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SI 655
Management of Electronic Records

Week 11 – April 6, 2009

Records and Accountability Environments:

Corporate Sector
Final Session – Week 13: April 20

• Course summary

• Course Project discussion
  – Investigate environment for accountability
    • laws, rules, regulations, and/or policies that were broken or are alleged to have been broken.
  – Identify consequences of inadequate recordkeeping for
    • Principals directly involved in the case,
    • Victims of the failure of recordkeeping systems
    • Public at large
  – Identify potentiality for recordkeeping mitigation via
    • Policies
    • Technologies
    • Tools
    • Best practices
OUTLINE

• Problem Solving Exercise (due today)
• Recordkeeping and Accountability Environments:
  - Corporate Sector
Problem Solving Assignment 1...

• Scenario 1: Large local real estate agency
  – compliance of ER with RKR (legal, audit)
  – data mining for patterns and trends
  – address
    • legal, policy, technical issues
    • organizational stakeholders
    • models / best practices

• Scenario 2: University Library
  – long term preservation of an IR
  – address
    • organizational stakeholders
    • most important issues
    • models / standards / best practices
  – define scope and responsibility and process for plan
Problem Solving Assignment 2...

- Scenario 3: Large Hospital System
  - migration of electronic patient records to new system with anticipated lifespan of 10 years
  - develop retention plan
    - Identify most important requirements for RK and long term preservation (longer than 10 years)
    - Define issue, explain importance, provide recommendations / options
IT in the Corporate Environment

• Affordances?
• Advantages?
• Accountability Risks?

• Opportunities for ERK/ERM?
  - Connections to course project
  - Exploring the Enron email dataset [http://www.cs.cmu.edu/~enron/](http://www.cs.cmu.edu/~enron/)
U.S. Legal and Political Context

• Goal: restore faith (trust) in financial markets
• Means: Act of Congress (easy to change / revoke)
• Methods: Record-based compliance
Sarbanes-Oxley Act (2002) 1...

• Expands
  – SEC filings
  – EDGAR System
  – Types of Transactions that have to be reported
  – Public Access to Filings
  – Penalties for records destruction

• RK implications
  – Capture / Retention / Preservation management
  – Chains of custody
  – NASD regulations (e-communications with clients) (Lansing & Grgurich)
Sarbanes-Oxley Act (2002) 2...

• Changes
  – Composition of Oversight Boards
  – Paper to Electronic SEC Filings
  – Timeliness of Filings

• Responsibility
  – CEO and CFO cannot delegate responsibility for certification
  – Increased penalties for violation

(Lansing & Grgurich)
Compliance

• Internal controls

• Compliance generally consists of three activities:
  – persuasion,
  – monitoring and
  – enforcement  (Archives New Zealand 2001)

• Performance of policies, procedures, RK, technologies, training, audit

• Compliance Tools
  – performance reporting; incident reports; self-assessment; external audits; inspections

• Cohasset/AIIM/ARMA 2007 survey revisited
Ex: ISO 17799 (IT – code of practice for information security management)

- A.5 Asset classification and control
- A.8 Communications and operations management
- A.9 Access control
- A.10 Systems development and maintenance
- A.11 Business continuity management
- A.12 Compliance

Contributory to SOX compliance
Ex. Computer Forensics

- Critical resource for law enforcement, auditing, Fortune 100 companies
- Uses: assist investigations > computer evidence; discovery; intrusion detection; recovery of temporary and deleted files
- Tool:
  - Enterprise Response, Auditing, and Discovery (ERD)
    - Noninvasive disk imaging on any disk connected to network
    - Noninvasive KW search and retrieval across network
    - Noninvasive audit and compliance checking re: usage policies via KW search and retrieval

(Patzakis)
Implications for Electronic Records

- Increased awareness of recordkeeping requirements in publicly traded companies
- Increased market for ERM systems
- Jobs for analysts, designers, auditors, and trainers for implementation
- Impact on corporate behavior remains to be seen
Context/Environments

- Context is important
  - Legal/Policy
  - Organizational
  - Functional
  - Technological
Organizational Environment

• Structural
  – Stable hierarchy
  – Laissez-faire
  – Distributed, collaborative, “emergent”

• Cultural
  – Rule-bound / compliant
  – Process / production oriented
  – Innovative, dynamic, re-configurable
Cultural Issues

• Jamaican Bank failures vs. US accounting scandals

• Jamaican Banking RK issues:
  – Missing, incomplete, untrustworthy and inaccurate records
    • damaged operational control (financial management, loan and deposit, risk, fraud)

• US Accounting RK issues
  – Incident reporting; improper destruction; mismanaged retention; falsification...

• Institutional vs. personal motivations
  – Many motivations for alternative / compliant RK reinforces need for control systems
  – Sociotechnical environment: usable...........perfect records

(Lemieux)