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Lake County, Florida

Audit of IT Records Management

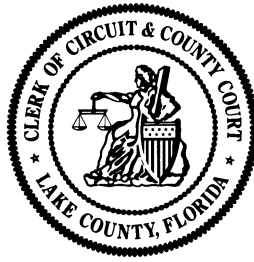
Internal Audit Division Audit Report

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Audit Conducted by:
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June 17, 2013

Board of County Commissioners

We have conducted our audit of the Records Management function of the Board of County Commissioners' Information Technology Division, as scheduled per the Clerk's Annual Internal Audit Plan.

We appreciate the cooperation and assistance provided by the Information Technology Department and also other local county and governmental entities contacted during the course of our audit.

Respectfully Submitted,

Bob Melton

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Director of Internal Audit

BM/jh

CC: Honorable Neil Kelly, Clerk of Circuit & County Court
David Heath, County Manager
Steve Earls, Director of Information Technology

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INTRODUCTION

Scope and Methodology

We conducted an audit of the Records Management function of the Lake County Board of County Commissioners' Information Technology Division, as scheduled per our Annual Audit Plan. Our audit objectives were:

1. To determine whether the County is in compliance with applicable laws and regulations.
2. To determine whether resources for the records management function are being used efficiently and effectively.
3. To determine the adequacy of controls regarding safeguarding, disclosure, and destruction of records.
4. To determine the appropriateness of the level of authority and responsibility of the Records Management Liaison Officer (RMLO).

To determine whether the County is in compliance with applicable laws and regulations, we reviewed the Department of State's General Records Schedules (GS1-SL) and the County's Records Management Program. We then observed processes and documentation, including sampling documents.

To determine whether resources are being used efficiently and effectively, we observed the RMLO during her performance of duties, reviewed processes and documentation, interviewed the DataOne OnBase system administrator, interviewed a sample of County departments and interviewed the Clerks Office's RMLO.

To determine the adequacy of controls regarding safeguarding, disclosure, and destruction of records, we observed the RMLO during her performance of duties and conducted tests of cartons and corresponding paperwork.

To determine the appropriateness of the level of authority and responsibility of the RMLO, we interviewed the Director of Information Technology and reviewed County policies and procedures as well as laws and regulations.

Our audit included such tests of records and other auditing procedures, as we considered necessary in the circumstances. The audit period was October 1, 2011 through February 28, 2013. However, transactions, processes, and situations reviewed were not limited by the audit period.

Overall Conclusion

We conclude that the County is in compliance with applicable laws and regulations. We conclude that resources are not being used efficiently and effectively for the following reasons: carton waste, lack of usage of the OnBase electronic records management module, and duplication of records management function within the County. Except for the untimely destruction of cartons, we conclude that controls regarding safeguarding, disclosure, and destruction of records are adequate. We conclude that the level of authority and responsibility of the RMLO is inappropriate. Opportunities for Improvement are included in this report.

Background

The County's Records Management Division stores, references, retains and retrieves public documents generated by most offices under the Lake County Board of County Commissioners. Citizens make their request to the appropriate Lake County department, and Records Management handles the requests from the departments. The Records Management division is made up of one full-time individual, the Senior Records Technician, with Records Management being a portion of her responsibilities. This individual also serves as the BCC's Records Management Liaison Officer (RMLO). Her primary tasks as the RMLO involve training the department Records Coordinators, providing departments with the resources necessary to retain paper records, transportation of records to and from the storage warehouse, preparing records for destruction and reporting to the state.

The County maintains only paper records for Records Management. These paper records are filed in cartons and stored at a main warehouse. The County has an electronic Records Management system in place (OnBase); however, it is not being used at this time.

All cartons are tracked through the use of Excel spreadsheets and departmental binders containing records documents from the departments.

The Information Technology Division is responsible for procuring the cartons to be used for storage. These cartons are distributed to the departments upon request. Carton destruction takes place at the Solid Waste Landfill. Records Management is billed according to pounds destroyed.

OPPORTUNITIES FOR IMPROVEMENT

Our audit disclosed certain policies, procedures and practices that could be improved. Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed.

1. The County BCC Should Consider Using the Clerk's Office to Store and Manage Records.

The current Records Management function within the County Information Technology Division (IT) consists of one individual who is responsible for all aspects of the function including: transporting records to and from storage, maintaining Excel spreadsheets of items in inventory, determining which cartons are due for destruction and when, transporting cartons to solid waste, preparing reports and documentation, training and records retrievals. IT is responsible for ordering and distributing empty cartons for each department. When cartons are authorized for destruction they are transported to the landfill to be incinerated, and Solid Waste then sends an invoice to IT.

Within the Clerk's Office there is an RMLO and five General Clerks who perform the Records Management function. Files and cartons are barcoded and tracked using an electronic system called TrakMan. TrakMan can be used to identify the location of any file or carton at any time. New cartons are procured by the individual departments; however, the RMLO keeps an inventory of the supply. Document destruction is done on premises by a contracted shredding company and paid for by the pound and then the cartons, if in good condition, are reused.

Some of the advantages to consolidating the Records Management function include:

- A. More efficient and accurate tracking of cartons and destruction dates.
- B. Improved carton management and decreased carton costs as cartons could be reused.
- C. Less duplication of services.
- D. Lower fuel and vehicle expenses due to fewer trips to the landfill.
- E. More secure and cost effective method of destruction.

The Clerk's Office will incur additional cost to perform the records management function for the County BCC. Any incremental cost incurred by the Clerk's Office should be funded as a condition of the agreement for the Clerk to perform the records management function for the BCC.

We Recommend management consider consolidating Records Management functions and negotiate an agreement with the Clerk's Office. We further recommend the County provide sufficient resources to the Clerk's Office.

Management Response: We do not concur. The county does not have resources available to provide to the Clerk's Office.

2. The County Should Use the OnBase Electronic Database System for Electronic Records Management.

The Records Management module of the DataOne OnBase system was purchased by the County on May 3, 2006 for \$16,000. Additionally, the County pays approximately \$3,600 per year for maintenance.

Very few departments are using OnBase for document retention, and the Records Management module is not being used at all. Setting up this module for use would require a collaborative effort between the departments and the OnBase system administrator. The departments would need to identify which types of documents will be retained in the database, as well as the record series and retention period for each document type. Once this information is known, the OnBase administrator would then be able to set this up in OnBase along with alerts and rules for actions to be taken upon retention expiration.

The County is not using the OnBase database system to scan and store electronic copies of documents in an effort to try to reduce time, fuel, solid waste costs and the amount of warehouse space being used. Once a paper record is scanned into an acceptable medium (OnBase is considered an acceptable medium), the hard copy then becomes obsolete and can be destroyed, thereby saving resources.

Benefits to using OnBase are:

- A. Less paper records, therefore less warehouse usage.
- B. More efficient records management.
- C. Better tracking of destruction dates.
- D. Higher percentage of destruction.

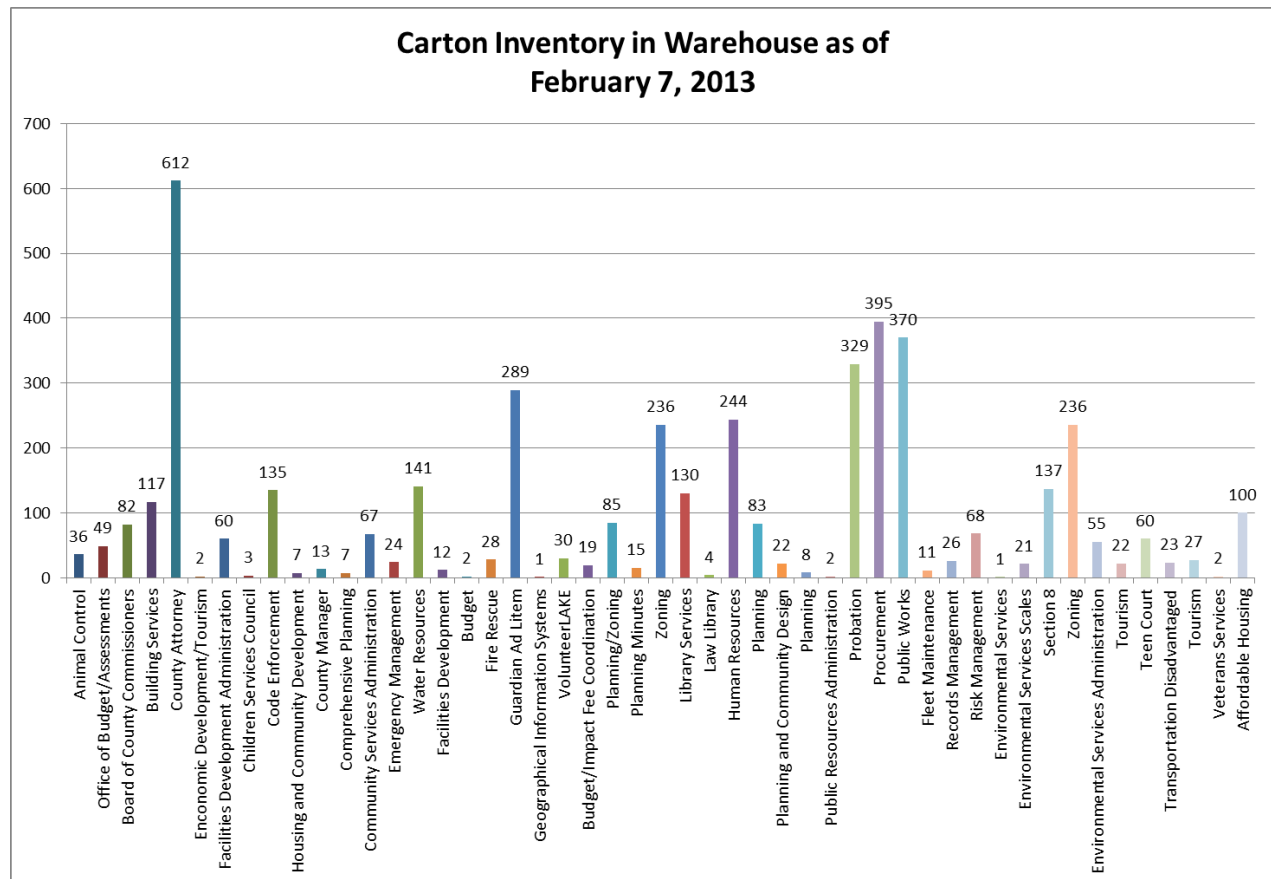
We Recommend management dedicate time and resources to fully implement the Records Management module of OnBase. Further, we recommend the RMLO work with the OnBase system administrator to setup the retention parameters in OnBase and include guidance in a documented policy to instruct departments to utilize electronic storage of records.

Management Response: We concur but may not have the resources to fully implement the recommendation due to budget reductions.

3. Designated Destruction Dates Should Be Enforced.

The County does not have a written policy to enforce the timely destruction of records and, therefore, approximately 54% (2,401) of the cartons in the warehouse are past their designated destruction dates. Currently, the RMLO has no authority to enforce the timely destruction of documents/cartons. Further, reasons for keeping cartons beyond their destruction dates are not noted within the spreadsheets used by the RMLO. Keeping cartons beyond their destruction dates results in excessive need for storage space in the warehouse.

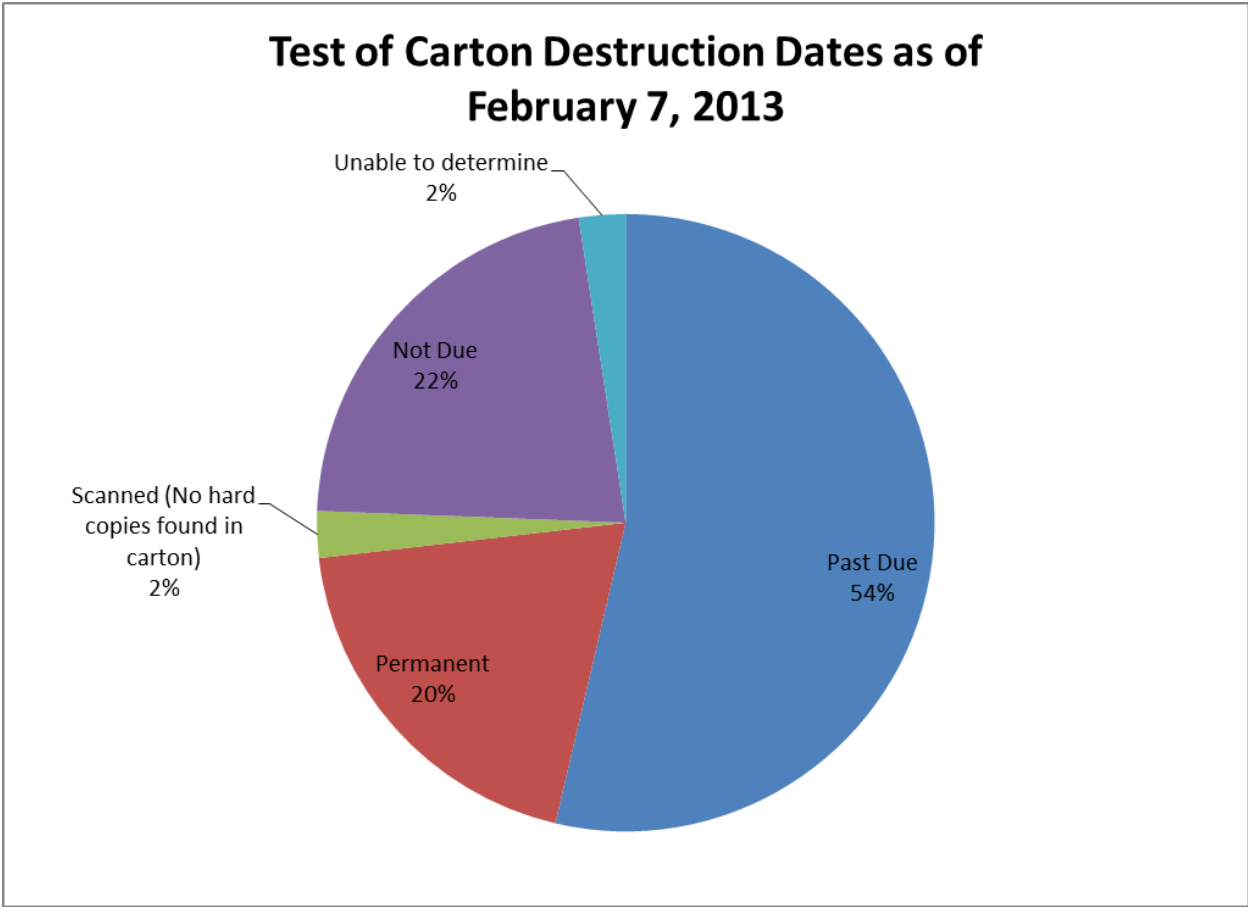
Below is a table depicting the number of cartons in storage for each division.



The County RMLO maintains a binder for each division within the County. The contents of these binders include the Records Transfer Lists, an itemized inventory sheet and a Records Inventory Worksheet. This "packet" of documents is necessary in identifying the contents of a carton and

the retention period. Specific information from these packets is entered into two spreadsheets which are maintained by the RMLO. The spreadsheets are used to keep a running inventory of what is in the warehouse and to determine which cartons are due for destruction. Additionally, these spreadsheets contain specific information about each carton in storage, such as carton number, division, record series, content date range, retention period and destruction date. During our testing, a sample of cartons was selected for each division and a physical inspection was performed.

Below is a table depicting the results of the destruction date tests performed.



We noted the following specific concerns during our testing:

- A. 54% (22 out of 41 tested or 2,401 of the total 4,448) of the cartons tested were past their destruction date. There were no Records Disposal Notices or any other type of documentation available for 21 of these cartons indicating why they were not destroyed on time or if the divisions were notified on a timely basis. Destruction dates should be followed unless there are extenuating circumstances and sufficient documentation to justify keeping the documents past the designated destruction date.

- B. In some instances, boxes were packed too full and were very heavy. Maximum weight standards should be established and enforced. Heavy boxes increase the risk of employee injury.
- C. Several documentation packets were incomplete (i.e. did not contain one or more of the following: Records Transfer List, Records Inventory Worksheet, or the itemized document inventory listing). To ensure records contain all necessary information, documentation packets should contain all required information. Otherwise, risk is increased that records may not be located readily or disposed according to the scheduled date.
- D. Two Records Transfer Lists did not contain the proper signatures. It is essential that proper approval and accountability be maintained for all record events. Without proper approval, there is increased risk that improper transfers could be made.
- E. Two cartons contained documents which did not match the carton label and ten cartons contained documents which were not found on the itemized inventory listing. Descriptions of the contents of cartons must be accurate to ensure records can be readily located. If records cannot be located, there is a possibility of liability to the County.
- F. Eleven cartons showed a destruction date which did not match the destruction date in the Records Management Audit spreadsheet. There were also several cases of inconsistencies between the date ranges on the cartons, the Records Transfer Lists, and Records Inventory Worksheet. It is necessary that records be accurate to avoid destruction errors and possible inability to locate certain records.
- G. One carton contained an "out-card" that only had a month and day on it with no year indicated. We were unable to determine how long the card has been in the carton. Procedures should be in place to follow-up on records that are out for extended periods of time. Without the full date on the out-card, effective follow-up is hindered or precluded.
- H. Two (7%) of the cartons had different "From" dates than what was in the Records Management Audit spreadsheet. To effectively track the documents, it is essential that document dates be accurately recorded. Otherwise, it may be difficult to locate specific documents.
- I. Two (7%) of the cartons had different "To" dates than what was in the Records Management Audit spreadsheet. To effectively track the documents, it is essential that document dates be accurately recorded. Otherwise, it may be difficult to locate specific documents.
- J. Three (10%) of the cartons had different "Disposition" dates than what was in the Records Management Audit spreadsheet. It is necessary that destruction dates be accurate to avoid destruction errors and possible inability to locate certain records.
- K. One (3%) of the cartons had a different "GS1-SL" records series than what was in the Records Management Audit spreadsheet. It is necessary that information related to

destruction dates be accurate to avoid destruction errors and possible inability to locate certain records.

- L. According to the Records Management Audit spreadsheet, 7 of the 30 cartons contained confidential documents and all 7 (100%) did not have any confidentiality indicators on the cartons. It is essential that confidential records be safeguarded from inappropriate disclosure. The disclosure of confidential documents could subject the County to potential liability.

We Recommend management:

- A. Work with the County Manager in developing a written procedure that helps to enforce the timely destruction of cartons. Justification should be documented in those instances when cartons are kept beyond their destruction dates. The justification should also be documented in the Excel spreadsheets.
- B. Establish weight limits for cartons and do not accept cartons that exceed the specified weight.
- C. Do not accept cartons which do not have a complete packet of documentation (Records Transfer List, Records Inventory Worksheet, Itemized Document Inventory Listing).
- D. Do not accept cartons if any required signatures are missing.
- E. Ensure that the carton contents match what is on the carton label and what is listed on all documentation.
- F., H., I., J. Ensure all dates between the carton, spreadsheets and documentation match.
- G. Ensure out-cards are completed in their entirety. "Out" information should also be noted on the spreadsheets.
- K. Ensure all records series numbers are correct and note where/why there are discrepancies.
- L. Place a confidentiality note on the carton label for cartons containing confidential materials.

Management Response: We partially concur with item A. The state retention schedules are the minimum time required to keep documents. Records may be kept longer when the custodian believes the records have value. We will seek to dispose of records that have met the required retention time and have lost value. We will retain records that are of value to the custodian. Our numbers indicate a total of 4545 boxes are currently being stored and 1533 have met the minimum retention requirements.

We concur with items B-L. We will scrutinize all records forms (paperwork) prior to accepting boxes of inactive records for storage at the Records Center.

4. Annual Training Should Be Conducted and Training Materials Should Be Updated.

The County's Records Management Intranet site contains links to several training materials including a Power Point presentation, , a quiz, a copy of the GS1-SL schedule and a copy of the 2009 Florida Sunshine Manual. We noted that the Sunshine Manual and the Basics of Records Management Handbook are outdated. More current versions are available. Additionally, we reviewed the Power Point presentation and took the quiz provided and found them to be adequate in covering the important aspects of Records Management. However, there is no requirement for Record Coordinators to review materials or take the quiz except when they are initially hired.

The Records Management Program document consists of various policies and procedures relating to records management. The document was dated September 20, 1995. Most of the content within the document is effective; however, there are some areas which need updating. For example, Section 3 makes reference to the records center being located on Bloxam Avenue in Tavares. The records center moved to CR 473 in August, 2011. Additionally, sections 6 and 7 contain the statement "will be available at a later date". Nothing has been added in these sections.

It is important that all documents relating to records management be current to ensure that policies and procedures are in accordance with the latest laws and regulations as well as current practices.

We Recommend management review existing policies, procedures and training materials for possible updates, to include updates to referenced forms and documents. Management should download and update the 2013 version of the Sunshine Manual and the October 2009 version of the State of Florida Basics of Records Management Handbook. Management should institute procedures to ensure all materials remain current. Additionally, we recommend management require all Record Coordinators to review all training materials, policies and procedures and take the quiz on an annual basis.

Management Response: We concur.

5. Network Access Should Be Established at the Storage Warehouse.

The RMLO maintains two separate Excel spreadsheets for the inventory of cartons in storage. The cartons are physically stored in a warehouse and the number of cartons, specific locations, and all retention information is tracked within these spreadsheets. Carton information must be obtained

prior to going to the warehouse and any changes in physical carton locations done on site must be noted on paper and then updated back in the office as there is no network connectivity at the warehouse. As a result, the process is inefficient and may cause unnecessary trips to the warehouse. To minimize records storage costs, computer access should be established where needed.

We Recommend management provide network connectivity at the warehouse in order to provide the RMLO the ability to look up carton information and update carton locations as needed on site.

Management Response: We concur.

6. The RMLO's Current Title Does Not Match The Job Description.

The RMLO's organizational title is "Office Associate II"; however her job description is for that of a "Records Management, Senior Technician, Department of Community Services, Division of Library Services Records Management".

We Recommend management suggests a title change to Senior Records Technician and/or updates the job description. The County should have a formal Records Management designation.

Management Response: We concur.