IMS 5047 – MANAGING BUSINESS RECORDS

TOPIC 2 - Analysis

Two of the objectives of this course are for students to develop a knowledge and understanding of:
• the business processes that recordkeeping activities support
• the evidential requirements for evidence of business activities that exist in the workplace.
Topic 2 addresses these objectives.

Week Three: Organisational analysis – processes of corporate and social regulation

Reading: on website & Library list for IMS 5047
Paper by Anne Picot and Frank Upward, Corporate and Social Regulation: An Introduction, 2004 (Electronically available from the library, also attached to unit website reading list)
AS ISO 15489 – Pt 1, s.5., & AS ISO 15489 – Pt2, s.3.2.2
Sue McKemmish, Yesterday, Today and Tomorrow: A Continuum of Responsibility, 1997
Optional reading: Kennedy and Schauder, Ch3, Corporate Recordkeeping Requirements in the Australian Environment.

Introduction

Core methodology & principles in AS ISO 15489 are based on functional analysis.
Definition = analysis of the business functions and activities of the organisation and the environment in which it operates.

This involves two key steps which I have expanded to three levels

1. Organisational environment (AS ISO 15489, step 1; DIRKS Step A)
   • legal framework
   • internal & external stakeholders
   • business, social & ethical standards expectations of the community or stakeholders.

2. Organisation’s business context (AS ISO 15489, step 1; DIRKS Step A)

3. Identify business functions/activities of the organisation (AS ISO 15489, step 2; DIRKS Step B)
   • goals, strategies
   • functions, and recurring actions
This results in an analysis of functions, ie. parts of an organisation and the functions and activities they perform.

**Purpose of organisational and functional analysis for recordkeeping?**

- To determine what it is the business does, what its accountabilities are, & therefore what records it should be generating, capturing, managing and making accessible
- To ensure that the organisation’s recordkeeping activities are placed in its broader legal & social context, so we know what records need to be kept to comply with legal, business & stakeholder expectations.

Let’s revisit some of the key principles behind the **records continuum**: “(Records) first and foremost provide evidence of the transactions of which they are a part - from this they derive their meanings and informational value. The effective creation and management of (records) are critical to their use and the role they play in governing relationships in society over time and space. Their effective creation and management are also preconditions of an information-rich society and underpin the public accountability of government and non-government organisations, freedom of information and privacy legislation, protection of people’s rights and entitlements, and the quality of the archival heritage, made up of documents of continuing value. The concept of the (record) can provide a framework for a greater shared understanding of the nature of recorded information, and of the importance of transactional records to the continuing functioning of a society.

Records continuum thinking is concerned about ideas about the role of recordkeeping which flow from this unifying concept - in five key areas. Firstly there is the role records play in governance, in regulating relationships between people and organisations, and as instruments of power and authority. Secondly, there is the nexus between recordkeeping and accountability in its broadest sense of accounting to each other for what we do to each other, encompassing corporate, social, cultural, and historical accountability. Thirdly, there is the role that recordkeeping plays in constituting corporate and collective memory, especially insofar as records capture experiential knowledge. Fourthly there is the way in which recordkeeping can be understood as a kind of witnessing, providing evidence of both personal and collective identity. And finally, there is the way records function as sources of value-added information and can be exploited as assets, with new records being created in the process.” Sue McKemmish, *Yesterday, Today and Tomorrow: A Continuum of Responsibility*, 1997 [http://www.sims.monash.edu.au/research/rcrg/publications/recordscontinuum/smckp2.html](http://www.sims.monash.edu.au/research/rcrg/publications/recordscontinuum/smckp2.html)

**Organisational Analysis – leading to Functional Analysis**

**Level 1: What do we need to understand about an organisation and its regulatory and social context?**

AS ISO 15489.1 (s.5) says:

“All organizations need to identify the regulatory environment which affects their activities and requirements to document their activities. The policies and procedures of organizations should reflect the application of the regulatory environment to their business processes. An organization should provide adequate evidence of its compliance with the regulatory environment in the records of its activities.
Legislation and regulations, governing specific sectors and the general business environment:
• Examples in the corporate or government domain? Corporations Law, OH&S, Workplace Relations, Taxation, Council by laws.

Email Task 3 relates to Monash University’s statutes and the requirement for records.

Mandatory standards of practice. What do these tell us?
• They generally reflect industry expectations about how organisations and practitioners conduct themselves in the relevant industry sector.
• Examples? Standards or codes issued by certain industry sectors, eg. Institute of Chartered Accountants, AMA. Good Manufacturing Practice (code), (medical) codes of ethics, ISO 9000 where stipulated by trading partners, industrial agreements.

Voluntary codes of best practice. What do these tell us?
• Agreed benchmarks or minimum practice standards for an industry or for any organisation.

Codes of conduct and ethics. What do these tell us?
• They reflect community expectations about how organisations and practitioners conduct themselves in the relevant industry sector. They are often developed by the industry with stakeholder input, and/or agreement.
• Examples? AS 8002 – Organizational Codes of Conduct

Identifiable expectations of the community about what is acceptable behaviour for the specific sector or organisation. Why do we care about what the community thinks?
• The community has a view on how government, or a particular industry or company should conduct its business. This will influence decisions about what records need to be generated, managed and retained to satisfy societal expectations.
• Examples? Think how society’s views have changed over the years about keeping central databases or registers of convicted pedophiles. Look at Frank’s example about the community’s attitude towards banks vs churches.
• AS 8003 – Corporate Social Responsibility (S1.4.1) defines corporate social responsibility as: “a mechanism for organisations to voluntarily integrate social and environmental concerns into their operations and their interaction with their stakeholders, which are over and above the organisation’s legal responsibilities”.

Where would we get this information from, on the organisation’s external environment?

Level 2: What do we need to know about the organisation’s business and political context?
Ask questions such as:
What sector does the organisation operate in?
Eg. private, public, not for profit.
What industry sector is it part of?
Eg. mining, employment, dog grooming.

Where is the organisation located?
Eg. Multiple offices, multiple states or countries, field offices, laboratories.

What is the organisation’s structure?
Eg. hierarchical, decentralised, centralised, etc.

Does it have subsidiary entities or parent entities; and what are the reporting relationships?
Eg. subsidiary companies, statutory bodies within a government portfolio.

What products and/or services does it produce?
Depends on the industry.

Who are its customers, clients, stakeholders?
Eg. Government, public, suppliers, clients, customers, public lobby groups, business partners, regulators and those regulated by the organisation.

Who are the organisation’s competitors?
Depends on the industry.

Which organisation governs its recordkeeping practices (if any), and under what Act?
Eg. State, Commonwealth, internal.

Does the organisation have any specific business drivers that require good recordkeeping?
Eg. risk management issues (such as past or current litigation), cost factors, business continuity concerns, potential sale or acquisition, performance measurement, customer service imperatives.

Can you define the corporate culture?
• This is the set of values, attitudes and beliefs that are shared by the members of your organisation. It emerges from long-established practices, procedures, structures and systems. Eg.
  > hierarchical, meaning that it is tightly structured and well defined
  > laissez-faire, meaning that it is unstructured and autonomous
  > regimented, meaning that it is strictly controlled, or
  > democratic, meaning that everyone has their say and more freedom is allowed in processes (from State Records NSW DIRKS Manual, Step A).

• Why is this important for recordkeeping initiatives?
Adoption/rejection of change, early or late adopters of technology, resistance to procedures.

What are the business functions and activities performed by the organisation (at a very high level)?
Eg. usually found in an annual report, strategic or business plan.
Where would we get this information from, on the organisation’s business context?
- Documentary sources – web, publications, records.
- Interviews – internal, external

**Level 3: Functional Analysis – see Week 4 Lecture Notes and Reading**