

CARRYING OUT AN INFORMATION AUDIT.

Checklist 013

» INTRODUCTION

Information is recognised by organisations as a key strategic asset which has a vital role to play in decision making and in improving productivity. As with any other resource, it is of critical importance to ensure that information is effectively acquired, managed and used. Easy access to information in a whole range of digital formats has brought with it problems such as information overload and the need to assess the quality of information to ensure it is reliable, accurate and up to date.

Carrying out an information audit can help organisations to ensure that:

- › information resources reflect business needs
- › decisions on investment in systems and resources are effective
- › there is a clear understanding of the organisation's information requirements
- › business critical information is accessible to those who need it
- › gaps in provision that could affect the competitive or innovative capacity of the organisation or its ability to meet customer needs are identified
- › return on investment in information resources and systems is maximised
- › compliance with legislation such as the Data Protection Act and the Freedom of Information Act is achieved.

It can also:

- › highlight the resources that are already available to the organisation
- › raise awareness of the value of information to an organisation in fulfilling its mission
- › act as an organisational learning process for effective information management
- › identify areas of information management expertise within the organisation
- › provide a basis for the development of an organisational information policy.

This checklist provides an outline for the process of carrying out an information audit.

Two common approaches to information auditing have generally been used in the past. The first, from the perspective of the information professional, which is the approach taken in this checklist, and the second from the perspective of the financial auditor. Some writers are now suggesting combining these approaches to form a single methodology.

» DEFINITION

Although, there is no universally agreed definition of information audit, the following definition developed by ASLIB is supported by authors Elizabeth Orna, and Susan Henczel. This defines information audit as:

“A systematic examination of information use, resources and flows, with a verification by reference to both people and existing documents, in order to establish the extent to which they are contributing to an organisation’s objectives.”

» ACTION CHECKLIST

1. Establish objectives

Start by reviewing the overall context for the audit – the aims and objectives of the organisation or department and any expected changes in direction. This will provide perspective on the organisation, its key stakeholders and the information they need to achieve organisational goals. It is also important to take the structure, culture and values of the organisation into account as this will have an impact on how information is used and how it flows (or doesn't flow) through the organisation.

2. Decide on the scope of the audit

An information audit may be carried out for an individual business area or across the whole organisation. You may wish to start with a limited audit to establish procedures and demonstrate benefits before moving to a more comprehensive and complex audit. Decide, for example, whether the audit will cover:

- › information acquired from external sources and/or generated internally
- › electronic information resources and/or any paper-based information

and whether it will be comprehensive, or focus on specific issues such as:

- › identifying specific information needs
- › improving efficiency or cost effectiveness
- › managing the flow of information within the organisation.

Consider also which categories of information should be included, for example:

- › customer information
- › competitor intelligence and market research
- › broader information on the business environment and sectors of interest
- › financial results
- › personnel records
- › research and development reports
- › operational reports.

3. Secure support at senior level

The support of senior management will be vital for gaining the resources needed to carry out the audit and take action on the results. Make sure that managers have a clear understanding of the objectives of the audit and the benefits that can be expected from it.

4. Decide who will carry out the audit

Weigh the pros and cons of using in-house staff, engaging an external consultant, or a combination of both, to plan and carry out the audit. One option is to put together an internal audit team in order to bring in a range of knowledge, skills and experience, and to include those with standing and influence in the organisation.

5. Plan the audit

It is important to identify in advance precisely what you need to find out and to put in place an effective strategy for gathering the required information.

Broadly speaking an organisational information audit focuses on:

- › the information available
- › how information is used
- › the relationships that govern the flow of information.

It needs to establish:

- › what the current position is
- › what is ideally required
- › what can be done to address the difference between the actual and the ideal
- › how improvements in provision and efficiency can be made.

Areas that may be covered by an information audit include:

- › What information is needed to achieve organisational objectives? Which information is business critical and which is desirable or 'nice to have'? Who needs access to it?
- › What information resources are currently available?
- › What mismatches exist between what is available and what is needed? Are there any gaps in provision or is any unnecessary information acquired?
- › How is information acquired or collected? By whom? How much does it cost? Is there any duplication of effort or unnecessary expenditure?
- › How is information created within the organisation? By whom? How is it captured, made available, and used by others?
- › How is information delivered? Is it accessible to all who need it?
- › How is information being used and by whom? Is it being shared and used effectively? Which information is not being used?
- › Who is responsible for information handling and management? Do they have the knowledge and skills they need?
- › How does information flow through the organisation? How is this controlled and by whom? What factors hinder or facilitate the flow of information?
- › What policy documents, guidelines or procedures are in place?
- › How are compliance and security issues handled? Who is responsible for ensuring that legal requirements relating to matters such as data protection, privacy and freedom of information are met?

Keeping the objectives and scope of the audit in mind, consider how these should be addressed.

Consideration must also be given to how the information will be recorded – choose formats that will be easy to use and will facilitate analysis and evaluation.

6. Establish measures of effectiveness

Think about how you will assess the importance of the data you collect. For example, you may gather information on where files of information are kept but their value will depend on how the information is used. It is relatively easy to calculate the cost of acquisition, processing, storing and delivery of information, but this will not necessarily indicate the value of the information to the organisation. Value or effectiveness may be assessed in more interpretative or qualitative terms, such as accuracy, relevance and contribution to decision-making, ease of use and impact on efficiency, as well as return on investment in terms of the bottom line.

7. Collect the information

Those responsible for the audit need to establish a method of carrying out the investigation, securing access to the appropriate people and the relevant documentation. Methods that can be used for data collection include:

- › physical audit
- › questionnaires
- › observation
- › interviews with key staff
- › focus groups.

8. Analyse and evaluate the results

Once data has been gathered and recorded, examine the emerging patterns in terms of efficiency, effectiveness and cost-effectiveness. Ask questions such as:

- › To what extent does this activity or resource support objectives, or help to meet targets?
- › How efficient is it in terms of the time, and cost, required?
- › Are any positive (or negative results) directly or indirectly related to it?
- › Does it (and can it?) need to be adapted to fit changing needs?
- › Is there a good or a bad fit between the resources available and information needs?
- › Are there any information gaps? Or is any information superfluous?
- › Are there incidences of information disappearing into a black hole without being used?
- › Are there gaps where results are not forthcoming because responsibility for information process has not been assigned?

9. Map information flows

As part of your analysis, map out a chart showing how information comes into and out of the organisation and how it passes from person to person and from one business unit to another. This will help to identify fault lines and gaps that need to be plugged, blockages and bottlenecks that need to be cleared and overflows that need to be prevented.

10. Report on findings

You should now be in a position to identify problem areas which need to be addressed and opportunities that can be exploited. Where necessary, research alternative means of acquiring and providing information, and draw up proposals for making processes and procedures more effective and improving efficiency and cost effectiveness.

Summarise your findings and make clear and concise recommendations, in line with your stated objectives, focusing on the potential benefits. Consider how best to communicate your proposals effectively to decision makers and other stakeholders.

11. Implement recommendations

An information audit is useless unless it is acted on. Once changes have been approved, put together an action plan, making the reasons for change and the expected benefits clear to all those involved.

12. Plan for the future

The successful implementation of improvements in one area of the business may pave the way for additional audits to cover more areas of the business or the organisation as a whole. Bear in mind, too, that the information needs of the organisation will change over time as new areas of business open up, new products

and services are developed or old ones discontinued. The availability and cost of specific information resources will also need to be reviewed at regular intervals.

Ask yourself:

- › Are the resources subscribed to still the most cost effective?
- › Is the information available still of high quality in terms of accuracy and currency? Is it still relevant and authoritative?
- › Are processes and procedures working smoothly?
- › Are new staff made aware of the resources available to them?

» POTENTIAL PITFALLS

Managers should avoid:

- › taking too much of people's time by asking more questions than necessary
- › describing the current situation without analysing the reasons underlying it
- › making promises at the information gathering stage
- › trying to cover too much at once
- › thinking that an information audit is a one off task.

» ADDITIONAL RESOURCES

BOOKS

Information security: a practical guide bridging the gap between IT and management, Tom Mooney
Ely, IT Governance Publishing, 2015

Information governance and assurance: reducing risk, promoting policy, Alan MacLennan
London, Facet Publishing, 2014

Information and knowledge management, Rev ed, E Learn
Abingdon, Taylor & Francis, 2009

This title is available as an [e-book](#)

The data asset: how smart companies govern their data for business success, Tony Fisher,
Hoboken NJ: John Wiley, 2009

Strategic information management: a practitioners guide, Jela Webb,
Oxford: Chandos Publishing, 2008

Introducing information management: the business approach, Matthew Hinton ed.
Oxford: Elsevier Butterworth-Heinemann, 2006

This title is also available as an [e-book](#)

The information audit: a practical guide, Susan Henczel
Munich: K G Saur, 2001

This is a selection of books available for loan to members from CMI's library. More information at:

www.managers.org.uk/library

JOURNAL ARTICLES

Designing a Records Audit: A Controls-Based Approach, Andrew Altepeter,
Information Management Journal, Mar/Apr 2015, Vol 49 Issue 2, pp20-23

This is a selection of journal articles available for members to download from CMI's Library. More information at: www.managers.org.uk/library

RELATED CHECKLISTS

- 049** Internal audit
- 150** Handling information – avoiding overload
- 166** Knowledge management

INTERNET RESOURCES

Information Commissioner's Office <https://ico.org.uk/>
Provides information on legislation relating to data protection, privacy and freedom of information.

ORGANISATION

Information and Records Management Society
Chester House, 68 Chestergate, Macclesfield, SK11 6DY
Tel: 01625 664520 Email: info@irms.org.uk Web: www.irms.org.uk



NATIONAL OCCUPATIONAL STANDARDS FOR MANAGEMENT & LEADERSHIP

This checklist has relevance for the following standards:

- › Unit EC2: Manage information, knowledge and communications systems
- › Unit EC3 Manage knowledge in your area of responsibility



MORE INFORMATION

e enquiries@managers.org.uk

t +44 (01536) 204222

w www.managers.org.uk

p Chartered Management Institute
Management House, Cottingham Rd, Corby, Northants, NN17 1TT

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