access.

Records must be stored appropriately according to their use, physical form and vulnerability. Facilities should be inspected to assess their compliance with the appropriate policies and procedures governing the physical keeping of records.

Financial instructions often specify that paper-based financial records should be kept in an on-site safe for security purposes. As financial functions are increasingly being computerised, the requirements for managing computerised financial records will need to be incorporated. For example, there should be procedures for back-up and off-site storage of computerised financial records.

Financial records regardless of media must be kept for a specific period of time following audit. Some may have long-term historical value; for instance loan agreements, financial statements and end-of-year accounts, strategic fiscal planning documents, and audit reports. Most financial records can be destroyed after the retention period has expired. During their retention period, current financial records (ie the current financial year plus perhaps the previous year) are often kept in offices. The remainder of the records (ie semi-current records) tend to be stored in filing rooms or basement storage areas. Managing semi-current records on site is acceptable as long as appropriate intermediate storage conditions can be provided. If this is not possible, it can be cost effective to store semi-current records in a records centre managed by the national records and archives institution.

A records centre is a building or part of a building designed or adapted for the low-cost storage, maintenance and communication of semi-current records pending their ultimate disposal. It provides a space where ministries, departments and agencies can store semi-current records securely, where the records can be accessed by authorised users, and where they can be destroyed systematically under the authority of the retention schedules. There may be more than one records centre in an organisation, or one records centre may have several storage areas, but their administration should be unified.

Storage of Paper Records

Records should be kept in a clean, tidy and organised environment. The storage facilities should be compatible with the size of the documents that are stored in it, and supplies should be compatible with the equipment. The selection of file folders, binders or storage boxes, for instance, is determined by whether the records are placed on open shelves or in filing cabinets. Adjustable shelving allows optimum use of floor space and shelving. The accommodation should be secure and doors should be locked when the storage areas are unoccupied. Ideally, the storage facility should not have windows, but if it does there should be bars for increased security.

Accounting and financial documents are frequently stored in lever arch files, binders and box files. This is appropriate for current records, but semi-current records should be transferred to file covers, labelled and placed in records storage boxes on open shelving. Boxes, which are less costly, provide greater protection for documents against damage from dust, humidity, fire and water and make for easier handling, identification and processing. Lever arch files can then be recycled.

Precautions against fire and floods are critical. Fire safety measures should include:

- a fire protection system in offices
- a strictly enforced no smoking policy
- regular fire inspections and drills
- fire extinguishers strategically located and properly identified
- fire prevention training.

If records are stored in a basement, the potential for flood damage should be assessed and appropriate preventive measures taken.

Environmental controls should be in place to regulate the temperature, humidity and lighting within the facility. Controlling the physical environment will help to reduce mishandling and protect records from being damaged by pests, mould, dust and ultra violet light. Temperature and relative humidity work together to affect the state of paper-based materials; high temperatures and high relative humidity form a humid environment, promoting mould growth, warping and deterioration. High temperatures and low relative humidity result in a dry environment, causing materials to become brittle. Low temperatures and high relative humidity can also lead to a humid environment and the formation of condensation.

The ideal combination is a low temperature and reasonably low relative humidity: ideal levels are temperature at 16-20° C and relative humidity at 45% to 65%. Temperature should not exceed 20° C and relative humidity should not exceed 65%. Relative humidities above 65% can easily lead to mould growth.

It can be extremely difficult to achieve a consistently stable environment, particularly in tropical climates where outside temperatures and relative humidity can be very high or in the extreme north or south where outside temperatures and relative humidity can be very low. However, it is important to understand how to monitor temperature and relative humidity.

Storage of Computerised Records

The requirements for storing records in digital form are more complex than for paper records. In order to ensure access to computerised records, both the storage media and the technology used to create the electronic record must be stable. Digital storage media (such as magnetic tape, diskette, CD-ROM or ZIP drives) do not have the longevity of paper records. Environmental conditions can adversely affect the ability to read the information stored on media. High humidity is a particular danger.

The following table summarises the general recommendations for storing records that are required for medium and long-term use. Computerised financial records should be kept according to authorised disposal schedules and to meet audit requirements; this may require some computerised records to be kept for long periods of time. As a result the following guidance for archival storage of digital materials may apply.

Short-Medium Term Storage (ie material that is still in use)		Extended Term Storage (ie material that may not be used on a frequent basis; storage area may be separate from drive area)	
Maximum Temperature (°C)	Relative Humidity Range (%)	Maximum Temperature (°C)	Relative Humidity Range (%)
23	30-50	10-20	20-50

Computerised records need to be stored in a stable environment. The basic principle is to keep them in a clean cool, dry environment with no exposure to magnetic or electrical fields (for example keep them away from electrical generators, telephone exchanges and so on). The electronic media should be stored vertically in appropriate containers. The best way to protect digital information is to have a second copy of the record stored off site.

Where possible, storage and work areas should not have markedly different temperature and humidity conditions, or if they do, tapes or disks should be acclimatised if possible to the new environment before being used. This is especially important to prevent moisture condensation when the material is transferred from a cold environment to a warmer one.

As is the case with storing paper records, it can be extremely difficult to achieve a consistently stable environment, particularly in tropical climates where outside temperatures and relative humidity can be very high or countries where outside temperatures and relative humidity can be very low.

The ideal type of storage facility is designated as a 'clean room' in which airborne contamination is controlled. Clean rooms are generally expensive and are subjected to strict operational and maintenance rules. Dust-generating material should never be allowed in the storage area, nor should dust be allowed to accumulate. The use of chemicals to clean offices, and in particular storage rooms and their contents should be discouraged. This includes all common housekeeping cleaners. Non-chemically treated clean and static-free wipes should be used to clean hardware storage containers. Materials should be protected with plastic drop-sheets when overhead repair or maintenance work is performed in the area.

The offices and storage areas should be well protected against fire. Full walls and ceilings are recommended (no false ceiling). Where a fire-resistant vault or where fire-insulated record containers are not affordable, the storage area should be located far from potential fire hazards like cafeterias or stockrooms containing flammable material or substances. For the best protection, duplicate copies of records should be stored off site. Finally, if electronic records are stored in a basement, the potential for flood damage should be assessed and appropriate preventive measures taken.

One of the requirements for a programme to manage computerised records is the planned migration of information. However, the storage media is only part of the equation. All computerised records are created using technology that is constantly changing. Thus, even if a CD-ROM can last physically for fifty years, the needed to read the information stored on it will last, probably at most, ten years. Consequently, a planned migration of information off the current storage medium to a new medium will likely be necessary. The new medium will take advantage of the technology in use at the time of migration.

The type of equipment needed to copy or migrate records depends on the medium on which the material was created and the medium to be used for present or future storage and access. The copying process should involve comparing the information recorded on the original media and the information recorded on the copy to ensure no information has been lost. It is also important to be able to validate the file by examining the metadata provided by the transferring department. The software for copying and validating electronic files can be placed on the same computer if there is enough disk space for both programs.

The hardware used for recording, playback or maintenance of the electronic records should be kept in perfect operating order. Maintenance of the equipment is a key factor for trouble-free data recovery. The manufacturer's recommendations and maintenance schedule should be adhered to scrupulously and only qualified technicians should do repairs. Computer equipment operators should always be properly trained.

Vital Records and Disaster Recovery Programme

Vital records are those records essential to the continued functioning of an organisation during and after an emergency. These are records that protect the rights and interests of the organisation, employees and the public.

Vital Records Programme

While commercial organisations view vital records protection from the aspect of survival of the enterprise, governments must take a larger view. A government's vital records protection programme must attempt to ensure not only the survival of the government, but its ability to govern. Financial records are an essential element affecting the government's ability to manage the state assets.

Vital records should be duplicates, located away from the area where the original records are kept. Vital records protection requires careful planning and implementation. The objectives of a vital records programme are to:

- define vital records (for the purpose of this reference model we refer exclusively to financial records)
- assign programme responsibility
- identify potential hazards
- analyse and classify vital records
- designate appropriate protection methods
- select appropriate vital records storage facility or facilities
- develop operating procedures
- audit and test programme procedures.

In determining which financial records are vital records, consideration must be given to:

- the type of information needed during an emergency
- the specific rights and interests that require protection
- the value of the records which meet this need
- the availability of the information elsewhere.

Vital records are generally active, reflecting the ongoing operations of the organisation, although some inactive records are also protected. Certain original documents, such as contracts, may require special vital records protection if they alone and not copies will satisfy legal requirements. General classifications of vital financial records in the public sector may include:

- accounts payable/accounts receivable records
- cheque registers
- data processing operational manuals, systems analyses, source code
- general ledgers
- journal entries
- loans and lines of credit (eg debt management records)
- payroll registers, earnings records
- pension records
- agreements and contracts.

There are several methods for protecting vital records, but dispersal and duplication are the most common. Dispersal involves routinely distributing the information to other departments, individuals or organisations located elsewhere. The assumption is that the same disaster is unlikely to strike two different locations. Duplication is an effective protection method where dispersal is not possible. While dispersal automatically creates a current vital record copy, duplication involves reproducing the record specifically for its protection. The reproduction may be on the same medium, as in microfilm-to-microfilm or paper-to-paper. This approach is often less costly and complicated than changing the medium. However, it is sometimes necessary to microfilm source documents, put computer data directly onto microfiche or optical disk, or store data on magnetic disk onto tape or optical disk. If a vital record is stored on any medium other than paper, there must be equipment readily available to retrieve, read and reproduce the information.

The frequency of required updates dictates the frequency of duplication. Some financial records have an annual cycle, such as budgets, other are updated monthly or more often, such as various accounting records. Still others, such as contracts and agreements, are updated at irregular intervals.

Systematically backing up computer data that resides on a mainframe or other centralised server systems is a standard procedure usually administered by a management information systems (MIS) department or central computing bureau. The individual/s responsible for managing financial records should be aware of these procedures, particularly in the context of protecting vital records in electronic format. For example, where is the tape library housed? In the same building? In a climate-controlled room? Is there any connection between the length of time data is stored on tapes and the approved retention periods for such

information? Is there provision for the recovery of data at a remote location in the case of a disaster?

Duplicating an original record raises the question of its acceptability as a legal document should the original be destroyed. A copy may be better than nothing, but if its legal value is nil, an alternative protection method should be considered.

Disaster Recovery Programme

A vital records protection programme will protect against some disasters and lessen the damage of others, but disasters will still happen and the results can be devastating to an organisation unless it has implemented policies and procedures to protect its records. When a disaster does occur there must be a disaster recovery programme designed to:

- minimise disruption of normal financial operations
- prevent further escalation of this disruption
- minimise the economic impact of the disaster
- establish alternative operating procedures
- train personnel in emergency procedures
- recover/salvage organisational assets
- provide for rapid and smooth restoration of service.

A disaster recovery programme should consist of three parts: prevention, preparation and recovery. A disaster team should be appointed to:

- ensure that efforts are made to prevent potential disasters
- provide documentation of the organisation's readiness to respond to a disaster
- provide information on salvage procedures and costs.

A disaster recovery plan should be prepared, updated regularly and disseminated widely. The document will serve as a tool for communicating the disaster prevention and recovery plan within the organisation, and must be developed in co-ordination with all staff involved with handling emergencies within the organisation.

Senior management should approve the disaster plan. Staff must understand their roles and functions and be comfortable with those tasks. They should receive training and updates on a regular basis so that their response is automatic.

MONITORING AND COMPLIANCE

The programme for managing financial records should be monitored on a regular basis. Monitoring should be carried out according to an agreed programme to ensure the continued evidential and legal accountability of an organisation's records management system for financial records and its continuing effectiveness. The monitoring processes must be documented to provide evidence of compliance with policies, procedures, and standards for managing records adopted by the organisation.

The creating agency's records management unit needs to have a regular programme for monitoring records management systems and procedures. In addition, the national records and archives institution should carry out regular records management inspections against an agreed plan, as set out in records and archives legislation. This should include systematic inspections of records managed by financial services in line ministries to ensure compliance with records management procedures and policies, identifying areas of strength and weakness and measuring performance. These inspections should not be confused with the work of internal and external auditors. However the guidance provided draws on the methodology used by them.

The national records and archives institution should build up a central inspection file covering:

- primary and secondary legislation affecting financial records (eg public records legislation, finance legislation, data protection legislation)
- financial regulations and procedures (eg financial instructions, accounting manual)
- record keeping regulations and procedures (eg records inventories, records schedules, disaster plan, registry instructions, registry list, appraisal criteria)
- organisation charts (including all locations of the Ministry of Finance and line ministries)
- listings of key financial and records staff (ie posts in ministries)
- main computerised systems and locations (with diagrams if available)⁵
- annual inspection reports for previous years.

⁵ The central computing bureau or auditor-general's office should be able to help in obtaining systems descriptions, particularly for computerised systems.

External monitoring by the national records and archives institution should be conducted across government according to an agreed inspection plan. This will provide for a cycle of inspections as allowed by resources. It is unlikely that all agencies will be inspected every year. Agencies with weak systems should be targeted for follow-up inspections to assess the effectiveness of remedial actions in strengthening records systems.

From the base provided by the central inspection file, working files should be set up detailing:

- *Inspection Objectives and Inspection Plan*: the objectives provide the direction for a programme of inspection; the plan consists of a detailed written plan that includes which ministries will be inspected, the time frame anticipated, who will be spoken to and what will be examined (eg the entire system or a sub-system).
- *Resources Questionnaire*: completion enables the records manager to evaluate the appropriateness of resources allocated to support the record keeping function, and to make a preliminary assessment of risk areas. To be completed for all main programmes.
- *Control Tests and Results*: preparation of compliance test programmes which show clearly the controls to be tested, the evidence required showing the control has been operated, the sample size and record of the tests carried out. The results should include:
 - ◇ *Matters for Attention*: summary of inspection results and categorisation of inspection points for the draft management letter, inspection report and for the recommended forward action plan.
 - ◇ *Management Letter*: should be cross referenced to the inspection report and recommended forward action plan. Following approval of the head of the national records and archives institution the letter should be sent to: head of the parent ministry for the national records and archives institution, auditor general, permanent secretary for the Ministry of Finance, accountant general, accounting officer for the line ministry.

Compliance monitoring will involve reviewing and inspecting different aspects of the performance of the records control system. This should include:

- inspection to ensure that records identified are being properly created and captured in the financial records management system
- inspection to ensure the proper implementation of user permissions and security procedures
- tracking of work flow processes through sampling to ensure adherence to policies and procedures
- inspection to ensure that records are being retained as laid out in disposal authorities

- inspection of documentation of records destroyed or transferred to determine whether:
 - ◊ destruction/transfer was authorised in accordance with disposal instructions
 - ◊ the documentation meets the required standard.

Compliance monitoring could be carried out by an internal audit or organisation and methods units rather than the national records and archives institution. The important point is that compliance monitoring must be done on a regular basis.

HUMAN RESOURCES

Introduction

Any control system for managing records is only as effective as the people who run it and contribute to it. This is true for financial records where stakeholders come from both the records and accounting staff.

As for any area, managing human resources in a system for keeping financial records is about ensuring that the right people are in the right place in the right numbers and with the right skills. Three areas have been identified as contributing to this – an adequate career structure, defined competencies for different roles and sufficient and appropriate training.

Career Structure

Staff with responsibility for managing records should have a clear career structure. This must include adequate numbers of staff at appropriate grades and remuneration.

In many countries, the function of managing current financial records, semi-current records and archives is separate and falls to both accounting and records staff. This can be further divided into central agencies, eg the national records and archives institution and the Ministry of Finance, Treasury, and the line ministry staff in both the records and accounting cadres.

It is important for the effective functioning of the records management system that those staff with responsibility for managing records have a clear career path with appropriate grades and remuneration. In central government, schemes of service provide guidance to the appropriate grades of staff employed.

There should be separate schemes of service for accounting and records staff as the two functions are very different. However the accounting scheme of service should make reference at appropriate grades to responsibilities regarding the keeping and handling of records.

There must be adequate numbers of staff to carry out the tasks for managing financial records. The number of posts will of course depend on the size of the organisation and the scope of the financial management system. The expertise and competencies required for individual positions will also vary. One example of this is the position of records manager in line ministries. This is an important role for co-ordinating records management throughout the line ministry and liaising with the national records and archives institution. However, in smaller organisations, it may be more appropriate to allocate these duties to a suitably qualified individual.

Competencies

Competencies are the levels of knowledge, skills and experience achieved by an individual in relation to the range of jobs he or she may be called upon to perform.

Defined competencies make it possible to identify the required educational standards, training needs, level of experience and, whenever possible, practical expertise required by staff responsible for managing financial records. Where there is a relevant scheme of service in place for records staff, job specifications must incorporate the qualifications specified by the scheme.

As above, the role of the records and accounts staff are dealt with only in relation to their responsibilities for managing financial records. The competencies of each grade level, in terms of its responsibilities, entry qualifications, career progression and training requirements should be defined carefully and clearly. For both records and accounting staff, an important concept is that staff exercising the same levels of responsibility should form part of the same grade. The number of grades will depend upon local practice, but four levels of responsibility can be identified based upon accountability, authority and freedom to act independently:

- Senior management: responsible for a whole area of management and policy (eg director of the national records and archives institution).
- Middle management: responsible for planning policies and strategies across a large area of work with the ability to change procedures across that area (eg the head of a division in the national records and archives institution); responsible for devising 'local' strategy and approach (eg a senior accountant).
- Supervisory: exercises some initiative in responding to the needs of each new situation (eg records office supervisor).
- Operational: almost wholly under instructions (eg a registry clerk).

The **Levels of Responsibility Matrix** in the **Human Resources Assessment** (page 128) shows the relationship between the different grades of staff, both within the central agencies with a stake in managing records and in line ministries. It is the representation of an ideal type of organisation, however it must be remembered that the position titles refer only to *positions* and not to *posts*.

The **Competencies Framework** in the **Human Resources Assessment** (page 129) provides examples of core competencies for the different levels of responsibility. It incorporates both the management and the technical skills needed to manage financial records. Accounts staff and records staff are dealt with together as the matrix is intended only to define skills in relation to managing financial records. It is a useful tool for recruitment and for preparing job descriptions as it provides guidance on the types of competencies staff require.

Training

Staff must receive training in managing records. This will vary in method of delivery, duration and scope according to the role and stage of development of individual staff members.

Induction training should be provided in a timely fashion to all civil servants. Included in this should be basic guidance on the rules and regulations governing the creation and handling of records, particularly the legal responsibilities conferred on all staff by the national records and archives act. In addition, records staff should receive more detailed guidance in their induction training to help them understand the structures and duties of the government records management system. Accounting staff should also receive guidance in the day to day management of financial records.

On-going training should also be available to staff involved in managing financial records to help them in the performance of their duties and to help their career progression. It is important that formal training in the theory and practice of records management is provided to staff of an appropriate level in addition to on-the-job training. This enables records managers to gain an understanding of the importance of their role in supporting government objectives. In addition to technical training, there should be training that provides the management and supervisory skills necessary to successfully manage and supervise staff. This is as important as improving skills in records management.

Formal training should be provided as inexpensively as possible. This may include training courses offered by:

- the national records and archives institution
- civil service training college
- regional institutions
- overseas courses.

Sending staff overseas for training is an expensive option and should be considered only if there is no suitable training available locally. It is important that staff receive high quality training. However this solution commits resources to one individual that could otherwise be used to raise the professional standards of a number of members of staff.

There should be some means of assessing staff participating in training courses to ensure that they have acquired the skills being taught to a satisfactory level. This should be linked to promotion so that professional development is rewarded.

The **Training Needs Assessment** in the **Human Resources Assessment** (page 133) provides a checklist for analysing the training needs for managing financial records in an organisation. It is intended to produce a short summary of the current status which would provide the basis for developing a successful training programme.

PART II:
DIAGNOSING THE WEAKNESSES

MANAGING PUBLIC SECTOR FINANCIAL RECORDS: A TOOL KIT

Part II focuses on how best to develop a comprehensive analysis of a country's situation and make informed recommendations. The assessment tools ensure that points relate clearly to factors that impinge on the management of public sector financial records. Before advising a government on improvements, the assessor must first collect information on the current performance of systems in that country. More importantly, when forming opinions it is important to know the country and to make sensible recommendations.

The diagnostic tools comprise four assessments. These are:

- **Records Management Systems Assessment:** provides a thorough evaluation of how well records are managed by a particular computerised financial management system or, in the case of paper financial records, kept by a particular agency. Outputs include an appraisal of the systems against good practice, an analysis of weaknesses and a prioritised intervention plan.
- **Records Management Programme Assessment:** establishes the state of financial records held in ministries and agencies throughout government by evaluating the strengths and weaknesses of the records management programme. Although developed primarily for use at the national level, the Programme Assessment can also be applied to regional and district local authorities. Outputs include an assessment against good practice that can be used to prioritise interventions and a brief overview of the state of financial record keeping in government.
- **Facilities and Maintenance Assessment:** provides an evaluation of the facilities and equipment and their maintenance that must exist and are a vital consideration in the storage and retrieval of records. It is advised that this assessment be carried out in tandem with the systems assessment. Outputs include an evaluation against good practice and an analysis of strengths and weaknesses.
- **Human Resources Assessment:** evaluates the skills and training provided to staff with responsibility for financial records. Outputs include an analysis of gaps in staff structure and assessment against good practice that can be used to develop a training programme.

Although the tools are presented in this order, it does not follow that they must be carried out as such. In particular, the **Programme Assessment** is intended to be either carried out on its own to provide director or an initial scoping study on the state of the management of financial records in a country, or it can be done in parallel with the other assessments to provide a fuller analysis.

The assessor may find it helpful to distribute copies of the worksheets to stakeholders for their evaluation of the quality of the management of public sector financial records.

The assessments are derived from the good practice outlined in **Chapters Two** through **Six**.

RECORDS MANAGEMENT SYSTEMS ASSESSMENT

Purpose

Records management practices should be evaluated regularly if records are to remain accessible. This is a tool to evaluate the ability of systems (manual and computerised) to manage financial records held in ministries and agencies throughout government. It comprises two assessments. Firstly it examines both the paper-based and computerised systems against the records control requirements that follow. This will enable the government and donor agencies to identify areas of weakness that require improvement and plan interventions.

This tool can be used on its own. However it might be practical to carry it out in tandem with the **Facilities and Maintenance Assessment**. This assessment may also be used to inform a programme assessment, if they are being carried out in conjunction with one another.

The assessment is based on professional best practice described in **Chapters Two** through **Six**.

Objectives

The objective is to produce a report on the ability of existing systems to manage records. This is achieved through the use of a structured tool to gather data. An analysis of this data provides an overview of the strengths and weaknesses of the system. A matrix is provided to afford comparisons between systems or line ministries as appropriate. A risk assessment then assists decision makers to prioritise interventions.

Users

Government financial managers, records managers and donor agency advisers should find the results of the assessment of use. It is expected that professional records managers working closely with a qualified accountant or auditor would carry out the assessment in order to ensure that the judgements are well founded and conform with good practice. Relevant information technology staff should also be consulted.

How to use this tool

A combination of interviews with accounting staff with responsibility for financial records and walking through the facilities in which the records are stored is the best method for gathering the data required to complete this assessment.

The tool begins with two separate but related definitions of Records Control Requirements:

- **Records Control Requirements: Paper Systems**
- **Records Control Requirements: Computerised Systems.**

These are followed by an assessment tool consisting of a series of questionnaires of points to look for in the effectiveness of financial management systems to manage records according to seven defined records functions: Registration/Classification, Tracking, Access/Retrieval, Maintaining an Audit Trail, Scheduling/Retention, Transfer and Destruction. A matrix summarising scores then follows, which leads to a risk assessment table.

Records Control Requirements

The purpose of the Records Control Requirements is to set down the minimum requirements that a system (manual or computerised) must meet in order to manage records well. The first set of Requirements is for paper-based systems and the second for computerised systems.

In addition to providing the basis for assessment, the Requirements might also serve as sets of records management user requirements for the development of systems. In particular, the Requirements for computerised systems have been modelled by Mike Haynes of Creative Strategies and Systems for Management (CSSM) using Soft Systems Methodology (SSM) (See page 23). This technique allows the Requirements to be described according to purposeful human activities through the use of verbs to describe actions for implementing the requirements. It is possible to then translate the diagrams into a series of if/then statements that can be programmed into a system's rules.

These Requirements are derived from the good practice outlined earlier in **Chapter Two**.

Assessment Worksheets

There are two sets of questionnaires, the first for paper systems and the second for computerised systems. The questionnaire for the paper systems begins with a form on which to record information about the records series being examined. A similar exercise is carried out at the beginning of the computerised systems assessment. In this case, the form gathers basic information about the computerised system and the records it contains.

Each set of questionnaires is then organised in sections according to Records Control Requirements:

- Registration/Classification
- Tracking
- Access/Retrieval
- Maintaining an Audit Trail

- Scheduling/Retention
- Transfer
- Destruction.

After reading each section, tick the ‘yes’ or ‘no’ boxes provided and fill in the information requested as necessary. It is best to complete an entire section at one time since the questions are interrelated.

At the end of each section the assessor is asked to score the function on a scale of 1 to 4. Please circle the appropriate score after completing the questions:

1 = Poor: the function fails to meet the control requirements

2 = Inadequate: the function does not fully meet the control requirements

3 = Adequate: the function meets the control requirements

4 = Good: the function fully meets all control requirements

There is space given at the end of each section to add any additional comments. Making notes about conclusions and recommendations will make it easier to write the assessment report later.

The scores for each function should be summarised in the table at the end of the questionnaire and any additional findings noted in the space provided.

Scores Matrix

A Scores Matrix follows the questionnaires. This should be used to summarise the scores and make comparisons among ministries and or agencies and between systems. The scores should be added up and then divided by seven (the number of functions) to obtain an average that represents the ministry or agencies’ or system’s rating. A definition of what the rating indicates is included. The matrix should help to identify areas of risk based on the assessments carried out and the comparisons made.

Risk Table

Finally, a risk table is provided. Risks identified should be listed according to function and the Likelihood, Impact and subsequent Risk Rating assigned. Likelihood and Impact are scored on a scale of 1 to 10, with one representing very low risk and 10 very high risk. Greater priority should be assigned to taking action to rectify problems with high risk ratings.

RECORDS CONTROL REQUIREMENTS: PAPER SYSTEMS

Records control requirements for paper-based systems are required to ensure that accounting systems manage records regardless of storage media or other characteristics. In a paper system, physical arrangement and location of the records and procedures are key. In a computerised system, the application functions and logical structures are key and location is unimportant.

Registration

A unique record identifier must be assigned to each accounting record regardless of where the record is stored (eg purchase order number, voucher number, payroll number and so on). In a computerised system the primary key used for retrieval purposes should coincide with the one used for paper source documents.

The record keeping system must ensure that a record is registered when it is captured into the system.

The record keeping system must ensure that the forms on which transactions are recorded are identified by a serial number and counterfoil.

The record keeping system must ensure that supporting documents are either attached or linked to the relevant accounting record.

Classification: The accounting system must classify transaction records according to consistent inflow and outflow categories established to meet the organisation's analytical requirements (eg according to a chart of accounts, nominal ledger structure, budget classification structure, etc). Classification should occur at the time of registration.

The record keeping system must ensure that records are named and/or coded in a consistent manner over time.

The record keeping system must assist in the retrieval of all records relating to a particular function or activity.

Control Objective

To facilitate timely and efficient access and retrieval of records for operational and audit purposes. Assigning the appropriate classification at the time of registration facilitates systematic identification and arrangement of accounting activities and/or records into categories according to logically structured and consistent conventions, methods and procedural rules represented in a classification scheme. Enforcing this control on the registration of transaction records provides evidence that a record was created. The classification of records at the time of registration makes it possible to track expenditure over time.

Tracking

The record keeping system must be able to capture and maintain information about the movement and use of records (ie provide an audit trail) in order to know the location and custody of a record at all times. Any amendments or alterations to the record or the removal of the record from the file must indicate who took this action and when, to determine whether it was authorised.

The record keeping system must track the issue, transfer between persons, and return of records to their 'home' location or storage as well as their disposal or transfer to any other authorised external organisation including an archives authority.

The record keeping system must ensure that tracking mechanisms record the item identifier, the title, the person or unit having possession of the item and the time/date of movement.

Control Objective

To demonstrate that a record can be located easily and that it is what it purports to be; that it has been created, altered or destroyed by the person who purports to have created, altered or destroyed it according to a recognised authority. Enforcing this control ensures that the record can be found easily, thus minimising the risk of lost records and unauthorised amendments, and that no unauthorised actions have been taken on it.

Access/Retrieval

The record keeping system must be capable of finding and retrieving specific records from storage. Procedures must include and enforce controls over access to ensure that the integrity of the record of the transaction is not compromised.

The record keeping system must regulate, through the use of formal guidelines, who is permitted access to records and in what circumstances.

The record keeping system must ensure that appropriate access controls are assigned to both users and records.

The record keeping system must ensure that amendments to access criteria are made by authorised individuals and that these are communicated to records management staff.

The record keeping system must protect against unauthorised viewing or destruction of the record.

The record keeping system must maintain finding aids (eg registers, file lists) to enable records to be located and retrieved when needed.

The record keeping system must ensure that documents are physically arranged in a logical order to facilitate retrieval.

Control Objective

To provide timely and efficient access and retrieval of records needed for the continuing conduct of business, audit and to prevent unauthorised access and use. Enforcing this control demonstrates that records were effectively protected from unauthorised viewing, alteration or destruction.

Maintaining an Audit Trail

The record keeping system must be able trace records in order to provide sufficient and reliable evidence that only valid transactions have been processed. The audit trail should ensure that all transactions can be followed through the accounting system, from originating documents to the financial statements and vice versa.

The record keeping system must permit the auditor to trace transactions between the creation of the originating document, manual transaction registers, journals and ledgers, in both directions, and through successive levels of summarisation.

The record keeping system must ensure that all relevant data and financial audit trail information is retained for a sufficient time to complete the audit.

Control Objective

To provide a continuous trail of transactions through the accounting system. Enforcing this control ensures that transactions can be traced from creation, through processing, to the final statements. Without an audit trail the auditor may not have sufficient appropriate audit evidence on which to base the audit opinion.

Scheduling/Retention

The record keeping procedures must ensure that records required for operational and audit purposes are kept and remain accessible. The record keeping system must only allow for authorised individuals to transfer or destroy records according to authorised disposal instructions.

The record keeping system must ensure that records are scheduled according to event driven disposal instructions where the retention periods are triggered by the number of years following audit and in compliance with legal and fiscal requirements. Disposal instructions must cover all financial records.

The record keeping system must ensure that disposal schedules identify data/records with event driven disposal instructions and provide authorised individuals with the capability to indicate when the specified event has occurred.

The record keeping system must allow for the rescheduling of records and the issue of new authorised disposal instructions where the accounting system or the regulatory requirements have changed from the original designations.

The record keeping system must allow only authorised individuals to extend or suspend (freeze) the retention period of individual files or record categories, which are required beyond their scheduled disposal because of special circumstances (such as a court order or an investigation) that alter the normal administrative, legal or fiscal value of the records or categories.

The record keeping system must be able to identify those records (regardless of location) that have not been scheduled so that a disposal instruction can be assigned.

Control Objective

To ensure those records, which are required for operational and business purposes, are retained and that records that are no longer required are eliminated (ie destroyed or transferred to an archive facility) according to authorised instructions. Enforcing this control demonstrates compliance with the legal and regulatory environment applicable to the management of financial records, ensuring that records support financial management and audit objectives.

Transfer

Procedures must allow for the transfer of transaction records from one location to another and change the custody and responsibility accordingly. This could be

- **transfer to an appropriate storage area under organisational control**
- **transfer to a storage area managed on behalf of the organisation (ie a records centre or commercial company)**
- **transfer to an archives authority (ie the national records and archives institution).**

The record keeping system must identify records that are eligible for transfer according to the disposal instruction.

The record keeping system must allow the physical arrangement and methods of identification to be maintained following transfer to enable records to be accessed if required.

The record keeping system must restrict execution of written records transfer instructions to authorised individuals and according to authorised disposal schedules.

The record keeping system must record what records have been transferred and when.

Control Objective

To comply with instructions from the appropriate records authority to keep those records in the public interest. To achieve the most cost effective storage of records while maintaining their integrity and ability to access them. Enforcing this control demonstrates compliance with the legal and regulatory environment applicable to the management of financial records.

Destruction

The record keeping system must ensure that transaction records that are no longer required for operational and audit purposes and have no enduring value are removed or destroyed irretrievably according to authorised disposal instructions.

The record keeping system must identify records that are eligible for destruction according to the disposal instruction.

The record keeping system must not allow the destruction of records unless approved in writing by an authorised individual against an authorised disposal schedule.

The record keeping system must ensure that records are destroyed in a way that preserves the confidentiality of any information they contain.

The record keeping system must record what records have been destroyed and when.

The record keeping system must ensure that, for records approved for destruction, all copies, including security copies, preservation copies and back up copies, are destroyed.

Control Objective

To demonstrate that those records, which are no longer required for operational and audit purposes, are destroyed according to an agreed procedure. Enforcing this control demonstrates compliance with the legal and regulatory environment applicable to accounting records management and provides a mechanism to protect those records that should be preserved from unauthorised destruction or unauthorised access during the destruction process.

RECORDS CONTROL REQUIREMENTS: COMPUTERISED SYSTEMS

Records control requirements for computerised systems are required to ensure that accounting systems manage records regardless of storage media or other characteristics. Each control requirement is accompanied by a diagram. The diagrams are expanded models of the activities shown on page 24.

Registration

The computerised financial management system must use a unique record identifier for each transaction record they manage regardless of where the record is stored (eg purchase order number, voucher number, payroll number and so on). This identifier should link the computerised transaction record to the source documents (ie paper files are stored according to the same unique number that can be used for searching on the computerised system).

The computerised financial management system must assign a unique identifier for each transaction record.

The computerised financial management system must not permit modification of the record identifier once assigned.

The computerised financial management system must not allow the records identifier to be duplicated.

The computerised financial management system must prevent subsequent changes to data that comprise a transaction record. Once changed or revised it becomes a new record and must be assigned a new unique record identifier.

Classification: The computerised financial management system must be able to classify transaction records according to consistent inflow and outflow categories established to meet the organisation's analytical requirements (eg according to a chart of accounts nominal ledger structure, budget classification structure, etc.). Classification should occur at the time of registration.

The computerised financial management system must ensure that transaction records are named and/or coded (ie classified) according to consistent inflow and outflow categories.

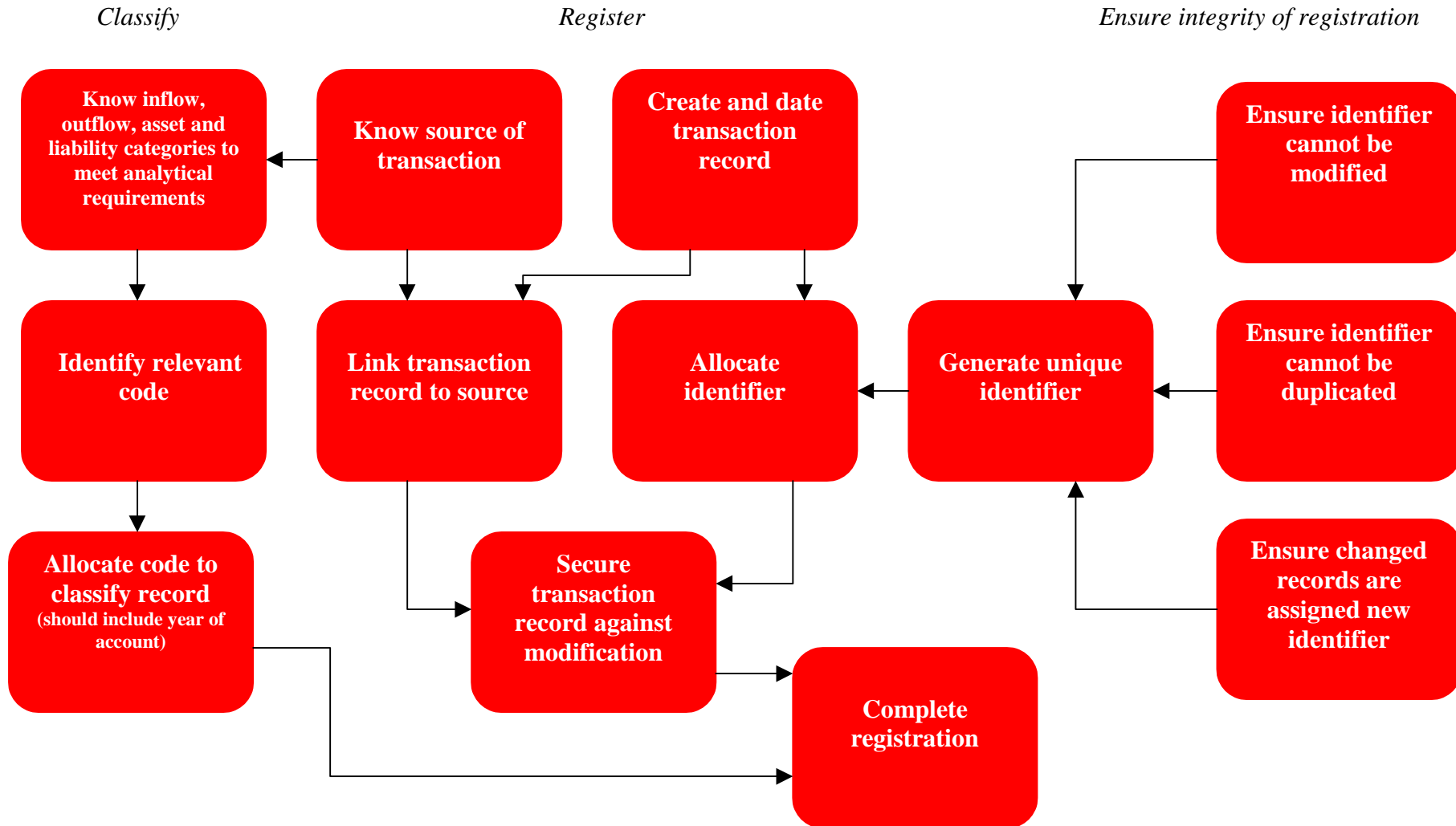
The computerised financial management system must assist in the retrieval of all transaction records relating to a particular function or activity.

Control Objective

To facilitate timely and efficient access and retrieval of transaction records for operational and audit purposes. Assigning the appropriate classification at the time of registration facilitates systematic identification and arrangement of accounting activities and/or transaction records into categories according to logically structured and consistent conventions, methods and procedural rules represented in a classification scheme. Enforcing this control on the registration of transaction records provides evidence that a record was created. The classification of records at the time of registration makes it possible to track expenditure over time.

Registration/Classification System

Registering transaction records by using a unique transaction record identifier for each transaction and by consistently classifying each record according to inflows, outflow and other categories established to meet analytical requirements in order to ensure incontrovertible evidence of record creation and timely and efficient access and retrieval of records.



Tracking

The computerised financial management system must be able to capture and maintain information about the movement (ie storage and distribution) and use of transaction records. Any amendments or alterations to the record or the deletion of the record must indicate who took this action and when, to determine whether it was authorised.

In the computerised financial management system the following information must be logged for each change to a transaction record (ie alteration or amendment): record identifier, user account identifier, date/time, authorising identifier (if different from user account identifier)

In the computerised financial management system the following information must be logged for each delete operation: record identifier, user account identifier, date/time, authorising identifier (if different from user account identifier)

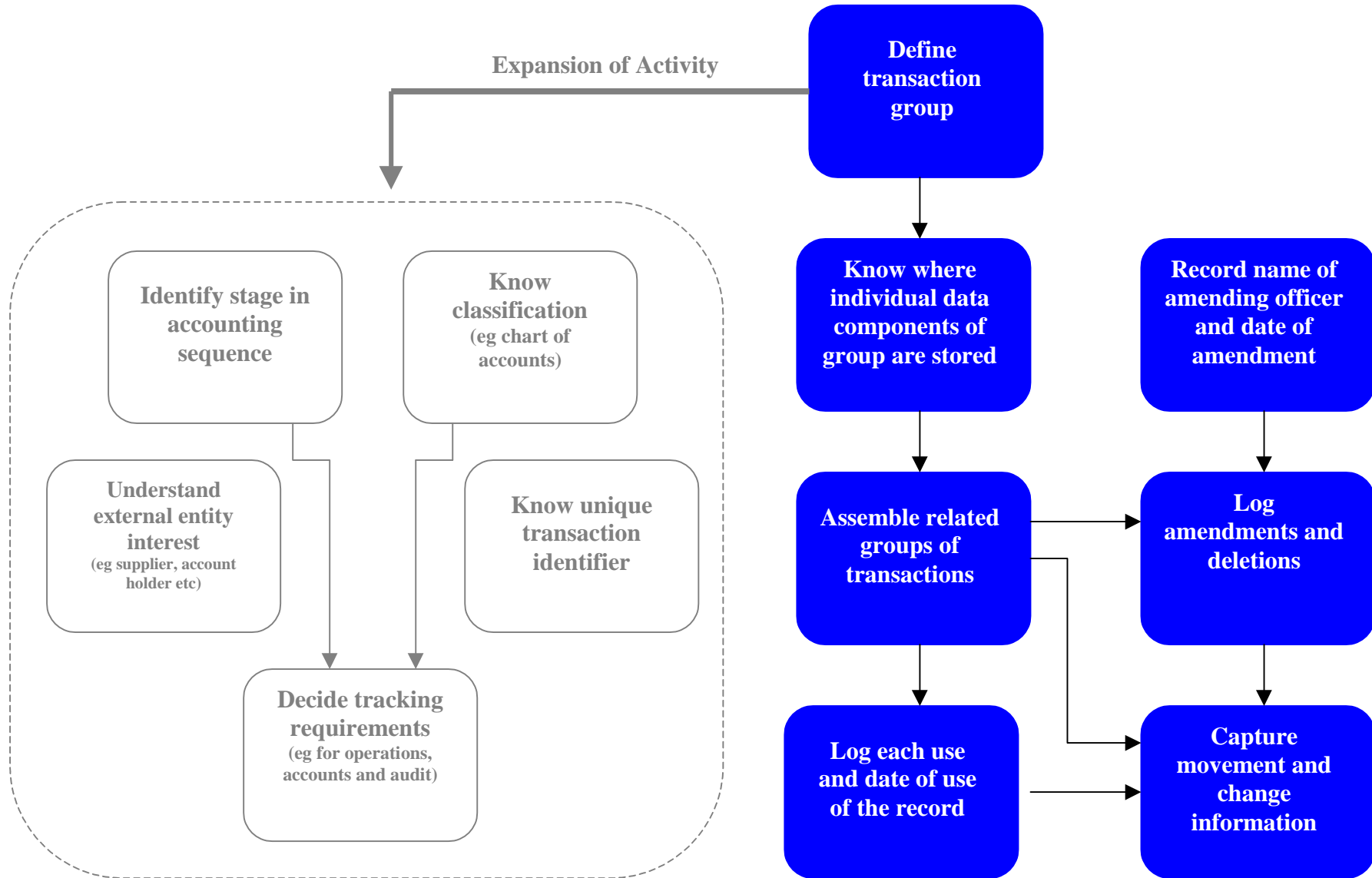
The computerised financial management system must be able to track transactions according to: common external entity (eg supplier, tax payer, etc), specific asset or liability, classification of account or stage in accounting sequence.

Control Objective

To demonstrate that a record can be located easily and that it is what it purports to be; that it has been created, altered or destroyed by the person who purports to have created, altered or destroyed it according to a recognised authority. Enforcing this control ensures that the record can be easily retrieved and that only authorised actions have been taken on it.

Tracking System

Capturing and logging information about the use, movement and amendment of records in order to provide an audit trail.



Access/Retrieval

The computerised financial management system must be capable of finding and retrieving specific transaction records from storage according to defined criteria (eg users, authorisation, search combinations, etc). The system must include and enforce controls over access to ensure that the integrity of the record of the transaction is not compromised.

The computerised financial management system must provide the capability to define different groups of users and access criteria.

The computerised financial management system must control access to records based on groups as well as individuals meeting the access criterion/criteria.

The computerised financial management system must provide the capability for only authorised individuals to assign and amend access rights to protect against unauthorised viewing, alteration or destruction of the transaction record.

The computerised financial management system must allow searches using any appropriate combination of the following profile data elements: date filed; supplier; identification number (eg purchase order number, employee ID number, supplier ID number and so on); location of record; document creation date; author or originator; originating ministry, department or agency; disposal instruction code; disposal cut-off date; disposal action date; disposal action code; vital record indicator; record identifier.

The computerised financial management system must control access to audit functions based upon user account information.

The computerised financial management system must determine the access appropriate for sets of records.

The computerised financial management system must allocate user permissions for access to or action on particular groups of records.

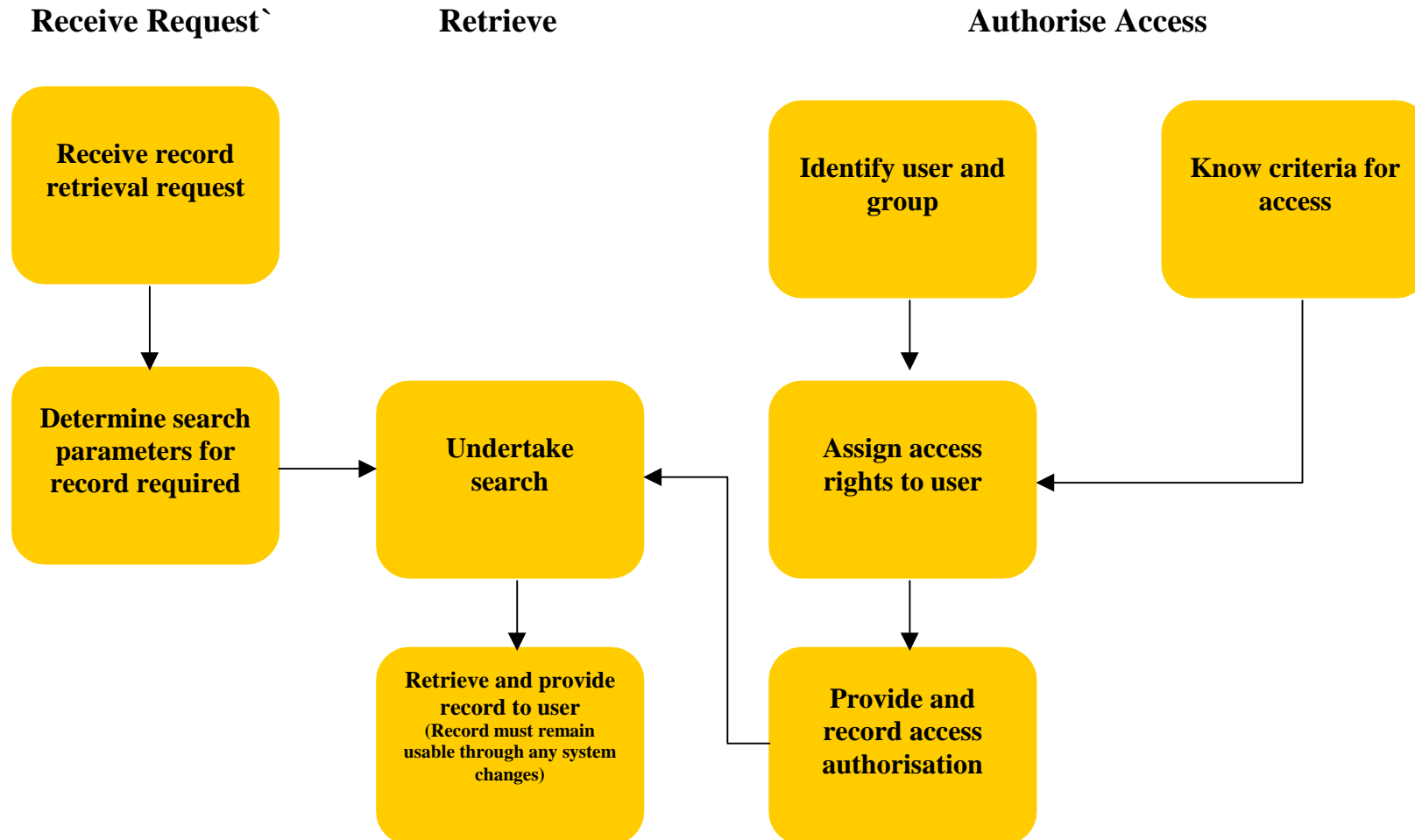
The computerised financial management system must provide the capability for transaction records to be usable throughout any kind of system change, including format conversion, migration between hardware and software platforms or specific software applications, for the entire period of their retention.

Control Objective

To provide timely and efficient access and retrieval of transaction records needed for the continuing conduct of business, audit and to prevent unauthorised access and use. Enforcing this control demonstrates that records were effectively protected from unauthorised viewing, alteration or destruction.

Access/Retrieval System

Retrieving records by accessing against defined criteria (users, authorisation, search combinations etc.) in order to provide timely and efficient access retrieval for operational and audit purposes.



Maintaining an Audit Trail

The computerised financial management system must be able to provide sufficient and reliable evidence that only valid transactions have been processed. The audit trail should ensure that any transactions can be followed through the accounting system, from originating documents to the financial statements and vice versa.

The computerised financial management system must permit the auditor to trace transactions between original input, system generated transactions and internal allocation transactions and the financial statement, in both directions, and through successive levels of summarisation.

The computerised financial management system must retain all relevant data and financial audit trail information for a sufficient time to complete the audit.

The computerised financial management system must preserve the hierarchical relationships in order to be able to trace the links between the transaction records and aggregated reports.

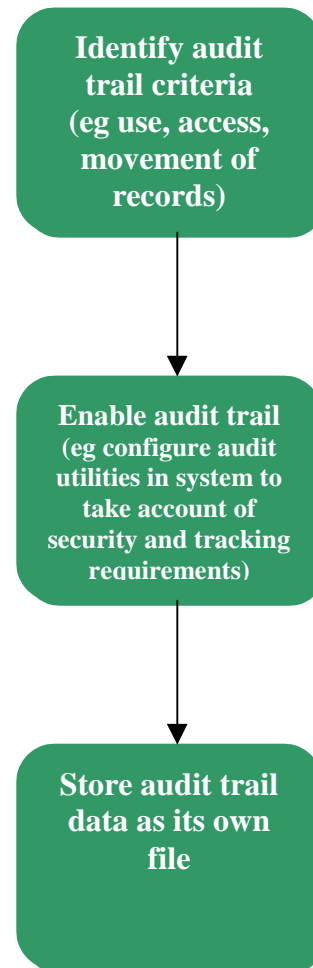
The computerised financial management system must provide the capability to store audit data as a record.

Control Objective

To provide a continuous trail of transactions through the computerised financial management system (ie maintain the information gathered through tracking). Enforcing this control ensures that transactions can be traced from creation, through processing, to the final statements. Without an audit trail the auditor may not have sufficient appropriate audit evidence on which to base the audit opinion.

Audit Trail System

Establishing the links between individual records, transactions and aggregated data in order to provide an audit trail.



Scheduling/Retention

The computerised financial management system must ensure that records required for operational and audit purposes are kept and remain accessible. The computerised financial management system must only allow for authorised individuals to assign a disposal instruction code according to authorised disposal instructions.

The computerised financial management system must, as a minimum, be capable of scheduling data/records according to event driven disposal instructions where the retention periods are triggered by the number of years following audit and in compliance with legal and fiscal requirements.

The computerised financial management system must provide the capability to identify data/records with event driven disposal instructions and provide authorised individuals with the capability to indicate when the specified event has occurred.

The computerised financial management system must allow for the rescheduling of records already in the system when disposal instructions change from the original designations.

The computerised financial management system must provide the capability for only authorised individuals to extend or suspend (freeze) the retention period of individual files or record categories, which are required beyond their scheduled disposal because of special circumstances (such as a court order or an investigation) that altered the normal administrative, legal or fiscal value of the records or categories

The computerised financial management system must identify data/records that have been frozen and provide authorised individuals with the capability to reactivate or change their assigned disposals.

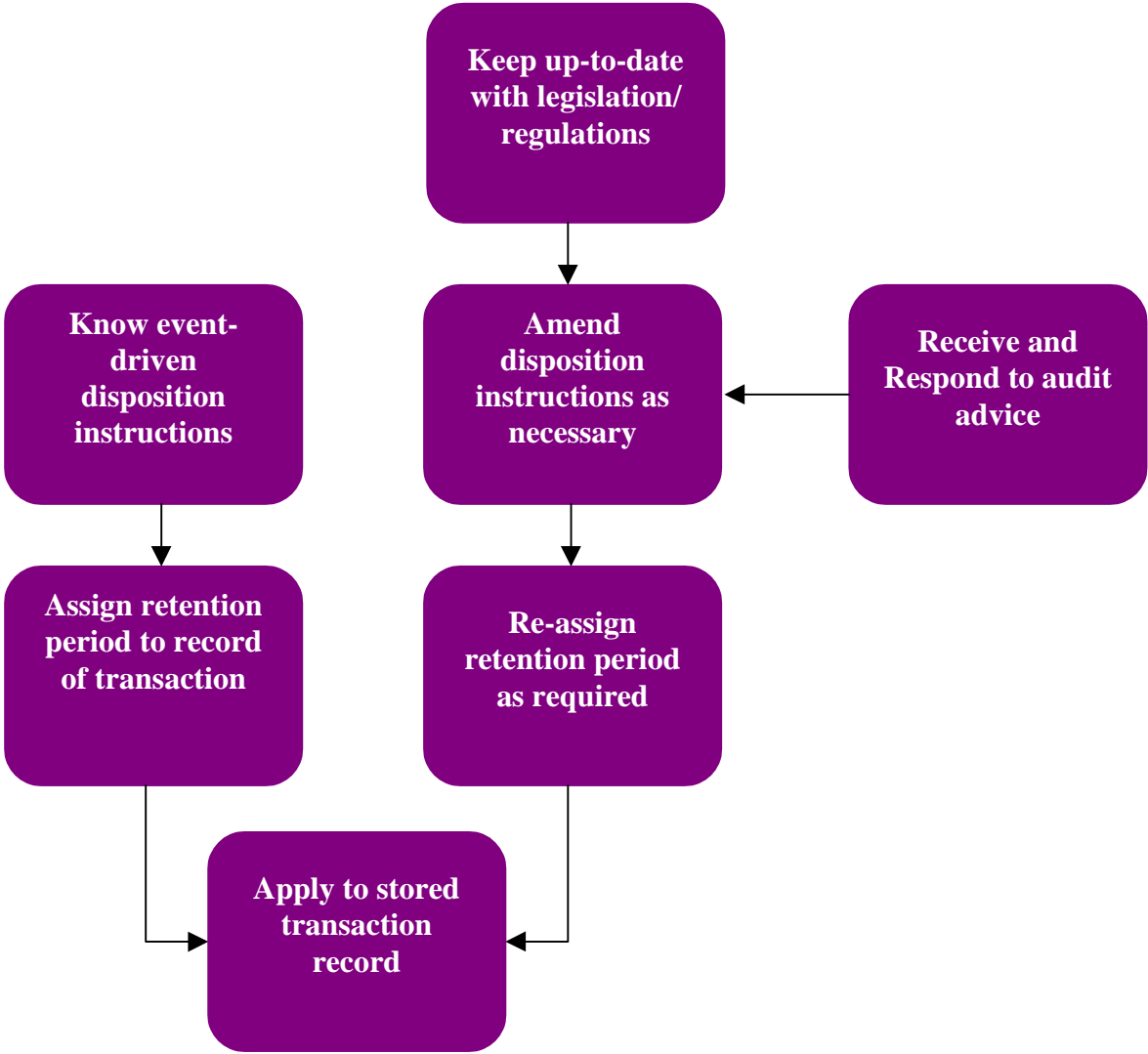
The computerised financial management system must be able to identify and print a list of records (regardless of media or location) that have not been scheduled so that a disposal instruction can be assigned.

Control Objective

To demonstrate that those records, which are required for operational and administrative purposes, are kept and that records that are no longer required are eliminated (ie destroyed or transferred to an archive facility) according to an agreed programme. Enforcing this control demonstrates compliance with the legal and regulatory environment applicable to the management of financial records, ensuring that records support financial management and audit objectives.

Scheduling/Retention System

Ensuring that records required for operational and audit purposes are kept and remain accessible.



Transfer

The computerised financial management system must be able to transfer transaction records from one location to another and change the custody, ownership and responsibility accordingly. This could be

- transfer to an appropriate storage area under organisational control
- transfer to a storage area managed on behalf of the organisation (ie a records centre or commercial company)
- transfer to an archives authority (ie the national records and archives institution).

When transferring electronic records, records should be copied where possible to archival quality tape.

The computerised financial management system must identify those transaction records eligible for transfer according to the disposal instruction.

The computerised financial management system must restrict execution of the records transfer commands to authorised individuals.

The computerised financial management system must transmit records approved for transfer to a user-specified filename, path or device.

The computerised financial management system must have a capability of recording what records have been transferred and when.

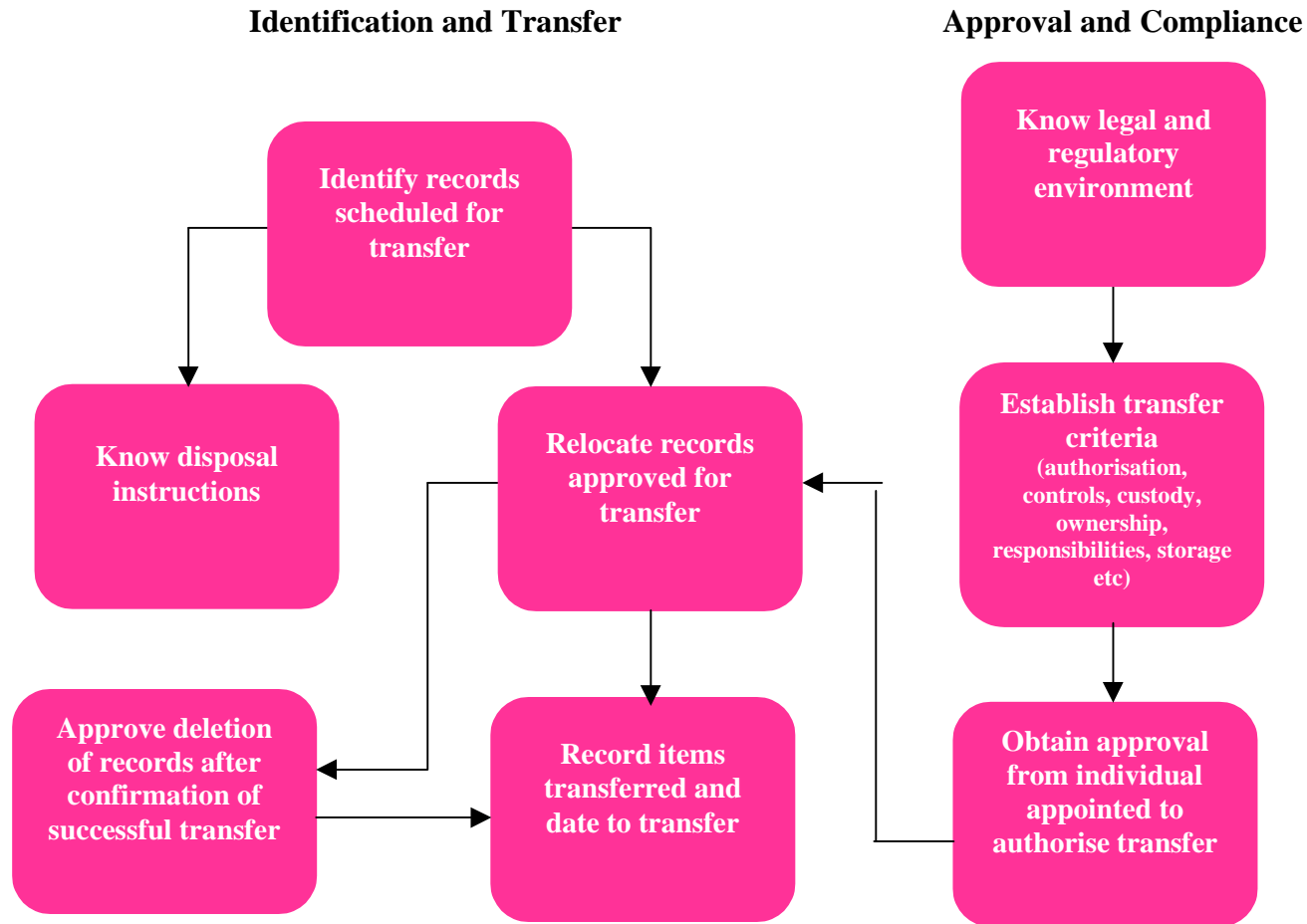
The computerised financial management system must, for records approved for transfer, provide the capability for only authorised individuals to suspend the deletion of records until successful transfer has been confirmed.

Control Objective

To comply with instructions from the appropriate records authority to keep these records in the public interest. Enforcing this control demonstrates compliance with the legal and regulatory environment applicable to the management of financial records.

Transfer System

Transferring records from one location to another by a controlled process according to disposal instructions and authorisation in order to comply with the legal and regulatory environment applicable to accounting records management.



Destruction

The computerised financial management system must be able to delete irretrievably transaction records that are no longer required for operational and audit purposes and have no enduring value.

The computerised financial management system must identify records that are eligible for deletion according to the disposal instruction.

The computerised financial management system must restrict execution of the records deletion commands to authorised individuals.

The computerised financial management system must, for records approved for deletion, request a second confirmation that requires an authorised individual to confirm the delete command prior to execution. This could be done through the use of a dialog box.

The computerised financial management system must delete records in such a manner that the records cannot be physically reconstructed.

The computerised financial management system should be able to delete records as aggregates and selectively.

The computerised financial management system must record what records have been deleted and when.

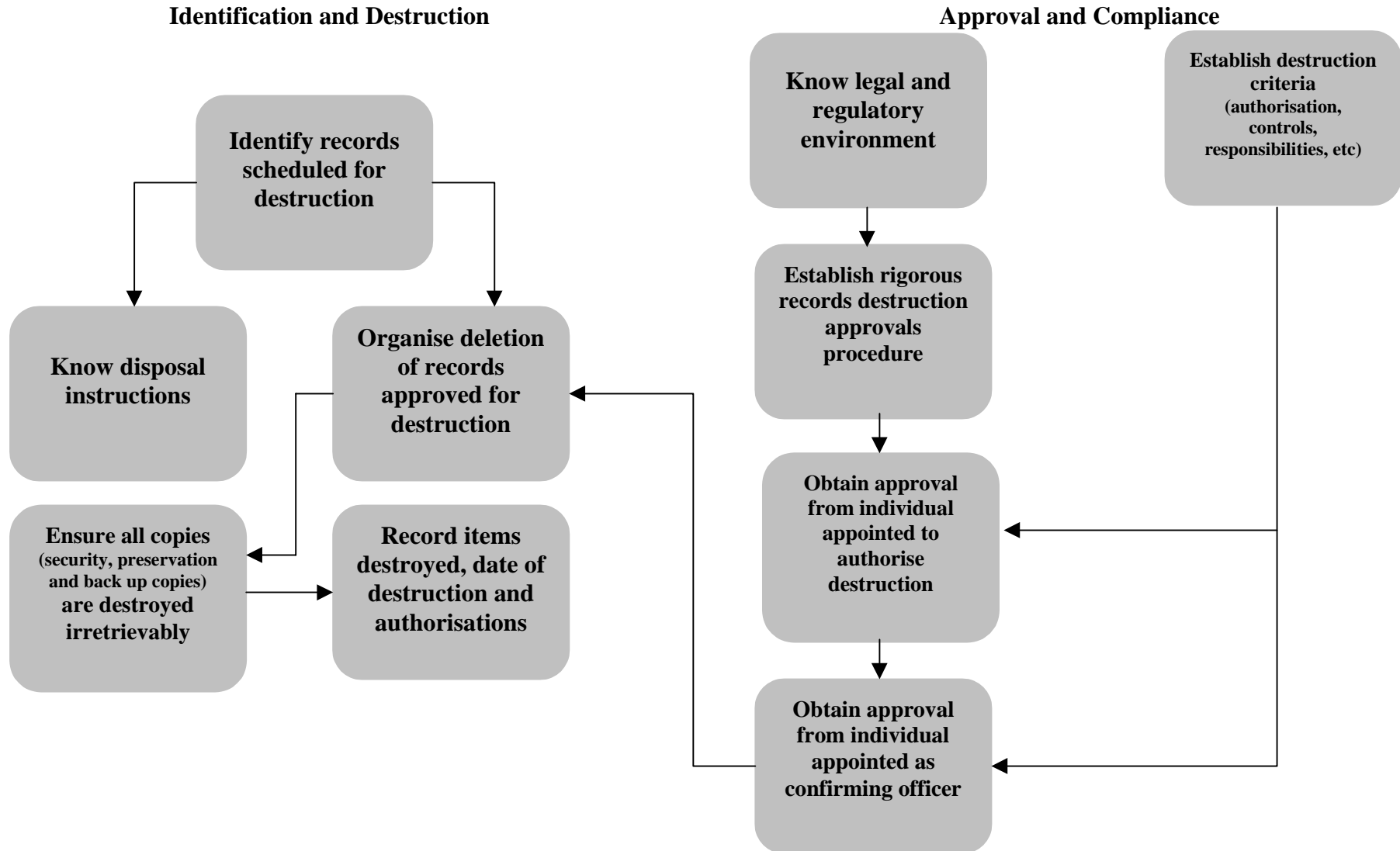
The computerised financial management system must ensure that, for records approved for deletion, all copies, including security copies, preservation copies and back up copies are destroyed.

Control Objective

To demonstrate that those records, which are no longer required for operational and administrative purposes, are deleted according to an agreed procedure. Enforcing this control demonstrates compliance with the legal and regulatory environment applicable to accounting records management and provides a mechanism to protect those records that should be preserved from unauthorised deletion.

Destruction System

Deleting records irretrievably by a strictly regulated process of identification and authorisation in order to comply with the legal and regulatory environment applicable to accounting records management



Records Control Requirements: Assessment Worksheets for PAPER SYSTEMS

Function/System: _____

Location (Ministry/Dept-Directorate): _____

Responsibility for System/Function: _____

Main Records Series	Storage			Original	Copy	Counterfoil	Retention	
	Location	Dates						Instruction
	<input type="checkbox"/> Processing Office <input type="checkbox"/> Safe Room <input type="checkbox"/> Other _____					<input type="checkbox"/> Scheduled <input type="checkbox"/> Unscheduled		
	<input type="checkbox"/> Processing Office <input type="checkbox"/> Safe Room <input type="checkbox"/> Other _____					<input type="checkbox"/> Scheduled <input type="checkbox"/> Unscheduled		
	<input type="checkbox"/> Processing Office <input type="checkbox"/> Safe Room <input type="checkbox"/> Other _____					<input type="checkbox"/> Scheduled <input type="checkbox"/> Unscheduled		
	<input type="checkbox"/> Processing Office <input type="checkbox"/> Safe Room <input type="checkbox"/> Other _____					<input type="checkbox"/> Scheduled <input type="checkbox"/> Unscheduled		
	<input type="checkbox"/> Processing Office <input type="checkbox"/> Safe Room <input type="checkbox"/> Other _____					<input type="checkbox"/> Scheduled <input type="checkbox"/> Unscheduled		

Main Records Series	Storage		Original	Copy	Counterfoil	Retention	
	Location	Dates					Instruction
	<input type="checkbox"/> Processing Office <input type="checkbox"/> Safe Room <input type="checkbox"/> Other _____					<input type="checkbox"/> Scheduled <input type="checkbox"/> Unscheduled	
	<input type="checkbox"/> Processing Office <input type="checkbox"/> Safe Room <input type="checkbox"/> Other _____					<input type="checkbox"/> Scheduled <input type="checkbox"/> Unscheduled	
	<input type="checkbox"/> Processing Office <input type="checkbox"/> Safe Room <input type="checkbox"/> Other _____					<input type="checkbox"/> Scheduled <input type="checkbox"/> Unscheduled	
	<input type="checkbox"/> Processing Office <input type="checkbox"/> Safe Room <input type="checkbox"/> Other _____					<input type="checkbox"/> Scheduled <input type="checkbox"/> Unscheduled	
	<input type="checkbox"/> Processing Office <input type="checkbox"/> Safe Room <input type="checkbox"/> Other _____					<input type="checkbox"/> Scheduled <input type="checkbox"/> Unscheduled	
	<input type="checkbox"/> Processing Office <input type="checkbox"/> Safe Room <input type="checkbox"/> Other _____					<input type="checkbox"/> Scheduled <input type="checkbox"/> Unscheduled	
	<input type="checkbox"/> Processing Office <input type="checkbox"/> Safe Room <input type="checkbox"/> Other _____					<input type="checkbox"/> Scheduled <input type="checkbox"/> Unscheduled	
	<input type="checkbox"/> Processing Office <input type="checkbox"/> Safe Room <input type="checkbox"/> Other _____					<input type="checkbox"/> Scheduled <input type="checkbox"/> Unscheduled	

Records Control Requirements Assessment: PAPER SYSTEMS

Registration / Classification

Does each record have a unique identifier?

- Yes
 No
 Not applicable

If yes, where is the unique identifier derived from?

Are all records for a specific transaction named and/or coded consistently?

- Yes
 No
 Not applicable

If not, why not?

Are all supporting documents kept together according to the unique identifier?

- Yes
 No
 Not applicable

If not, where are the supporting documents kept?

Score Justification and Additional Comments:

Score:
Registration/Classification
 (circle one)

1 2 3 4

Records Control Requirements Assessment: PAPER SYSTEMS

Tracking

Does the record keeping system track when records are removed temporarily from the system?

- Yes
 No
 Not applicable

If yes, describe (include how long records can be kept out of the system before they are chased):

Does the record keeping system track when records are transferred to intermediate storage on the premises or to a remote storage area?

- Yes
 No
 Not applicable

If yes, describe:

Does the record keeping system track when records are removed from the system for destruction?

- Yes
 No
 Not applicable

If yes, describe:

Score: Tracking
(circle one)

1 2 3 4

Score Justification and Additional Comments:

Records Control Requirements Assessment: PAPER SYSTEMS

Access/Retrieval

Does the record keeping system maintain finding aids (eg registers, files lists and so on) to locate and retrieve records?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	<i>If yes, describe:</i>
Does the record keeping system restrict access to records by unauthorised staff?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	<i>If yes, under what conditions and how are restrictions enforced?</i>
Are records physically arranged in a logical order?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Is it easy to physically retrieve records as and when required?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If not, why not?</i>
<p>Score: <i>Access/Retrieval</i> (circle one)</p> <p>1 2 3 4</p>	Score Justification and Additional Comments:	

Records Control Requirements Assessment: PAPER SYSTEMS

Maintaining Audit Trails

(The Auditor General's Office might be helpful in forming a view on these questions)

<p>Can an auditor easily trace transactions between the creation of the originating document, manual transaction registers, journals and ledgers, in both directions and through successive summarisation?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If not, why?</i></p>
<p>Are audit queries for previous financial years be easily located when needed?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If not, why?</i></p>
<p>Score: <i>Maintaining Audit Trails</i> (circle one)</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">1 2 3 4</p>	<p>Score Justification and Additional Comments:</p>	

Records Control Requirements Assessment: PAPER SYSTEMS

Scheduling/Retention

Do retention schedules exist for financial records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, are they up-to-date?:</i>
Is staff aware of the existence of retention requirements?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Are requirements schedules applied?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If not, why not?</i>
<p style="text-align: center;">Score: <i>Scheduling/Retention</i> (circle one)</p> <p style="text-align: center;">1 2 3 4</p>		Score Justification and Additional Comments:

Records Control Requirements Assessment: PAPER SYSTEMS

Transfer

Have financial records ever been transferred to intermediate storage?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, when was this last done and is the process managed by the Ministry or the National Archives?</i>
Can the record keeping system easily identify records that are eligible for transfer?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If no, explain:</i>
When records are packed for transfer, are they kept in the physical arrangement according to the methods of identification used in the office?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	<i>If not, how are they packed?</i>
Can records be transferred without the approval in writing of an authorised individual?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, explain; if no, who is the authorised individual/s?</i>
Is there a record of which records have been transferred and when?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, where is it kept and by who?</i>

Score: *Transfer*
(circle one)

1 2 3 4

Score Justification and Additional Comments:

Records Control Requirements Assessment: PAPER SYSTEMS

Destruction

Can the system easily identify records that are eligible for destruction, including copies?

- Yes
 No

If no, explain:

Are financial records destroyed regularly when their legal value expires?

- Yes
 No

If yes, when was this last done? Was destruction carried out according to disposal instructions?

Can records be destroyed without the approval in writing of an authorised individual/s?

- Yes
 No

If yes, explain; if no, who is the authorised individual/s?

If applicable, is there a record of which records were destroyed?

- Yes
 No

If yes, where is it kept and by who?

Score: *Destruction*
(circle one)

1 2 3 4

Score Justification and Additional Comments:

Summary of Scores

Records Management Assessment: PAPER SYSTEM				
	1	2	3	4
Registration/Classification				
Tracking				
Access/Retrieval				
Maintaining an Audit Trail				
Scheduling/Retention				
Transfer				
Destruction				

Conclusions and Recommendations:

Records Control Requirements: Assessment Worksheets for COMPUTERISED SYSTEMS

System / Function:	_____	Location:	_____
Operating System:	_____	Responsibility:	Business Rules: _____
Application:	_____	IT Support:	_____
Date of Implementation:	_____	Last Upgrade:	_____
Main Records Series Managed by the System:	_____	Are records scheduled?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Functional Description of the System:

Risk Areas:

Records Control Requirements Assessment: COMPUTERISED SYSTEMS		
Registration / Classification		
Does the system assign a unique identifier to each transaction record?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	<i>If yes, is it manually input or automatically assigned? (circle one) Describe the identifier (eg purchase order number, salary number, etc):</i>
Does the unique identifier map easily across to the paper inputs/outputs?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, describe how the number is used to link the paper and computerised parts of the system:</i>
Can the unique identifier be modified?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, explain:</i>
Can the unique identifier be duplicated?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, explain:</i>
If the data is adjusted or amended does the system assign a new unique identifier to the updated record?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, explain:</i>
Does the system classify transactions according to consistent revenue and expenditure categories (eg cost codes/chart of accounts, customs schedules, etc.)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, identify the classification system used and indicate if all transactions are named and/or coded in a consistent manner over time:</i>
Score: Registration/Classification (circle one) 1 2 3 4	Score Justification and Additional Comments:	

Records Control Requirements Assessment: COMPUTERISED SYSTEMS

Tracking

Does the system track a transaction through the various stages of processing?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	<i>If yes, describe:</i>
Does the system document who has access to the system and how they are using the records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, what information does the system capture?</i>
Does the system prevent unauthorised individual/s from enabling/disabling audit utilities and/or amending/deleting audit data?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, describe:</i>
<p>Score: <i>Tracking</i> (circle one)</p> <p>1 2 3 4</p>	Score Justification and Additional Comments:	

Records Control Requirements Assessment: COMPUTERISED SYSTEMS

Access/Retrieval

Does the system define different groups of users and their access permissions?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, can the system control access to records based on groups/individuals meeting the access criteria?</i>
Does the system allow only an authorised individual/s to make changes to access permission?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, identify the position/s of the authorised individual/s</i>
Does the system have search capabilities?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, what are the primary search keys?</i>
Are computerised transaction records stored in more than one database and/or on more than one server?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, describe and indicate whether access and retrieval appears seamless to users?</i>
Can transactions records be accessed throughout system changes (including format conversion, migration, etc)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Score: Access/Retrieval (circle one) 1 2 3 4	Score Justification and Additional Comments:	

Records Control Requirements Assessment: COMPUTERISED SYSTEMS

Maintaining an Audit Trail

(The Auditor General's Office might be helpful in forming a view on these questions)

Does the system provide audit trails?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, what information do they capture?</i>
Does the system store audit trail data as a separate record?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, how is it stored and for how long is it kept?</i>
Does the system preserve the hierarchical relationship to allow it to trace the links between the transaction records and aggregated reports?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Does the system provide clear links to the paper source documents?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, describe:</i>
Can the system retain all relevant data and audit trail information for the period of time required to audit the system?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Score: <i>Maintaining an Audit Trail</i> (circle one) 1 2 3 4	Score Justification and Additional Comments:	

Records Control Requirements Assessment: COMPUTERISED SYSTEMS

Scheduling/Retention

Do disposition schedules exist for financial records that are applicable to electronic financial transaction records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, are disposition instructions integrated into the system's business rules?</i>
Is the system applying event driven disposition instructions as part of its business rules (eg where retention periods are driven by the number of years following audit)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If no, is the system capable of doing so? If yes, can the system allow for the rescheduling of event driven disposition instructions in the event the accounting system or the regulatory requirements change?</i>
Is someone assigned responsibility for revising the business rules of the system?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, identify this person by their position in the organisation and indicate whether he/she is aware of their obligation to implement relevant disposition instructions:</i>
Can the system identify and print a list of transaction records that would not have disposition instructions assigned to them?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If no, is the system capable of doing so? If yes, is it presently doing this?</i>
Can the system identify and print a list of transaction records that are the subject of an audit query or other investigation?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comment:</i>
Score: <i>Scheduling/Retention</i> (circle one) 1 2 3 4	Score Justification and Additional Comments:	

Records Control Requirements Assessment: COMPUTERISED SYSTEMS

Transfer

Have computerised transaction records ever been transferred to off-line storage (ie archives)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, when was this last done and where and how are they stored?</i>
Is there a record of which transaction records have been transferred off-line and when?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, where is this kept and by who?</i>
Can the system identify records that are eligible for transfer according to disposal instructions?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, describe how:</i>
Is responsibility for transferring records assigned to a specific individual	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, identify the authorised individual:</i>
Are appropriate provisions made to allow records stored off-line to be migrated through system changes to allow them to remain accessible for the period of time defined by the disposal instructions?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Describe:</i>
Score: <i>Transfer</i> (circle one) 1 2 3 4	Score Justification and Additional Comments:	

Records Control Requirements Assessment: COMPUTERISED SYSTEMS

Destruction

Have any computer transaction records ever been intentionally deleted from the system?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, when and why?</i>
Are computerised transaction records deleted in such a way that they cannot be reconstructed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, describe the procedure:</i>
Is there a record of which transaction records have been deleted and when?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, where is this kept and by who?</i>
Can the system identify records that are eligible for deletion according to disposal instructions?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, can the system ensure that all copies (including security copies, preservation copies, back-up copies, etc) are deleted? If so, how?</i>
Does the system require a second confirmation that requires an authorised individual to confirm the delete command prior to execution?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, identify the authorised individual:</i>
<p>Score: Destruction (circle one)</p> <p>1 2 3 4</p>	Score Justification and Additional Comments:	

Summary of Scores

Records Management Assessment: COMPUTERISED SYSTEM				
	1	2	3	4
Registration/Classification				
Tracking				
Access/Retrieval				
Maintaining an Audit Trail				
Scheduling/Retention				
Transfer				
Destruction				

Conclusions and Recommendations:

Sample Scores Matrix

The following example illustrates how the Summary of Scores table might be completed in a typical case.

SUMMARY OF SCORES AND RATINGS	Ministry A -or- Computerised System A	Ministry B -or- Computerised System B	Ministry C -or- Computerised System C	Ministry D -or- Computerised System D	Ministry E -or- Computerised System E
Registration/Classification	4	3	3	1	2
Tracking	3	2	2	3	3
Access/Retrieval	3	4	3	3	3
Maintaining an Audit Trail	3	3	3	2	3
Scheduling/Retention	1	2	3	2	1
Transfer	1	3	2	2	2
Destruction	1	2	2	1	1
SCORE (out of 21)	13	19	15	14	15
RECORDS MANAGEMENT RATING (average = total score ÷ 7)	1.8	2.7	2.1	2	2.1

RATING DEFINITIONS

- 1 : POOR** The system fails to meet the need to provide sufficient and reliable evidence of transactions. Failure to meet requirements may significantly impact on operations.
- 2 : INADEQUATE** The system does not fully meet the need to provide sufficient and reliable evidence of transactions. Shortcomings may have a significant impact on operation.
- 3 : ADEQUATE** The system meets the need to provide sufficient and reliable evidence of transactions. Any shortcomings will only have a minimal impact.
- 4 : GOOD** The system fully meets the need to provide sufficient and reliable evidence of transactions.

RECORDS CONTROL REQUIREMENTS RISK TABLE					
Function	Risk	Likelihood (Score 1-10)	Impact (Score 1-10)	Risk Rating	Recommended Actions
		A	B	AxB	
Registration/Classification					
Tracking					
Access/Retrieval					
Maintaining an Audit Trail					
Scheduling/Retention					
Transfer					
Destruction					

RECORDS MANAGEMENT PROGRAMME ASSESSMENT

Purpose

This is a tool to assess the programme for managing financial records in government. The tool takes into account not only the programme itself, but all the elements needed to support the programme including legislation, regulations, procedures, control systems, human resources, facilities and maintenance, and monitoring and compliance. The assessment can be carried out at the national level or can be adapted to assess at central or local government levels, or specific ministries, departments or agencies. Given the trend by government to introduce integrated financial management systems, this tool is probably most useful when it covers the programme for managing of all the records related to a particular financial management system, irrespective of their physical location. Where no formal records management exists, the assessment will identify existing elements upon which a formal programme can be developed.

This tool can be used on its own, but is probably more useful when used in conjunction with the associated tools for assessing specific records management systems, training and physical infrastructure. The programme assessment can provide information on these areas at a high level, but these other tools provide much more detailed information which can be useful for analysing problems in greater depth and planning detailed interventions.

The assessment is based on professional best practice described in **Chapters Two** through **Six**.

Objectives

The objective of the assessment is to produce a summary of the state of the programme for managing financial records. This is achieved through the use of a structured tool to gather data. An analysis of this data provides an overview of the strengths and weaknesses of the system and a risk assessment assists decision makers to priorities interventions.

Users

The assessment findings are structured for use by government financial managers, records managers and donor agency advisers. It is expected that professional records managers working closely with a qualified accountant or auditor would carry out the assessment in order to ensure that the judgements are well founded and conform with best practice.

How to use this tool

The tool comprises:

- Worksheets
- Score Card
- Table of Problems and Recommended Solutions
- Risk Table.

It may be preferable to use an external consultant to carry out the assessment who has no stake in the existing arrangements. However it is important that the process is as open as possible and that key stakeholders are given feedback. Where judgements are made, those affected should be invited to review the opinion and ideally agree the results. This may involve some negotiation.

Data is gathered by means of the structured questionnaires, normally by means of interviews with key stakeholders and by studying relevant documentation and legislation. The process is often an iterative one and the order in which answers are found to particular questions is not important. It is good practice to verify facts by cross checking statements from more than one source.

Many questions imply value judgements; it is good practice to share these judgements in draft form with key stakeholders such as the Accountant General, Auditor General, Director of the national records and archives institution and other senior civil service managers before finalising the evaluation. This is important, both because it builds ownership and therefore increases the likelihood of positive action following the programme assessment, but also because the evaluator may not be aware of important information which may affect the judgement. It should be reiterated that the approach to good practice judgements should be a 'best fit' approach that takes account of local circumstances and economic realities. Wherever possible, judgements should be agreed with stakeholders, but ultimately the assessor is responsible for the final result and should not compromise his or her impartiality. This also applies to the Score Card, Problems and Solutions Table and the Risk Table.

The Score Card should be filled in after the Worksheets have been completed. The Worksheets are divided into sections that reflect the headings in the score card. The score for each heading is a value judgement based on the answers to the questions in the relevant section of the Worksheets.

The Problems and Solutions Table should logically follow from the answers to the Worksheets and the Score Card.

The Risk Table is designed to identify risks in a structured manner and to prioritise interventions to manage the risks derived from problems drawn out from the Worksheets.

Finally, the results of the analysis should be written up in a report for management.

Records Management Programme: Assessment Worksheets

CONTROL SYSTEMS: <i>General</i>		
Describe briefly the main financial systems and their locations. Please give examples.		<i>Comments:</i>
A: CONTROL SYSTEMS: <i>Records Management Systems (Paper Records)</i>		
Are there written procedures for managing financial records (for instance registration, tracking, retrieval, storage, scheduling, destruction or transfer)? Are records management procedures consistently applied across all ministries?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, are the procedures up-to-date and relevant to current financial management systems (eg if systems have been computerised is this reflected in the procedures)?</i>
Are records management procedures consistently applied across all ministries?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i> The Auditor General's reports may be helpful in forming a view on this point as their report will highlight problems with records.

CONTROL SYSTEMS: <i>Records Management Systems (Electronic Records)</i>		
Do up-to-date retention schedules exist for electronic records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Are civil servants aware that electronic records are official records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Are there adequate procedures for managing electronic records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Does the government have adequate documentation of its main computerised financial systems?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
CONTROL FRAMEWORK: <i>Legal and Regulatory Framework</i>		
Is there primary legislation in place that provides direct guidance on the management of financial records (for example, a Public Records/National Archives Act)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>Please list the title/s of all relevant legislation and cite the main relevant sections. (Provide details of legislation and provisions in an appendix). Where appropriate, include additional comments.</i></p> <p>Title of Legislation</p> <p>Relevant Sections</p> <p><i>Comment:</i></p>
Is there other legislation in place that provides indirect guidance for the management of financial records (for example, the Constitution, Finance and Audit Act)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>Please list the title/s of all relevant legislation and cite the main relevant sections. (Provide details of legislation and provisions in an appendix). Where appropriate, include additional comments.</i></p> <p>Title of Legislation</p> <p>Relevant Sections</p> <p><i>Comment:</i></p>

CONTROL FRAMEWORK: Legal and Regulatory Framework Continued		
Are the laws and regulations consistent in their requirements for managing financial records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, please comment. If no, where do the laws and regulations conflict? Explain:</i>
Are these laws/regulations relevant and up-to-date?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Do the laws and/or regulations set out requirements for how long financial records must be kept?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Does the law require the appraisal and authorised disposal of public records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Is responsibility for providing guidance on records management assigned to the National Archives?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, is this set out in law? If so, please state which law. If no, is this responsibility assigned to any agency and if so, to whom?</i>
CONTROL FRAMEWORK: Standards, Codes, Policies and Procedures		
Is responsibility for preparing and issuing retention schedules for financial records assigned to the national records and archives institutions in the legislation?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, are these laws/regulations observed? If no, to whom is the responsibility assigned and how effective is this arrangement?</i>
Do the laws and/or regulations make provision for the admissibility of electronic evidence in a court of law?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, please comment. If no, is there any case law or precedent/s that affects the legal admissibility of electronic records?</i>
Is anyone in the national records and archives institution responsible for developing policy on the management of financial records across government in co-operation with the Ministry of Finance?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, explain. If this responsibility is delegated, identify to whom it is delegated? If no, comment if appropriate.</i>

CONTROL FRAMEWORK: *Standards, Codes, Policies and Procedures Continued*

Is anyone in the Ministry of Finance responsible for developing policy on the management of financial records across government in co-operation with the national records and archives institution?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Is there a written policy on the management of financial records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If, yes, is the policy adequate and is it be applied properly?</i>
Are there regulations and instructions that provide guidance on the management of financial records (for example, Financial Instructions, Accounting Manual)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>Please list the title/s of all relevant regulations and instructions and cite the main relevant section/s. (Provide details of legislation and provisions in an appendix). Where appropriate, please include additional comments.</i></p> <p>Title of Regulations/Instructions</p> <p>Relevant Sections</p> <p><i>Comments:</i></p>

CONTROL FRAMEWORK: *Organisational Structure*

Does the national records and archives institution come under an office with central responsibility for managing the civil service?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Within ministries, is responsibility for the management of financial records assigned to a particular officer?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>

FACILITIES AND MAINTENANCE: <i>Facilities (Paper Records)</i>		
Is suitable records storage equipment provided in offices (eg filing cabinets, shelving, binder or box files and so on)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Is there a records centre to which semi-current records may be transferred?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, does the records centre have adequate facilities for storing records according to records management standards (eg adequate space, storage containers, shelving, temperature/humidity controls)? If no, explain.</i>
Are there sufficient funds allocated to maintain paper financial records systems?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If no, explain:</i>
FACILITIES AND MAINTENANCE: <i>Facilities (Electronic Records)</i>		
Are there suitable storage facilities for electronic financial records (eg fireproof safe, temperature controls and so on)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Are there any records that are only kept in electronic format (no paper format) that are required for more than 10 years?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, explain and comment on whether there are adequate facilities for the long term storage and management of electronic records? If no, explain.</i>
Are sufficient funds allocated to maintaining electronic financial records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If no, explain:</i>

FACILITIES AND MAINTENANCE: <i>Vital Records and Disaster Recovery Programme</i>		
Are vital paper records identified and protected against disaster?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Are vital electronic records identified and protected against disaster?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Is there a comprehensive and tested written disaster plan to protect the government's strategic financial systems?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
MONITORING AND COMPLIANCE		
Does the national records and archives institution have powers to inspect ministries for compliance with good practice in the management of financial records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, are regular inspections carried out? Please list the frequency of inspections. If no, is this role assigned to any other body?</i>
Does the national records and archives institution and national archives have the authority to enforce its recommendations?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, list the law/regulation where this is set out. If no, explain.</i>

HUMAN RESOURCES: <i>Career Structure</i>		
Is there a career structure for records management in the national records and archives institution?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Is staff turnover in the national records and archives institution so fast that it has an impact on the sustainability of the system?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Is there a career structure for record keeping staff working in ministries?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Does staff turnover in ministries have an impact on the sustainability of the system?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Is the number of staff adequate to control and manage financial records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
HUMAN RESOURCES: <i>Competencies</i>		
Do accounting staff have appropriate qualifications/competencies? <i>Use skills matrix to carry out assessment.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Do national records and archives institution staff have appropriate qualifications/competencies? <i>Use skills matrix to carry out assessment.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>

HUMAN RESOURCES: Training (Paper Records)

Are individuals responsible for keeping records in ministries aware of their responsibility?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Do the national records and archives institution staff receive training in the management of paper financial records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, who provides this training? If no, explain:</i>
Do staff in ministries originating or using financial records receive formal training in managing of paper financial records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, who provides this training? If not, how are staffed trained?</i>
Is formal or on-the-job training relevant to the financial system and procedures in place?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Do the national records and archives institution staff receive training in the management of electronic records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, who provides this training? If no, explain:</i>

HUMAN RESOURCES: Training (Electronic Records)

Do users receive formal training in the management of electronic records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, who provides this training? If not, how are staffed trained?</i>
Is formal or on-the-job training relevant to the financial system and procedures in place?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>

Score Card of Assessment

	GOOD	ADEQUATE	INADEQUATE	POOR	SCORE
Control Systems					
Records Management Systems (Paper Records)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Records Management Systems (Electronic Records)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Control Framework					
Legal and Regulatory Framework	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Standards, Codes, Policies and Procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Organisational Structure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Facilities and Maintenance					
Facilities (Paper Records)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Facilities (Electronic Records)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Vital Records and Disaster Recovery Program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Monitoring and Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Human Resources					
Career Structure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Competencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Training (Paper Records)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Training (Electronic Records)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
AVERAGE (total ÷ 13)					<input type="checkbox"/>
<p> 1 = Poor 2 = Inadequate 3 = Adequate 4 = Good </p> <p>Maximum possible score = 52</p>					

PROBLEMS AND SOLUTIONS: *Control Systems*

Area of Assessment	Key Weakness	Recommended Actions
<i>Records Management Systems (Paper)</i>		
<i>Records Management Systems (Electronic)</i>		

PROBLEMS AND SOLUTIONS: <i>Control Framework</i>		
Area of Assessment	Key Weakness	Recommended Actions
<i>Legal and Regulatory Framework</i>		
<i>Standards, Codes, Policies and Procedures</i>		
<i>Organisational Structure</i>		

PROBLEMS AND SOLUTIONS: *Facilities and Maintenance*

Area of Assessment	Key Weakness	Recommended Actions
<i>Facilities (Paper Records)</i>		
<i>Facilities (Electronic Records)</i>		
<i>Vital Records and Disaster Recovery Programme</i>		

PROBLEMS AND SOLUTIONS: <i>Monitoring and Compliance</i>		
Area of Assessment	Key Weakness	Recommended Actions
<i>Monitoring and Compliance</i>		

PROBLEMS AND SOLUTIONS: *Human Resources*

Area of Assessment	Key Weakness	Recommended Actions
<i>Career Structure</i>		
<i>Competencies</i>		
<i>Training (Paper Records)</i>		
<i>Training (Electronic Records)</i>		

RISK TABLE: <i>Control Systems</i>						
Area of Assessment	Report Card Score	Risk	Likelihood (Score 1-10) A	Impact (Score 1-10) B	Risk Rating AxB	Recommended Actions
<i>Records Management Systems (Paper)</i>						
<i>Records Management Systems (Electronic)</i>						

RISK TABLE: *Control Framework*

Area of Assessment	Report Card Score	Risk	Likelihood (Score 1-10) A	Impact (Score 1-10) B	Risk Rating AxB	Recommended Actions
<i>Legal and Regulatory Framework</i>						
<i>Standards, Codes, Policies and Procedures</i>						
<i>Organisational Structure</i>						

RISK TABLE: <i>Facilities and Maintenance</i>						
Area of Assessment	Report Card Score	Risk	Likelihood (Score 1-10) A	Impact (Score 1-10) B	Risk Rating AxB	Recommended Actions
<i>Facilities (Paper Records)</i>						
<i>Facilities (Electronic Records)</i>						
<i>Vital Records and Disaster Recovery Programme</i>						

RISK TABLE: *Monitoring and Compliance*

Area of Assessment	Report Card Score	Risk	Likelihood (Score 1-10) A	Impact (Score 1-10) B	Risk Rating AxB	Recommended Actions
<i>Monitoring and Compliance</i>						

FACILITIES AND MAINTENANCE ASSESSMENT

Purpose

Selecting appropriate housing is the first step in safeguarding and preserving records. This is a tool to assess storage facilities and their maintenance. It comprises two assessments. Firstly it examines the provisions for the storage of paper-based records and secondly those for records in computerised systems.

This tool can be used on its own. However it might be practical to carry it out in tandem with the **Records Management Systems Assessment**. This assessment may also be used to inform a programme assessment, if they are being carried out in conjunction with one another.

The assessment also examines provisions for the safe keeping of financial records, both paper and computerised, in the event of an emergency or a disaster.

The assessment is based on professional best practice described in **Chapter Four**.

Objectives

The objective is to produce a report on the adequacy of the facilities for managing paper and computerised records and the maintenance of these facilities. This is achieved through the use of a structured tool to gather data. An analysis of this data provides an overview of the strengths and weaknesses of the system.

Users

Government financial managers, records managers and donor agency advisers should find the results of the assessment of use. It is expected that professional records managers working closely with a qualified accountant or auditor would carry out the assessment in order to ensure that the judgements are well founded and conform with good practice. Relevant information technology staff should also be consulted where appropriate.

How to use this tool

A combination of interviews with accounting staff with responsibility for financial records and walking through the facilities in which the records are stored is the best method for gathering the data required to complete this assessment. Interviews with information technology staff should provide information on the appropriateness of provisions made to store computerised records.

Assessment Worksheets

There are two sets of worksheets, the first for paper systems and the second for computerised systems. Each worksheet is organised into sections. After reading each section, tick the 'yes' or 'no' boxes provided and fill in the information requested as necessary. It is best to complete an entire section at one time since the questions are interrelated.

Space is provided at the end of each section to add any additional comments. Making notes about conclusions and recommendations will make it easier to write the assessment report later.

Facilities and Maintenance Assessment: PAPER SYSTEMS

Forms Management

Are forms used to capture financial information?

- Yes
 No
 Not applicable

If yes, how are blank forms obtained?

Where appropriate, are blank forms and counterfoils kept securely and accounted for by a designated individual?

- Yes
 No
 Not applicable

If yes, describe:

Facilities and Maintenance

Is there adequate storage for transaction records in *processing offices*? If yes, designate office:

- Yes
 No

Check all that apply:

- adequate shelving / filing cabinets (circle)
 adequate file folders / binders / boxes (circle)
 clean and tidy
 temperature controls
 smoke detector / fire extinguisher (circle)
 counter
 locks on main door
 locks / bars on windows (circle)

Comments:

Is adequate *intermediate* storage provided for transaction records on the premises? If yes, indicate where the facilities are located:

- Yes
 No

Check all that apply:

- adequate shelving / filing cabinets (circle)
 adequate file folders / binders / boxes (circle)
 clean and tidy
 temperature controls
 smoke detector / fire extinguisher (circle)
 counter
 locks on main door
 locks / bars on windows (circle)

Comments:

Facilities and Maintenance Assessment: PAPER SYSTEMS

Facilities and Maintenance continued

Is adequate remote storage provided for transaction records off-site? If yes, indicate where the facilities are located:

- Yes
 No

Check all that apply:

- adequate shelving / filing cabinets (circle)
 adequate file folders / binders / boxes (circle)
 clean and tidy
 temperature controls
 smoke detector / fire extinguisher (circle)
 counter
 locks on main door
 locks / bars on windows (circle)

Comments:

Vital Records and Disaster Recovery Programme

In the event of a fire, flood or other disaster, are there procedures for safeguarding records storage areas in offices and/or elsewhere in the building?

- Yes
 No
 Do not know

If yes, describe:

Have financial records that are vital for allowing business to resume following a disaster been copied and stored off site?

- Yes
 No
 Do not know

If yes, which records are considered vital records and where are they kept?

CONCLUSIONS/REMARKS:

Facilities and Maintenance Assessment: COMPUTERISED SYSTEMS

Back-up and Storage

Are there procedures for backing up computerised financial systems?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, are these written procedures? What do they cover (eg labelling of media, etc)?</i>
Is responsibility assigned for ensuring that back-ups are done adequately and regularly?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, indicate the position of the person responsible:</i>
Is adequate storage provided for the safekeeping of system back-ups?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Describe:</i>

Systems Maintenance

Is the system documented?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, what does it consist of and who is responsible for maintaining it?</i>
Is an inventory of hardware and software kept?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Do not know	<i>If yes, where is it kept and by who?</i>
Is there a maintenance contract for the system's hardware?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Do not know	<i>Comments:</i>

Facilities and Maintenance Assessment: COMPUTERISED SYSTEMS

Systems Maintenance continued

Is there a maintenance contract for the system's software?

- Yes
 No
 Do not know

Comments:

Is the system's performance checked regularly?

- Yes
 No
 Do not know

If yes, when was the last time it was checked and how was it include?

Is virus protection provided?

- Yes
 No
 Do not know

If yes, how often is it updated?

Is adequate security provided for the safekeeping of the server and software?

- Yes
 No

Describe:

Vital Records and Disaster Recovery Programme

Is there a disaster recovery programme for computerised financial systems?

- Yes
 No
 Do not know

If yes, describe the programme including whether it has ever been tested and, if so, when:

Facilities and Maintenance Assessment: COMPUTERISED SYSTEMS

Vital Records and Disaster Recovery Programme continued

Is there a vital records programme that includes computerised financial information?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Do not know	<i>If yes, describe what records are included and the provisions made:</i>
Is adequate provision made to safeguard source code/s as a vital record?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Do not know	<i>If yes, describe the provisions made:</i>

CONCLUSIONS/REMARKS:

HUMAN RESOURCES ASSESSMENT

Purpose

This is a tool to assess the human resources necessary for managing financial records in government. Parts of the tool are intended to be used at a national level, or across programmes at central or local government levels, others are intended for use in specific ministries, departments or agencies to get a detailed picture of the staff in post.

This tool can be used on its own. However it is useful to carry out this assessment in conjunction with the records management programme and systems assessments in order to gain a full picture of both the structures and processes, and the staff required to operate them successfully.

The assessment is based on professional best practice described in **Chapter Six**.

Objectives

The objective of the assessment is to produce a summary of the structures, competencies and training needs of staff managing financial records. This is achieved through the use of a structured tool to gather data.

Users

The assessment findings are structured for use by government financial managers, records managers and donor agency advisers. It is expected that professional records managers working closely with a qualified accountant or auditor would carry out the assessment in order to ensure that the judgements are well founded and conform with best practice.

How to use this tool

The tool comprises a:

- **Levels of Responsibility Matrix**
- **Competencies Framework**
- **Training Needs Assessment.**

It may be preferable to use an external consultant to carry out the assessment who has no stake in the existing arrangements. However it is important that the process is as open as possible and that key stakeholders are given feedback. Where judgements are made, those affected should be invited to review the opinion and ideally agree the results. This may involve some negotiation.

Data is gathered to complete the **Levels of Responsibility Matrix** and the **Training Needs Assessment** by means of the structured questionnaire, normally by means of interviews with key stakeholders such as:

- Accountant General
- Head of the National Records and Archives Institution
- Head of Personnel, Ministry of Finance
- Head of Personnel, spending ministry
- Head of Personnel, revenue gathering ministry
- Representative, Civil Service Training College
- Records Manager, National Records and Archives Administration
- [Sample of records and accounting staff at different levels as appropriate].

It is important that as many records and accounting staff are interviewed as possible, within time and resource constraints, in order to get a balanced picture of skills and training needs. Relevant documentation and legislation should also be studied, including the schemes of service for both records and accounting staff.

The process is an iterative one. It is good practice to verify facts by cross checking statements from more than one source. A blank **Levels of Responsibility Matrix** should be completed showing the staff structures in the country under assessment. Differences between the model and the reality should be highlighted and drawn out in the report to management.

The **Competencies Framework** summarises the skills and knowledge needed at different functional levels to manage financial records. It incorporates both financial and records staff. It can be used as the benchmark for assessing training needs for specific staff. It is also a useful tool for preparing job descriptions for specific posts and for recruiting new members of staff for particular posts.

To plan a training programme and identify training needs there are a number of issues that must be considered before the assessment commences.

Within the government to be assessed there must be:

- an adequate pay and career structure
- adequate numbers of staff carrying out record keeping for financial records
- clear and appropriate reporting lines
- a scheme of service.

Without this basic infrastructure it is unlikely that even the most comprehensive training programme will bring sustainable benefits.

The **Training Needs Assessment** comprises a structured worksheet. It is organised into sections, each of which should be completed at one time because the questions are interrelated. After reading each section, tick the boxes provided and fill in the information requested as necessary. At the end of each section the assessor is asked to score the function on a scale of 1 to 4. Please circle the appropriate score after completing the questions:

1 = Poor: the existing arrangements fail to meet the training needs

2 = Inadequate: the existing arrangements do not fully meet the training needs

3 = Adequate: the existing arrangements do meet the training needs

4 = Good: the existing arrangements fully meet all training needs.

There is space given at the end of each section to add any additional comments. Making notes about conclusions and recommendations will make it easier to write the assessment report later.

The scores for each aspect of the training needs assessment should be summarised in the table at the end of the worksheet and any additional findings noted in the space provided.

The assessment should be written up and recommendations made. The narrative summary of findings should inform the design of a training programme in accordance with the needs identified.

The results of the analysis should be summarised and written up in a short report for management.

Definitions	
Essential	Financial records management could not be successful without this skill or knowledge
Important	Difficulties would arise in the performance of financial records management without this skill or knowledge
Desirable	Financial records management can only be partially performed without this skill or knowledge
Not required	Financial records management function can be performed successfully without this skill or knowledge
Awareness	Understanding the function but not executing the tasks
Operational	Executing related tasks

LEVELS OF RESPONSIBILITY MATRIX

Top management: Directs and takes responsibility for policy and operations.

Middle management: Responsible for implementation of policy.

Supervisory: Oversees procedures to give effect to policy.

Operational: Executes tasks to achieve policy objectives.

LEVELS	RECORDS MANAGEMENT Examples of job titles		ACCOUNTING Examples of job titles	
TOP MANAGEMENT	National Policy National Archivist/ Director of Archives and Records Management ↓	Line Ministry Director of Information/ Director of Administration ↓	National Policy Accountant General ↓	Line Ministry Accounting Officer (usually the Permanent Secretary) ↓
MIDDLE MANAGEMENT	Head of Records Management ¹	Records Manager ²	Accountant	
SUPERVISORY	Records supervisor		Senior Accounts Clerk	
OPERATIONAL	Records Clerk		Accounts Clerk Junior Accounts Clerk	

Notes

¹ External authority, usually from the National Archives, providing records management guidance to ministries at management level. An important function is to produce authorised disposal schedules for financial records.

² May report directly to the Accounting Officer in smaller administrations

COMPETENCIES FRAMEWORK

The competencies framework provides a tool for assessing the skills and knowledge required at the different levels for managing financial records. Some staff will not require skills in all areas. Also the requirements for skills and knowledge will vary from the essential to the not required.

The first matrix provides a summary of the different competencies identified and the level required at each of the functional levels. The second matrix gives examples of the skill or knowledge that underpins the competency. These are intended only to describe the minimum level of competency required and do not offer a comprehensive description of all skills that may fall within the competency.

COMPETENCY	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	SUPERVISORY	OPERATIONAL
MANAGERIAL				
Influencing	Essential	Essential	Important	Not required
Training and development	Awareness desirable Practical skill not required	Awareness and practical skills essential	Practical skills essential	Not required
Managing performance	Essential	Essential	Essential	Desirable
Maintaining standard procedures	Essential	Essential	Important	Not required
Managing people	Essential	Essential	Desirable	Not required
OPERATIONAL				
Objectives of financial management	Essential	Essential	Desirable	Not required
Financial regulations	General knowledge essential	Detailed knowledge essential	Important	Desirable
Financial and accounting procedures	Desirable	Essential	Important	Important
IT skills	Operational knowledge not required Awareness of potential essential	Operational knowledge desirable Awareness of potential essential	Operational knowledge important	Operational knowledge essential for relevant areas
Communication	Essential	Essential	Essential	Desirable
Planning and time management	Essential	Essential	Important	Desirable
Records management (including electronic records)	Awareness essential Practical skill not required	Detailed knowledge of both theory and practice essential	Detailed knowledge of practice essential	Detailed knowledge of practice essential in relevant areas

COMPETENCIES FRAMEWORK

Managerial

<i>Influencing</i>	
Senior management	Is assertive in ensuring that records management requirements are implemented
Middle management	Able to describe to others the benefits of changing records management practices
Supervisory	Able to implement records management change and convey to others benefits of changing practice
Operational	Understand and apply change
<i>Training and Development</i>	
Senior management	Ensure career development opportunities are available
Middle management	Identify training and development opportunities for staff, and conduct training
Supervisory	Provide basic training for staff, eg induction for operational staff
Operational	Take responsibility for own development
<i>Managing Performance (department and individual)</i>	
Senior management	Manage resources to achieve corporate objectives
Middle management	Use resources to achieve maximum efficiency
Supervisory	Ensure staff performance reaches required levels or standards
Operational	Contribute to overall performance of organisation
<i>Maintaining standard procedures</i>	
Senior management	Take responsibility for ensuring procedures are in place and maintained
Middle management	Ensure procedures are implemented and reach the required standard
Supervisory	Ensure that procedures are implemented
Operational	Apply procedures
<i>Managing people</i>	
Senior management	Provide leadership and direction
Middle management	Formulate requirements and communicate to staff in clear and consistent manner
Supervisory	Form effective working relationships on day to day basis
Operational	Work effectively with others

Operational

<i>Policy and objectives of financial management</i>	
Senior management	Comprehensive knowledge of policy and objectives of financial management
Middle management	Detailed knowledge of financial management requirements. Ensure that data captured is complete and accurate
Supervisory	Understand the need for complete and accurate financial information and their role in achieving this
Operational	Not required.
<i>Financial regulations</i>	
Senior management	Knowledge of financial regulations
Middle management	Ensure that all appropriate financial regulations are followed
Supervisory	Implement records requirements of financial regulations
Operational	Demonstrate appreciation of financial regulations
<i>Financial and accounting procedures</i>	
Senior management	Ensure procedures are in place
Middle management	Ensure procedures are followed
Supervisory	Understand purpose of procedures and how to follow them. Ensure that financial information is complete and accurate.
Operational	Follow appropriate procedures and be able to identify financial records
<i>Information Technology (IT) skills</i>	
Senior management	Understand potential gains from use of IT
Middle management	Understand the role and implications of computerised financial management systems, and articulate record keeping requirements to IT specialists
Supervisory	Able to understand and operate IT systems
Operational	Basic knowledge of applications and usage
<i>Communication skills</i>	
Senior management	Able to communicate the need for sound financial management based on good record keeping
Middle management	Raise profile of financial records management
Supervisory	Communicate financial records management requirements effectively
Operational	Able to communicate clearly

<i>Planning and time management</i>	
Senior management	Able to focus on solutions to major issues
Middle management	Ensure that resources are best deployed to meet corporate objectives
Supervisory	Plan and manage own workload to ensure completion
Operational	Complete tasks on time
<i>Records management (paper and electronic)</i>	
Senior management	Understand the need for good financial records management
Middle management	Able to provide guidance and training in good records management practice. Understand functional requirements for record keeping in an electronic environment such as access, security, preservation, storage, etc.
Supervisory	Able to interpret and apply guidelines for financial records management including, for paper: arrangement, tracking, transfer, storage, etc; for electronic: access, security, preservation, storage, etc.
Operational	Able to follow procedures for paper and electronic financial records management

HUMAN RESOURCES: TRAINING NEEDS ASSESSMENT		
RECORDS MANAGEMENT CO-ORDINATION		
Is there a designated individual with responsibility for all records within a ministry, department or agency?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, does this individual receive training from the national records and archives institution? If no, comments.</i>
Is there a member of staff at the national records and archives institution who has appropriate knowledge of financial and electronic records? <i>(NB financial systems are usually the first to be automated)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Does the national records and archives institution issue written guidance to records staff within ministries?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, what does the guidance cover? (tick all that apply). If no, comments?</i> <input type="checkbox"/> duties <input type="checkbox"/> responsibilities <input type="checkbox"/> regulations <input type="checkbox"/> procedures <input type="checkbox"/> other (please specify)
Does the National Archives provide any training to ministry staff responsible for managing financial records?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, please indicate at what levels this training is provided. (tick all that apply) and comment on the nature of the training.</i> <input type="checkbox"/> records clerk <input type="checkbox"/> accounts clerk <input type="checkbox"/> records supervisor <input type="checkbox"/> accountant <input type="checkbox"/> records manager <input type="checkbox"/> senior accountant
Do accountants know the regulations as they apply to records, prescribed in the government Financial Instructions and/or Accounting Manual.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, comment on how this is assessed. If no, comments.</i>

HUMAN RESOURCES: TRAINING NEEDS ASSESSMENT		
RECORDS MANAGEMENT CO-ORDINATION CONTINUED		
<p>Do records managers in the national records and archives institution know the regulations as they apply to records, prescribed in the government Financial Instructions and/or Accounting Manual.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If yes, comment on how this is assessed. If no, comments.</i></p>
<p>Score: (circle one)</p> <p>1 2 3 4</p>	<p>Score Justification and Additional Comments:</p>	

HUMAN RESOURCES: TRAINING NEEDS ASSESSMENT

EDUCATION/QUALIFICATIONS OF STAFF IN LINE MINISTRIES

Accounting staff

Are accounts clerks in line ministries with record keeping duties expected to be secondary school leavers or have obtained passes in general examinations?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, do those in post have appropriate qualifications? If no, comments.</i>
Do accounts clerks with record keeping duties in post have basic numeracy skills?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Comments:
Do accounts clerks with record keeping duties in post have basic literacy skills?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Comments:
Do accounts clerks with record keeping duties in post have basic communication skills in the language of government?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Comments:
Are accountants who supervise clerks with record keeping duties expected to have obtained passes in general and advanced examinations?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, do those in post have appropriate qualifications? If no, comments.</i>
Are senior accountants managing those with record keeping duties expected to have obtained passes in advanced level examinations or a university degree?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, do those in post have appropriate qualifications? If no, comments.</i>

HUMAN RESOURCES: TRAINING NEEDS ASSESSMENT

EDUCATION/QUALIFICATIONS OF STAFF IN LINE MINISTRIES CONTINUED

Records staff

Are records clerks in line ministries expected to be secondary school leavers or have obtained passes in general examinations?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, do those in post have appropriate qualifications? If no, comments.</i>
Do records clerks in post have basic numeracy skills?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Do records clerks in post have basic literacy skills?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Do records clerks in post have basic communication skills in the language of government?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>Comments:</i>
Are records supervisors expected to have obtained passes in general and advanced level examinations?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, do those in post have appropriate qualifications? If no, comments.</i>
Are records managers expected to have obtained passes in advanced level examinations or a university degree?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, do those in post have appropriate qualifications? If no, comments.</i>
Score: (circle one) 1 2 3 4	Score Justification and Additional Comments:	

HUMAN RESOURCES: TRAINING NEEDS ASSESSMENT

INDUCTION TRAINING FOR STAFF

<p>Is adequate induction training in the keeping of records provided for civil servants?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If yes, are these areas covered (tick all that apply)? Is induction training timely? Is it mandatory? If no, comments.</i></p> <input type="checkbox"/> <i>Duties of staff under the National Archives Act</i> <input type="checkbox"/> <i>Service regulations with respect to records</i> <input type="checkbox"/> <i>Security and custody of records</i>
<p>Is there adequate induction training, ie addressing record handling issues in more detail, for all records staff in the national records and archives institution and line ministries?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If yes, what areas are covered? Is induction training timely? Is it mandatory? If no, comments.</i></p>
<p>Score: (circle one)</p> <p>1 2 3 4</p>	<p>Score Justification and Additional Comments:</p>	

HUMAN RESOURCES: TRAINING NEEDS ASSESSMENT

FURTHER/ON-GOING TRAINING

Is adequate formal training provided to records supervisors and their seniors on records management principles and practices?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, is attendance mandatory? Please comment on the percentage (%) of those eligible who actually attend these courses. If no, comments.</i>
Is adequate formal record keeping training provided for accounts clerks with records duties?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, who provides this training (tick all that apply). If no, comments.</i> <input type="checkbox"/> Civil service training college <input type="checkbox"/> Other in-country organisation <input type="checkbox"/> Regional <input type="checkbox"/> Overseas <input type="checkbox"/> Other (please specify)
Is adequate formal record keeping training provided for records clerks?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, who provides this training (tick all that apply). If no, comments.</i> <input type="checkbox"/> Civil service training college <input type="checkbox"/> Other in-country organisation <input type="checkbox"/> Regional <input type="checkbox"/> Overseas <input type="checkbox"/> Other (please specify)
Is adequate formal training provided for records supervisors responsible for staff in supervisory skills?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, who provides this training (tick all that apply). If no, comments.</i> <input type="checkbox"/> Civil service training college <input type="checkbox"/> Other in-country organisation <input type="checkbox"/> Regional <input type="checkbox"/> Overseas <input type="checkbox"/> Other (please specify)
Is adequate formal training provided to records managers responsible for managing staff in management skills?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, who provides this training (tick all that apply). If no, comments.</i> <input type="checkbox"/> Civil service training college <input type="checkbox"/> Other in-country organisation <input type="checkbox"/> Regional <input type="checkbox"/> Overseas <input type="checkbox"/> Other (please specify)

HUMAN RESOURCES: TRAINING NEEDS ASSESSMENT

FURTHER/ON-GOING TRAINING

<p>Is adequate formal records management training provided for accountants responsible for keeping financial records?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If yes, who provides this training (tick all that apply). If no, comments.</i></p> <p> <input type="checkbox"/> Civil service training college <input type="checkbox"/> Other in-country organisation <input type="checkbox"/> Regional <input type="checkbox"/> Overseas <input type="checkbox"/> Other (please specify) </p>
<p>Is adequate formal records management training provided for records staff in the national records and archives institution?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If yes, who provides this training (tick all that apply). If no, comments.</i></p> <p> <input type="checkbox"/> Civil service training college <input type="checkbox"/> Other in-country organisation <input type="checkbox"/> Regional <input type="checkbox"/> Overseas <input type="checkbox"/> Other (please specify) </p>
<p>Are participants in records management training and management courses assessed to determine that the skills taught have been acquired?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If yes, describe the method of assessment. If no, comments.</i></p> <p> <input type="checkbox"/> records clerks <input type="checkbox"/> accounts clerks <input type="checkbox"/> records supervisors <input type="checkbox"/> accountants <input type="checkbox"/> records managers <input type="checkbox"/> senior accountants </p>
<p>Score: (circle one)</p> <p style="font-size: 1.2em; letter-spacing: 1em;">1 2 3 4</p>	<p>Score Justification and Additional Comments:</p>	

HUMAN RESOURCES: TRAINING NEEDS ASSESSMENT

ASSESSMENT AND PROMOTION

Are staff promoted because of good performance?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, comment on how this is assessed. If no, comment on factors leading to promotion.</i>
Are staff required to sit exams before to being awarded promotion?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, does this apply to staff of all grades? (tick all that are appropriate). If no, comments.</i> <input type="checkbox"/> records clerks <input type="checkbox"/> accounts clerks <input type="checkbox"/> records supervisors <input type="checkbox"/> accountants <input type="checkbox"/> records managers <input type="checkbox"/> senior accountants
Are staff required to have adequately completed a number of training courses prior to being awarded promotion?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, what courses and how are they measured. If no, comments.</i>
Score: (circle one) 1 2 3 4	Score Justification and Additional Comments:	

SUMMARY OF SCORES

CATEGORY	POOR	INADEQUATE	ADEQUATE	GOOD
Central support				
Education/Qualifications of staff in line ministries				
Induction training for staff				
Further/on-going training				
Assessment and promotion				
TOTAL				

Conclusions and Recommendations:

FURTHER INFORMATION

International Organisations

International Organization for Standardization (ISO)

1, rue de Varembe, Case postale 56
CH-1211, Geneva 20
Switzerland
Tel: +41 22 749 0111
Fax: +41 22 733 3430
Email: central@iso.ch

The International Organization for Standardization (ISO) is a worldwide federation of national standards bodies from some 130 countries, one from each country. ISO is a non-governmental organization established in 1947. The mission of ISO is to promote the development of standardization and related activities in the world with a view to facilitating the international exchange of goods and services, and to developing cooperation in the spheres of intellectual, scientific, technological and economic activity. ISO's work results in international agreements which are published as International Standards. Standards can be ordered from the ISO through the website.

International Federation of Accountants (IFAC)

535 Fifth Avenue
26th Floor
New York, NY
10017, US
Tel: +1 212 286 9344
Fax: +1 212 286 9570
Email: mariahermann@ifac.org
Website: <http://www.ifac.org/>

IFAC is a world-wide organisation of national professional accountancy organisations that represent accountants employed in public practice, business and industry, the public sector and education, as well as specialised groups that interface frequently with the profession. Currently, it represents over two million accountants. IFAC strives to develop the profession and harmonise its standards world-wide to enable accountants to provide services of consistently high quality in the public interest.

International Organisation of Supreme Audit Institutions (INTOSAI)

General Secretariat

Austrian Court of Audit

Dampfschiffstrasse 2

A-1033 Wien, Austria

Tel: +43 1 711 71-8350/8478

Fax: +43 1 718 09 69

Email: intosai@rechnugshof.gv.at

Website: <http://www.intosai.org> (Languages: English, French, German, Spanish. With links to regional groups)

INTOSAI is the professional organisation of supreme audit institutions (SAI) in countries that belong to the United Nations or its specialised agencies. SAIs play a major role in auditing government accounts and operations and in promoting sound financial management and accountability in their governments. As citizens, international donors and others have increasingly higher expectations of national governments, these governments depend on SAIs to help ensure public accountability. INTOSAI supports its members in this task by providing opportunities to share information and experiences about the auditing and evaluation challenges facing them in today's changing and increasingly interdependent world.

Regional branches:

- AFROSAI -- African Organisation of Supreme Audit Institutions
- ARABOSAI -- Arab Organisation of Supreme Audit Institutions
- ASOSAI -- Asian Organisation of Supreme Audit Institutions
- CAROSAI -- Caribbean Organisation of Supreme Audit Institutions
- EUROSAI -- European Organisation of Supreme Audit Institutions
- OLACEFS -- Organisation of Latin American and Caribbean Supreme Audit Institutions
- SPASAI -- South Pacific Association of Supreme Audit Institutions

International Consortium on Governmental Financial Management (ICGFM)

Website: <http://www.financenet.gov/icgfm.htm>

The ICGFM is a world-wide communication network of financial managers, accountants, auditors and economists at the municipal, state, federal (US) and international levels to promote better understanding of governmental financial management. It is the only world-wide international grouping of organisations and people actively involved in government financial management, representing over 250,000 interested people.

International Council on Archives (ICA)

60, rue des Francs-Bourgeois

75003 Paris, France

Tel: +33 01 40 27 63 06

Fax: +33 01 62 72 20 65

Email: 100640@compuserve.com

Website: <http://www.ica.org> [under construction as of March 2001]

The ICA is the professional organisation of the world archival community, dedicated to the preservation, development and use of the world's archival heritage. The International Council on Archives brings together national archival institutions, professional associations of archivists, regional, local and other archival facilities and individual archivists. The ICA has more than 1,450 members in 170 countries and territories. It is a non-governmental organisation, and it works in close co-operation with inter-governmental organisations like UNESCO and the Council of Europe. It also maintains close links with other non-governmental organisations.

ICA's wide-ranging international activities include:

- a general programme of publications and conferences
- a development programme, promoting co-operation within and between regional branches
- a European programme promoting archival co-operation in Europe
- a professional programme carried out by the sections and committees
- a series of special projects, many in conjunctions with UNESCO and other international organisations.

The ICA has a full-time Secretariat based in Paris that undertakes the general administration of the organisation. The professional output of ICA comes from its network of members and contacts throughout the world. The ICA includes regional branches, sections, committees and project groups involved with a range of records and archives issues.

REGIONAL BRANCHES

- ALA: Asociacion latinoamericana de archivos
- ARBICA: Arab Regional Branch
- CARBICA: Caribbean Regional Branch
- CENARBICA: Regional Branch for Central Africa
- EASTICA: East Asian Regional Branch
- ESARBICA: Eastern and Southern Africa Regional Branch
- PARBICA: Pacific Regional Branch
- SARBICA: Southeast Asian Regional Branch
- SWARBICA: South and West Asian Regional Branch
- WARBICA: West African Regional Branch

SECTIONS

- ICA/SAE: Section for Archival Education and Training
- ICA/SBL: Section of Business and Labour Archives
- ICA/SIO: Section of Archivists of International Organizations

- ICA/SKR: Section of Archives of Churches and Religious Denominations
- ICA/SMA: Section of Municipal Archives
- ICA/SML: Provisional Section on Military Archives
- ICA/SPA: Section of Professional Archival Associations
- ICA/SPP: Section of Archives of Parliaments and Political Parties
- ICA/SUV: Section of University and Research Institution Archives

COMMITTEES

- Committee on Archival Buildings and Equipment
- Committee on Descriptive Standards
- Committee on Electronic and other Current Records
- Committee on Information Technology
- Committee on Archival Legal Matters
- Committee on Preservation of Archival Materials
- Committee on Sigillography

PROJECT GROUPS

- Project Group on Terminology
- Project Group on Architectural Records
- Project Group on Audio-Visual Records
- Project Group on Protection of Archives in the Event of Armed Conflict or Other Disasters
- Project Group on Literature and Art Archives.

Association of Records Managers and Administrators (ARMA International)

4200 Somerset Drive, Suite 215

Prairie Village, KS

66208-0540 US

Tel: +1 800 422-2762/ +1 913 341 3808

Fax: +1 913 341 3742

Email: hp@arma.org

Website: <http://www.arma.org/>

ARMA International is a not-for-profit association of over 10,000 information professionals in the United States, Canada and over 30 other nations. The ARMA website includes links to other professional associations involved with records management and includes an extensive 'bookstore' with a wide range of advice and information from introductory to expert.

National or Regional Organisations

Chartered Institute of Public Finance and Accountancy (CIPFA)

3 Robert Street
London WC2N 6BH
UK
Tel: +44 20 7453 5600
Fax: +44 20 75435700
Website: <http://www.ipf.co.uk/>

CIPFA offers specialised training for accountants in the public services. It also provides cost effective, relevant support services designed to keep financial professionals informed with the latest thinking on key public sector issues.

General Accounting Office (GAO)

441G Street, NW
Washington, DC
20548, US
Website: <http://www.gao.gov>

The General Accounting Office exists to support the United States Congress in meeting its Constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds, evaluates federal programs and activities, and provides analyses, options, recommendations, and other assistance to help the Congress make effective oversight, policy, and funding decisions. In this context, GAO works to continuously improve the economy, efficiency, and effectiveness of the federal government through financial audits, program reviews and evaluations, analyses, legal opinions, investigations, and other services. Publications produced by the GAO are available for download on the website or may be ordered in hard copy.

National Archives of Australia (NAA)

PO Box 34
Dickson
Canberra, ACT 2602 Australia
Fax: +61 6 257 7564
Website: <http://www.naa.gov.au>

The NAA offers a number of publications free along with information on the management of public sector records in Australia. The NAA participates in international activities and makes many of its resources available on its website.

National Archives and Records Administration (NARA)

700 Pennsylvania Avenue, NW
Washington, DC
20408, US
Fax: +1 202 208 5248
Website: <http://www.nara.gov/>

NARA is an independent federal agency of the United States government, responsible for preserving the nation's history and managing its federal records. Details of NARA publications available on records and archives management issues can be found on their website.

Public Record Office (PRO)

Kew, Richmond
Surrey TW9 4DU, UK
Tel: +44 208 876 3444
Fax: +44 208 878 8905
Website: <http://www.pro.gov.uk>

The PRO in the United Kingdom seeks to ensure that public records are preserved for present and future access and to raise awareness of the importance of caring for records and archives. Work on developing standards for the management of records can be accessed through the website.

State Records Authority of New South Wales (SRA)

Level 3, 66 Harrington Street
The Rocks
Sydney, NSW 2000
Australia
Tel: +61 2 9237 0200
Fax: +61 2 9237 0142
Email: srecords@records.nsw.gov.au
Website: <http://www.records.nsw.gov.au>

The website of the SRA offers valuable information on records management including on-line versions of records keeping standards and the *Government Recordkeeping Manual*.

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GLOSSARY⁶

A

Accountability: A key concept in governance and management. It means that persons are held responsible for carrying out a defined set of duties or tasks, and for conforming with rules and standards applicable to their posts. It confers a duty to give answers with respect to responsibilities assigned. The person or body to which individuals answer for their actions is made explicit and they may be rewarded for good performance or suffer the consequences of inadequate performance. A manager may also be held accountable for the actions of subordinate staff. In relation to work carried out by government ministries and agencies, accountability may be (i) **internal**, to a higher level of management, in which staff and managers are assessed on a regular basis on the way in which they have carried out the tasks set out in their job description,; (ii) **external**, to the legislature, the public or central agencies such as the audit institution for their own performance (and in the case of senior officials, for the performance of the organisation which they manage). Effective accountability must include answerability and consequences, and requires the provision of sufficient resources and management authority.

Accountant General: The chief accounting officer of the government.

Accounting: The classification and recording of financial transactions and events.

Accounting Manual: Descriptive procedures detailing how, and by whom, accounting tasks should be carried out in accordance with legislative and regulatory provisions.

Accounting system: The means by which the management of an enterprise assembles and analyses information regarding the income, expenditure, assets and liabilities to help it control the business, safeguard the assets, prepare financial statements and comply with legislation.

Administrative records: Records relating to those general administrative activities common to all organisations, such as maintenance of resources, care of the physical plant or other routine office matters. Also known as housekeeping records.

Appraisal: The process of determining the value of records for further use, for whatever purpose, and the length of time for which that value will continue. Also known as evaluation, review or selection.

Archival institution: The agency responsible for selecting, acquiring, preserving, and making available archives. Also known as an archival agency or archives. *Note:* To avoid confusion, the term archives is used to refer to an institution only in formal titles such as records and archives institution or National Archives.

Archival repository: A building or part of a building in which archives are preserved and made available for consultation. Also known as an archives.

Archives: Records, usually but not necessarily non-current records, of enduring value selected for permanent preservation. Archives will normally be preserved in an archival repository. *See* also *Archival institution*, *Archival repository*.

⁶ Definitions are drawn from a number of sources including Auditing Standards Committee, *Auditing Standards* (INTOSAI 1991); Salvatore Schiavo-Campo and Daniel Tommasi, *Managing Government Expenditure* (Asian Development Bank, 1999), Laura Millar and Michael Roper [eds], *Glossary*, Management of Public Sector Records Study Programme (IRMT 1999); UK National Audit Office, *Public Audit Manual* (NAO, UK).

Arrangement of records: The whole process of analysing the organisation of sets of archives, whereby their provenance and original order are understood and the archives are set into groups, series and items in an order that preserves and reflects that understanding.

Audit evidence: Reliable, sufficient and relevant information used by auditors to substantiate transactions (authorisation, correctness and propriety) and to document the design and operation of internal control systems.

Audit[ing]: Expert examination of financial compliance or performance, carried out to satisfy the requirements of management (internal audit), or an external audit entity, or any other independent auditor, to meet statutory obligations (external audit).

Audit trail: The trail of documentary and other evidence used by auditors to test the integrity of financial and business systems enabling a complete analysis of the composition of all aggregated figures and the tracing of a particular transaction to the aggregate in which it is contained.

Audited Accounts: Consolidated financial statement produced and published annually as approved by external auditors.

B

Budget: A statement of a financial position for a specified period of time, based on estimates of expenditure and proposals for financing them.

Budgeting: The process whereby an organisation plans for its future financial activities.

C

Case papers/files: Papers or files relating to a specific action, event, person, place, project, or other subject. Also known as dossiers, dockets, particular instance papers, project files or transactional files.

Cash Book: A book in which account is kept of cash/cheques received and paid out.

Central government: All governmental elements that are agencies or instruments of the central authority of a country whether covered in or financed through ordinary or extraordinary budgets or extra budgetary funds. This includes funds at the central government level, decentralised agencies, departmental enterprises, social security funds operating at the national level and relevant non-profit institutions attached to the central authority, and geographical extensions of central government authority that may operate at regional or local levels without the attributes necessary for existence as a separate government.

Chart of Accounts: See *Classification System*

Classification: Identification of each transaction according to the established classification system.

Classification system: In finance, the revenue and expenditure categories established by the government to plan revenues, expenditures, financing, and other financial flows in the budget/planning system, and subsequently used as codes in the accounting system to classify actual revenues, expenditures, financing and other flows, and to record assets and liabilities. The classification system also embraces the various analysis derived from such a system.

Commitments: A stage in the expenditure process at which the ministries or departments, within their allocations, enter into contracts or other forms of agreement if required, for immediate purchase or future delivery of goods and services.

Competencies: The levels of knowledge, skills and experience achieved by an individual in relation to the range of jobs he or she may be called upon to perform.

Computerised Record: See *Electronic Record*

Continuum concept: A consistent and coherent process of records management throughout the life of records, from the development of the record keeping systems through the creation and preservation of records, to their retention and use as archives.

Contract: Any legally binding agreement entered into between two parties, for example, to carry out works or supply goods on certain terms.

Corruption: The abuse of public or private position for direct or indirect personal gain.

Current records: Records regularly used for the conduct of the current business of an organisation or individual. Also known as active records. Current records will normally be maintained in or near their place of origin.

D

Data (pl.): The representation of information in a formalised manner suitable for communication, interpretation and processing, generally by a computer system. *Note:* the term 'raw data' refers to unprocessed information.

Database: A structured assembly of logically related data designed to meet various applications but managed independently of them.

Data Processing: (1) Refers to a class of programs that organise and manipulate data, usually large amounts of numeric data. Accounting programs are the prototypical examples of data processing applications. (2) Same as Information Technology, refers to all computing functions within an enterprise.

Decentralisation: Reorganisation of powers and responsibilities from a central to a local authority.

Destruction: The disposal of documents of no further value by incineration, maceration, pulping, shredding or another secure method as designated.

Digital Record: See *Electronic Record*

Disposal: The actions taken with regard to records as a consequence of their appraisal and the expiration of their retention periods. *Note:* Disposal is not synonymous with destruction, though that may be an option. Also known, especially in North America, as disposition.

Disposal schedule: The control document recording appraisal decisions and prescribing disposal action. Also known as disposal list, disposition schedule, records schedule, retention schedule, retention and disposal (or disposition) schedule or transfer schedule.

Document: A unit of recorded information.

E

Electronic Record: An electronic record is a record that can be manipulated, transmitted or processed by a computer.

Estimates: A statement of how government proposes to spend the public funds that it seeks for the next financial year.

Evidence: Information or proof admitted into judicial proceedings and relevant to a specific case to establish an alleged or disputed fact.

Expenditure: All non-repayable and non-repaying payments by government, whether required or unrequired and whether for current or capital purposes.

External audit: The independent examination and expression of opinion on the accounts or financial statements of the audited body by an appointed auditor in pursuance of his appointment and in compliance with any statutory obligation.

F

Financial Instructions: Set of regulations deriving from legislation that describe the accounting functions and assign levels of responsibility.

Financial management: The planning, controlling, implementation and monitoring of fiscal policies and activities, including the accounting and audit of revenue, expenditure, assets and liabilities.

Financial (or fiscal) value: The primary value of records for the continuance of the financial or fiscal business of the creating agency or a successor in function or as evidence thereof (such as for audit).

Financial records: Records resulting from the conduct of business and activities relating to financial management.

Financial year (FY): Any period of twelve months adopted by an organisation as its accounting year.

Form: A printed document with blank spaces for information to be inserted, used to standardise the collection and interpretation of data.

Forms management: The area of general management concerned with maintaining control over the use of forms including version control.

Fraud: The severest form of an irregularity. In respect of expenditure, it includes any intentional act or omission relating to: the use or presentation of false, incorrect, or incomplete statements or documents; nondisclosure of information in violation of a specific obligation; the misuse of such funds for purposes other than those for which they were originally granted; which has as its effect the misappropriation or wrongful retention of funds, or the illegal diminution of the resources of the budget.

Function: The means by which an organisation or system fulfils its purpose.

G

Good practice: Good practices are documented strategies and tactics employed by organisations. No organisation is 'best-in-class' in every area; such an organisation does not exist. Good practice as defined here reflects the continuous process of learning, feedback, reflection and analysis of what works (and what does not) and why. It draws on practical experiences and professional standards. Organisations that pursue appropriate good practices deliver higher levels of performance.

Government: A generic term applying to all instrumentalities of the public authorities of any territorial area or its parts, established through political processes, exercising a monopoly of compulsory powers within the territorial area or its parts, motivated by considerations of public purposes in the economic, social, and political spheres, and engaged primarily in the provision of public services differing in character, cost elements, and source of finance from the activities of other sectors.

I

Identifier: The number allocated to a series in order to identify and control it.

Information: Knowledge that is communicated. Information is not tangible until it is represented as data or recorded in a document.

Information system: The combination of information, technology, processes and people brought together to support a given business objective.

Information and Communications Technology (ICT): The infrastructure needed to move large quantities of information from one place to another efficiently and securely.

Input: Any resource required for the functioning of a process, in the course of which it will be transformed into one or more outputs.

Internal Audit: The functional means by which the managers of an entity receive an assurance from internal sources that the processes for which they are accountable are operating in a manner which will minimise the probability of the occurrence of fraud, error or inefficient or uneconomic practices. It has many of the characteristics of external audit but may properly carry out the directions of the level of management to which it reports.

Intranet: An internal computer network that belongs to an organisation and is accessible only by that organisation's members.

Inventory: See *Records Inventory*

Integrated Financial Management System (IFMS): A computer based integrated financial management system including budgeting, ledger/stores, cash accounts, with the ability to produce final accounts.

L

LAN: See *local area network*.

Ledger: An accounting record used formally as part of the accounting records to list and aggregate transactions of a similar nature (together with summary details to identify each transaction, eg a sales ledger).

Life-cycle concept: A concept that draws an analogy between the life of a biological organism, which is born, lives and dies, and that of a record, which is created, is used for so long as it has continuing value and is then disposed of by destruction or by transfer to an archival institution.

Local area network: A computer network located within a relatively limited area such as a building, agency or university campus. Also known as a LAN.

Local government: Governmental units exercising an independent competence in the various rural and/or urban jurisdictions of a country's territory. For example, local government units may include counties, municipalities, cities, towns, townships, boroughs, school districts, water and sanitation districts, combinations of contiguous local governments organised for various purposes, etc.

M

Mainframe: A very large and expensive computer capable of supporting hundreds, or even thousands, of users simultaneously.

Management of Public Sector Records Study Programme (MPSR): A suite of training materials intended to raise the standard of records and information training and thus the care of the information resources comprising essential evidence of public accountability, through self-study or distance learning.

Materiality: Significance of information in relation to a set of financial or performance indicators or standards. Materiality depends on the significance of the information to its users. (ADB) Information is material if its non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Metadata: The information about a record that explains the technical and administrative processes used to create, manipulate, use and store that record.

N

National records and archives institution: See *Archival Institution*.

Network: See *Computer Network*.

O

Operational records: Records created for the purpose of carrying out the core functions of an organisation. Also known as functional records.

Original order: The order in which documents were created, arranged and maintained by the office of origin.

Output: The product of the transformation of inputs by a process.

P

Preservation: A term referring to the passive protection of archival material in which no physical or chemical treatment to the item occurs.

Process (1): The means whereby a system's functions are performed.

Process (2): The means whereby an organisation carries out any part its business.

Process (3): A systematic series of actions a computer uses to manipulate data.

Provenance: The organisation or individual that created or received, maintained and used *records* while they were still current.

Public sector: General government, plus all public enterprises.

R

Reconciliation: A statement of the entries bringing into agreement balances from two different sources.

Record (1): A document regardless of form or medium created, received, maintained and used by an organisation (public or private) or an individual in pursuance of legal obligations or in the transaction of business, of which it forms a part or provides evidence.

Record (2): A complete set of information in a database; records are composed of fields, each of which contains one item of information. *Note:* the term database record is used in this study programme as database record, to distinguish it from record (1).

Record keeping: The processes of creating and maintaining complete and accurate records of business activities.

Records centre: A building or part of a building designed or adapted for the low-cost storage, maintenance and communication of semi-current records pending their ultimate disposal.

Records Disposition: See *Disposal Schedule*.

Records inventory: The gathering of basic information regarding the quantity, physical form and type, location, physical condition, storage facilities, rate of accumulation, uses and similar data about the records of an organisation.

Records management: The area of general administrative management concerned with achieving economy and efficiency in the creation, maintenance, use and disposal of the records of an organisation throughout their entire life cycle and in making the information they contain available in support of the business of that organisation.

Records management unit: The administrative unit of an agency responsible for the life-cycle management of that agency's records.

Records manager: The person in charge of a records management unit, usually with a recognised tertiary qualification.

Records office: The sub-unit of a records management unit responsible for the receipt, control and maintenance of current records. Also known as a registry.

Records retention schedule: See *Disposal Schedule*.

Records schedule: See *Disposal Schedule*.

Records series: See *Series*.

Reference model: The model defines the fundamental requirements for the management of financial records, and provides the tools for an evaluation of existing systems.

Registry: See *Records Office*.

Registry Supervisor: Officer supervising records clerks within a records office.

Risk analysis: A systematic process of assessing and integrating judgements about probable adverse conditions and/or events.

S

Scheduling: The process of appraising records and assigning disposition instructions, normally at the level of records series.

Semi-current records: Records required only infrequently in the conduct of current business. Also known as semi-active records. Semi-current records will normally be maintained in a records centre or other offsite intermediate storage pending their ultimate disposal.

Series: The level of arrangement of files and other records of an organisation or individual that brings together those relating to the same function or activity or having a common form or some other relationship arising from their creation, receipt or use. Also known as a file series, records series or class.

Standard: A definition, format or specification that has been approved by a recognised standards organisation or is accepted as a de facto standard by an industry.

System: A perceived whole whose elements 'hang together' because they continually affect each other over time and operate toward a common purpose. Systems consist of sub-systems or functions, processes, activities and tasks.

T

Tender: An offer by a potential supplier to supply a specified product or service at a specified cost.

Tender Board: A board of officers whose duty is to consider tenders that have been submitted.

Training: The act or process of teaching or learning a skill, discipline, etc.

Transaction records: Accounting records, in any media, documenting financial transactions and events, ie the receipt of revenue and the expenditure of public monies.

Transfer: The process of the controlled movement of records between locations according to an authorised disposal schedule.

Transfer schedule: See *Disposal Schedule*.

Treasury: The central accounting department of a government (also used to describe the accountant general's department).

U

Unique Identifier: See *Identifier*.

V

Vital records: Records considered critical to the ongoing operations of an organisation or the reestablishment of operation after an emergency or disaster.