



Keep your Past Present

**A Simple Yet Elegant
Records Management System for
Governance Professionals**

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Writing a book is never a trivial task and is best not tackled unless you have a good cast supporting the effort.

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Any remaining errors, omissions, and passages that leave my readers scratching their heads in confusion, are my sole responsibility.

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PREFACE

If you're considering this book it may be that you know you have an information challenge on your hands.

If you're a lawyer or a governance professional you can skip the rest of this introduction and just dive in. This book is definitely for you.

If you're not one of those folks, read on. This introduction is meant for you.

A records management system or process, or if you prefer something less lofty, a filing system, is a way to manage a large amount of information so that you can store it out of sight, and perhaps even out of mind, yet recall it easily whenever it's needed.

The need for this kind of approach to information comes about when you have a lot of information to keep track of. You'll know that you have run into this kind of situation when:

- You have a lot of important information to keep an eye on;
- The system you have used so far is beginning to wear on you;
- You really don't want to just give up and throw stuff out; and
- You're really tired and fed up of searching for some little thing you're pretty positive you have, *somewhere*, if only you could put your hands on it. Sometimes you can, and sometimes you can't.

If that is the dilemma you have, this book may be what you've been looking for.

This may look like just another book, but looks can be deceiving. It's not really a book.

It's a *system*.

You and I are now fairly sure you're not a lawyer or governance professional. Though the examples in this book are clearly geared for governance professionals, they also apply to lawyers, and can apply to anyone with an information challenge to tame.

Maybe you run a small or medium-sized business and you need to impose some order on the information the business generates. Maybe you run a second-hand book store. This book may be for you.

Maybe the information you need to tame isn't written on paper or stored in bits and bytes. Maybe you have a large inventory of parts to manage and they come from all types of sources and manufacturers. That might be the case if you run a hobby store, for instance, or you sell vinyl records. You can easily apply the simple and elegant records management system to catalogue and track any kind of inventory, from a collection of

bugs, to types of rocks and minerals, to birthday cards you and your kids have gotten over the years. Anything really. Literally anything.

Imagine that you do run a second-hand bookstore, or a vinyl records business. I'll bet that you've been tempted to shelve your inventory alphabetically, and maybe you already store it that way. Are you tired of having to adjust the inventory when new stock comes in, and the B's are expanding, while the M's are contracting? And then the A's start bursting at the seams, but there's plenty of room in the P's?

With this system, you can just keep adding new stock wherever there's room on the shelf.

The really nice thing is that this book teaches you how to solve that problem at a tiny cost. A tiny cost in money terms, and a tiny cost in terms of the time you will need to make it work.

If you have that nagging feeling that you need help to climb that mountain, by all means read on.

This just may be the start of something great.

CHAPTER 1

Oh dear, now what?

Governance has emerged as a critical discipline that powers all facets of the enterprise. It provides the architecture for every kind of endeavour, from its structure, to its management and operations, through oversight, succession planning, compliance, ethics, and ultimately, to its long-term sustainability.

I am David Masse. I am the author of this book.

I am also a lawyer and a seasoned governance professional with substantial experience in S&P 60 public companies, not-for-profit organizations, educational institutions, and a charitable foundation.

Many years ago I was tasked with formalizing the governance function of what has today become a much, much larger company than it was when I first came on board.

In my first week on the job, as I was just beginning to do an inventory of the governance functions that the company relied on, those it was looking after internally, those that were outsourced to external suppliers, and those that didn't yet exist, I soon found that I had opened seven folders. The folders were sitting on my desk and they weren't labeled. The subject matters were all different and essentially unrelated to each other. The common denominator was that each of the folders related in some way to the company's governance environment.

In the folders were handwritten notes, copies of documents I had received, emails I had printed out, printouts of documents that I had prepared in Microsoft Office or had gotten as email attachments.

I realized in that moment that the governance priority that had just pole-vaulted itself to the top of my to-do list, was figuring out a folder management system.

Time was of the essence. I had to come up with a plan before the handful of folders on my desk became... well... a real handful!

The very first thing I did was consult the other lawyers in the company.

That was intuitive, and it was easy.

The company was quite small then compared to what it has now become. At that time there were five lawyers in the company, including myself, and three of them worked down the hall. As luck would have it, my colleagues were gathered in the office right next door.

This greatly simplified the task. "Sorry for the interruption" I said, "what filing system are you guys using?"

They looked at each other back and forth, and then turned to me and responded, approximately in unison “filing system?”

I said “never mind guys, sorry for the interruption...” and headed back to my desk.

Unbeknownst to me at the time, I had just completed a DIRKS Step D analysis. More on that later.

It took me about a day or so to come up with a rudimentary system.

Over time, that system went from bare-bones basic, to what it was to become in the fullness of time: a simple yet elegant¹ system that took care of the handful of folders in my office, and grew to allow my staff and I to manage thousands, and thousands of folders in cabinets, file rooms, a vault, and untold pallets in offsite archives.

In parallel with the paper records begging to be managed, there were, of course, digital records. There was a departmental file server. That file server was where all the digital records were kept. Since there was no enterprise-level electronic document management system, my staff and I were left to our own devices in deciding how to manage our records.

Eventually we kind of agreed on a hierarchy of directories on the file server, a small slice of which might have looked something like this:

```
Secretariat
  Board
    2004
    2005
    2006
      April
        Human Resources Committee
        Governance Committee
        Audit Committee
```

Well, you get the idea.

It worked, but we ended up with a great system for paper records, and an OK system for digital records, and it wasn't possible to navigate easily from one to the other. I got into the habit of putting a sticker or handwritten note on the inside of the paper folder indicating the path (g:\secretariat\board\2005\april...) to the digital records related to the physical folder. Unfortunately, there wasn't really a way to make it easier to navigate from the digital record back to the physical folder.

I later revisited that system for paper records and added a tweak or two to allow digital records to be integrated in a single robust records management system, as we'll see later.

¹ Often said of a scientific theory or solution to a problem. An elegant solution is pleasingly ingenious and simple. Imagine a simple *yet elegant* solution. This is it!

Why did I bother, and why should you care?

I'm glad you asked.

Governance professionals are tasked with one of the most vital functions in any organization: we manage the governance processes that run the Board of Directors and senior management.

Governance processes are the nervous system of the organization. They frame the most important decision-making organs, provide the basis for continuous improvement, serve as a cortex for ethics and compliance, and ultimately provide the essential support system for the brains of the business. Taken together, those processes are the keystones for sustainability.

A vital part of the essential, organic role that governance plays, is to record and preserve corporate memory.

That's where this book comes in.

If you are a governance professional, and you aren't sure where the corporate memory resides in your organization, you need to read this book.

If you are fortunate to have staff, and they are generating their own paper and digital records, you need to read this book.

If you are truly blessed and you work in an organization that has an electronic records management system, you still need to read this book.

As a governance professional you are responsible for managing critical aspects of your organization's collective memory, and without doubt, the core memory related to the Board of Directors as well as the subject matters most often entrusted to the governance professional:

- board meeting records
- directors
- governance
- subsidiaries
- compliance
- insider reporting
- continuous disclosure compliance
- merger and acquisitions due diligence
- ethics matters...
- ... and many other key areas of responsibility.

Unless there is a robust records management process in place, things can get messy fast.

Luckily, by the time you are done with this book, you will be able to implement this simple yet elegant records management process with confidence.

The nice bonus, is that this simple and elegant system is just that... simple, and truly elegant.

What does simple mean? It means that you too can manage thousands of folders, and millions of records, without the help of a professional archivist, records manager, or a fancy-pants enterprise-level records management system.

It's also *elegant*, because with half an hour of guidance, every one of your colleagues will be able to look after their own records and share that information with the entire team. Any member of the team will be able to store, find, and retrieve any folder without assistance, whether they created the folder or not. It's amazing really. Plus, in all the years I worked with this system, we never lost a single folder. Not one!

CHAPTER 2

Is all this really necessary?

Most organizations are “persons” within the meaning of the law. That means that just like you and I, they are endowed with the rights, powers and privileges of a natural person.² That means that they have most of the rights and responsibilities that you and I have.

They can own property, sue and be sued, and they have to abide by the law and pay taxes.

The law obliges legal persons to keep records.

What kind of records?

The list is very long and ranges from the essential records of the Board of Directors, to tax returns, books of account, and so much more.

There’s that, and the fact that as a governance professional you also have a large inventory of information you need to keep straight in order to do the job with a high level of skill.

Even if an organization were to decide that it didn’t really care for its memory, wished to do away with virtually all of its records, and consulted its lawyers and accountants their response would be “well we have to keep the tax returns and all related documents on which they are based for seven years, to be safe, and all our minute books and directors’ records need to be kept until at least two years after the company ceases to exist, and our basic business records have to be kept for at least two years, and then some documents might have to be kept for up to fifteen years, and...”³

The bottom line is that records are records, and records have a lifecycle, and there you have it.

The more you learn about managing records, even if you are bent on destroying your records at the earliest lawful opportunity, it dawns on you that the disposal or destruction of records can only be carried out once you have a retention policy to work from.

There’s just no getting around it.

² Section 15 of the *Canada Business Corporations Act*.

³ Section 20 of the *Canada Business Corporations Act*; section 5800 of the *Income Tax Act Regulations*. The *Ontario Limitations Act*, 2002, SO 2002, c. 24 bars claims after a two year period, but there are many situations where the limitation period either doesn’t run, or may be suspended, with the result that claims might be brought for periods of up to 15 years (s. 15(2) of the Act).

To those of you who work in an organization that is fiercely proud of having gone paperless, you need to be aware that there are records that need to be kept for very long periods of time. We're talking about decades at a likely minimum, perhaps 100 years, and beyond.

Digital and electronic records are not suited for long-term archival use. Period. End of story. They do not survive well in the longer term, and I'll explain why.

The relentless pace described by Moore's law⁴ means that digital hardware is evolving on an exponential curve. The software that runs on those platforms evolves along with the host systems at a similar exponential pace.

Yesterday's WordPerfect file circa 1999 no longer opens in Microsoft Word; the Microsoft Excel spreadsheet with the automation you spent hours honing into a fine specimen went from .XLS to become something else and will give Excel a migraine headache because Excel now expects files like that to be in a .XLSM format. Don't even dare to think about what you might be able to do to access a Lotus 1-2-3 file (whaaaaat's that?). Even the time-honoured Adobe Acrobat portable document format (.PDF) (though some records management systems have anointed .PDF as a suitable archive medium) might no longer be readable in 15 years' time.

The only long-term records format suitable for archives designed to be accessible for the truly long term is acid-free paper stored in an acid-free medium.

I will revisit this issue later on when we get into the implementation phase of this records management system.

Even laser-printing presents archival challenges because the ink is electrostatically bonded to the paper and does not penetrate. Over time, as the electrostatic bond breaks down, the print on the page disappears. I have witnessed it.

I need to add very quickly at this point that there is absolutely no cause for despair, much less panic.

By the end of this book you will have everything you need to manage all of your organization's records with confidence and, believe it or not, a level of simplicity and elegance that will make you swell with pride every time someone knocks on your door and says "... do you know anything about something called the Widget Project? I've been asking everyone and we're stumped. Linda and George said you might be able to help us..."

⁴ http://en.wikipedia.org/wiki/Moore's_law.

CHAPTER 3

And we're off!

But before we begin, we need to digress.

Isn't that always the case?

On the off-chance that you are beginning to think that I am trying to trick you into walking down a dark and scary trail in the woods, just as the sun is setting, let me reassure you.

Lots of really smart people have given records management a ton of thought.

There are, in the world, professional records managers. They belong to organizations like the *Association of Records Managers and Administrators* ("ARMA") or the *Association for Information and Image Management* ("AIIM"). These are not-for-profit organizations that have been around for a very, very long time.

Members of ARMA and AIIM, working together with records management scholars, have developed best practices in this arena.

Let's have a look.

Generally Accepted Recordkeeping⁵ Principles ("GARP")

The world according to GARP

Principle of Accountability⁶

A senior executive (or a person of comparable authority) shall oversee the information governance program and delegate responsibility for records and information management to appropriate individuals. The organization adopts policies and procedures to guide personnel and ensure that the program can be audited.

Principle of Integrity

An information governance program shall be constructed so the information generated by or managed for the organization has a reasonable and suitable guarantee of authenticity and reliability.

⁵ Is it recordkeeping, record-keeping, or record keeping? Whichever way you write it, it always sounds the same and each of those expressions refers to the same discipline of setting records straight. There doesn't seem to be a worldwide consensus on the correct usage. I use *recordkeeping* when referring to the materials published by professional records management associations like ARMA because that is the terminology they use.

⁶ *Generally Accepted Recordkeeping Principles* ®© 2017 ARMA International, <http://www.armavi.org/docs/garp.pdf>.

Principle of Protection

An information governance program shall be constructed to ensure a reasonable level of protection for records and information that are private, confidential, privileged, secret, classified, or essential to business continuity or that otherwise require protection.

Principle of Compliance

An information governance program shall be constructed to comply with applicable laws and other binding authorities, as well as with the organization's policies.

Principle of Availability

An organization shall maintain records and information in a manner that ensures timely, efficient, and accurate retrieval of needed information.

Principle of Retention

An organization shall maintain its records and information for an appropriate time, taking into account its legal, regulatory, fiscal, operational, and historical requirements.

Principle of Disposition

An organization shall provide secure and appropriate disposition for records and information that are no longer required to be maintained by applicable laws and the organization's policies.

Principle of Transparency

An organization's business processes and activities, including its information governance program, shall be documented in an open and verifiable manner, and that documentation shall be available to all personnel and appropriate interested parties.

You have read the principles, and now, if anything, you feel no further ahead, and, even worse, you are beginning to feel uneasy about this whole exercise. You might even feel like you would feel if you opened your eyes and suddenly realized that your comfy floater had floated... way too far from the beach. *The sunbathers are so far away...*

Relax, that scary feeling will pass soon enough. Forget about that whole floaty thing.

It's certainly nice to know that there are recognized records management principles and that you will soon have a simple yet elegant system in place that abides by those principles.

My simple yet elegant records management system meets all the requirements of GARP.

But how in the name of all that's good and righteous are you going to get there?

What you and I need is a *methodology*.

And that's where DIRKS comes to the rescue to help you leverage the GARP.

It makes perfect sense, when you think about it.

Designing and Implementing Recordkeeping Systems⁷ (“DIRKS”)

DIRKS to the rescue

This a comprehensive method that sets out the process for creating a records management system that complies with the *Australian Standard for Records Management* (AS ISO 15489). DIRKS was developed by the National Archives of Australia in collaboration with the *State Records Authority* of New South Wales.

DIRKS sets out the steps that take you from chaos and confusion, all the way to ultimate GARP-based peace of mind.

LET'S GET STARTED!

DIRKS Step A: Preliminary investigation

Before a preliminary investigation occurs DIRKS suggests that a pre-preliminary investigation be performed where it is established if there is a need for a records management program at the organization, and whether support exists for a record keeping system to be put in place.

Because you are a governance professional, you already know that there is a need for a records management system and that you have the support needed to implement one.

OK, you might not think you have the support you need, but trust me, you do. Don't give up, just read on.

The cost of implementation of the system I present in this book is so nominal that the barrier to implementation is ridiculously low, yet the benefits are enormous.

Safe in that knowledge, the preliminary investigation can take place. There are four components to the DIRKS preliminary investigation.

1. Determine the scope of the preliminary investigation
2. Collect Information
3. Document the research of the investigation

⁷ <https://www.records.nsw.gov.au/recordkeeping/advice/dirks/methodology>. DIRKS materials belong to the State of New South Wales through the *State Records Authority* of NSW 2016, are available to the public and may be shared, copied and redistributed in any medium or format, adapted, remixed, transformed, and built upon for any purpose, even commercially, all in accordance with the *Creative Commons Attribution 4.0 International License*.

4. Report to Senior Management

More good news for you here.

By the end of the next chapter we will have completed steps 1 to 3 of DIRKS Step A.

If you manage, and are ultimately responsible for, your organization's governance office, I submit to you, that for the purposes of this records management exercise, *you* are the Senior Management referred to in Step 4. So just for the sake of moving along briskly, let's check off that box as well.

DIRKS Step B: Analysis of business activity

DIRKS Step B says...

“The purpose of Step B is to create a set of advisory statements from which an analysis of the organization's business activities can be determined. DIRKS suggests a set of systematic approaches to analyze an organization in a systematic way in order to reveal various business activities, how they are completed and who completes them.”

As you'll see in the next chapter, I assume that you are fortunate because you haven't been tasked with setting up an enterprise-wide records management solution. What we are doing here is setting up a governance office records management system. That means that the scope of Step B is much more manageable and less scary than it sounds.

But what if you work for a really big organization and there is already a DIRKS and GARP compliant system in place.

All hope is not lost.

I was once in that position myself. I can tell you now that with some relatively easy tweaking, my system will live very happily within an enterprise-wide solution. Once you've read this book from cover to cover you will have learned how to do that tweaking.

On the off-chance that your company's solution won't play nice with others, no worries at all. It's really very simple for you. Just use the enterprise system that's in place.

But even if you really think that you must use that enterprise system in preference to this simple yet elegant, and essentially cost-free system, I strongly encourage you to read on. You really need to be certain that the existing enterprise-wide system meets the legal requirements for a governance records management system.

It might not.

This system will accommodate specialized scenarios where solicitor-client privileged materials, highly confidential Board of Directors information, and other extremely sensitive information is in play (the GARP Protection Principle). If your company's enterprise-wide system can't accommodate the level of confidentiality that a governance records management system mandates, you need to politely and firmly decline to use it for your governance records and continue implementing this system.

The same is true if the enterprise-wide system is 100% cloud-based. As I mentioned in the previous chapter, digital records are not suited for long-term archival use. You need to identify the records that require true archival treatment and make sure that those records are managed as good old-fashioned paper.

Trust me on this. I have personal experience with how digital records go from easily accessible and truly useful, to being thoroughly inaccessible. It happens much more quickly than you may think. All man-made things strive to return to the ground they sprang from.



The kind of inventory that Step B recommends will be covered in the next chapter. After you get through that chapter, your own experience in your own governance office, coupled with the examples this book offers, will satisfy the requirements of DIRKS Step B.

DIRKS Step C: Identification of recordkeeping requirements

DIRKS Step C has two main objectives. The first is to determine an organization's requirements in relation to the creation and retention of records of its business activities. The second objective is to document the determined requirements in a clear manner that can be used as a reference in the future.

Oddly, this step means that you need to go back to the GARP principles we ran through earlier as you think about the various kinds of information you need to manage. This step sounds more complicated and vague than it really is in practice.

DIRKS Step C is about making you consider how the various records you manage need to be treated as they evolve along their lifecycle and how the conclusions you draw in that regard will be documented.

Minutes of meetings have requirements that accounts payable invoices don't have. Whistleblower folders generated in a whistleblower system will have requirements that neither the minutes nor the invoices have. Continuous disclosure records will have still other aspects, and mergers and acquisition-related records will pose other challenges.

As we move through the implementation of this simple yet elegant system, you will find that the process will clarify and resolve the questions and issues that DIRKS Step C raises.

For instance, the tool we will implement automatically guides you to make decisions about how you will treat each record and folder you need to manage in terms of sensitivity and retention, and it will document and formalize those decisions in a way that will serve as a reference for dealing with similar documents as they arise in the future.

So much so, that we don't need to dwell on Step C more than we already have. Honest, we don't.

You will be surprised at how intuitively this gets sorted out in the implementation phase of the simple yet elegant records management system.

Moving along then...

DIRKS Step D: Assessment of existing systems

The main objective of DIRKS Step D is to assess the existing recordkeeping systems and any other related information management systems that have the capacity to capture and maintain records. This assessment is to identify weaknesses and strengths within the existing system.

I was lucky when I devised my simple yet elegant system because, as you will remember from Chapter 1, I was able to carry out the DIRKS Step D survey in the space of about ten minutes.

That was because there were no suitable recordkeeping systems in the law and governance space in my company. That gave me the free hand I needed to develop this simple, elegant, and effective system.

At another company where I worked, there were existing systems in place. You may be in that situation.

The person I replaced at that particular company, on the last day of my hasty transition, handed me eighteen or twenty bright-pink folders without labels, each containing a bunch of documents whose relevance, shall we say, didn't exactly leap off the pages.

The ceremony with which the custody of those folders was entrusted to me was somewhat akin to an aged and ailing Captain Hook entrusting a yellowed sheepskin treasure map to a lost boy.

I kept those folders on my credenza for quite a while, kind of expecting that one day a mysterious stranger would buttonhole me in the hallway on the way to my office and whisper in a sinister tone *"have ya got tha pink folders lad?"*

I never did figure out how those folders came to be. In the fullness of time they met their demise in the office shredder.

Oh well...

As sometimes happens, you may have colleagues that have a pink-folder-ish filing process they are hooked on. Often those approaches are alphabetic folder-naming systems with lists of folders recorded in a *Microsoft Word* file. Often there are as many such filing systems as there are staffers using them.

If that is the case, it is doubtful that any of the existing systems will meet the GARP tests.

Questions to ask when assessing an existing record-keeping system include:

- Does each folder (whether paper or digital) have a unique identifier?
- How easy is it to open or create a new folder?
- Can the entire team use the filing system without impairing their individual autonomy?
- How easy is it to find a given folder in the office or in the filing system?
- How easy is it to locate a paper or digital folder once you find it in the filing system?
- Can the system handle offsite archives?
- Does the system track closed folders?
- How does the system manage disposal and destruction?
- Does the system track confidentiality and availability requirements?
- Does the system allow folders to be commented?
- How easy is it to transfer existing folders from another filing system into the system?
- Does the system manage both physical records and digital records in the same way?

The simple yet elegant system you will learn to implement here checks all those boxes appropriately. It's possible that an existing system in your governance office checks the same boxes in much the same way, or does even better than that.

If that's the case, you should use that other system.

But before you come to that conclusion I strongly suggest that you finish reading this book.

Only then will you be in a good position to decide which system to use.

DIRKS Step E: Identification of strategies for recordkeeping

The main objective of DIRKS Step E is to determine which policies, procedures, standards and various other tools will help the organization achieve its recordkeeping goals. Once these strategies are established, a model for both records management and recordkeeping can be created.

What this DIRKS step invites you to consider is how the records management system works in practice.

- For instance, how are paper folders labeled?
- Where are folders stored?
- Are folders organized into subjects, or categories?
- Is there a records classification requirement?
- Are folders stored and managed alphabetically, numerically, or alpha-numerically?
- What happens when folders are sent off-site, or stored in some other form of archive?
- If folders expire and need to be destroyed, how does that happen?
- If there is a records hold relating to a claim, litigation or an investigation, how does that happen?

It's a lot to think about. Frankly it can be a little dizzying to think about.

Thankfully the simple yet elegant records management system solves those potentially mind-numbing challenges.

DIRKS Step F: Design of a recordkeeping system

The objective in DIRKS Step F is to use the information gained in DIRKS steps A through E so that a plan can be developed that fulfills the requirements set out in DIRKS Step C. The design should repair any faults found in DIRKS Step D and include a full plan for integrating the new recordkeeping system based on the strategies and policies determined in DIRKS Step E.

This book is *definitely not* about loading you down with a ton of fancy impenetrable theory and then leaving you to sort it all out for yourself.

By the end of the book you will have an effective solution to implement, and you will have the knowledge you need to make it work. In that sense, DIRKS Step E and DIRKS Step F of the DIRKS methodology will be done for you.

I know that now you're itching to buy into all the hype. You're sorely tempted to skip ahead to get to the bottom line, the punch line if you prefer.

But to you, I say resist, *resist!* **RESIST!!**

The reason to resist that natural temptation is that the benefit of this book is as much in the journey as it is in the destination.

Unless you really understand the parts, you might find yourself struggling with the whole.

To put it in more colourful terms, you risk finding yourself at the threshold of Ali Baba's cave bellowing "*Open Jehoshaphat!*⁸ *Open Daisy!* *Open Eureka!*" with the promised treasure-trove remaining frustratingly hidden by an immovable boulder.

DIRKS Step G: Implementation of a recordkeeping system

The objective of DIRKS Step G is put the recordkeeping system that was designed in DIRKS Step F in place.

The bitter truth is that I can only take you so far.

I guess you knew that, didn't you?

Yes my friend, it is you, and you alone, who will implement this simple yet elegant records management system. There will be no online support, no wise guiding hand, no army of minions.

Just this book, and *you*.

If you really do need me to help you, just go to governanceview.com. I'll do my best to help out.

But fear not! You can do it!

Yes you can! You will see. The fact is that by the time you are done reading this book, you won't need online support, wise guiding hands, or an army of minions.

DIRKS Step H: Post-implementation review

The objective of DIRKS Step H is to measure the effectiveness of the installed system and to make sure that, in practice, it fulfills all the requirements determined by the application of the DIRKS methodology.

You could download the DIRKS manual to perform this last step, but I don't think you'll need to do that in order to carry out DIRKS Step H.

⁸ Here's an odd tidbit for you: that really is the accepted spelling of Jehoshaphat. When I say it the way it's spelled all I can hear is a parody of Sean Connery in an *Indiana Jones* movie.

It's important to have a continuous improvement cycle running against your records management system, just as it is with every other dimension of a sound governance practice.

This system is powerful in its simplicity yet remains easy to manage and to adapt as your needs evolve. The good news is that if you do modify the system yourself once it's in use, you will deepen your mastery of it. That will give you the confidence that no governance records management challenge will be too big for you to handle.

The next step we need to take is to carry out the DIRKS Step B records inventory.

CHAPTER 4

Records, what records?

I'm glad you asked.

It's very important as a first step (second DIRKS step?) on this voyage of discovery to understand the scope of possible records you are dealing with.

Let's make this simple (and elegant), shall we?

As a governance professional it's just possible that your employer knows something about the legendary expertise of governance professionals and has tasked you with managing *ALL OF THE COMPANY'S RECORDS!!!*

Now that would be an extraordinary task, not to mention a wonderful opportunity.

Let's just say that it's unlikely you need to climb that kind of mountain. BUT... just in case you are *that person*, fear not, I promise that once you have finished reading this book, you'll know precisely what to do. No kidding.

But let's start this journey of discovery by limiting the records to those that the governance professional normally has to manage.

If you are just starting out in this business, be warned, the inventory we are about to do together is certainly not by any means small, but it is eminently manageable.

Here's how we'll tackle this.

What you'll see in the following pages is a sample of typical governance-related records, the reason they must be kept, how long they must be kept, and why you might want to keep them even longer than that.

This sampling is by no means exhaustive, and is not meant to be. It's here to illustrate the scope of the records management task and to provide some guidance concerning the lifecycle of your records.

Yes, records have a life too.

Board of Directors records

Every corporation has a Board of Directors, and most other organizations have the functional equivalent of a Board of Directors, though they are sometimes called something else, like Board of Trustees, Governing Council, and many other terms. For our purposes, it's sufficient to focus on corporations.

Corporations are what lawyers call “creatures of statute”. This means that the corporation came into being under a law adopted by the legislature that governs corporations of that type.

Let’s narrow our scope just a tad more and focus on for-profit-corporations. Yes, I know, there are not-for-profit corporations, crown corporations, trusts, universities with ancient charters, foundations, cooperatives... and the list goes on. For our purposes in this chapter the simplification allows us to cut to the chase more quickly. You’ll see that the examples below will apply to all the other flavours of entities as well. Simplifying the field in this way won’t get in the way of solving your records management challenge no matter what type of organization you work in.

I’ll venture even further to suggest that if you are a governance professional in the US, the UK, the EU, Australia, New Zealand, or India, the analysis in this book applies to your situation as well.

Business corporations are incorporated under a statute sometimes referred to a “business corporations act”, a “corporations law” or a “companies act”. The good news is that virtually all corporation statutes follow more or less closely the same general pattern as far as records are concerned. The same is generally true for organizations established under special purpose legislation like banks, insurance companies, and municipalities, cities, and towns.

If you work in a Civil Law jurisdiction like Louisiana, Quebec, or Scotland, you’ll be comforted to know that the same is also true there. For instance, Quebec is a Civil Law jurisdiction and not a Common Law jurisdiction like the other nine Canadian provinces, the result is that Quebec’s laws often use different terminology (“prescription” vs “limitations”) and sometimes come at a legal issue from a slightly different perspective, but the outcome is usually pretty much the same.

Meeting materials

Board of Directors meeting materials include meeting agendas, supporting materials tabled at the meeting, including those that relate to committees of the Board of Directors, the minutes of the meetings, and the record book for the meeting that comprises all of those documents.

Finally, the shareholders of the corporation meet from time to time and the minutes of those meetings also need to be retained.

Typically the governance professional tasked with recording the minutes of the meetings will have taken notes during the meeting.

The same rules that apply to the parent entity’s records should be applied to the records of subsidiary entities and affiliates as well.

As we move through the various kinds of records you need to manage, we are going to look closely at retention periods. We'll focus on the retention periods that apply in Ontario, but similar retention periods apply everywhere. You will see once we're done with the retention period analysis that, for the most part, the recommendation is to err on the side of retention rather than destruction. If getting down to granular certainty on required retention periods, for instance if you are planning to pare your records down to the legally required minimum, I strongly recommend that you seek advice from local legal counsel. Destroying records too early can cause serious harm to the organization, whereas retaining records too long may pose much less risk.

All of which to say that the discussion that follows is intended only to illustrate the path that the retention analysis should follow. With a little digging into the laws that govern your organization you will be able to replicate the analysis and apply it to your situation.

Retention requirement

Section 20 of the *Canada Business Corporations Act* requires that minutes of meetings be retained. The act does not specify a retention period and that means that minutes must be kept indefinitely. Once the corporation has ceased to exist, the *Income Tax Act* requires that those records be retained for an additional period of two years.⁹

A best practice is to refer to materials that are tabled at meetings as being "... filed with the records of the meeting..." It's a best practice because it avoids having to decide whether to annex tabled documents to the minutes themselves as schedules or exhibits. If that practice is followed, it is prudent to treat the records of meetings (the 'record book') in the same way as the minutes themselves.

Notes taken at the meeting to help with the preparation of minutes are not specifically required to be retained. The reason for that is that the minutes are the true agreed record of the meeting whereas the notes are not.

Recommended retention period

In practice the legal retention requirement means, for all intents and purposes, that those records need to be maintained indefinitely.

At one company I worked, for the records of the meetings went all the way back to the company's founding in the late 19th century. It's possible that if you work for a company like *The Bay*, the records in your care go all the way back to the late 17th century. Now that's cool!

A best practice with respect to meeting notes is to destroy them once the minutes have been approved at a subsequent meeting.

⁹ *Canada Income Tax Regulations* (ITAR), s. 5800.

It should be noted that when a special committee of independent directors is struck for the purposes of a transaction, an investigation, or some other special purpose, the records of that committee need to be preserved in the same way, though it may be desirable to make special arrangements for their custody depending on the subject matter that comes before the special committee.

A best practice is to maintain all these records (other than the notes taken at meetings) indefinitely. That means a very long time, and in any case, long after *you* are no longer the governance professional looking after the records, and potentially well beyond the time when your successor's successor's successor hands over the job.

Other governance records

The governance office (sometimes referred to as the secretariat, or the Corporate Secretary's Department) ought to track a variety of other information that supports governance processes, compliance, internal management requirements, or public disclosure requirements.

Here are some examples, in no particular order (also, please note that this list is not exhaustive, only illustrative):

- Director and officer succession and seniority records (who was, or did what, when?)
- Declarations of interest
- Notices of change in principal occupation
- Board evaluation records
- Records of correspondence with directors (who knew what when?)
- Insider trading reporting folders
- Whistleblower folders
- Code of ethics or code of business conduct folders (the code itself, plus employee training records, annual review records, subsidiary codes, related corporate policies, and the list goes on...)
- Safekeeping of negotiable securities and other tangible valuables (think stuff that needs to be in lock boxes, safes and vaults, negotiable securities, letters of credit, documents of title, precious coins, jewels, strings of pearls, and other booty)
- Governance and issues watch folders (monitoring folders for governance, regulatory and industry developments, scholarly sources, and others, materials from law and accounting firm mailing lists, and the list goes on...)

Retention requirement

One way to come at the bare minimum retention period for records generally is to apply a rule of thumb: Seven (7) years is often used as a catch-all records retention period.

That's seven years from the time the records are no longer active (such as once a tax return has been filed, or an employee leaves the organization, or a project has ended, etc.).

There is no way to support that rule, but it is loosely based on the requirements of Canada's *Federal Income Tax Regulations* that require tax returns and supporting documents to be kept for six years.¹⁰ If you add the current year to the six year requirement that gets you to the minimum seven year retention period.

If the primary concern driving the retention period is civil liability, statutes of limitations such as the Ontario *Statute of Limitations* limit the ability to make claims to a period of two years from the date the claim becomes known.¹¹

There are, however, circumstances that cause that time period not to run, such as where the potential claimant was unable to know of the possible claim, the identity of the defendant is unknown, or where the claimant is a minor or an incapable person.¹² Ultimately there is a hard stop for most claims at fifteen years, though even that limitation period has exceptions related to the relative incapacity of the claimant.¹³

The bottom line is, and I think you are beginning to get the drift, it is difficult or impossible to come to a definitive conclusion as to the safe period for disposing of records based on the expiry of limitation periods.

The seven-year rule of thumb is useful simply because, while there is no real statutory source to support it, no one is likely to get into trouble with the government for disposing of general business records after a lapse of seven years.

Some records pose a different challenge.

Take for instance whistleblower folders.

The laws of some jurisdictions, particularly those in the European Union, require the destruction of whistleblower records after a very short period of time. Typically they must be destroyed as soon as a reasonable investigation is complete and does not disclose evidence of wrongdoing or possible actionable claims.

Those types of folders, whether paper or digital, need to be carefully tracked and monitored to ensure that the law is complied with.

Recommended retention period

¹⁰ *Canada Income Tax Regulations* (ITAR), s. 5800.

¹¹ The Ontario *Limitations Act*, 2002, SO 2002, c 24, s. 4.

¹² The Ontario *Limitations Act*, 2002, SO 2002, c 24, ss. 5-7.

¹³ The Ontario *Limitations Act*, 2002, SO 2002, c 24, s. 15

Why would you destroy information?

Let's forget about cover-ups. If you have a cover-up to manage, this book is not for you.

Sometimes you'll find yourself digging into the past to figure out why in heavens that particular paragraph is lurking in your Management Proxy Circular. At other times, you find out serendipitously that a subsidiary, of a subsidiary, of a company that was purchased by the company you purchased, lost an asset that has suddenly surfaced. All you need to do is prove to the government official with custody of the asset that your company is the rightful owner. Don't kid yourself, that happened on my watch and we were able to recover hundreds of thousands of dollars in assets. You will have the devil of a time recovering lost assets if you don't have access to the relevant records needed to support your company's claim.

There are other excellent reasons for keeping these kinds of business records.

Here's another example: sometimes it's only possible to understand the significance of information when it has had a chance to age over time, to mature as it were, like a nice Bordeaux. Information in isolation is rarely as interesting as information in the context of its evolution. Often it's impossible to tell whether something you have today is going to be important in the future.

In all these cases, my considered recommendation is, unless there is a legally compelling reason to destroy information, it's better to hang onto it.

People folders

It's a good practice to keep what I'll call entity or corporate folders, even (perhaps especially) when the original corporate records (minute books, etc.) are held for safekeeping by outside counsel.

Similarly, it's another good practice to keep what I call "People" folders

People folders are a good place to store documents and correspondence relating to directors serving on your organization's Board of Directors, and those relating to the company's officers, agents, and other significant individuals.

Take for instance where a director has enrolled in a continuing education course and you assist with some aspect of setting that up. Just open a people folder for that director and file that stuff away. It's painless and it solves the dilemma of what to do with the documents. Down the road, when another director seeks similar training and the CEO says to you "just set that up for Jones the same way you did for Smith" you won't get that queasy feeling that you'll get when you don't really remember what that was exactly that you did for Smith.

People folders solve that problem. The same holds true for materials sent to prospective directors who don't ultimately join the Board.

Retention requirement

When folders contain information concerning individuals it becomes essential to comply with the laws that protect personal information such as the federal *Personal Information Protection and Electronic Documents Act*,¹⁴ and the *Ontario Freedom of Information and Protection of Privacy Act*.¹⁵

There are no retention periods specified in those laws but there is a sunset requirement to destroy these types of records when the reason that the information was gathered no longer applies.

While that sounds simple, it is more difficult to apply in practice.

Should you destroy the people folder for a director when that director retires from the Board of Directors? A sound argument could be made that destruction as soon as the director retired would be unwise. If not then, then when?

This is a potentially thorny question that will need to be answered at some point and it's beyond the scope of this book because the correct answer will depend entirely on the particular circumstances in each case.

The good news is that when you come up against that question, and you will, sooner or later, if you implemented this simple yet elegant records management system early on, you will be able in a wink to find all the folders for the person in question, including their 'people folder', their expense account folder, their insider reporting folder, their stock option folders, and any other folders that were opened concerning them. If a considered decision is made to destroy some or all of those folders, you will know exactly how to proceed.

Recommended retention period

Unless a decision is made to destroy people folders, they ought to be retained indefinitely. They are a legitimate part of your organization's memory. Imagine if John A. McDonald (or if you live further south, George Washington) was once a director. Should you have destroyed their people folder when they left?

Project folders

Every governance office, and every governance professional has project folders.

Unless we have a way to organize our work in a consistent way, it becomes much more challenging to get our work done, whether it's drafting portions of the annual report, assisting with due diligence related to a merger or acquisition, continuous disclosure documents you have to draft and file with regulators, dealing with those regulators,

¹⁴ S.C. 2000, c. 5.

¹⁵ R.S.O. 1990, chapter F.31.

responding to external or internal investigations, cooperating with other departments to implement enterprise systems, corresponding with stakeholders, governance questionnaires, materials related to ratings agencies, or any of the other myriad tasks we need to perform to get the job done.

Retention requirement

The retention guidance for these types of general business records and folders is the same as for the general governance office records that we reviewed earlier.

Recommended retention period

My recommendation is to keep all these folders indefinitely.

Administration folders

Administration folders relate to personnel files for the people in your department as well as to the mundane departmental flotsam and jetsam that is mostly boring routine stuff but that should find a home.

When the time comes to prepare that dreaded annual budget, it's comforting to know that you have the folder for last year's budget, and the year before, and the year before that, and... You get the point.

The same is true for managing expense accounts for directors, supplier folders, accounts payable invoices and processing, and even trivial stuff like appliances the department uses (where is the manual for that damn safe so I can change the combination?? How do we de-scale the espresso machine?)

Retention requirement

An argument could be made to destroy accounts payable folders and similar records after a lapse of seven years.

Recommended retention period

I believe that a best practice is to consult with the finance and administration folks in your organization to see what their practice is as it relates to accounting records.

I can't tell you how many times I stood in the tax department's filing room with the head of our company's tax department rummaging through folders trying to solve one mystery or another. Having the ability to do that sure beats the alternative of shrugging and smirking when the mystery is destined to remain whole because proper business records were not maintained.

Procedure and operations manuals

So I won the lottery. I mean *BIG!* So big that I couldn't process. That was the end of my job, I was gone! Driving south in a brand new Ferrari!

OK, you're right! That never happened. Why would that guy be writing a book on records management?

Believe it or not, I genuinely worried about what my bosses and colleagues would do if that happened. Would the transition be a disaster? Would anyone be able to maintain my simple yet elegant records management system if I just up and vanished?

At one company where I worked, the law department devised a Compliance Manual. It was amazing. It was a *monster*.

Its mission was to cover every single thing that the company was required to do annually, quarterly, monthly, daily. No kidding.

Volumes and volumes of information that was as stale as day-old toast as soon as it was committed to writing. Stock exchanges, governments, regulators, and other third parties all over the world were constantly conspiring towards the obsolescence of that massive bible.

For a time I was tasked with building sections of it. I was like the Egyptian engineer toiling away on the secret passageway on the fourth floor of the pyramid leading to the Sphinx's left nostril.

I vowed that never, ever, ever, would I foist a similar white elephant on someone else's circus.

But what if I did win that mega-lottery, and just disappeared, likely lounging on a yacht anchored off Ibiza, or Anguila?

I thought long and hard about that when I started working for another company that didn't have a Compliance Manual. For years I thought about that, and fretted about it.

One time I started writing that manual. I didn't get far, thankfully.

The enormity of it was daunting. I was like the Egyptian architect when the Pharaoh said casually "Architect, build me a temple. Make it a pyramid. Make it in the desert. Make sure it's really big, with a secret passageway to the Sphinx."

"What's a Sphinx?"

And yet, I still worried, and thought, and thought, and thought.

I remember an article in a business magazine that really inspired me years earlier.

It was about a General Motors manager who found himself responsible for the parts distribution system and warehouse.

It was a somewhat dysfunctional mess when it was handed to him.

He fixed it.

He took a top-down system run by specialists in silos, turned it upside down, and made it into a bottom-up system run in a modular way by polyvalent experts. He managed to do that in the time before personal computers took over the world.

Wow!

The Japanese recruited him. He was credited by some as being one of the luminaries at the root of Japanese total quality systems. I wish I still had that article. I tried to dredge it up with Google, but to no avail.

If he could do it, why in the world couldn't I write an effective manual for my department?

It finally dawned on me.

Keep it simple (and elegant).

Make it bottom up.

Don't write it. Compile it.

Don't do it yourself, make everyone do it. Many hands make light work.

And just like that, my department's Procedure Manual was borne.

I compiled the first few volumes, then taught my staff how to build their own.

I used the same method my wife uses for family recipes:

- Start with a subject matter binder (legalization of documents);
- Throw in tabs from one-to-twenty, or one-to-fifty, and set up a blank table of contents;
- Take a relevant document that helps in doing legalizations,¹⁶ put that document in the binder, and list it as Tab 1.
- If that's all you've got, you're done;
- The next time you need to legalize a document and you find some fresh thing that helps, print that out and stash it in the binder as tab 2.

¹⁶ Don't know what that is? It's arcane is all I'll say. Wikipedia it: "[Legalization International Law](#)".

That's it! Simple, elegant, easy, and above all quick. Eventually something really complicated like say... material change compliance, becomes a fifty-tab Procedure Manual spread over two large binders. Even with a complex subject like that with 50 tabs, it only takes a minute to scan the table of contents to find what you need.

Painless, relatively speaking, endlessly useful, very little drafting, obsolescence-resistant, and effective.

Once you've done a couple of volumes, set up a staff meeting and explain to your teammates that each of them has to build a Procedure Manual for each category of tasks they manage. For instance, the process for setting up Board of Directors and Committee meetings on the Board portal your company uses. It might start out as simple as tossing the instruction manual that came with the software into the procedure manual as Tab 1. I'll bet that over time it becomes a little more than that.

You'll see later on that my simple yet elegant records management system has a field labeled "Procedure Manual". That's because a Procedure Manual is just like any other folder. It gets opened in the system in the logical place in the folder hierarchy where it belongs (the subsidiary governance procedure manual is in the 'Corporate' category) and that's that.

When *you* win that BIG lottery prize and vanish from your job without a second thought, your successor will open the file system, filter for "Procedure Manual" and whether she finds one Procedure Manual or twenty, everything she needs to know will be right there.

Simple, elegant, easy, quick, and effective. Just like every other aspect of this simple yet elegant records management system.

Yay!

The power of bottom-up

There's a powerful lesson here that really needs to be underscored. I'll repeat it towards the end of the book too.

The lesson is the power of bottom-up processes. This simple yet elegant records management system leverages the power of a bottom up process.

I ran a lean governance office. Each team member was a professional in his or her own right, either lawyers or paralegals. We just didn't have the budget for each of us to have an executive assistant.

Right from the moment I hired them, I told them "*I won't ever ask you to type my documents, or do my filing. I look after my own typing, and I do my own filing. I expect the same from every member of the team.*"

The beauty of this records management system is that with, I kid you not, about thirty minutes of instruction, any of your colleagues will be able to manage their own folders, and each member of the team will be able to find any folder in the department in minutes.

Retention requirement

Why would you not keep your Procedure Manual forever?

Recommended retention period

Forever!

And now a few words about disposing of records

So the retention period has expired or the destruction date has dawned.

What now?

It doesn't matter whether a file contains apple pie recipes, hotel receipts, Board of Directors meeting notes, or formerly privileged information relating to litigation that has now been settled and the parties have resolved to destroy the evidence. Unlike the conservation or retention decision where one size definitely does not fit all, when it comes to disposition, I suggest to you that no half measures should be taken.

The information to be disposed of needs to be destroyed, as in *annihilated*. The last thing you want is for information that was supposedly disposed of, to surface awkwardly at some later time causing harm or embarrassment, or breaching the terms of an agreement, or long-standing policy.

For paper records, that means shredding them in the best shredder money can buy. Archive companies have large trucks that come to your door with a minion or two who haul large, wheeled, locked containers of material to be shredded down to the truck where it becomes cross-cut confetti. Done.

As for digital records, it's more complicated.

That's because clicking on "delete" or "move to trash" doesn't actually delete anything. Even emptying the trash folder, doesn't actually delete the information, even when it warns you that if you empty the trash you won't be able to recover the information.

The sectors of the media where the bits and bytes of information reside that make up the file you are trying to delete are not deleted at all, they are just freed up and made available to be overwritten by the operating system (Windows, or Mac OSX) when the need arises to record fresh information. If the disk drive is in its relative infancy, with many terabytes

of available space to store files, that “deleted” and “trashed” information might not be overwritten for a dog’s age. Honestly.

Fortunately there is a better way. There are secure file deletion programs, often offered as a component of security or encryption products that allow you to do a secure wipe where the data you want to destroy is overwritten with something like zeroes.

I have personally taken more desperate measures when the media itself was being disposed of. I have disassembled diskettes (remember them?) and taken scissors to the disks, and I have disassembled hard drives to get at the platters and destroyed those. It’s more difficult than you might imagine. Those drive platters are incredibly rigid and they don’t bend at all, they shatter. Yes, it’s totally cool. Wear workshop goggles.

I don’t want to make you crazy, but even if you securely delete the file, and reformat the hard disk, there is often a perfectly viable and easily accessible ghost of the file on the backup media. If you’re an Apple cult member like me, don’t forget to suppress the file in Time Machine, if that’s what you’re using to keep your data safe.

If you’re the trusting type, there are companies that recycle computers and hard drives and they warrant that they will clean the drives for you. When you return an iMac to Apple for recycling (a noble thing to do), they tell you how to wipe and reformat the drive.

As completely as you must annihilate the information you are disposing of, there remains one thing that is absolutely sacred and that must be kept in all cases.

That thing is the record of the records’ existence. The entry in my simple yet elegant filing system, showing the category, the alpha-numeric unique identifier and filing key, the folder name, the fact that the folder was closed, the folder locations (both the active and the archived locations), the folder sensitivity information, the folder opening and closing date, and the fact and date of destruction. That information, a single record in the filing system, has to be maintained forever, as in *forever*.

And, in conclusion...

If you bought this book, or if you received it as a gift, or a prank, and you’ve gotten this far, you’re either:

- a suitably earnest governance professional,
- or you aren’t a governance professional but know that you have a records mess to tame,
- or you thought that this book just might be the cure you’ve always been after for your chronic insomnia issues.

Either way, what this chapter was meant to convey is that there is a lot of documentation to keep track of.

You can easily see that just with the categories of folders listed above we are looking at hundreds and hundreds of folders. The care and feeding of those folders is done by you and your teammates.

I promise to teach you a system that you and your colleagues can use to become a records management choir, and to stop carrying on like a wild bunch of wailing sopranos.

You don't need to do an inventory of your actual folders just yet. Just reading this chapter has given you what you need to know to proceed to the next step. Let's just say that we've covered DIRKS Step B of the methodology sufficiently so that we can move on to DIRKS Step E.

What about DIRKS Steps C and D? DIRKS Step C will look after itself, remember? And as for DIRKS Step D, after you're done reading the rest of this book you'll know whether you are going to:

- a) use this simple yet elegant system, or
- b) use your company's existing system, or
- c) bury your head in the sand with your eyes closed in the hope that it all ends well.

So... stay calm, and read on.

CHAPTER 5

Welcome to the unending information war

We are besieged.

We're doing our best to deal with a constantly rising tide of information, torrents of bytes, and avalanches of paper, cascading day after day with no end in sight.

We live in an age where we are flooded with information. Too often we find ourselves waist deep in a stream of content we need to process. It comes at us from an array of sources and devices. We get it in meetings verbally, visually in slide decks, and video; and it still comes at us in the mail and by messenger; it rises continually in our inboxes, we get it on the web, and in apps.

More inbound information channels target us than at any time in human history.

Our computers, our tablets, and our smart phones all beg for attention. It happens in our offices, our homes, our cars, on the street, in restaurants, and even (*gasp*) in washrooms (*blush*).

It happens during office hours, during our commute to and from the office, when our head has hit the pillow, and beyond.

Those of us who work in global enterprises suffer the onslaught very close to twenty-four hours a day. It's like the old drinking adage "... it must be five o'clock *somewhere*..." but with a workday twist... "it must be office hours *somewhere*".

Just doing our best to cope with the onslaught is tough.

To compound the problem in a nearly exponential way, we have to manage the battle in precious dimensions of time far beyond 24 hours a day and seven days a week.

Unless we manage our office's *memory*, and more broadly the memory of our organizations, we will have failed to deal with the challenge effectively.

To be really good at what we do in this difficult environment we need to avoid time-wasting inefficiency like the plague.

Unless we have a way to store, search for, find, and retrieve the important relevant information that passes through our hands daily, we will find ourselves unable to learn from the problems we solved yesterday, last week, last month, or last year ...

Faced today with a problem we solved two years ago, we can save precious time by digging into the past and leveraging that perfectly workable solution. Without a formal process to help us do that, while we may remember generally how we solved the problem,

there is simply no way we will be able to use our memory alone as effectively as when we arm ourselves with the detailed knowledge that comes with being able to retrieve the past with all of its rich detail intact.

What was the name of the lawyer we used in Spain? Do you remember the wording we used in the letters of credit? What was the certification we had to get from the Turkish embassy in Washington? How did we deal with the insider trading issue in Smith's case, and when exactly was that?

So many questions. How can we get to the answers quickly?

Well, fortunately it's much simpler than you may think.

With a really good folder management system finding that needle in the haystack will be much less of a random hopeless rummage, and more of a pinpoint search (pardon the pun).

As with everything in life, achieving that simplicity can require a whole lot of work, and some quality deep-thinking.

This is where we take on DIRKS Step E, and DIRKS Step F in earnest: the assessment and design phase of the records management system

Using information theory

There are four key facets to solving the problem simply, yet elegantly:

1. How to store
2. How to search
3. How to find, and
4. How to retrieve

For each of those facets we have two basic approaches we can take:

1. Use the alphabetical method, or
2. Use the numeric or alpha-numeric method

and there are two dominant and very distinct modes to master:

1. There are paper records, and
2. There are digital records

As we craft this simple yet elegant records management system together we will explore each aspect of the modes, approaches, and facets in a steady logical way, beginning at the lowest level, where chaos reigns, and gradually working our way up to where everything has a place and where we know precisely where that place is.

Before we do a deeper dive into the practicalities of storing, searching, finding, and retrieving, it's time to pause and really think about records, what they are, and how they can be organized.

Paper records

Let's start with paper records.

A record is simply tangible evidence that contains information.

An invoice, a letter, a memo, a photograph, a receipt, a policy, a set of minutes, our handwritten notes, an affidavit, a legal proceeding, all these things are records.

Typically paper records belong in paper folders. In the hope of avoiding confusion a little further down the road, I'll sometimes refer to paper folders simply as folders. Assembling records that relate to a common theme or subject is the first step in taming the document management beast.

A little later on, we'll consider the valuable role that binders can play. But for now, let's just wrap our minds around those plain boring folders.

Folders

Most of us take this for granted, but it's important to understand what's happening when we toss documents into a folder.

The key is to be logical when we do that, because this step is hard and extremely time-consuming to fix down the road if we get it wrong at this basic level.

I will go further and say to you that the choices we make when we open a folder and load documents into it are nothing less than absolutely critical.

The folder is the elemental building block in any records management system. Each document in a folder ought to relate, in a logical way, to every other document in the folder.

This will be the case if the documents share a common subject.

If a document relates to two subjects, open two folders and place the original document in one folder, and the copy in the other.

If being able to retrieve the original document down the road might be important, identify the copy as a copy and scribble a note on it to indicate the folder where you put the original.

Here's another extremely important practice. I call this the dog pile approach.

Make it your habit to place documents in a folder in chronological order with the most recent document on top.

This careful little step will make finding a specific document super simple down the road.

For instance, you are searching for a memorandum dated a couple of years back from legal counsel in Italy about compliance for the local subsidiary. The corporate folder for that subsidiary is now four inches thick and has all types of stuff in it. If all the documents were filed as I suggest, all you need to do is rifle through the folder with an eye on the dates of documents as they flip by. It's like reading the rings on a log, or the strata of a cliff face. If the memo is in the folder you'll find it soon enough.

To make this extremely simple approach to filing work, it is essential that the chronological order of the documents in the folder remain intact.

To accomplish that goal, invest in a good one-hole punch, and buy a box of brass fasteners. Punch a hole in the top left corner of each document and slip it on top of the pile, folding the tabs of the brass fastener to hold the documents in place.

Have you ever dropped a folder or have one slip off your desk with its contents spilling out across the floor? Take my brass tacks advice and there will be no price to pay the next time that happens.

There is a quintessential elegance in this approach to filing that makes the solution completely compelling. It just happens to be so very quick and easy. It's almost effortless. I can't think of a faster more efficient way to file. If I had been able to think of one in all of these years of managing records flawlessly, you would be reading about it here.

I can't really take credit for it. I learned it the year I was seconded to the *Ontario Securities Commission*, a long time ago.

So far so good.

Imagine that you are now where I was back in 2003.

You have seven folders on your desk that you opened over the past five days, each covers a separate subject, and documents are placed in the folders chronologically with the most recent on top.

Well done.

But it's just the first week. In the next decade you, and your trusty colleagues, will have opened close to 5,000 folders on hundreds, and hundreds of different topics.

What next? You can't collect very many folders on your desk and credenza, or even the file drawers in your office.

You need a more complete system.

You need a list. You need a file room. In a word, you are now facing the storage dilemma. You need a document management *system*.

Solving the storage dilemma

You can't put folders just willy-nilly anywhere outside your personal workspace, and neither can the rest of the team, unless the folders are labeled and stored based on a system of some kind.

The obvious thing is to name the folders, right?

And once your folders have names, they get stored...

Alphabetical storage

How many people do you know who file alphabetically by folder name? How many people do you know who keep a list of their folders in a Microsoft Word file?

Storing alphabetically is, shockingly, recommended by some professional archive managers.

It works, of course.

But it only works *well* when you are the only one doing it. Even a small team of say three people will soon find themselves tripping over an alphabetical filing system.

That's because language is nuanced and tricky, and we don't all particularly agree when it comes to something deceptively complicated like alphabetical order.

Where do you file the corporate folder for THE CANADIAN UNDERTAKERS CONSORTIUM INC.?

- Do you file it under "T" because that's the actual first letter of the corporate name?
- Do you file it under "U" for undertakers because that's the key part of the name you and your colleagues always use to refer to the folder?
- Have you decided to make your lives easier by dropping all prepositions from the filing system and simply putting the file under "C" for Canadian, the first non-preposition?
- Can you think of another way?

What about sub-folders?

Where do you file the *Undertakers'* US affiliate's folder AMERICAN UNDERTAKERS CORP.?

In no time at all, I guarantee you'll be pulling your hair out along with the other members of your team. You might even be pulling each other's hair out.

But let's be optimistic and say that, after four years, you and your colleagues, because you pride yourselves as being very smart, and super-collaborators, have ironed out your alphabetical quirks, and your alphabetical filing system is working just dandy.

Your team is expanding, and you just hired the new person you've all been anxious for.

How long is it going to take until your new colleague masters your team's folder-name-whispering skills?

It would help things along if you had written down the rules.

There are, after all, generally accepted alphabetical filing rules.¹⁷ Did you know that?

Depending on the experts you choose to rely on, you may need to teach your new colleague 13 pages of rules for the 12-rule version, or only 6 pages of rules for the 18-rule approach. I guarantee that scrupulously following a bunch of rules, whether there are 12 or 18 of them, is going to be a pain. A *huge* pain.

A much better way to store

Storing your folders using a unique identifying number is a much better way.

All the rules you need to learn to manage a numerical filing system, you had already learned by the time you graduated from grade two.

That's "two". It comes right after "one"! See how simple that is?

The only problem is that when you have a team, and everyone is opening folders in the course of the day, there is a very real danger that the serial number system is going to lead to duplicate folder numbers.

The good news is that with a little ingenuity you can have your cake and eat it too.

This simple yet elegant records management system that you are going to be able to master once you've finished reading this book, uses a unique alpha-numeric identifier

¹⁷ Remember ARMA from CHAPTER 3? They have 12 helpful rules for alphabetical filing (http://www.webpages.uidaho.edu/cte419/Offline-Modules/M6/ARMA-12_Filing_Rules.htm). The good folks at Dartmouth College have devised 18 rules for alphabetical filing (<https://www.dartmouth.edu/~library/recmgmt/forms/FilingRules.pdf>)

system that means that you and your team will never need to track serial numbers over more than the course of a single work day.

As each new day dawns, the serial numbers start fresh.

And there's more good news, because you'll be using software to track your folders and assign the unique alpha-numeric folder identifier, and because that software ensures that only one team member at a time can open folders, I guarantee you won't be stepping on each others' toes and that every single folder will truly have its very own unique identifier. Just like your car's vehicle identification number.

Oh... and the software is free. Oh... and you get the software as part of the price of this book.

Can it get any better you ask?

Yes it can.

Where is the Smith folder?

Let's take stock, shall we.

We now have a dirt-cheap folder methodology that keeps our records in folders in chronological order. *Check!*

We are going to store our folders using unique alpha-numeric folder identifiers that make it a snap to store folders wherever it suits us. *Check!*

Retrieving folders

How about retrieving folders? A system that doesn't let you retrieve folders is useless.

I'm guessing that you already know that all you need to do to retrieve a folder is to go the location where you stored the folder and follow the numbers assigned to the folders until you find the folder you're looking for.

It's that simple.

The only drawback is that once you have a couple of thousand folders in the system, even if you kind-of know where the folder is on the shelf, unless you look up the alpha-numeric folder number, your trip to the file room will end in frustration.

That's because before you can retrieve a folder you need to find its identifier in the system.

And that brings us to the other two facets of the information theory equation:

2. Searching, and

3. Finding

That means that of the four facets of our information theory sandwich (storing, searching, finding, and retrieving) we've now gotten to the delicious part between the slices of bread.

Search and Ye Shall Find

Way back in the dawn of time, offices used index cards. Many local libraries still use index cards. Kind of like a giant Rolodex in stacks of tiny drawers. Index cards are actually really cool. They were invented by Konrad Gessner, a Swiss polymath¹⁸ in 1548. Swedish botanist Carl Linnaeus popularized them when he began to catalogue plants in 1752. They were an ingredient that led Melvil Dewey in 1876 to invent the system of classification that still powers the world's libraries. The New York Public Library catalogue was made up of more than ten million index cards as recently as 1971.



More good news for you here, we're not going to press on with index cards, no matter how cool and inspiring they may be.¹⁹

If the key to storing and retrieving our folders simply yet elegantly is to shun the alphabet and use numbers instead, the key to searching for and finding our folders is, somewhat paradoxically, to use the alphabet. That just goes to show that my simple yet elegant records management system is based on long, hard-thought, cunning design, not on an arbitrary bias for numbers over letters, or vice-versa. Actually, as I think about the search feature, it's actually based on string theory. Cool, yes? Oh... but not the string theory that holds that our universe is not really three dimensions of space and a fourth dimension of time that most of us perceive, but tens, hundreds, or perhaps thousands of dimensions of time and space we can't yet perceive.

More about string theory later, I promise. Moving on...

Search

Just as I suggested a simple method for organizing documents in folders, I will now suggest a simple method for keeping track of your folders so that you can search for them.

The key is in the folder name.

When you open a folder, give it a name.

¹⁸ <https://en.wikipedia.org/wiki/Polymath>. Today we would Konrad a hacker, as in Ikea-hacks, or life-hacks, or...

¹⁹ See this page for more fun facts on index cards: <https://qz.com/email/quartz-obsession/1185936/>

We already know that each of our folders relates to a single subject. So let's start there.

Identify the subject in the folder name. To do this well, think of a name that identifies the subject, then imagine a time, five or six years from now, when you have forgotten all about the folder and you need to search for it. Will your folder name make that easy, or hard?

Here is a handful of examples of folder names taken from a category of folders I opened in the past (a discussion of categories will follow, *oh joy!*). The folder category in this case is 'governance', as you'll see from the folder names:

- Succession Planning
- Earnings Guidance
- Role of the Chief Privacy Officer
- Minutes and meeting records issues
- Document retention programs and materials
- E-mail retention rules + e-discovery
- Role of the Board of Directors
- Role of the CEO
- Corporate Governance Reform in Europe
- Nortel Networks Corporation - Governance Intelligence
- Residence of corporations for tax purposes
- Intrapreneurship - Entrepreneurship
- Sarbanes Oxley s.307 up-the-ladder reporting
- D&O Liability: Indemnification of directors, officers, and agents
- D&O Liability: British Columbia Civil Liability for Continuous Disclosure
- D&O Liability: Directors and officers liability insurance policies
- D&O Liability: Ontario Civil Liability for Continuous Disclosure
- D&O Liability: Forward looking statements, safe harbour, risk factor disclosure
- Directors' and Officers' Liability - Vol 1
- Directors' and Officers' Liability - Vol 2
- Director Orientation and Education
- Accounting Issues

I assure you that if you take the time to name your folders with a little forethought, you will have no problem finding the folders you are looking for when you search. Just imagine what in the future you will be searching for when the time comes, and make sure that the key words for that search are in the folder names you assign today. You see, it's all about time travel.

You may think of these folder names as just words. But, as I mentioned earlier, I think of them as strings.²⁰

It's a subtle difference but when we get to exploring the simple yet elegant records management system in exquisite detail (yes that level of detail is yet to come), you'll see how that subtle difference is leveraged in the application to make finding folders a *snap!*

Governance watch folders are among the trickier folders to name.

Most other cases are much easier.

²⁰ [https://en.wikipedia.org/wiki/String_\(computer_science\)](https://en.wikipedia.org/wiki/String_(computer_science))

For instance, you have a director on your Board. His name is Joseph Smith.

Here are the folders you are likely to open for Mr. Smith over time:

- Joseph Smith – Secretariat folder
 - This is Mr. Smith’s ‘people’ folder. It’s like a general folder for stuff relating to Mr. Smith that doesn’t fit anywhere else.
- Joseph Smith – Insider Reports – Vol. 1
 - This one is self-explanatory. When Mr. Smith has been on your Board for a fair period of time, there might be a sub-folder for him: “Joseph Smith – Insider Reports – Vol. 2”
- Joseph Smith - Security Screening Certificate and Briefing Form - Government of Canada
 - Also self-explanatory, no?
- Joseph Smith – Expense statements

You can see a few things looking at these examples.

For one thing, each of these folders belongs to a different category of folders. There is a ‘people folder’ category, an ‘insider reporting’ category, there is a ‘general folder’ category, and there is an ‘administration’ category. If you’re wondering about the role of categories, hold that thought because we are going to cover categories in detail a little later.

The other thing you notice is that all these folders relate to Mr. Smith. If a folder relates to a person, make sure the person’s name is in the folder name. The most folders any given individual is likely to have in your entire inventory of folders is what? Ten? Twenty folders, max?

The point I am driving at is even if some of Mr. Smith’s folder names are less than ideal, you’ll be able to bring up all his folders in a wink and find what you’re looking for by browsing the folder names.

The same goes for entity names of course.

As well as project code names, obviously.

You’ll use project code names when the subject matter is highly confidential, like a mergers and acquisitions folder in the early days before public disclosure. Once the deal is publicly disclosed and closes, and you begin to open folders for the target during the integration phase, it will be a good idea to go back to the code name used in the folder names and add the target name. You’ll thank me for that tip at some point in the future, trust me.

Accounts payable folders are also a snap. Do you pay invoices to Acme Widget Manufacturing Co. Inc.? The folder names ought to be:

- Acme Widget Manufacturing Co. Inc. – 2017 invoices
- Acme Widget Manufacturing Co. Inc. – 2016 invoices...

Right? I mean it's fairly obvious, no?

I don't mean to belittle this in any way, much less to insult your intelligence, but truly, you can see that by using good, well thought-out folder names, you solve the thorny problem of searching for and finding folders for years, decades, and maybe centuries to come.

I stress this point because... well, you'll soon see. There are very popular ways of accomplishing the search/find conundrum that have the potential, as with storing and retrieving alphabetically, for you to tear your hair out.

Before we get to that boondoggle of silliness, let's talk about categories (yes that's happening now, *right now!*)

Categories

The odds are that those categories we reviewed a little earlier break along functional roles among your colleagues.

You don't need to break your folders into a ton of categories. Categorizing your folders is not absolutely critical but it really helps in many ways.

In the thirteen years that my staff and I ran my simple yet elegant records management system, our categories stabilized as follows:

- Administration
- Governance
- Safekeeping
- Management
- AMS Ethics
- CGI Ethics
- Board/Committee
- Corporate
- General
- Insider
- People
- Record Book

We accounted for close to 5,000 folders using those categories. We never lost a folder, never spent more than a minute or two looking for a folder, and we used the system to solve a whole bunch of head-scratching mysteries along the way.

Time for a recap.

What does our records management system look like now:

- We have given ourselves a super-simple small set of folder rules
 - Segregate documents by subject
 - File chronologically with the most recent document on top
 - Use brass fasteners
- We learned that we should assign failsafe unique alpha-numeric folder serial numbers to use for storing and retrieving our folders
- We learned to create search-friendly folder names, and
- We plan to segregate our folders into a handful of categories, let's say less than twenty categories

That's it for now, but it's a big deal. It's a big deal because, whether you realize it or not, we've come a really, really long way towards designing a simple yet elegant records management system. All the way from the chaos of random folders of documents to the cusp of a fully functioning simple yet elegant records management system.

The next step is an explanation of a huge pitfall, a major evil, and a potentially catastrophic waste of time and resources. It's the rabbit-hole you need to recognize instantly, and cautiously side-step in the event you come across it.

Records Classification – the lair of Dr. Evil

Really?

Yes! A thousand times *YES!*

There is some kind of a chance that I am unreasonably biased and prejudiced against the classification of records. After all, the classification of records is among the practices advocated by professional records managers.

In fairness, I suppose, that if you needed to organize the archives for an entire country, you might find that my simple yet elegant records management system wouldn't be quite up to the task.

For instance, the National Archives of Australia has published an excellent work to explain how their national archives are classified.²¹ If you perform a Google search for 'records classification', what you'll find is a very rich set of records classification resources made

²¹ http://www.naa.gov.au/Images/classification_tools_tcm16-88850.pdf

available to explain how countries, provinces, states, federal governments, the Catholic church, and universities manage their records through classification.

This book is not for them.

However... if you run a governance office within a government or another very large organization that already has a records classification scheme I believe that you still need this system. Although your organization's records management solution may be just the ticket for your needs, there is also the possibility that you can adopt and adapt this records management system to coexist quite happily within a larger state-wide classification system.

What is records classification, and why do I think it's to be avoided at all costs?

To be perfectly honest, the breakdown into categories of folders that I suggest is, *technically*, a classification scheme, because:

“The Australian Standard for Records Management, AS ISO 15489, defines classification as the:

systematic identification and arrangement of business activities and/or records into **categories** (*emphasis by your author*) according to logically structured conventions, methods, and procedural rules represented in a classification system.

A classification system is the set of terms and conventions applied in a particular organisational setting to classify, title and retrieve records and other business information. It controls the vocabulary used, generating consistency in the description of information produced by business activities and improving retrieval of that information.”²²

That Australian National Archives definition is a DIRKS compliant definition.²³

Here's the rub I have personally witnessed, and been traumatized by: the sight of all of the lawyers working for an organization seated at a boardroom table, on a number of successive weekends, doing their best to come up with a classification scheme for the law department's records.

The process, and the result, was massively inefficient.

²² *Overview of Classification Tools for Records Management*, National Archives of Australia, p. 6 (http://www.naa.gov.au/Images/classification_tools_tcm16-88850.pdf).

²³ See *DIRKS to the rescue* in Chapter 3.

It amounted to each lawyer explaining the matters they worked on, and attempting to come up with a group-wide consensus on hierarchical subject-matter and functional classification levels. What a mess.

It led to lively debates like, for example, whether a legal opinion in an offering of securities belonged in a 'transactional document' sub-sub-class in the 'securities compliance' sub-class, in the top level class 'compliance'; or simply a 'closing document' that would be its own top-level class; or alternatively, a sub-sub-class of 'letter', in the sub-class 'correspondence', in the top-level class 'document'. There were almost as many passionate defenders of any given scheme of records classification as there were lawyers in the room.

Why does this tend to become unwieldy?

Quite aside from the personalities in the room and their relative needs to dominate and have their scheme prevail, there is the goal of the exercise which is to come up with an immutable system which will sit at the heart of the records management system for all time thereafter. Negotiating consensus is so laborious that changing the classification scheme at some point in the future is unthinkable; that reality, a reality that every participant understands intuitively from the outset, hardens all the participants' positions, as you can easily imagine, making the whole exercise fraught with pain.

Every record that the department comes across from the time the system takes effect has to be made to fit into a classification pigeonhole. It's a daunting prospect.

Every records management classification scheme I have been involved with inevitably led to this kind of intractability.

My simple yet elegant records management system is quite content to avoid the bear-trap of *records classification* which seeks to place documents in folders according to their place in the records classification hierarchy, by opting for the far, far simpler method that I call *folder categorization*.

With *records classification* the theory is that by referring to the scheme of classification you can find a record.

With *folder categorization* you don't even bother with attempting to classify records. You just group folders into a few broad functional categories. Those categories are not in any way essential in finding documents down the road. The principal benefit to *folder categorization* is just to keep your file room organized by assigning shelving or file drawers, as the case may be (more on this later), and allowing the staff to find the vast majority of the folders they need on one set of shelves. Go to the file room, turn left, the first three tiers of shelves are where the insider reporting folders are. End of story.

In this way *folder categorization* makes team members happy because it makes their life simpler: the categories are few in number, in my experience the categories kind of

invented themselves over time, born of necessity, and not a single tussle resulted from the birth of categories.

Records classification makes team members miserable in the short term because they spend their weekend time off wrestling with classification issues (and each other), and in the long term because they will forever struggle and argue over stuffing documents into pigeonholes.

You'll see how easily my simple yet elegant records management system makes organizing your folders into categories.

Are we there yet?

No, no we're not, but we're getting awfully close, really we are.

Remember what we said about digital records? Of course you don't, relax! I'll remind you:

- I mentioned in Chapter 1 that when I invented my simple yet elegant records management system it didn't take into account digital records; and
- I warned you in Chapter 2 that digital records were not suitable for long-term archival requirements.

Since then we've covered a lot of ground about designing a records management system, ostensibly for paper records.

Digital records

This is where we apply what we've learned so far about paper records to digital records.

The good news at the outset is that my simple yet elegant records management system now happily accommodates digital records quite elegantly.

First, back to basics.

The nomenclature for digital records is similar to what we have seen for paper records but there are some potentially confusing twists.

Paper records	Digital records
Base records: documents	Base records: files
Records holder: paper folders	Records holder: directories in MS Windows (folders in Apple OSX)
Storage method: Drawers and shelves	Storage method: drives

Unless you work for an organization that has an integrated document management system (many large law firms have such systems) you will be storing your digital records directly in drives, whether the drive is on your computer, on a departmental server, or in

the cloud in a service like Box, iCloud, MS OneDrive, the IBM Cloud, DropBox, or one of many other similar systems.

f

In most cases there is no real difference in terms of saving folders to a drive in a computer, on a server, or in the cloud. There are however document management systems (that log the documents into a database then manage the document storage in proprietary ways, similar to the way MS Outlook stores your email messages. Sometimes those systems make it more difficult to manage documents in an effective way by imposing different ways to store the information.

For email I exchange with my clients I take the precaution of saving each message in Adobe Acrobat PDF format and then saving the correspondence in the client's folder.

As I explained way way back in Chapter 1, at two companies where I worked as a governance professional, the departmental drive was organized in a series of directories (let's make our lives easier, we're going to call them *folders* from here in), something like this:

```
Secretariat
  Board
    Board of Directors
      2004
      2005
      2006
        April
          Human Resources Committee
          Governance Committee
          Audit Committee
```

This makes it pretty easy for a team to work collaboratively on projects.

The challenge it presents, is that there is nothing that links the digital scheme back to the paper scheme, or vice-versa.

Now, brace for it, here is my simple yet elegant hack (I'll call it a *hack* because now we're working on the IT side of the fence):

As you now know, the simple yet elegant records management system I'm teaching you to implement assigns to each folder a unique alpha-numeric identifier.

We haven't gotten to the nuts and bolts of that feature yet so you don't really know what a unique alpha-numeric folder identifier looks like.

Don't worry about how to develop and assign alpha-numeric identifiers, once you get through CHAPTER 7 you will know exactly how to do that.

For now here is a random sample of unique alpha-numeric identifiers to chew on:

A20041028-3
20040317-1-8
20040121-1-3
20031107-1-3
20031107-1-2
INS20080501-1-1
INS20080501-1
S20040412-1

Here are the little magic tricks that allow the simple yet elegant records management system to handle *both* your paper records *and* your digital records:

1. Copy the unique alpha-numeric identifier from the simple yet elegant records management system and paste it into the disk drive folder name like this:

- In Windows, simply append the unique alpha-numeric identifier at the end of the folder name like this: “Human Resources Committee BHU20031107-1-3”. Unfortunately, Windows does not allow you to add metadata tags to directories. Go figure.

Windows, like Apple OS, does allow you to add a metadata tag at the filename level, but while doing that would be super, it would be way too laborious to make it worthwhile.

- In Mac OSX, there are two ways to handle the integration:
 - The most elegant way is to add the alpha-numeric identifier as a tag in the folder’s metadata (right-click on the folder, select ‘get info’, paste the unique alpha-numeric folder identifier from the simple yet elegant records management system into the tags field box; or
 - As in Windows, simply append the alpha-numeric identifier at the end of the folder name like this: “Human Resources Committee BHU20031107-1-3”.
- Though it’s not as pretty, pasting the unique folder identifier right into the folder name has the advantage that you can immediately see that the folder is paired with the records management system, and that’s very useful. My advice is just to paste the identifier into the folder name, no matter what operating system you use.

2. Use the ‘digital location’ field (don’t worry, we’ll revisit this later in the implementation chapter) to show the path to the folder like this: “iMac (desktop\Caravel Law\LSUC compliance)”
3. In the paper folder, either handwrite, or scribble, or place a self-adhesive address label, showing the path to the folder on the drive like this: “The folders

for this matter are on the departmental server: g:\secretariat\compliance\insider reporting\insiders”.

Now that the unique folder identifier has been integrated into the folder names on the computer drive, you can easily use the computer’s global search function to find the folder *in a flash!* You’ll be able to do that no matter how many branches and stems the drive has grown in its folder structure over time.

With these few little expedients you will be able to use whatever directory structure you are used to using with the only change of adding the alpha-numeric identifier metadata to the folder name, and you will have a fully integrated paper and digital records management system: it’s simple yet elegant, and virtually cost-free.

I would argue that the third step of adding a note to the paper folder to indicate the digital path is not really necessary at all, though it can get you to the folder on the computer at a glance once you have the paper folder in hand. You can skip the third step because searching on the computer for the alpha-numeric identifier will take you straight to the folder. The alpha-numeric identifier also happens to be the first line on the paper folder’s filing label. As you can see there are a lot of fail-safes.

More about that later.

On a final note on computer file systems, while the Apple operating system (OSX) is a little more forgiving, the Windows/SharePoint/OneDrive environment has a bunch of file naming must-nots:

- Folder naming
 - Characters to avoid
 - ~ " # % & * : < > ? / \ { | }.
- Phrases to avoid
 - .lock, CON, PRN, AUX, NUL, COM0 - COM9, LPT0 - LPT9, _vti_, desktop.ini, any filename starting with ~\$.
 - "forms" isn't supported when the folder is at the root level for a library
 - "_vti_" cannot appear anywhere in a file name
- Finally, you can't create a folder name in SharePoint Online that begins with a tilde (~).

I suggest simply avoiding those traps when naming your folders, no matter what operating system you happen to be using.

Finishing touches

The design phase of the simple yet elegant records management system is almost done.

We have already done all of the heavy lifting and we have dispatched every single one of the potentially tricky, hairy aspects that can bedevil the design process. All that's left is tidying up a few little loose ends.

Though they are little loose ends, that's not to say that they aren't important. Not by any means.

What we've drawn out so far is a records management system with the following key features:

- Simple paper folder rules,
- Simple digital folder rules,
- Folder categories,
- Effective and efficient folder names, and
- Unique alpha-numeric folder identifiers.

So what's left to do?

I'm glad you asked.

Remember I told you that records had a life too? There's that, and I also said that we'd discuss binders. So let's do it.

Binders, and shelving, not cabinets

Up to this point, in the interest of simplicity I have focused mainly on paper folders.

The notable exception was my 'I won a huge lottery' story in CHAPTER 4 under the heading Procedure and operations manuals.

At the last company I worked for the vast majority of the nearly 5,000 folders we had in our records management system were held in paper folders. But we also had records that were held in binders.

That was the case for the Procedure Manuals of which there were approximately 24. There were also 40 or 50 other folders held as binders. And then there were minute books or duplicate minute books that were also held as binders, accounting for a couple of hundred additional binders.

This may sound to you like the most boring thing you have read so far. Who cares whether records are stored in a paper folder or a binder?

Let me try to explain why binders need to be taken into account. It'll only take a minute longer.

First off, binders have their purpose where the information is useful as a reference. In that case, as with the Procedure Manuals, a binder allows you to use tabs and a table of contents to access the information, the binder lends itself to having its contents easily updated and consulted: it lies flat on the work surface, and allows its contents to be opened at any point to be easily read or updated. In the case of minute books, well that's just the way minute books are.

So what?

Well, here's the kicker. To make maximum use of your available storage, and to maximize the usefulness of your records management system, and to be as efficient as possible in consulting information, you have to organize things so that folders and binders can live together.

That means that to reap those efficiencies you need a file room with shelving, not filing cabinets. Storing binders in filing cabinets is inefficient and just plain silly. Library shelving may not be esthetically desirable but it works really well for holding binders and folders side by side. That means that the minute book, and the corporate folder containing all the working papers for your Alberta subsidiary can sit side by side on the shelf. It's a one-stop solution that the paralegals on your staff will love.



Here's an example:

C20100423-1 Interconnected
Megsystems PTE Ltd. (minute book)

C20100423-2 Interconnected
Megsystems PTE Ltd. (Registers Book)

C20100423-3-1 Interconnected Megsystems PTE Ltd. - Corporate folder (to April 1, 2014)

C20100423-3-2 Interconnected Mega Systems PTE Ltd. – Corporate folder

We'll be doing a deeper dive into the details and logistics of the simple yet elegant records management system in the very next chapter so this is really just a little tease of where we're headed.

Don't worry about those folder serial numbers. There's more to come on those too.

Managing a record's lifecycle

The lifecycle of a record looks something like this:

- We open a folder and note the folder opening date
- We set the retention period as well as the folder's key characteristics
 - The category it belongs to
 - Whether it's a paper folder, a digital folder, or both
 - We set the open/closed status to "open"
 - We evaluate the sensitivity of the folder: whether the information it contains calls for high, medium or low
 - Confidentiality
 - Integrity
 - Availability
- The records are placed in the folder (whether digital, paper, or both)
- The folder is stored close by for so long as it is needed for frequent access
- When the folder is accessed more rarely and isn't the focus of current work, the folder is moved to the file room
- When the record ceases to be active, it is marked as closed and the date the folder is closed is noted
- Closed records are periodically sent off-site for archival storage (Recall, Iron Mountain, etc.)
- When the retention period ends, the records are retrieved and destroyed

That, in a nutshell, is the record's lifecycle.

The records management system we design needs to accommodate the information that relates to the key elements of the lifecycle.

While folders and records may be destroyed when their lifecycle ends, the information concerning the record's lifecycle (the folder's metadata held in the records management system) is retained for as long as the records management system remains in place.

Conclusion of the design phase

That concludes the design phase of our simple yet elegant records management system, and DIRKS Steps E and F.

At this point you have the information you need to take full advantage of the information yet to come. In the next chapter we'll take a close look at some of the practical implementation aspects of the simple yet elegant records management system: DIRKS Step G.

CHAPTER 6

Preparing for implementation

This chapter covers some of the practical aspects that we need to consider as we carry out the DIRKS Step G process which is the records management implementation step. In Chapter 7 I'll introduce my simple yet elegant records management solution in depth, we'll see how the system works in practice and how it implements all of the information theory we've explored so far.

Access controls

This is a vital topic.

Let me take you back to the GARP principle of protection:

An information governance program shall be constructed to ensure a reasonable level of protection for records and information that are private, confidential, privileged, secret, classified, or essential to business continuity or that otherwise require protection.

Here's where we have to distinguish between rights of access and the process through which the right to access is exercised.

Let's start with the case where the risk is most acute for the organization.

Solicitor-client privilege

If you haven't come across the principle of legal privilege, or solicitor-client privilege, it means you're not a lawyer, and you're blessed to have lived a life sheltered from the misery of litigation.

Most larger organizations encounter litigation as a matter of necessity, either because they are suing to right a wrong, to recover unpaid accounts receivable, or because they are being sued for some reason, such as a commercial dispute for example. Most litigation doesn't call into question the integrity of the litigants, often there is simply a legitimate claim that is veiled in some form of controversy or misfortune, and litigation is the result.

In the course of investigating a claim, or documenting the circumstances of a potential claim, whether in favour of, or adverse to, the organization's interests, you will want to protect the information in a way that doesn't impair solicitor-client privilege.

The ins and outs of solicitor-client privilege are way, way, way beyond the scope of this book because to do the subject justice is to write a whole other book.

In the course of managing the records of the companies I have worked for in the course of my career I had to defend some of the records in my custody against the possible loss of privilege.

It wasn't some James Bond conspiracy by bad actors I was up against. It was just well-intentioned intervention by perfectly honourable individuals trying to get their job done.

Let's just take a quick peak at one situation.

The organization's auditors have a process in which they gather information about claims by and against the organization for the purpose of disclosing an assessment in the financial statements.

In the United States, if an auditor accesses privileged information, the mere fact of access destroys the privilege and literally casts aside the protection, throwing the information wide open to the world, including the adverse party in the concerned litigation. It doesn't matter why the auditor accessed the information, and it doesn't matter if they acknowledged the privilege and swore an awesome oath to keep it sealed and confidential. Poof! Privilege wiped out.

In the European Union, solicitor-client privilege is in much worse shape, because the organization can't even invoke that privilege in the context of the services of their in-house counsel.²⁴

In Canada, in the Common Law jurisdictions (everywhere except Quebec), the privilege might survive the auditor's nosy nose if, and only if, the auditor justified the need for access, acknowledged that the information was privileged, undertook to maintain the confidentiality of the information, and signed a written undertaking to that effect pertaining only to that one identified item of information. A blanket undertaking (and I have had to stare down well-intentioned auditors who insisted that the organization sign a blanket right of access) will kill the privilege for every item of information the auditor accesses.

Quebec is the most respectful jurisdiction when it comes to privilege because the concept of solicitor-client privilege has been extended from the legal profession to many other professions, including our sisters and brothers in the accounting business.

²⁴ Judgment of the *Court of Justice of the European Union (Grand Chamber)* in the case of *Akzo Nobel Chemicals Ltd. and Akcros Chemicals Ltd. v. European Commission* European Court Reports 2010 I-08301 (<http://bit.ly/2oVRw2Q>), at paras. 43-44

“43 [...] written communications which may be protected by legal professional privilege must be exchanged with ‘an independent lawyer, that is to say one who is not bound to his client by a relationship of employment’.

44 It follows that the requirement of independence means the absence of any employment relationship between the lawyer and his client, so that legal professional privilege does not cover exchanges within a company or group with in-house lawyers.”

All of this to say that a folder that is thought to contain material that may be subject to solicitor-client privilege has to be identified as such and safeguards against access that might prejudice the claim of privilege have to be in place. Those records have to be locked up. *Lock'em up!*

Here's an example of a privileged folder:

GEN20170120-1-5 Project Crab Fisher - Confidential - Solicitor client privilege - Vol. 1

Let's tackle another situation that illustrates a different set of challenges.

Access by Directors and Officers

This is interesting, particularly in the case of directors.

Why?

As a matter of law, directors of a federal corporation²⁵ in Canada have essentially unfettered access not only to the corporation's records, but indeed to all aspects of the corporation's undertaking.

A director is therefore entitled to knock on the governance office door and demand a tour of the file room and all it contains.

That said, it might not be the best idea for a director to exercise his or her rights in that way. If that kind of a request were made, it might be indicative of a very serious problem. At a minimum the request for access would need to be evaluated by the enterprise at the highest level. There are, after all, certain limits to the director's right of access.

For instance, what if the director has launched a claim against the corporation?

If the governance office records are under lock and key, that simple fact will require that the request for access be vetted, and that is appropriate.

In the end, absent an extraordinary circumstance such as litigation between the corporation and the director, the director is entitled to unfettered access. And that is one of the reasons that when the organization holds a facility security clearance, all of the directors and many of the senior executives have to hold securities clearance at the same level as well. That is how I came to hold top secret, and NATO secret securities clearances.

Every other person's claim of access to the governance office's records will be subject to more constraints than in the case of a director.

²⁵ *Dublin v. Montessori Jewish Day School of Toronto* 85 OR (3d) 511 (SCJ). The right of access results from the essential role of the director, notably under s. 102 of the *Canada Business Corporations Act*.

Not all executive officers ought to have unquestioned access. Whereas the CEO and Chief Legal Officer or Chief Governance Officer may be entitled to just waltz in and have a look, arguably because they are in the chain of command over the records management process, there may be records in the governance office that less senior executive officers, including the Chief Financial Officer, the Controller and the Treasurer shouldn't have access to. It's not inconceivable that the records might include an unresolved whistleblower investigation containing untested allegations involving those officers.

None of this means that the governance office records are absolutely off limits, not at all. It just means that access needs to be *controlled*, so that any potential risks to the records and the information they contain can be managed when you provide access to the records.

Minute books and record books

The integrity of minute books²⁶ and record books²⁷ is one of the most important responsibilities of the governance office.

Often they contain information that is amongst the most confidential information the enterprise has in its possession. These records ought to have the very highest level of assurance that their integrity will be preserved.

Auditors will frequently request access to the minute books and record books as part of their due diligence in the preparation of the organization's financial statements. Other external auditors, like those from the taxation authorities (in Canada, the *Canada Revenue Agency* or "CRA", in the US, the *Internal Revenue Service* or "IRS") may request access to the minute and record books. Internal auditors may also, from time to time, request access.

Access by auditors of all stripes is a compelling reason to ensure that the minutes and meeting materials never contain solicitor-client privileged information.

The best practice in granting access to auditors is for the governance office to have a private meeting room, separate from its file room, but within the governance office, where auditors can review records to their hearts' content without the minute and record books ever leaving the governance office.

²⁶ A minute book is a permanent binder containing the vital records relating to a corporation including its articles of incorporation and other constating documents, the minutes of meetings of the Board of Directors, its committees, and shareholders, the registers of shares, directors and officers, and other vital records.

²⁷ A record book is the collection of records tabled at a meeting of the Board of Directors containing the meeting agenda and each of the documents tabled at the meeting to support the items of business on the agenda.

They sometimes wish to make copies. Auditors should undertake that they will ask a member of the governance office to make copies of documents for them. This ensures that suitable care is taken to prevent mishaps (torn or mis-refiled records, spills, and inadvertent loss of original records - such as where a photocopy is mistaken for an original signed document).

The Masses

No, I don't mean me and my extended family ☺

I mean everyone else who makes a case for accessing or visiting the governance office records.

If it's vital to manage access by the most important V.I.P.'s like directors, officers and auditors, the same goes for everyone else.

Scheming for control

Locks, keys, combos, fobs... and fire

I have done them all.

One setup I liked very much because it provided *TOTAL CONTROL*, was a devilish scheme I invented.

It went like this.

The file room was locked with what I call a *McDonalds lock*. I call them that because the first time I saw them was on the door to the kitchen and staff area at a McDonalds restaurant. You know the ones, they are a honking big stainless steel thing with a manual keypad. The one I ordered allowed you to reprogram the combination. That's useful. Here's why.

Inside the file room I had a key box with a conventional keyed lock, and, this is also key (pardon the pun), a small safe also with a programmable combination lock.

Here's why I liked that.

The entire governance office would go on the road for the company's Annual General Meeting. I was concerned that if access to the governance office's records became critical when the team was stranded at the other end of the continent, what would we do??

That actually happened when we actually *were* at the other end of the continent.

Here's how my setup saved the day and prevented a serious case of hyperventilation or hypoxia.

When the call came that urgent access to our records was required, I was fortunate to be able to tell the person (who was a little breathless, I have to say), that access would happen momentarily.

Whaaattt?

I called one of my colleagues in the law department and briefed him quickly. I stayed on the phone with him while he made his way to the governance office. When he got to the file room I gave him the code for the door. Once inside, I directed him to the safe and provided the combination for that. Once he got the safe open, he found the key to the keybox hanging on the safe door. From there he had unfettered access to the entire governance office. With a little more guidance from me he found the records that had gotten people a little on edge, and everyone heaved a sigh of relief.

When we got back from Vancouver, we reprogrammed the door and safe combination locks. Easy peasy.

Now *that* is access control done well.

An electronic fob / access card would do just as well as a combination lock on the door, provided of course that you could grant access to someone more or less at a moment's notice. If that's the case, electronic access is preferable.

These days there are smart locks available at the local hardware store that outperform both the combo lock and the fob solution in terms of managing access, particularly if you are in a small governance office and the organization you work for doesn't have complete twenty-four hour control over the systems that run your fobs and access cards.

The key is to use your imagination to make the most of the tools available on the market to manage access to the records entrusted to you.

FIRE!!!

Right... I promised fire too. Here's where I dish not only on fire, but fire 'n ice!

Believe it or not, in my career as a governance professional I have had to ensure that the governance office continued its work without skipping a beat during an unprecedented ice storm that shut down the entire city, and most of the province for the better part of two weeks. At another company, not one but two fires shut us down for a couple of days, and one of them (an electrical fire on an upper floor), heavily damaged our executive offices. The other fire was a vehicle fire in the underground parking garage that flooded our offices with acrid smoke.

I was also a key participant in the Y2K²⁸ preparations. The company I worked for was critical to national security (did I mention that I have held *top secret* national and NATO security clearances?). Lots of people believed that there was a chance that when computer systems rolled their clocks into the new millennium, the hounds of chaos would be unleashed and the world as we knew it would be thrown into complete disarray! OK... that never happened (thank heavens), but...

The best practice for a governance office is to be *ready for anything!*

In the dispassionate cool voice of modern business, that level of preparedness is now pronounced *business continuity planning*. It used to be called disaster recovery.

But first, let's get back to the *burning* issue at hand.

It turns out you don't fight fire with fire. You fight fire, in part, with fireproof file cabinets. Yes my governance friend, you need to know special tidbits about fireproof file cabinets.

THEY WEIGH A TON!!

It's a best practice to keep the most vital records that need to be close-by in fireproof cabinets. When the fires struck, I wasn't worried about my minute books and record books for the most recent meetings, because they were safely locked up in fireproof cabinets.

The challenge with fireproof cabinets is their weight. They can't just be plopped down *wherever*. You need to have a building engineer evaluate and approve the location for those cabinets. Typically they need to be as close as possible to the building core, and typically that means close to the elevator shafts. Depending on how many you need, you might need a raised structural steel floor (a matrix of steel beams laid on top of the floor) to spread the weight.

The last thing you want is for one of your colleagues to jump for joy when they get their annual bonus and, like the wing-flap of a butterfly,²⁹ trigger a harmonic resonance event that sends your precious fireproof records pounding through one floor after another on their way to the building's basement. Don't say I didn't warn you.

I Spy!

Have I mentioned spies? Of course not.

In the unlikely event that you work for an organization that holds a national facility security clearance, and if your governance office holds classified information (entirely possible, actually), then you need more than a security clearance and a file room with a smart lock

²⁸ https://en.wikipedia.org/wiki/Year_2000_problem

²⁹ https://en.wikipedia.org/wiki/Butterfly_effect

and a fireproof cabinet with a lock a six-year-old could pick given thirty seconds and a paperclip.

The nice folks in the national security services will make you reinforce the walls of your file room from the floor slab to the ceiling slab, install a serious door and lock, as well as James-Bond-proof secure file cabinets. The good news is that you'll have no choice, and the helpful folks who work in the national security establishment will tell you precisely what you need to buy and where you need to get it.³⁰

Now it's time to talk about business continuity...

You will remember that in the simple yet elegant records management system we designed in the last chapter, we provided for the means to determine the folder sensitivity rating for the records you plan to store.

If the Confidentiality/Integrity/Availability is PHH (privileged, high, high) that rating should play into your organization's business continuity plan. Come the fire, earthquake, hurricane, tornado, wild fire, ice storm, snowmageddon, or zombie apocalypse, those records have to remain safe *and* accessible. That can be a tall order.

Fortunately the folks responsible for your organization's business continuity or disaster recovery plan will help you to determine the measures you need to take to comply with the plan.

Sometimes that means keeping duplicate mission-critical records off-site, possibly in secure and fireproof safekeeping, with things like firewalls and automatic halon extinguishers. It can also mean storing those records in a different city, on a completely different power grid, with a completely different geographic natural disaster profile. That means if your office is in Toronto, your disaster recovery site is in Vancouver, or Los Angeles. If your office is in Houston, you might want your disaster recovery site to be in Montreal. No kidding!

These kinds of precautions are not for everyone of course, but it's important to be aware that you may one day come face-to-face with these kinds of requirements.

In the meantime, the good news is that your simple yet elegant records management system has the tools you need, and you now have the knowledge and skills you need, to keep your records safe, flag them for sensitivity, impress your organization's security and business continuity gang, and give you some peace of mind that when some poor soul's car decides to torch itself in the underground garage, you won't fear for the integrity of your most important and vital records.

³⁰ For instance, see sections 503 and following of the Canadian *Industrial Security Manual* entitled *Record Keeping*: <https://www.tpsgc-pwgsc.gc.ca/esc-src/msi-ism/chap5-eng.html#s503>

What about my bytes?

Once again, I've managed to cover everything you need to know about your paper records, and left you in suspense when it comes to your expanding universe of digital records.

Digital records also need protection, there's no doubt.

The wonder of digital records is the paradox that they are at one and the same time the most fragile, and the most robust of records.

Fragile because, until mankind invents something beyond binary digital records, all those records are just a super-simple train of ones and zeroes stretching to the horizon. If you muddle the sequence of ones and zeroes, there's a good chance that your information, while still *right there*, is now totally useless and beyond recovery.

Paradoxically digital records are incredibly robust because their intrinsic fragility is a source of immense power.

It's nothing to store a perfect copy of your Halifax digital records in San Francisco, or in Paris, London, or Tokyo for that matter. That's the 'cloud'.

You don't have to lose any sleep if your cloud provider is a titan like Amazon, or Google, or Apple, or IBM, or Microsoft, because their cloud storage is backed up and redundant a hundred times over.

If you trust *no one*, you can use something like *Pretty Good Privacy*³¹ ("PGP") to encrypt your digital records in a way that if you leave a USB stick on a park bench in Beijing or Moscow, there is very little probability that your secrets will get hacked.

Consider this:

"To the best of publicly available information, there is no known method which will allow a person or group to break PGP encryption by cryptographic or computational means. Indeed, in 1995, cryptographer Bruce Schneier characterized an early version as being "the closest you're likely to get to military-grade encryption." Early versions of PGP have been found to have theoretical vulnerabilities and so current versions are recommended. In addition to protecting data in transit over a network, PGP encryption can also be used to protect data in long-term data storage such as disk files. These long-term storage options are also known as data at rest, i.e. data stored, not in transit."³²

³¹ *Pretty Good Privacy* is open-source encryption software that is pretty good, in the same way that Seal Team 6 are pretty good at soldiering.
https://en.wikipedia.org/wiki/Pretty_Good_Privacy

³² <https://en.wikipedia.org/wiki/Pre>

What's more, is that if you work for a security-conscious organization, there is a good chance that the computers you and your staff are using have their hard disks protected with similar government-grade encryption. So go ahead, leave your MacBook Air unattended on a bench in Union Station on your next business trip to the Big Apple.

This makes protecting and securing digital records kind of simple compared to the hassle of the safekeeping of your paper records.

BUT...

(There's always a BUT).

The Achilles heel of digital records is the *Moore's Law Problem*.³³

While the pace of development of integrated circuits has moderated, the challenge remains that data obsolesces way too fast. Do you remember Word Perfect? Lotus 1-2-3? Palm Pilots? Blackberrys? The first Macintosh?

Data doesn't do well over time. I've warned about this before.

A best practice today is to manage the information flow from your organization to the members of its Board of Directors using board portal software.

Those portals are what are referred to as "software as a service". The data that contains your board information in your service provider's portal service is perfectly safe, and perfectly accessible, BUT it's definitely, definitely, definitely (I just can't stress this enough) NOT an archive medium.

You'll say "Oh, I know, because we purge that data regularly. But we keep a digital archived copy on our trusty departmental server!"

You'll say that with a demure smile, like a confident student at the head of the class.

BUT (there's that irksome 'but' again) the truth is that you simply can't rely on your digital data being as accessible and readable as it is today ten years from now. The odds of survival can be expected to decrease precipitously the further you peer into the future.

I am repeating this warning here (remember, I covered this before in CHAPTER 2, and I repeated the warning briefly in CHAPTER 5) because, in my experience, most people seem to be clueless about this serious risk.

tty_Good_Privacy

³³ https://en.wikipedia.org/wiki/Moore's_law

Professional archivists, like those who work for the U.S. Library of Congress, warn about the challenges of sustainable digital archives. They speak in terms of *decades*:

“To preserve digital content and provide service to users and designated communities decades hence, custodians must be able to replicate the content on new media, migrate and normalize it in the face of changing technology, and disseminate it to users at a resolution consistent with network bandwidth constraints. Content for which a trusted repository takes long-term responsibility must not be protected by technical mechanisms such as encryption, implemented in ways that prevent custodians from taking appropriate steps to preserve the digital content and make it accessible to future generations.”³⁴

The key questions to ask yourself when you consider the wisdom of archiving data are:

- What is the anticipated timeframe?
 - Years, decades, centuries?
- Who will ensure that the data is faithfully migrated to new media as older media becomes obsolete?
 - Think of devices, storage technology, data formats
- What if there is no new format to which obsolescing data can be migrated without loss?
 - I can think of a few, actually

Have you witnessed digital information that became unreadable?

Sadly, I have, multiple times.

The problem is that even when you see it happening, you just don't have the time or resources to prevent the loss. It's like one of those old teetering barns you see in the countryside on a road trip. It's still there, it's definitely a barn, and it's definitely no longer useful in any way at all. Your archived data is likely to become that barn. You don't want to be that farmer.

In my opinion, the only data formats that might be reliable for medium term archiving are, in order of reliability:

- ASCII text (.txt)
- HTML 2.0 (.html), and maybe, just maybe,
- Adobe Portable Document Format (.pdf)

³⁴ <https://www.loc.gov/preservation/digital/formats/sustain/sustain.shtml>

If it's available to you for the online services you rely on, you should set up two-factor authentication. Ideally the second factor will be a dongle or some other form of token, or a smartcard with a digital ID. Any form of two-factor authentication is better than none and is likely to foil a hacking attempt even if you've had your user credentials phished from you.

On the other hand, if you bought \$100 of BitCoin six years ago, it might now be worth north of \$70 million dollars and it may have evaporated without your knowledge because hackers have hacked mobile-phone-based SMS two-factor authentication because of the security lapses on the part of mobile phone carriers. So sorry for your loss :-)

As for your passwords, trust me, "4=#74vtBmVM" beats "BarkleyK9", "Goldie#673", and "H0gW4rts" hands down.

If you think coming up with "4=#74vtBmVM" is hard, imagine if you had to come up with a similar strong and completely different password for every single application you need to log into. Because that's exactly what you need to do.

It's that old 'eggs-in-one-basket' issue. Do what I do, use a good password manager and put it to work. You set the rules and it generates random secure passwords for you to use on demand. Problem solved. You're welcome.

Wait, back up!

I almost forgot. Back up. No, no, no, sorry, I mean backup!

Backup your digital records. Nothing could be easier. If you work for a big company, the odds are that all your network drives are already professionally backed up.

If you're in a small shop and don't really know whether or not your records are backed up, go to *Costco*, get yourself a couple of 3 terabyte drives and set them to back up your data. Run them in parallel. If you're paranoid, take one with you when you leave the office, or take them both, like when the fire alarm goes off. Just saying.

And in conclusion...

Yes, thank heavens, finally, that's it for the pre-implementation issues deep-dive.

The next chapter brings you the BIG REVEAL!!

Are you excited?

I know I am!

CHAPTER 7

Your very own simple yet elegant records management system

DIDN'T READ THE EARLIER CHAPTERS??? DON'T PEAK!!!

DO NOT ENTER!!

GO BACK!

NOW!!

Oh well, let's assume that you *did* read all the previous chapters.

So here we go, at long last.

Ta-dah!!!

These are YOUR folders		Maximum capacity: 10,000 folders (expandable if macros are updated to adjust and expand ranges)																		
Sort (normal)		New Folder Sort		Filter on / off		Status following most recently executed command: FOLDER FILTERING TOGGLED ON/OFF														
Refresh sequence numbers		Show all		Folder number																
#	Series (Index)	Category	Folder Number	Folder Name	Active Level	Digital Icon	Archive Level	File opening date	File closing date	Comment	Retention / Anticipation	Folder availability rating (Low, Medium, High, Prohibited)			Folder number breakdown for sorting					
												Availability	Priority	Retention	Level	Level	Level	Level		
1																				
2																				
3																				
4																				
5																				
6																				
7																				
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It's beautiful, isn't it? It kind of floats off the page!

What you are looking at is the simple yet elegant records management system.

If it looks familiar, it's because it's built on a Microsoft Excel workbook. That's really good news because the overwhelming odds are that you already have Excel on your computer. That means that the system is essentially free. By 'essentially' I mean that it's yours free if you bought this book.

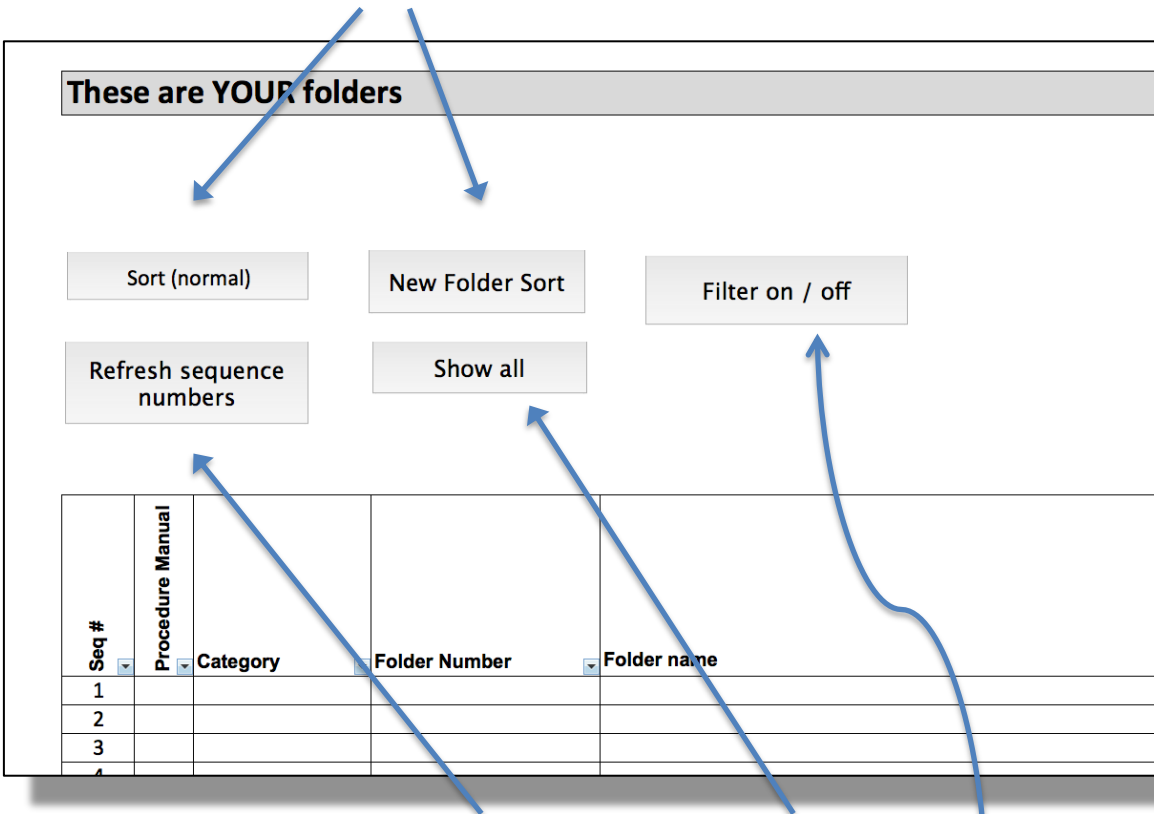
If you're reading this book because you are enrolled in the *Governance Professionals of Canada Education Program*³⁵ and I am teaching you the records management course as part of the program, then you already have the spreadsheet.

³⁵ <http://www.gpcanada.org/gpc-ep>

If you came to this point by some other route, go to my website: governanceview.com. Reach out to me. We can work something out. I promise.

By the time you are finished reading this chapter if you've been trying out the spreadsheet, you'll have everything, and I mean *everything*, you need to set up a world class GARP and DIRKS compliant simple yet elegant records management system. That will be the case even if you've never dared to use Excel before. Trust me.

One of the reasons that the simple yet elegant records management system is simple is I've taken the trouble to automate the potentially tricky bits with *macros* (not as scary as they sound), like the way the records³⁶ (each of which represents a digital or paper folder – see the footnote) need to be sorted. Now that's just a button click:



The same is true for refreshing the sequence numbers, revealing all the records after you have filtered the list to find a folder, or turning the filters on or off.

So let's get started, shall we?

Opening folders

Just as we've done in the past, let's tackle the harder stuff first.

Opening a new folder is as simple as entering the information for each field in the system. You do this either by adding the information for the new folder at the end of the list of

³⁶ Well this *is* embarrassing. In this context, I'm using "records" in the database sense of the word. The simple yet elegant records management system is actually a really simple database. Each line in the spreadsheet is a record, and each column is a field. As used elsewhere in this book, when I talked about "records" I was referring to documents in a folder, or computer files in a digital folder. In the simple yet elegant records management system database, each "record" represents a folder (paper or digital) full of records. Yes I realize that it's confusing, but really it's not my fault, I didn't choose the terminology. Bear with me, we'll work this out together, I promise to undo the confusion as best I can. *We will survive this together. Teamwork!*

folders in a blank line immediately below the last folder in the list, or, if you prefer, and if you are adding a new folder similar to an existing folder, by adding a new row adjacent to the existing folder by right-clicking on the row number in the far left of the screen and selecting “insert” from the popup menu.

With that little bit of housekeeping out of the way, we’re ready to input folder information.

First let’s learn all there is to know about that unique alpha-numeric serial number or unique identifier that’s been mentioned earlier on a number of occasions. In some important ways, that is where the true genius of the simple yet elegant records management system lies.

If you don’t remember the lesson from earlier in the book, it’s because I only touched on it briefly when we looked at a strategy for integrating digital records by tagging folders on your computer drive with the unique folder identifier which is the way folders are stored in the simple yet elegant records management system.

Let’s open a folder. There is no better way to get cracking.

Let’s imagine that it’s Wednesday, May 23, 2018. It’s my birthday so... actually, do you think I’m crazy enough to reveal my birthday *in a book that’s available online?*

No, sorry to disappoint, let’s just say that it’s a random date.

You’ve got a folder to open today.

Actually it’s worse than that. You are more or less where I was quite a while back in the fall of 2003. You’ve actually got seven folders on your desk to deal with, and here they are, in no particular order:

1. You recently read a couple of fascinating articles on best practices related to CEO compensation and you’ve got copiously annotated copies of them in the first folder;
2. You just had a meeting with the controller to begin planning for an upcoming Audit Committee meeting and she handed you a raft of documents that are in the second folder, plus there are the handwritten notes you took during the meeting;
3. A couple of days ago there was another meeting. That meeting was with the business acquisitions team and you have a bunch of documents related to something they called Project Scorpion that is really hush-hush. Those documents are in the third folder;
4. The Chairman called to say that it was time to implement a portal for the Board of Directors. You contacted a well-regarded supplier who claims to have an industry-leading application. You have a bunch of materials you got when you

met their sales rep for lunch earlier in the week and you put them in folder number 4;

5. A new director might join the Board of Directors and now you have folder number 5 with correspondence between the Chair and the prospective candidate, her bio, and some other stuff;
6. The Human Resources Committee binder from the meeting of the committee two weeks ago is sitting on your credenza and really needs to be turned into a Record Book and carefully squirreled away; and
7. You met with the general counsel and he asked you to be the point person on the claim he thinks a disgruntled supplier is about to launch against the company. You have a demand letter setting out the claim, and a memorandum from your company's outside counsel concerning the way the firm intends to present your company's defence if the claim becomes a real thing. All those documents are in folder number 7. You scrawled "Privileged / Confidential" on it, and locked it in your desk drawer.

You've barely been in the job a week and it looks like things are going to get even more hectic from here on in.

If you were me back more years than I care to count, you might be a little concerned.

But you're you, and you now have the simple yet elegant records management system to work with, so you know that dealing with these few folders is going to be a breeze.

Let's take those folders one at a time and walk through the folder opening process at a leisurely comfortable pace.

Folder #1 – CEO Compensation

This one's a piece of cake. You're planning to put together a governance watch process to keep an eye on trending developments related to governance.

These articles on CEO compensation are a good start.

Assigning a folder category

Since you know already that as time goes by there are bound to be a whole bunch of governance watch folders, right off the bat let's make that our very first category. We'll just call the category "Governance".

Go ahead click on cell D16 in the spreadsheet which is the category name field and type "Governance" then press enter.

Categories are really easy to create and manage. No matter how busy or large your department gets, categories will be the least of your concerns, as you'll see.

Assigning a folder name

Let's give the folder name a shot.

Click on cell F16 which is the folder name field for your first folder record.

Now it's time to *THINK HARD!*

Five years from now the Human Resources Committee Chair will call you and say that the committee needs some serious guidance because the Board is planning to take a brand new state-of-the-art, best-practice approach on executive compensation and talent management, and they want your expert advice and guidance.

The rub is that you need to find the folder with all the golden treasure in it. What will you look for if you don't remember the folder name in the heat of the moment?

You could call the folder "CEO Compensation". Is that good?

Well it might be good enough, after all. But if you think just a bit more about it, without breaking a sweat, perhaps "Executive Compensation" would be a better choice. You've noticed that there have been quite a few conference sessions on executive compensation lately... *SOLD!*

Type "Executive Compensation" in cell F16 which is the folder name field. Wow! We've named our first folder. This *is* exciting.

Assigning a unique alpha-numeric folder identifier

Now we need to tackle that all-important and vital *alpha-numeric unique folder identifier serial number*.

Here's where you ask me "Where's the button I can click to get that number?"

OK, there is no such button.

We're just going to make up a unique alpha-numeric folder identifier, and we're going to do it right now.

Let's start with some letters for the category.

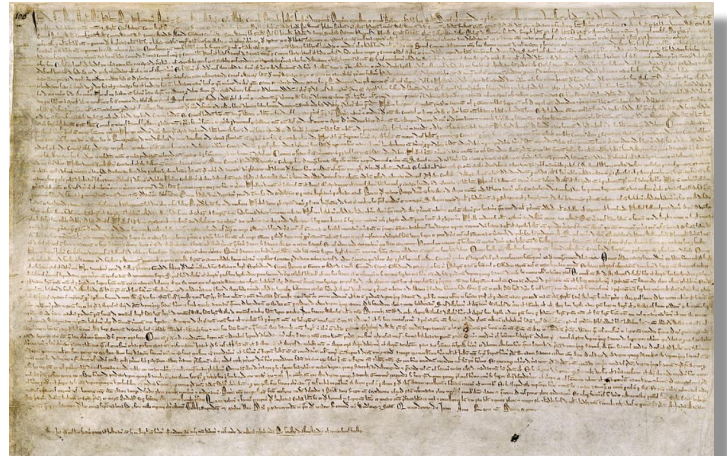
Our category is "Governance" so how about "GOV"?

That's a good choice. Let's use those three letters to begin the serial number because that will bake the category identifier right into the serial number. This approach to serial numbers will simplify identifying folders and make storing and retrieving folders easier. This is the 'alpha' portion of the 'alpha-numeric unique folder identifier'.

Next, for the serial number portion.

Remember we said that today is May 23, 2018. That date in reverse numeric order (YYYYMMDD) yields our first 8 digits of the serial number we need (20180523). That reverse date format is also called “ISODATE”³⁷.

When you think about it, today is only going to happen once, and that’s today, and that’s it. Think of those 8 digits as the seed for the serial numbers for all of the folders we’ll open on May 23rd, 2018. This strategy will work well for all future folders in the system. Well, to be scrupulously honest and forthright, there is the pesky possibility that in the 24th century we’ll be working with star dates... but we can’t solve all possible problems in the known and unknown universe. Let’s just get this folder onto a shelf where we’ll be able to find it in the coming months and years of this century. This little serial number trick could have been used back in the 13th century to store the folder for the Magna Carta (GOV12150615-1 *Magna Carta – Birth of constitutional monarchy*), and could have been used to assign unique alpha-numeric folder identifiers to all documents all the way from that folder to this very day. Isn’t that cool? I’ll go a step or two further beyond December 31, 9999. When you open a file on January 1, 10001 to store the Intergalactic Constitution of the Federation of Planets, it will be GOV10001-01-01. Oh, and if your archaeologist buddy stumbles on a new dinosaur species and insists on filing away the jawbone using an isodate, you will be able to suggest with confidence DINO-237002018608-1, assuming that carbon dating pinpoints June 8, 237 million years ago.



So now we have “GOV” and *today* which is “20180523”. We’ve almost got our alpha-numeric unique folder identifier.

“Wait, there’s more?” you ask.

A bit more, yes.

This is the first folder we open today so that makes it “-1”.

You see, the simple yet elegant records management system allows for up to 6 folder levels.

³⁷ See https://en.wikipedia.org/wiki/ISO_8601 for a ridiculously detailed explanation of the power of the isodate format.

We're going to open 6 other folders before we're done. Say we decide to stick with the same category, since each folder needs a *unique* serial number our 7 folders could be as follows if they were all in the same category:

GOV20180523-1
GOV20180523-2
GOV20180523-3
GOV20180523-4
GOV20180523-5
GOV20180523-6
GOV20180523-7

In this way, we could open a crazy number of governance folders today and not run a serious risk of screwing up by assigning the same serial number to two different folders, right?

I think the most folders I ever opened in a single day was maybe 300 folders and I never screwed up once. No big deal right?

Dashes not dots

Before moving along, it's important to notice that the devil is in the details.

Have you wondered why the simple yet elegant records management system uses dashes rather than dots in assigning sub-folder level numbers? Remember when I explained that the way to tie the paper folders to the digital folders was to use the alpha-numeric unique folder identifier as metadata in the folder name?

Since your computer's operating system uses dots as a meaningful portion of the folder naming hierarchy, using dots would cause unwanted issues with the folders on your computer when you paste the folder number in, whereas dashes won't.

That, in a nutshell, is why the simple yet elegant records management system uses dashes not dots, unlike Morse Code that uses both ... - - - - - - ... (oh come on now, it's not that bad, no need to send out an SOS).

Clustering folders

Before wrapping up the opening of our very first folder, let's think about those 5 other folder levels, shall we?

The usefulness of the levels is that with 6 levels of sub-folders you can basically have as many sub-folders as you may ever need in a lifetime or two. I myself got to close to 5,000 folders in the simple yet elegant records management system without ever hitting the 6th level even once.

Having sub-folder levels means that you can cluster your records.

What does clustering mean?

Let's make it tasty!

Do you like pies? Let's put all our pie recipe folders in a 'Pie' category so that the alpha number prefix is 'PIE' like this:

PIE20180523-1-3-2	Steak and Kidney Pie
PIE20180523-1-3-1	Tourtière
PIE20180523-1-3	Meat Pies – savoury ingredients
PIE20180523-1-2-2	Boston Cream Pies (technically not a pie, but still delicious)
PIE20180523-1-2-1	Coconut Cream Pies
PIE20180523-1-2	Cream Pies – custard fillings
PIE20180523-1-1-3	Bumbleberry Pies
PIE20180523-1-1-2	Blueberry Pies
PIE20180523-1-1-1-2	Strawberry Apricot Pies
PIE20180523-1-1-1-1	Strawberry Rhubarb Pies
PIE20180523-1-1-1	Strawberry Pies – tips and tricks
PIE20180523-1-1	Fruit Pies – tips for fruit pies
PIE20180523-1	Pies – About baking pies

The clustering keeps the folders in a logical order.

You will notice that the system sorts the folders in descending order based on the alpha-numeric identifier. It may be a little counter-intuitive, and it would be relatively easy to reverse the sort to an ascending order. The ascending sort might look more normal, but when you search for files, I have found that the sorting by descending order tends to keep more recent folders at the top of the list and that makes finding folders a little easier because that's how our memory tends to work with more recent things closer to the surface. We'll take a closer look at how the system sorts a little later.

Anyway, so now you understand what I mean by clustering.

The advantage to clustering your folders is that when you go into the file room, you're going to find all your pie folders in a logical order on the shelf. How cool is that? I have found that it makes the workflow when storing and retrieving folders much easier.

Allright, allright, allright!!! I know! You're about to object that you you'll only ever be able to cluster the folders you open today! If you open the Blueberry Pies folder six months later on Thursday, November 15, 2018, it won't be

PIE20180523-1-1-2

it will be

PIE20181115-1-??, no? *So clustering shmustering!*

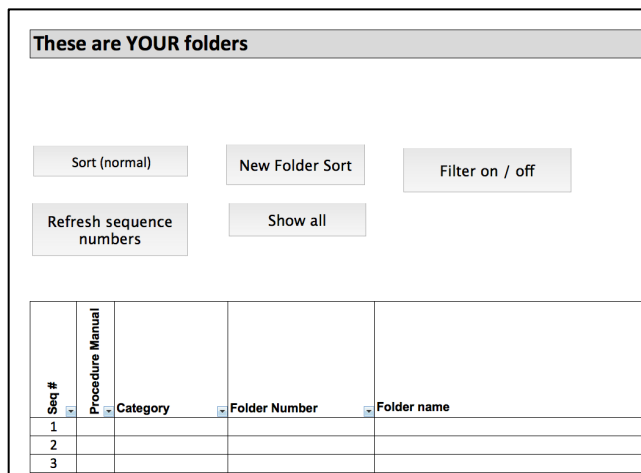
NO!

... Huh?

Well you see, what I haven't told you yet is that the reverse-8-digit-date-trick is just a clever way of obtaining foolproof serial numbers. It's NOT REALLY a date. It's like a theoretical pretend stand-in for a date that's not really a date, it's just a *seed*, a seed for a serial number.

The over-arching purpose of using the reverse date in coming up with serial numbers is just to help us avoid using the same serial number as an existing folder when we're opening a new folder.

So if you only open that Blueberry Pies folder five years down the road, you'll click on the "New Folder Sort" button before you open the folder.



Doing that will re-sort the folder list to combine all the open and closed folders in the list of folders in their logical order, but without regard to whether the folders are open, or closed. That's to make sure that when you open the new folder you won't give it an alpha-numeric folder identifier that already belongs to a folder that was previously closed.

You see, to unclutter your workaday view of your folders the normal sort order in the simple yet elegant records management system aggregates then pushes all the closed folders to the end of the list of folders.

For instance, if there were closed folders of pie recipes, the sequence with folders sorted normally would look like this (the folders we closed are shaded grey – we didn't like those flavor combinations):

PIE20180523-1-3-1	Tourtière
PIE20180523-1-3	Meat Pies – savoury ingredients
PIE20180523-1-2-2	Boston Cream Pies (technically not a pie, but still delicious)
PIE20180523-1-2-1	Coconut Cream Pies
PIE20180523-1-2	Cream Pies – custard fillings
PIE20180523-1-1-3	Bumbleberry Pies
PIE20180523-1-1-2	Blueberry Pies
PIE20180523-1-1-1	Strawberry Pies – tips and tricks
PIE20180523-1-1	Fruit Pies – tips for fruit pies
PIE20180523-1	Pies – About baking pies
PIE20180523-1-3-2	Steak and Kidney Pie
PIE20180523-1-1-1-2	Strawberry Apricot Pies
PIE20180523-1-1-1-1	Strawberry Rhubarb Pies

The folder opening sort will sequence the folders like this:

PIE20180523-1-3-2	Steak and Kidney Pie
PIE20180523-1-3-1	Tourtière
PIE20180523-1-3	Meat Pies – savoury ingredients
PIE20180523-1-2-2	Boston Cream Pies (technically not a pie, but still delicious)
PIE20180523-1-2-1	Coconut Cream Pies
PIE20180523-1-2	Cream Pies – custard fillings
PIE20180523-1-1-3	Bumbleberry Pies
PIE20180523-1-1-2	Blueberry Pies
PIE20180523-1-1-1-2	Strawberry Apricot Pies
PIE20180523-1-1-1-1	Strawberry Rhubarb Pies
PIE20180523-1-1-1	Strawberry Pies – tips and tricks
PIE20180523-1-1	Fruit Pies – tips for fruit pies
PIE20180523-1	Pies – About baking pies

You can see that if you had closed those pie folders three years ago, and intended to open a strawberry-peach pie recipe folder, unless you re-sorted the folder list when opening the new folder, you might have assigned the folder identifier like this:

PIE20180523-1-1-1-1 Strawberry Peach Pies

thinking that there was no PIE20180523-1-1-1-1 folder. The result would then be two folders with the same identifiers:

PIE20180523-1-1-1-1 Strawberry Rhubarb Pies

PIE20180523-1-1-1-1 Strawberry Peach Pies

That's to be avoided at all costs.

With the folder list re-sorted without regard to closed files, it becomes clear that the new folder has to be:

PIE20180523-1-1-1-3 Strawberry Peach Pies

As long as there is no serial number duplication, you're free to cluster your folders to your heart's content.

This will be the case, for instance, when the Blueberry Pies folder has so many recipes in it that it's just too thick and heavy. What you'll need to do is open a volume two for the Blueberry Pies, like this:

PIE20180523-1-1-2-1 Blueberry Pies – Vol. 2

See that? That's a level four sub-folder, and we still have 2 sub-levels of Blueberry Pies left to explore, should the need arise (which I really and truly seriously doubt). After all, if

the popularity and variety of Blueberry Pies exploded like BitCoin, the 75th volume of Blueberry Pies would be

PIE20180523-1-1-2-74 Blueberry Pies – Vol. 75

If you're eagle-eyed, you may have noticed that Vol. 75 of your favourite pies is sub-folder 74. That's because volume 1 was a level 3 sub-folder and volume 2 was a level 4 sub-folder. If you pay close attention when you're clustering your folders you'll do just fine.

So how do you feel now?

Unless you need to take a break and an *Advil*, let's push on. Remember, we aren't quite done opening our first folder, and there are a few more steps to opening a folder.

Since we're still dealing with the alpha-numeric unique folder identifier, there are a couple of more steps to take.

How the records are sorted

The simple yet elegant records management system normally sorts records so that they are listed in the following order:

- By the open / closed field. All open files are listed first, closed files last, but grouped the same way.
- By category
 - Administration folders come before Governance folders, which come before Safekeeping folders
- By serial number root
 - Within each category the folders are listed by order of the root of their serial number, in descending order which generally keeps more recent files towards the top of the list. For instance in the Board and Committee category, using the examples given in our seven sample folders, the folders would be presented this way:
 - BHU20170506
 - BGO20180523
 - BGO20180415
 - BAU20180523
 - BAU20180412
 - BAU20171222
- By folder sublevels

- Folder sublevels are sorted in descending order by level, which again tends to keep more recent folders for any given root serial number at the top of the list of folders for the particular serial number root. Here is an example:
 - BHU20170506-1-2-3-3
 - BHU20170506-1-2-3-2
 - BHU20170506-1-2-3-1
 - BHU20170506-1-2
 - BHU20170506-1-1

Although it's possible to tweak the sort order in other ways, I don't think that the sort order is really that critical.

I found, having worked with this system for a very long time, that a sort order that tends to keep folders in descending chronological order is often helpful, as I mentioned earlier, but I suppose if the sort order were reversed, you would just get used to that ordering scheme and in time you would find that way of presenting the list of folders just as useful as the way they are presented in the system the way I designed it.

Don't forget that when you cluster your folders, the 8-digit 'date' seed for the serial number is not really the date you opened the file. So the sort order will always be a little arbitrary in that it won't always be strictly chronological (unless you are looking for a folder and you sort on the 'Folder opening date' field, in which case the sort will be perfectly chronological, until you click on the 'Sort (normal)' button to return to the way the folders are normally sorted).

Changing the order of the sorts is super simple. See CHAPTER 8 where there are detailed examples given for tweaking the macros that are linked to the buttons in the spreadsheet. For instance, reversing the sort order for one of the fields in the macros is as simple as changing the word "Descending" to "Ascending". I suggest that before doing that, you use the system for a while to see how the system feels as-is.

At the risk of boring you with the intricacies and quirks of Excel, Excel really struggles when you ask it to sort on an alphanumeric field like the folder number for those bumbleberry pie recipes:

PIE20180523-1-1-3

The workaround is to give Excel a helping hand by breaking the folder serial number down into its individual parts in separate fields so that Excel can perform the required sorting by focusing on sorting only one element of the folder's alpha-numeric serial number hierarchy at a time.

There is an additional challenge because both the 'normal folder sort' and the 'new folder sort' use some additional fields to order the list of folders, namely the 'Open / Closed' and the 'Category' fields.

Here is how the macro works (the 'macro' of which I speak is a worksheet task automation program):

1. Sort by Level 6, descending order
2. Sort by Level 5, descending order
3. Sort by Level 4, descending order
4. Sort by Level 3, descending order
5. Sort by Level 2, descending order
6. Sort by Level 1, descending order
7. Sort by Category, ascending order
8. Sort by Open/Closed, descending order

You could do this sequential sorting manually of course, but the field order is key, there are eight sorts to do, and there is a mix of ascending and descending sorts. By automating the process and turning off the computer's screen updating function to speed things up, even these relatively complicated sorting routines only take a wink, even if there are 6,000 folders in the system.

To make sure all this magic runs flawlessly go to Cells S16 to X16 and enter each segment of the folder serial number for our governance folder like this:

Integrity rating (Low; High, Privileged)		Folder number breakdown for sorting					
Integrity	Availability	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
		GOV20180523	1				

Assigning values to the remaining folder fields

Finally (aren't you glad we're wrapping up the opening of our first folder?), let's fill in the remaining fields like the 'Open/Closed' field, the 'Physical / Digital Records' field, the 'Active location' field, the 'Digital location field', the 'Folder opening date', the 'Retention /

Anticipated destruction date' field, and the 'Folder sensitivity rating (Low; Medium, High, Privileged)' fields.

These are YOUR folders Maximum capacity: 10,000 folders (expandable if macros are updated to adjust and expand ranges)

Sort (normal) New Folder Sort Filter on / off

Refresh sequence numbers Show all

Status following most recently executed command
FOLDER FILTERING TOGGLED ON/OFF

Folders in view: 1

Seq #	Procedure Manual	Category	Folder Number	Folder name	Retention / (C)based	Digital / Digital Records	Active Location	Digital location	Archive Location	Folder opening date	Folder closing date	Comment
1		Governance	GOV20180523-1	Executive Compensation	O	PD	File room	h:\secretariat\governance watch\		May 23, 2018		
2												
3												
4												

The digital location field is designed just to show the file path where you can find the folder's digital files.

Below you'll see that I rated the file's sensitivity as Low for confidentiality, Low for integrity (no need for special storage like a fireproof cabinet), and High for availability. The reason for that High rating is that when the Chair wants that advice, you'll want to find that folder in the file room rather than finding out that it was shipped to off-site storage with a three-day retrieval delay.

anges)

ent	Retention / Anticipated destruction date	Folder sensitivity rating (Low; Medium, High, Privileged)			Folder number breakdown for sorting						
		Confidentiality	Integrity	Availability	Level 1	Level	Level	Level	Level	Level	
	Indefinite	L	L	H	GOV20180523	1					

I realize that making you read all about opening that first folder, explaining in great detail why the simple yet elegant records management system operates the way it does, and reading everything else I wrote makes folder opening seem like a fairly drawn out affair.

The reality is, that it in practice, it's really quick.

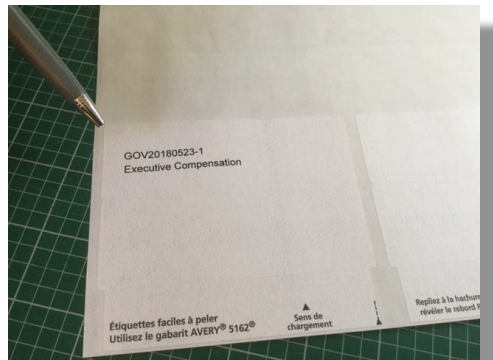
Labels and storage

Now that the first folder is open in the spreadsheet, it's time for the last step: printing the file label, then copying the file number and pasting it into the digital folder name.

To copy the file number and file name just select them, and copy.

To shake off the Excel formatting, I suggest first pasting into a text editor (like *Atom*, for instance) or use the 'paste special' option to paste pure text into your label template. Once pasted, separate the elements of the label to put the file number on the first line, and the name on the second line. When the name is a compound name (such as "Executive Compensation – Equity compensation – Vol. 1", it's a good idea to put each element of the name on a separate line.

Here's the printed label:



And here's your folder:



And that's that.

Opening the next six folders

With that first folder out the way, opening the other six is now much easier for us.

Here is how the field entries for these remaining six folders in the simple yet elegant records management system stack up once we've opened the folders.

Bear in mind that the way I suggest opening these folders and assigning names, categories, sensitivity ratings, and storage options is only a series of suggestions. The simple yet elegant records management system in no way requires that you follow any of these examples.

Every implementation will be different even though the basic methods will be the same. The specific approach to crafting file names is likely to be unique, and the same is true for category names and the letter prefixes chosen for the serial numbers.

For that reason, the value in the following examples is merely illustrative of approaches you might use for your own records.

FOLDER 2 - Audit Committee Meeting		
Field	Content	Comment
Category	Board / Committee (BAU) for Audit Committee; (BOD) for Board of Directors (BHU) for Human Resources Committee (BGV) for Governance Committee These are only suggestions. You should make categories that make sense for your situation.	I suggest this category of folder as a Board or Committee meeting working file. This is where you would file your meeting notes. This folder should be closed and destroyed once the meeting is over, and the minutes have been approved. The documents tabled at the meeting should be filed as a Record Book (RAU) category. See below.
Folder number	BAU20180523-1	
Folder name	July 26, 2018 Regular Audit Committee meeting working file	
Open/Closed	O	
Paper/Digital	PD	
Active location	File room	
Digital location	g:\secretariat\audit\2018\july	
Folder opening date	May 23, 2018	
Comment	Destroy upon approval of minutes	As mentioned above, this folder has a short life span and should be destroyed once the minutes of the meeting are approved.
Retention/Destruction date	November 22, 2018	
Confidentiality	M	Any file with a confidentiality rating of H(igh) of P(rivileged) should be stored in a separate locked cabinet.
Integrity	H	
Availability	H	A rating of H(igh) for availability means that the file should be kept on-site

FOLDER 3 – Project Scorpion		
Field	Content	Comment
Category	General (GEN)	When I was using this system, the General (GEN) category represented 20% of our folders.
Folder number	GEN20180523-1	
Folder name	Project Scorpion – General file	Once the highly confidential nature of the folder ceases, for instance once the acquisition closes, it's a good practice to add the target name to all the project folders to make future retrieval easier.
Open/Closed	O	
Paper/Digital	PD	This means that there is both a paper and a digital folder.
Active location	File room	
Digital location	g:\secretariat\projects\2018\scorpion	
Folder opening date	May 23, 2018	

FOLDER 3 – Project Scorpion		
Field	Content	Comment
Comment	Confidential	A little redundant given the H(igh) below, but sometimes, 'more' is 'more'
Retention/Destruction date	Indefinite	
Confidentiality	H	When the project terminates and is generally disclosed, this rating can be downgraded. Consider storing folders rated H(igh) for confidentiality in separate locked storage.
Integrity	M	
Availability	H	

FOLDER 4 – Board Portal		
Field	Content	Comment
Category	Administration (ADM)	We used the ADM category for office administration stuff, like expense accounts, accounts payable, etc.
Folder number	ADM20180523-1	
Folder name	Board of Directors Portal Project – General file	
Open/Closed	O	
Paper/Digital	PD	
Active location	File room	
Digital location	g:\secretariat\administration\2018\Board portal project	
Folder opening date	May 23, 2018	
Comment	None	
Retention/Destruction date	Indefinite	
Confidentiality	L	
Integrity	L	
Availability	H	

FOLDER 5 – New Director		
Field	Content	Comment
Category	People (PPL)	
Folder number	PPL20180523-1	
Folder name	Jane Simpson – Secretariat file	
Open/Closed	O	
Paper/Digital	PD	
Active location	File room	
Digital location	g:\secretariat\people\candidates\	
Folder opening date	May 23, 2018	
Comment		
Retention/Destruction date	Indefinite	With this category of folders, it makes sense to evaluate the retention period periodically. An evaluation every year or two makes sense.
Confidentiality	H	
Integrity	M	

Availability	H	
--------------	---	--

FOLDER 6 - Committee Binder		
Field	Content	Comment
Category	Record Book (RBH)	Record Books are a permanent record of documents tabled at a Board or Committee meeting.
Folder number	RBH20180420-1 We used the following three letter codes: RBB – Board RBH – Human Resources RBA – Audit RBG – Governance RBSUB - Subsidiaries	Exception: makes sense to assign the meeting date to record books, it's more intuitive and may make retrieving files easier.
Folder name	April 20, 2018 Regular Human Resources Committee Meeting	
Open/Closed	O	
Paper/Digital	P or PD (see the comment)	Digital files are not an appropriate archive medium. They may be a good backup and disaster recovery addition though
Active location	File room – fireproof cabinet #2	I recommend fireproof storage.
Digital location	n/a	
Folder opening date	May 23, 2018	
Comment		
Retention/Destruction date	Indefinite	
Confidentiality	M	Confidentiality is rated M(edium). In my experience it's rare for highly confidential material to be in Board records. In isolated cases, rate as H(igh), though since fireproof cabinets have locks, the difference may be moot.
Integrity	H	This is what warrants fireproof storage.
Availability	M	Since on site fireproof storage is going to be limited, after six months or a year elapses, consider moving Record Books off site.

FOLDER 7 - Disgruntled Supplier		
Field	Content	Comment
Category	General (GEN)	
Folder number	GEN20180523-2	
Folder name	Scrooge, Bickerson & Drippy Faucet Co. Ltd. – Executive Washroom renovation claim	
Open/Closed	O	
Paper/Digital	PD	
Active location	Assistant General Counsel's office	
Digital location	g:\law\claims\2018\Scrooge claim	
Folder opening date	May 23, 2018	

Comment	Solicitor-client Privileged and Confidential	
Retention/Destruction date	Indefinite	
Confidentiality	P	This folder is P(riileged) and needs the highest level of protection such as a locked cabinet in an access controlled file room or office.
Integrity	H	Consider fireproof storage, space permitting.
Availability	H	

Closing folders

Closing folders and destroying the records

Let's start with that Audit Committee working file, since in our little universe of seven files, that will undoubtedly be the first folder we'll close.

Here is a snapshot of that folder in the simple yet elegant records management system:

FOLDER 2 - Audit Committee Meeting		
Field	Content	Comment
Category	Board / Committee (BAU) for Audit Committee; (BOD) for Board of Directors (BHU) for Human Resources Committee (BGV) for Governance Committee These are only suggestions. You should make categories that make sense for your situation.	I suggest this category of folder as a Board or Committee meeting working file. This is where you would file your meeting notes. This folder should be closed and destroyed once the meeting is over, and the minutes have been approved. The documents tabled at the meeting should be filed as a Record Book (RAU) category. See below.
Folder number	BAU20180523-1	
Folder name	July 26, 2018 Regular Audit Committee meeting working file	
Open/Closed	O	
Paper/Digital	PD	
Active location	File room	
Digital location	g:\secretariat\board\audit\2018\july	
Folder opening date	May 23, 2018	
Comment	Destroy upon approval of minutes	As mentioned above, this folder has a short life span and should be destroyed once the minutes of the meeting are approved.
Retention/Destruction date	November 22, 2018	
Confidentiality	M	Any file with a confidentiality rating of H(igh) or P(riileged) should be stored in a separate locked cabinet.
Integrity	H	

FOLDER 2 - Audit Committee Meeting		
Field	Content	Comment
Availability	H	A rating of H(igh) for availability means that the file should be kept on-site

Flash forward, it's now Tuesday, November 28, 2018 and as you can see the retention date has passed. There is a reminder in the comment field that not only are we to close the folder, we need to destroy it.

While we are going to close and destroy the folder, the record of the folder's creation, existence, and demise as recorded in the simple yet elegant records management system will remain, hopefully forever.

The first step is to retrieve the file from the file room which is where we know it was stored (see the 'active location' field).

Remove the contents of the folder, remove the brass fastener (I recommended using those way back in CHAPTER 5). If you are using an external shredding company, drop the contents into the locked shredding container. Otherwise, if you are working from home, fire up the fireplace, or haul out your crosscut shredder and destroy the contents. The empty folder can just be tossed in the recycling bin.

As for the digital folder, the elimination of the data has to be a little more nuanced.

With paper records, destroying the folders may be warranted for a variety of reasons ranging from "the folder is no longer useful and the cost of keeping it can't be justified" through "we have a policy that mandates that these kinds of folders be destroyed" all the way to "the law requires unequivocally that the content be destroyed". The important thing is that you don't want the paper showing up in an embarrassing way (like the wind blew it out of the dumpster and your memos were spotted dancing in the wind).

The cost of keeping digital records is next to nothing compared to paper, and the cost continues to fall. Cost is inconsequential. If the only reason you are destroying paper folders to save money, you might not need to destroy the digital records.

If the motivation for the destruction is just company policy and the principle is get to a place where the record no longer exists, then merely deleting the digital folder might be perfectly acceptable, whether or not you then empty the trash folder. If you need to avoid someone with access to the drive undeleting the files, then emptying the trash folder will take care of that.

If the information really needs to be obliterated, then you need to use a good cryptographic secure deletion tool and overwrite the portions of the drive where the folder was stored.

Now that you've done the deed and deep-sixed³⁸ the records, change the 'Open / Closed' field to C(losed) and consider changing the 'Comment' field to something like "Minutes approved, records destroyed". Finally put the folder closing date in the 'Folder closing date' field.

That's it.

That wasn't the least bit hard now was it?

Closing folders without destroying the records

You will recall that unless there is a compelling reason to destroy records, my recommendation is to keep your records indefinitely if you have the facilities to store them.

For instance, remember our Project Scorpion folder? That project was the acquisition of a competitor (*Acme Roadrunner Extermination Co.* of Flagstaff Arizona). They had 256 subsidiary companies operating all over the US and Canada. In the fullness of time, each of those subsidiaries has been integrated into our operations and they were wound up.

Their minute books, corporate files, and records are in our file room and haven't been consulted in years. The on-site facilities are needed for more on-site records storage.

The solution is might be to retrieve all those folders and ship them off to off-site archive storage.

It's easy. Dump the folders into archive boxes, change the 'Open / Closed' field to C(losed), enter today's date in the 'Folder closing date', and when your archive supplier assigns box numbers, note the box number that each folder was assigned to in the 'Archive location' field. Once the archive boxes are picked up, you're done.

Why not destroy those folders?

I've mentioned this before, but it bears repeating because it's a valuable lesson to learn.

The last company I worked for grew in large measure by acquisition. The nature of the beast was that, periodically (and by that I mean once or twice a year), we would find out that there were what I called *stranded assets*. These stranded assets would unaccountably float to the surface of the pond from time to time. All we needed to do was to document our chain of title to the stranded asset and we could retrieve it. Without a

³⁸ Naval slang. "Six" as in directions relative to you, rendered as clock positions. The person on your left is at your "nine-o'clock" and, if your imaginary clock is vertical, your "six" is below you. On a boat in the middle of the ocean, "deep-sixed" means overboard and gone forever, like half-a-dozen toy cars four-year-old-me happily rolled off the deck on a trans-Atlantic vacation to Europe. Horizontally-speaking, someone who's "got your six" has "got your back", or is covering your... rear-end.

word of exaggeration, the dollar value in stranded asset recoveries for the four or five years before I left the company exceeded the payroll for the governance office.

Had we not been scrupulous in maintaining our records, and those of the companies we acquired, I doubt very much that we would have been able to recover those stranded assets.

Needless to say, the finance and accounting department loved us, though I'll bet one of those staffers is writing a book right now about asset recovery and taking all the credit that the simple yet elegant records management system richly deserves.

The art and science of searching to find

By now we've opened folders, closed folders, archived them, and destroyed them. Imagine that we are now many years down the road and that we now have more than 3,000 folders, most open, some closed, all of them recorded in the simple yet elegant records management system.

How do we search for records in the system?

I am so glad you asked!

That's because this is where the power of the Excel spreadsheet on which the simple yet elegant records management system is built really shines.

There are so many ways to search and find, and they each have their merits.

The art and science of using a computer to search for things

Before getting down to brass tacks, it's really important to understand that there are different kinds of searches.

Linear searching

The most simple search mode is what I'll call linear search.

A linear search, searches in a straight line. This type of search takes exactly the word or phrase you choose, and it searches the document (or folder, or drive) in a straight line for precisely that.

Linear searching is what you get when you try to find a word or phrase in your word processor using the Control-F (Windows) or Command-F (OSX) key combination on your computer.

It works great in a Word document.

When you are working with structured information, on the other hand, like the records in the simple yet elegant records management system, it's...

- S-O S-L-O-W,
- Very inefficient, and
- Potentially inaccurate

When we search we are most often looking for words, and most often looking for more than one word.

Whether it's one word, or several, in computer-speak, it's a string. The string is what the computer looks for in a linear search. The spaces between the letters are part of that string.

In a linear search, unless the computer finds the exact string you specify, it comes up dry.

A search for "Christopher Columbus" comes up dry if the document you're searching has him down as "Columbus, Christopher". If in the document the relevant passage says "... other famous places named after Columbus are Columbus, Ohio; Colombia; and British Columbia" your search will also come up dry. If you accidentally add two spaces between Christopher and Columbus... Yup, bone dry!

It's easy to do a linear search in the simple yet elegant records management system, just hit Control-F in Windows (or Command-F in OSX) and search away.

There's no doubt that linear searches have their useful place in your bag of computer tricks, but that's not the way to search for a folder in the simple yet elegant records management system.

Indexed search

If you're a Google fan, when you search the known universe in Google's search engine, even if you just typed the same phrase or string you might type into a linear search box, you're not performing a linear search.

Google's break-through scientific method (actually invented by IBM, not Google) uses *indexed search* with sophisticated ranking algorithms resulting in a kind of hub and spoke data topography. It's amazing. It combines searching for your exact phrase with searching for any page that uses any of your words, and then presents the results to you in the order of relevance, prioritizing pages based not only on their content, but also on their relative authority and geographical relevance to you. Wow!

Google used to offer (for free!) something called 'Google Desktop' that allowed you to perform Google indexed searches on whatever drives you had access to on your computer. I would have paid big money to keep that, but Google, in spite of their 'don't be evil' motto, discontinued it. I guess that's why Google dropped that motto in 2015.

But you can forget everything I just told you about indexed search because the simple yet elegant records management system doesn't use indexed search.

It uses something much more powerful and elegantly compelling.

Filtered search

The simple yet elegant records management system is a simple database that is often referred to as a flat-file database. That means that unlike a relational database, all the information is recorded in two dimensions in a matrix. The lines in the spreadsheet are individual records, and the columns are fields.

Let's take a closer look to take stock of where we are after entering our first seven folders.

These are YOUR folders Maximum capacity: 10,000 folders (expandable if macros are updated to adjust and expand ranges)

Sort (normal) New Folder Sort Filter on / off

Status following most recently executed command
FILES SORTED NORMALLY

Refresh sequence numbers Show all

Folders in view: 7

Category	Folder Number	Folder name	Active L	Digital location	Archive Location	Folder opening d	Folder closing d	Comment	Retention / Anticipated destruction date	Folder sensitivity rating (Low, Medium, High, Privileged)			Folder number breakdown for sorting						
										Confidentiality	Integrity	Availability	Level 1	Level 2	Level 3	Level 4	Level 5		
Administration	ADM20180523-1	Board of Directors Portal Project - General file	O	File room	h:\secretariat\board\installation\2018\ibo	May 23, 2018			Indefinite	L	L	H	ADM20180523	1					
Board and Committee	BAU20180623-1	July 26, 2018 Regular Audit Committee meeting working file	O	File room	h:\secretariat\board\audit	May 23, 2018		Destroy upon approval of minutes	November 22, 2018	M	H	H	BAU20180623	1					
General	GEN20180523-2	Sompage, Birkenson & Drispy Faucet Co. Ltd. - Executive Washroom renovation claim	O	Instant General Counsel's office	p:\law\claims\2018\180523\claim	May 23, 2018		Solicitor-client Privileged and Confidential	Indefinite	P	H	H	GEN20180523	2					
General	GEN20180523-1	Project Design - General file	D	File room	h:\secretariat\project design\gen	May 23, 2018		Confidential	Indefinite	H	M	H	GEN20180523	1					
Governance	GOV20180523-1	Executive Compensation	O	File room	h:\secretariat\governance\exec\watch	May 23, 2018			Indefinite	L	L	H	GOV20180523	1					
People	PPL20180523-1	Jane Simpson - Secretariat file	O	File room	h:\secretariat\people\jane\secretariat	May 23, 2018			Indefinite	H	M	H	PPL20180523	1					
Record Book	RBH20180420-1	April 20, 2018 Regular Human Resources Committee Meeting	D	File room - fireproof cabinet #2	n/a	May 23, 2018			Indefinite	M	H	M	RBH20180420	1					

Things to notice:

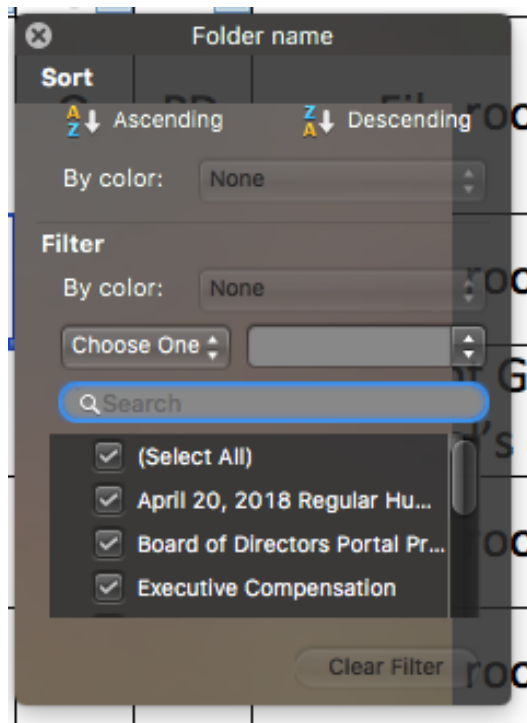
- After entering the files in the order we tackled them I clicked on the 'Sort – normal' button to put the folders in their normal order.
- The 'folders in view' field shows that we have 7 folders. When the list of folders is filtered, for instance to show only folders in the 'General' category, the 'folders in view field' would show "2".
- I clicked on the 'Refresh sequence numbers' button. The last file in the list is now on the line with the sequence number 7. Comparing the folders in view number to the sequence number of the last folder is a nice way of checking that everything is on the up and up. When there is a discrepancy, it usually means that the last time a file was entered in the system the folder number was not entered. This sometimes happens when the person opening a file hadn't completed the entries but saved and exited the system.
- Data filtering is on. You can tell that because of the little triangle-arrow icon in the lower right-hand corner of each field name in the first row of the table. Each time you click on the 'Filter on / off' button, filtering is toggled on or off. When filtering is off, the icon disappears.

The best way to search for folders in the simple yet elegant records management system is to use the field filters.

When you click on each of those little icons, a little menu pops up and gives you a bunch of powerful choices.

Folder name	Open / Closed	Physical / Digital	Active Location	Dig
Board of Directors Portal Project – General file			om	H:\sec nistrat rd p
July 26, 2018 Regular Audit Committee meeting working file			om	h:\sec
Scrooge, Bickerson & Drippy Faucet Co. Ltd. – Executive Washroom renovation claim			General office	g:\law Scr
Project Scorpion – General file			om	h:\sec cts\2
Executive Compensation			om	h:\sec na
Jane Simpson – Secretariat file	O	PD	File room	H:\sec e\c

Here's a closer look:

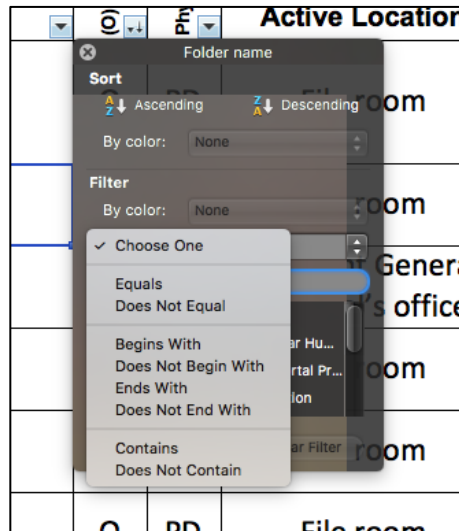


If you have used colour fills on certain fields as you review the folders in the system (I rarely use colours because I am somewhat colour-blind), for instance to flag files you are thinking of closing, you can filter by colour and only the records with the colours you added will show up.

You can also use this menu to sort all the records based on this field either in ascending or descending order. Re-sorting on the date opened field is an interesting way of looking at older files, by sorting in ascending order, placing the oldest folders at the top.

You can filter on as many of the fields as you like, all without fear. Filtering does not alter the folder list, it only changes the view of the list by excluding or hiding folders that don't match the filters you applied.

A very powerful way to search for folders is to open the sub-menu in the filter that says 'Choose one':



Just look at those amazing choices. To use our Christopher Columbus example from earlier when we were thinking about the limited value of linear searches, by selecting 'Contains' you can filter the folder name field for any folder name that contains "Columbus" or even "colum" and it will show only folders that match that criterion.

You can even apply more than one filter for the same field and filter the folder name for "meeting", clicking either 'and' or 'or' and adding another filter like "audit".

Filtering is the very best way to search for folders in the simple yet elegant records management system. The amazing thing is that filtered search beats any other searching method, hands down.

The truly useful thing, is that once you've re-sorted the list based on three different fields, and filtered on other fields with multiple filters, and you've whittled the 'folders in view' down from say, 3,658 folders to just 4, and you've found the culprit you were looking for (in the thirteen years I used this system I never failed to find what I was looking for), you can restore the folder list to its pristine 'normal' view showing all your files in perfect order by...

- First clicking on the 'Show all' button, then
- Clicking on the 'Sort (normal) button.

It's like a bull entered your china shop and turned into a shambles, and in two clicks the whole place is completely restored.

Retrieve the folders you've found

Easy-peasy!

Let's say you had searched for that fourth folder we entered into the system, the one on the Board of Directors portal system.

The unique alpha-numeric identifier for that folder is ADM20180523-1 and the file is in the file room.

Taking stock

So far we've learned almost everything you need to know to set up a really effective and efficient records management system.

We learned about recordkeeping principles including best practices in records evaluation, policy and process design, information theory and system design.

We assessed the recordkeeping requirements of the governance office, then applied the principles we learned to the design and implementation of the simple yet elegant records management system.

We did all that for the cost of the records management course I teach as part of the Governance Professionals of Canada Education and Certification Program, or perhaps, for the modest cost of this little book.

Not too shabby.

What's next?

All you need to do is relax, take a cleansing breath, and turn the page. We're in for breathtaking little adventure.

CHAPTER 8

What next?

Time travel in the DIRKSmobile!

That Zen-like recommendation at the end of the last chapter may have been necessary because in this chapter, we use a time machine to slip into the future and take a peak at where you go from here.

Since time travel can be risky, it comes with a whole host of rules and safeguards none of which we have the time to explain right now, so let's just tread lightly and move gingerly as we begin.

The really good news, is that, in the present, this is the final step on our journey together: DIRKS Step H: Post-implementation review.

The post-implementation review is a step that you will need to take periodically as the records management needs of your governance office evolve. As you have learned, continuous review and improvement cycles are at the heart of the governance playbook.

Fortunately the simple yet elegant records management system is, in its heart of hearts, *simple*. Like a Model-T Ford, a zipper, or ice skates. Simple, yet amazing!

Let's see how it adapts as your needs evolve.

Here we go, off to your future!

Now we're two weeks from now, now

You're back at work and assessing the folders and other information in your office with a completely new perspective.

Your first inclination is to begin taming the files on your desk, and stacked on the floor in precarious piles, by entering those folders into your simple yet elegant records management system.

But that might not be the best first step.

One of the lessons I mentioned briefly on pages 26 and 29, and promised to come back to later to explain in more depth, is the power of bottom-up processes. Here's how you can make bottom-up work in your office.

You harness the power in two key ways using the simple yet elegant records management system:

- First, spread the love:

- Have your colleagues read this book;
- Schedule a team meeting;
- Buy some goodies:
 - Donuts;
 - Bagels;
 - Chocolate chip cookies;
 - Coffee, tea, juice;
- Then at the meeting...
- You'll preach to the choir!
 - Show your colleagues how the categories work to break the simple yet elegant records management system into chunks that align perfectly with each team member's work profile.
 - For example, let's say that one team member looks after insider reporting. Create an insider reporting category so that all that person's folders can reside in one collection that they manage from soup to nuts, including opening, closing, and archiving their own records.
 - Two paralegals handle all the corporate compliance. Open a "Corporate" category and they are then independent with their very own collection of records they can manage all by themselves.
 - I think that in the future you'll find that distributing records management in that way across the team will make things a lot easier for everyone.

Hold on!

And just like that, in a flash we've traveled on, two years further into your future.

The organization you work for has hit a bump in the road, to say the least. There is a massive lawsuit directed at the heart of the company. Your General Counsel, on the recommendation of outside counsel has instituted a "hold" for all the records of the Board of Directors.

As we're about to see, it's not a big deal to implement the records hold, and to track it forward.

For one thing, it's likely that the only records with a hard expiry date and destruction requirement are the Board of Directors' working files like this one that was among the very first folders we opened:

BAU20180523-1 July 26, 2018 Regular Audit Committee meeting working file

Actually, you destroyed that file way back in November 2018. But you do have other Board working files that are open now when the hold order is issued.

Filter the list of folders for the “Board and Committee” category, and in the “Retention / Anticipated destruction date” field change the date indicated for each file to “Litigation hold”, then in the comment field change “Destroy upon approval of minutes” to “Litigation hold in effect beginning July 15, 2020”. To make that super simple, with the list of folders filtered just copy the comment field you just changed and paste it into the comment field for the remaining folders. Do the same with the retention field.

Not only have you instituted the hold as requested, but when the General Counsel sees how well-managed your records are, she will be able to go back to sleeping through the night. *Win – win!*

We can't hang around in 2020 for too long you know. Besides, did you look outside? There still aren't any hoverboards around. So let's move on.

Oh dear, the *classification* has begun!

It's 2025. Still no hoverboards. So sad.

Remember back on page 44 when I said that records classification was evil? Well now it's here.

Remember even further back on page 12 when I said that maybe you worked in an organization where there was already an enterprise-wide records management and records classification system in place?

I promised back then, in 2018, that it was possible for the simple yet elegant records management system to live within a larger enterprise-wide records management process.

As I mentioned back in the dawn of time, I have been there, done that.

The first thing to do is to wrap your mind around that enterprise system. Meet with the records management folks.

There's a decent chance that the enterprise system has a classification scheme that your records can fit into. You might find that all your governance office records fit nicely into a single enterprise-level class. That is not beyond the pale of possibility.

More likely though, your governance office records will intersect with a number of enterprise classes. In that case, you need to *negotiate*.

It took me a while. I had to learn the enterprise classification system to understand how I could adjust my system to fit into the larger scheme, and the enterprise team needed to do the same with the governance office system.

In the end, with teamwork we made it fit, and here's how we did it.

Category	Enterprise Code	File Number	File name
Administration	CANCORP-011018-LQ03	ADM20091202-1	Training / Records Management and Retention Policy

Yes, we added a new field to the simple yet elegant records management system: the new field was a prefix containing the unique alpha-numeric identifier generated by the enterprise system corresponding to the category in our system for administrative records.

In a similar way, we mapped the other categories we used with their enterprise counterparts.

Once the integration was done, going forward, we simply integrated the prefix into the folder labels like this:

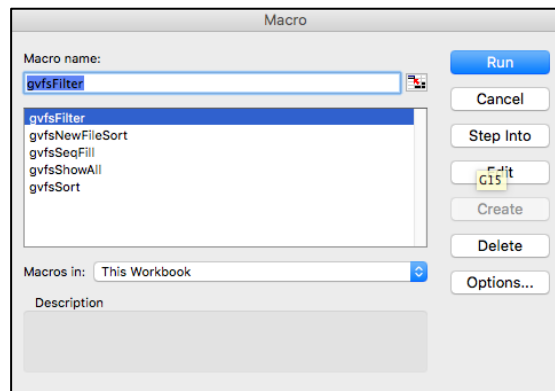
CANCORP-011018-LQ03 ADM20091202-1
Training
Records Management and Retention Policy

It's a simple fix.

To make it happen here are the changes you need to make to the Excel file. It's a long-ish list, but it's not really that hard:

1. First, save the Excel file and make a backup copy, just in case.
2. Right-click on column E, at the very top on the letter E and click insert on the menu that pops up.
3. This will add the column you need. In cell E-15 type the name for the new enterprise code field ("Enterprise Code" might work).
4. The easy part is done. Now for the slightly more tricky bit.
5. Now we need to adjust the macros that will no longer work as they did because the addition of the new column threw them off by one column.
6. Microsoft thinks that only programmers can write spreadsheet automation code called "macros". So Microsoft has conveniently hidden the macro functionality from 'ordinary' folks like you and I. That means that the first thing you need to restore that functionality.
7. Go into the Excel preferences.
8. Click on the "ribbon" icon.
9. In the "show or hide tabs" section, make sure that the checkbox for "Developer" is checked.
10. Now, in the file menu ribbon at the very top of your Excel window, you'll see that "Developer" has been added.

11. Click on the Developer menu
12. Now you'll see an icon labeled "Macros", click on that, and here's what you'll see:



13. There are only two macros you need to adjust:
14. gvfsNewFileSort; and
15. gvfsSort
16. select the gvfsSort and click on the "Edit" button on the right side of the menu.
17. Here's what the macro looks like. It's all pure text. You can copy and paste it all you want. The macro doesn't care much if it has a blank line, but once you're done editing it, just try to make sure that it is formatted like it was when you found it:

```

Sub gvfsSort()
'
' gvfsSort Macro
'
Application.ScreenUpdating = False
ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Clear
ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Add
Key:=Range( _
    "X16:X10015"), SortOn:=xlSortOnValues, Order:=xlDescending, DataOption:=
xlSortNormal
With ActiveWorkbook.Worksheets("Files").AutoFilter.Sort
.Header = xlYes
.MatchCase = False
.Orientation = xlTopToBottom
.SortMethod = xlPinYin

```

```

        .Apply
    End With
    ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Clear
    ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Add
Key:=Range( _
        "W16:W10015"),      SortOn:=xlSortOnValues,      Order:=xlDescending,
DataOption:= _
        xlSortNormal
    With ActiveWorkbook.Worksheets("Files").AutoFilter.Sort
        .Header = xlYes
        .MatchCase = False
        .Orientation = xlTopToBottom
        .SortMethod = xlPinYin
        .Apply
    End With
    ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Clear
    ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Add
Key:=Range( _
        "V16:V10015"), SortOn:=xlSortOnValues, Order:=xlDescending, DataOption:=
-
        xlSortNormal
    With ActiveWorkbook.Worksheets("Files").AutoFilter.Sort
        .Header = xlYes
        .MatchCase = False
        .Orientation = xlTopToBottom
        .SortMethod = xlPinYin
        .Apply
    End With
    ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Clear
    ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Add
Key:=Range( _
        "U16:U10015"), SortOn:=xlSortOnValues, Order:=xlDescending, DataOption:=
-
        xlSortNormal
    With ActiveWorkbook.Worksheets("Files").AutoFilter.Sort
        .Header = xlYes
        .MatchCase = False
        .Orientation = xlTopToBottom
        .SortMethod = xlPinYin

```

```

        .Apply
    End With
    ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Clear
    ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Add
Key:=Range( _
    "T16:T10015"), SortOn:=xlSortOnValues, Order:=xlDescending, DataOption:=
-
    xlSortNormal
With ActiveWorkbook.Worksheets("Files").AutoFilter.Sort
    .Header = xlYes
    .MatchCase = False
    .Orientation = xlTopToBottom
    .SortMethod = xlPinYin
    .Apply
End With
    ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Clear
    ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Add
Key:=Range( _
    "S16:S10015"), SortOn:=xlSortOnValues, Order:=xlAscending, DataOption:= _
    xlSortNormal
With ActiveWorkbook.Worksheets("Files").AutoFilter.Sort
    .Header = xlYes
    .MatchCase = False
    .Orientation = xlTopToBottom
    .SortMethod = xlPinYin
    .Apply
End With
    ActiveWindow.SmallScroll ToRight:=-41
    ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Clear
    ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Add
Key:=Range( _
    "D16:D10015"), SortOn:=xlSortOnValues, Order:=xlAscending, DataOption:= _
    xlSortNormal
With ActiveWorkbook.Worksheets("Files").AutoFilter.Sort
    .Header = xlYes
    .MatchCase = False
    .Orientation = xlTopToBottom
    .SortMethod = xlPinYin

```

```

        .Apply
    End With
    ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Clear
    ActiveWorkbook.Worksheets("Files").AutoFilter.Sort.SortFields.Add
Key:=Range( _
    "G16:G10015"), SortOn:=xlSortOnValues, Order:=xlDescending, DataOption:=
-
    xlSortNormal
With ActiveWorkbook.Worksheets("Files").AutoFilter.Sort
    .Header = xlYes
    .MatchCase = False
    .Orientation = xlTopToBottom
    .SortMethod = xlPinYin
    .Apply
End With
    Range("I7").Select
ActiveCell.FormulaR1C1 = "FILES SORTED NORMALLY"
With ActiveCell.Characters(Start:=1, Length:=41).Font
    .Name = "Arial"
    .FontStyle = "Bold"
    .Size = 13
    .StrikeThrough = False
    .Superscript = False
    .Subscript = False
    .OutlineFont = False
    .Shadow = False
    .Underline = xlUnderlineStyleNone
    .ColorIndex = xlRed
End With
Range("I7").Select
With Selection.Interior
    .ColorIndex = xlNone
    .Pattern = xlSolid
End With
Range("A4").Select
Calculate
Application.ScreenUpdating = True
End Sub

```


18. What you need to edit are the ranges for the sort function. You will find statements that look like this: Range(_"X16:X10015")
19. The macro sorts the following columns of the spreadsheet in the following order: X, W, V, U, T, S, D, and G.
20. Since we added a new column E for our enterprise code, the sort instructions just need to be incremented. Range(_"X16:X10015") needs to be changed to Range(_"Y16:Y10015") as do the existing ranges W, V, U, T, S, and G. The sort instruction for column D doesn't get adjusted because it comes before E and isn't affected by the addition of the new column.
21. Now adjust all the range statements like this:

The range statement was	And now needs to be
X	Y
W	X
V	W
U	V
T	U
S	T
D	D
G	H

22. You're done with the first macro.
23. Click the big X to exit the macro editor. There's no need to save, Microsoft has already done that for you.
24. Re-open the macro editor, and this time select the gvfsNewFileSort macro.
25. You need to make similar changes here as well. Here's the table of changes for that macro:

The range statement was	And now needs to be
X	Y
W	X
V	W
U	V
T	U
S	T
D	D

26. This one's a little easier because the only real difference in the two sorts is that the new file sort doesn't sort on the "Open / Closed" column so that the closed folders are mixed in with the open folders so that when you assign a file number to a new folder you don't accidentally assign a number that belongs to a closed folder.
27. Now test the sort functions to make sure that it all works according to plan.

All righty then!

Congratulations are in order indeed! You've just added another feather in your cap. Now you're not only a certified governance professional, you're also a programmer.

If you prefer, you can tell people you're a hacker, because you just performed your first hack on the simple yet elegant records management system.

And now you know that our work here is done.

I can't help EXPANDING!

You may have noticed that there is a notation at the top of the simple yet elegant records management system spreadsheet that the file has a limit of 10,000 folders.

Now that's a lot of folders.

You might find that I was too conservative with that limit.

Maybe you feel that you need to double that to 20,000 records.

Here's how you can do that in a snap.

Copy the formatting on the last row of the spreadsheet by selecting that last row, right-clicking and selecting "Copy". Select the range where the next 10,000 records will extend to. Here's a clue, that will extend the range to row 20015. Now right-click that selection and select "Paste special". From the menu that pops up select "Formats".

Next edit the macro gvfsSeqFill.

Find these lines in the macro:

```
Selection.AutoFill Destination:=Range("B16:B10015"), Type:=xlFillDefault  
Range("B16:B10015").Select
```

Edit each of the two range statements from B16:B10015 to B16:B20015.

You'll also need to edit the other macros to similarly extend the range from 10015 to 20015 whenever ranges are used.

There, you're done.

Excel can handle even more than that, but I say that in a theoretical way. I've never actually had to manage more than 5,000 folders. You'll be a real pioneer at 20,000 records.

Just keep a sharp eye on how Excel performs under the extra load.

Snapping back to the present, and the end

By going through the exercises in this chapter, you now have all the skills you need to adapt your simple yet elegant records management system to make sure it continues to serve you well not only now, but well into the future, come what may.

And that means that you now know how to carry out that final DIRKS Step H process and to make whatever adjustments future developments may warrant.

You also now know everything you need to know so that you and your teammates can manage all the governance office records simply and elegantly for all time to come (or at least until the advent of quantum computing, three-dimensional virtual quantum laser storage, artificial reality work environments... and hoverboards.



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