



### *Performance Audit*

### *Records Management*

### *Records Management Services (RMS) Department of Technology, Management, and Budget*

**Report Number:  
071-0835-16**

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RMS provides assistance to State and government agencies with managing records. Services include evaluating records management options, providing training to State agencies, developing retention and disposal schedules, operating the State Records Center, and administering the State of Michigan's master contracts for microfilming and digital imaging services.

Audit Objective			Conclusion
Objective #1: To assess the effectiveness of RMS's security and access controls over document management systems.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
RMS did not fully establish and implement security and access controls over its primary information technology systems to ensure the authorization and authentication of users and the protection of data. RMS did not disable user accounts for departed or transferred users and did not require complex passwords ( <u>Finding #1</u> ).		X	Agrees

Audit Objective			Conclusion
Objective #2: To assess the effectiveness of RMS's efforts to safeguard confidential information.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
RMS needs to improve its safeguards for confidential information to minimize the likelihood that confidential data could be accessed by unauthorized personnel. RMS stores all records in a similar manner, regardless of confidentiality or sensitivity, with many individuals having access to stored records without a business need for such access ( <u>Finding #2</u> ).		X	Agrees

Audit Objective			Conclusion
Objective #3: To assess RMS compliance with retention and disposal schedules.			Complied, with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
RMS did not ensure the entry of necessary information into Versatile to calculate destruction dates, resulting in State records that may be retained beyond their approved destruction time period. We identified 23,728 boxes of records that may never be subject to destruction ( <u>Finding #3</u> ).		X	Agrees
RMS did not ensure that State agencies incorporated records created electronically, including the underlying data that supports electronic records, into retention and disposal schedules. Electronic records should be subject to the same review and approval processes as physical records ( <u>Finding #4</u> ).		X	Agrees

Audit Objective			Conclusion
Objective #4: To assess the effectiveness of RMS's monitoring of records management contracts.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
RMS did not always monitor its records management contracts to help ensure vendor compliance regarding damaged, lost, or improperly imaged records. Two contracts accounted for \$7.7 million in expenditures during our audit period ( <u>Finding #5</u> ).		X	Agrees

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: [www.audgen.michigan.gov](http://www.audgen.michigan.gov)

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