

# Understand Regulations For Records Management

If you must comply with federal regulations — and you must — records management technology can help.

*Integrated Solutions*, October 2006 Written by: [Khristen Chapin](#)

According to a recent Gartner report (The Chief Information Security Officer's Guide To Compliance), regulation concerns will remain the greatest driver for proactive spending on information security and risk controls through 2010. The most significant of these regulations are the Gramm-Leach-Bliley Act (GLBA), the Health Insurance Portability and Accountability Act (HIPAA), and the Sarbanes-Oxley Act (SOX). The first two of these acts deal with privacy of personal data; the last involves corporate governance and responsibility. These acts are ubiquitous to enterprises across nearly all vertical markets — HIPAA is obviously germane to healthcare and insurance entities, but SOX is applicable to all publicly (and some privately) traded companies. These regulations are confusing, but there are content and records management solutions that can help you become compliant.

One of the most frustrating things about these regulations is that they are so vague. The Gartner report states that the laws themselves offer little insight into the actual requirements for an organization. The legislation is vague largely because a prescriptive regulation would be very limiting and might not apply to a wide range of organizations. According to available definitions, regulatory compliance is either a state of being in accordance with established guidelines, specifications, regulations, or legislation, or in the process of becoming so. This definition is not clear, though. It can really come down to interpretation. According to Ian Thomas, VP of business development for records management provider O'Neil Software, regulatory compliance is all about control. "Organizations have used control mechanisms for years to regulate processes. Accounting controls, production controls, and sales controls, amongst others, are all parts of the daily life of every business. These controls help businesses reduce risk, identify and correct problems, and protect assets, which all, hopefully, lead to improved efficiencies. Regulatory compliance now makes business controls mandatory and auditable rather than voluntary."

## REGULATORY COMPLIANCE DEPENDS ON CONTENT MANAGEMENT TECHNOLOGIES

So, what should you control? Under SOX, pretty much everything. Any records involving financial information need to be traceable and accountable. And a record can be phone conversations and e-mails, as well as traditional business documents. How can you control all of this? Regulatory compliance solutions can help. According to Bill Forquer, executive VP of business development for content management provider Open Text Corp., every compliance solution should have the following characteristics:

- provide a reliable means to store and retrieve business-critical and sensitive information

- be a comprehensive system for tracking regulatory deliverables and certifications
- ensure disclosure and reporting processes are efficient and within budget
- incorporate an integrated means of managing business records — from creation to maintenance to eventual destruction
- be an automated system to ensure that employees effectively communicate and fulfill task requirements
- be an established training certification program.

To meet stringent regulatory standards, the tracking of records is an increasingly complex activity, requiring the integration of records management practices and procedures with collaboration and content management. Some solutions can involve IT-based systems and processes such as:

- records management
- content archiving and storage integration
- internal controls
- document life cycle management and production document management
- ERP (enterprise resource planning) system integration
- business process management
- knowledge management
- collaboration, Web content management
- digital asset management
- online training
- advanced search and information retrieval.

## **APPLY RECORDS MANAGEMENT ACROSS DISPARATE DATA REPOSITORIES**

When records are spread across multiple repositories and are thus silos of corporate content, traditional electronic records management systems might not be powerful enough to ensure enterprise-wide compliance. Many records management solutions address this issue by allowing organizations to enforce critical records management strategies across multiple, disparate repositories. “These solutions centralize the electronic records management rules engines, allowing them to operate with multiple content repositories for organization-wide records management,” says Aimee Williams, marketing coordinator, CA MDY (CA recently acquired MDY). Solutions that enable records management across siloed repositories should do the following:

- centrally manage record keeping policies on distributed content regardless of content location
- leave content in place and apply records management policies at native locations, or automatically move records to a designated records repository at declaration

- manage life cycle events from a single records management rules engine
- have centralized search and discovery, as well as centralized hold from a single records console.

## **REGULATORY COMPLIANCE IS A NECESSARY COST**

All organizations need a system to control and manage records, but some companies will face different costs than others. Companies differ with regard to the total number and complexity of records, the records' media types, frequency of access and use, and number of end users as well as physical, electronic, and e-mail record organization and storage. Additionally, every company has unique individuals who all differ in their job function, performance level, and adherence to record keeping programs. Both of these factors affect the cost of a records management solution, as well as affect the difficulty of implementing.

According to Williams, cost of a records management solution can range from \$500 to \$1,500 per user, depending on the software modules/components required and implementation services costs. However, by complying, you could be avoiding fines that are possibly hundreds of thousands of dollars. "Organizations can also experience productivity gains," says Williams. "Human resource costs can be directly translated into productivity gains if information is readily and easily available. Additionally, companies will save money with reduced space and storage costs."

Just like insurance and security systems, records compliance can be a painful cost. However, the implementation doesn't have to be painful if you take into consideration the points outlined here. And of course, implementing a solution like this is much better than paying \$250,000 in fines for noncompliance.