PUBLIC PROCUREMENT RECORDS MANAGEMENT PROCEDURES MANUAL

SECOND EDITION

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The enactment of the Public Procurement and Disposal Act in 2005 and the subsidiary Public Procurement and Disposal Regulations 2006 and the establishment of the Public Procurement Oversight Authority are part of the government's efforts to reform public procurement in Kenya. The overall goal is to make the public procurement process more transparent to ensure accountability and to reduce wastage of public resources. The new Public Procurement and Disposal Act and the subsidiary Regulations require procuring entities to manage procurement records properly and effectively.

Records are a key resource for good management. Sound records management is a vital aspect of ensuring transparency and accountability in the public procurement process and enables procurement transactions to be managed in an orderly and efficient manner.

Good record keeping practices reduce vulnerability to legal challenges or financial loss and promote efficiency in terms of human and space resources through greater co-ordination of the information use, maintenance and control.

The first edition of the Public Procurement Records Management Procedures Manual was issued by PPOA in December 2008 and aimed to address the weaknesses in the management of procurement records and to provide guidelines and direction for best practices. The Manual recommended use of information technology alongside the paper based records management system. However, the underlying weaknesses of paper based records management had to be addressed first before embracing the new automated record keeping system.

This is the second edition of the Public Procurement Records Management Procedures Manual and provides theoretical and practical guidance for management of procurement records. It is the result of thorough studies of procurement record keeping practices in more than ten procuring entities. It includes new topics such as ISO 9001:2008, restructuring and auditing of procurement records management.

The Manual has been prepared in accordance with Regulation 33 (4) which mandates the Authority to issue circulars and guidelines on the content of procurement documentation, and Regulation 34 (2) which states that the Authority may issue guidelines relating to the use, records management, filing and storage of procurement documentation. It is also in line with section 49 (1) of the Act which empowers the Director General of the PPOA to inspect the records and accounts of a procuring entity.

This Manual was prepared on behalf of PPOA by ARD Inc. as a part of the USAID-sponsored project Support for Reforming the Public Procurement System Phase II.

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ACRONYMS

AIE	Authority to Incur Expenditure
AO	Accounting Officer
ARD	Associates in Rural Development
GFS	Government Financial System
GITS	Government Information Technology Services
GOK	Government of Kenya
ICT	Information and Communication Technology
IFMIS	Integrated Financial Management Information System
IRMS	Integrated Records Management System
ISO	International Standards Organization
MTC	Ministerial Tender Committee
PE	Procuring Entity/Public Entity
PIN	Personal Identification Number
P O	Procurement Order
PPDA	Public Procurement and Disposal Act
PPDR	Public Procurement and Disposal Regulations
PPOA	Public Procurement Oversight Authority
PU	Procurement Unit
PV	Payment Voucher
RM	Records Management
RPPS	Reforming the Public Procurement System
USAID	United States Agency for International Development
VAT	Value Added Tax
RFP	Request for Proposal
RFQ	Request for Quotation
TC	Tender Committee

Access	The availability of or permission to consult records.
Accountability	The principle that organizations and individuals are required to account to others for their actions.
Appraisal	The process of reviewing and evaluating records in order to determine those that should be kept, and for how long, so as to meet the needs of the organization and other users of the records.
Archives	Records usually, but not necessarily non-current records of enduring value selected for permanent preservation. Archives also refer to a room where archival records are stored.
Archival value	Those values which justify the indefinite or permanent preservation/retention of records.
Current Records/Active Records	Records regularly used for the conduct of the current business of an organization. Current records are normally maintained in or near the office of origin and use, or a records office.
Disposal of records	This refers to the actions taken on records once they become inactive. The action could be preservation of valuable records with continuing value, transfer of important records to the National Archives, or procedural destruction of records judged to be valueless.
Electronic record	Any combination of text, graphics, data, audio, pictorial or other information representation in digital form that is created, modified, maintained, archived, retrieved, or distributed by a computer system.
File	An organized assembly of correspondence or documents logically arranged, relating to a specific function or an activity and maintained in a folder. An official file is a registered file and whose existence is documented.
File Classification scheme **File Plan**	A system that identifies related records by functions or subject and Places them in their distinctive classes. In a Procuring Entity's file classification scheme, <u>procurement</u> is a distinctive function and therefore generates related records, which forms unique series.
Migration	The transfer of data in electronic form from one hardware or software configuration or generation to another.
Public records	Records created or received by government agencies. According to the

	first schedule of the Public Archives and Documentation Service Act, Cap 19, public records are records of any Ministry or Government department, Commission or any board established by the Government or under an Act of Parliament, the records of courts, Parliament, the Electoral Commission of Kenya and the records of all local authorities.
Record	A document regardless of form or medium created, received, maintained and used by an organization (public or private) or an individual in pursuance of legal obligations or in the transaction of business of which it forms a part or provides evidence.
Records management	That area of general administrative management concerned with achieving economy and efficiency in the creation, maintenance, use and disposal of records of an organization throughout their life cycle, and in making the information they contain available in support of the business of that organization.
Record keeping	Making and maintaining complete, accurate and reliable evidence of official business in the form of recorded information.
Records retention/Disposal schedule	A document which specifies the length of time each type of record Will be retained, and the applicable disposal action. The disposal action my take the form of preservation in closed records room, transfer to the National Archives or destruction if it is deemed to be valueless upon appraisal and completion of the required retention period.

1 INTRODUCTION

Poor procurement record keeping has been identified as one of the impediments to the procurement process. Often procurement files are incomplete and fragmented so that crucial procurement information is spread across numerous files. The situation is often compounded by the failure to integrate procurement record keeping with the broader records management function. For procurement reforms to succeed, record keeping weaknesses must be addressed.

The Public Procurement Records Management Procedures Manual addresses the problems and challenges that have undermined effective and efficient management of procurement records.

The Manual advocates mainstreaming and integration of procurement record keeping into the broader records management program and strategic plans of a procuring entity. The Manual provides a suitable framework to support the effective management of procurement records.

It seeks to facilitate standardization and consistency in the application of procedures and practices in the management of procurement records in line with the existing laws and regulations.

1.1   The scope and purpose of the Manual

This Manual sets out the procedures, system and structures required to be in place for creation and maintenance of authoritative, reliable and accessible records to support the business and accountability requirements of the procuring entity. The purpose of the Manual is to provide guidance for efficient and effective creation, use, storage, maintenance of and access to all forms and types of procurement records. The manual covers:

a) Principles of records management;
b) Principles of electronic records management;
c) Management of procurement records;
d) Restructuring of the procurement record keeping system;
e) Linkage with other legal and regulatory requirements for management of public records;
f) ISO 9001:2008 and ISO 15589;
g) Inventory and stores records management; and
h) Risk management and security of records.

1.2   Application of the Manual

This Manual is issued by the PPOA in accordance with section 9 (c) (i) for use by all public procuring entities, such as Ministries, Departments, Corporations, Commissions, Local Authorities, and the Judiciary.

1.3   Review of the Manual

This Manual will be reviewed by the PPOA as and when necessary. Where necessary the advice of the Director of Kenya National Archives or other reputable institutions will be sought in the review of the document. The Kenya National Archives is the principal government agency that provides guidance on public records management.

1.4   Key features of the new procurement records management system

The procurement records management system advocated in this Manual has the following features:

a) Procurement records management is mainstreamed and integrated with the overall records management and strategic plans in a procuring entity;

b) Responsibility for the care and management of procurement records is clearly defined and assigned;

c) Procurement records are managed within the procurement cycle and within the records life cycle of creation, use, maintenance, preservation and disposal;

d) Maintenance of a complete and self-contained file with all key documents for each procurement activity, in line with the requirements of Regulation 34 (3) of the Public Procurement and Disposal Regulations;

e) There is linkage between procurement and payment files in accordance with section 45 (6) of the PPD Act;

f) Keeping of official procurement documents in official, approved, and registered files whose existence is documented in an approved procurement file scheme;

g) Preparation of a well-structured and logical file classification scheme that captures all procurement files and that is distributed to all procurement and authorized officers in a procuring entity in order to facilitate their access to official documents;

h) The keeping of procurement documents in unofficial systems and personal folders by procurement officers is discouraged. The official procurement files should be centrally maintained under care and custody of a responsible designated officer;

i) Clear referencing, coding, titling and logical physical arrangement (in secure filing cabinets) of procurement files in order to permit fast and efficient document retrieval;

j) Maintenance and safeguarding of the confidentiality, integrity and completeness of procurement files;

k) Regular removal of closed procurement files and documents from the current system to facilitate ease of access to active files;

l) Regular review of closed and non-current records in procuring entities in order to determine those that warrant further retention, those that can be procedurally destroyed and documents that qualify for transfer and preservation in the National Archives. Closed records review, appraisal and disposal should be done within the framework of the requirements of the Public Archives and Documentation Service Act, Cap 19, the Public Procurement and Disposal Act and subsidiary Regulations, chapter 23 of the Government financial regulations and procedure, and related Government policy documents on management of public records;

m) Establishment of a departmental records centre for preservation, maintenance and control of closed procurement documents retired from the current system. Closed records control tools such as file inventories and file movement registers should be maintained by the officer in charge of the procurement records management;

n) Close collaboration and co-ordination of the different records management units in a procuring entity such as main records office (registry), secret, accounts, confidential and personnel registries;

o) Co-operation and support for proper record keeping practices from the senior management staff in a procuring entity; and

p) The procurement record keeping system is managed within the requirements of existing legislation, such as the Public Procurement and Disposal Act and subsidiary Regulations, the Public Archives and Documentation Service Act (Cap 19, laws of Kenya), and other Government policy documents such as the chapter 23 of the Government financial regulations and procedures. They should also be managed in accordance with the requirements of ISO 15489, the international standard for information and documentation-records management.

1.5 Mandate of PPOA

The Public Procurement Oversight Authority is an independent regulatory body established under the Public Procurement and Disposal Act, 2005 and the Public Procurement and Disposal Regulations 2006. Section 9 sets out the functions of PPOA which are to:

a) Ensure that the procurement procedures are complied with;
b) Monitor and report on the public procurement system and recommend improvements;
c) Assist in the implementation and operations of the of the public procurement system;
d) Prepare and distribute manuals and standard documents for use by PEs;
e) Initiate public procurement policy and propose amendments to the Act; and
f) Perform such other functions and duties as are provided for under the Act.

Section 49.1 (a) of the Public Procurement and Disposal Act empowers the Director General or anyone authorized by him to inspect the records and accounts of a procuring entity.

Regulation 34 (2) states that the Authority may issue guidelines relating to the use, records management, filing and storage of procurement documentation.

1.6 Record keeping requirements under the Public Procurement and Disposal Act and Regulations

The Public Procurement and Disposal Act and the associated Public Procurement and Disposal Regulations have important provisions for procurement record keeping and management. The relevant sections include the following:

- Section 26 of the Act and Regulation 20 require a procurement plan to be prepared for each financial year as a part of the annual budget preparation process. Regulation 21 of PPDR states that a procurement plan should include a detailed breakdown of goods, works and services required and completion or delivery dates.

- Section 34 of the Act requires procuring entities to prepare specifications for goods, works, services and consultancies. Standard tender documents have been prepared by PPOA.

- Section 45 (1) of the Act requires a procuring entity to keep records for each procurement for at least six years. The records must include:

- A brief description of the goods, works or services being procured;
- Reasons for using a procedure other than open tendering;
- A copy of the advertisement that was placed in the newspaper;
- Names and addresses of the bidders;
- The price or the basis of determining the price, and a summary of the principal terms of the tender, proposal or quotation;
- An explanation if the procurement proceedings were terminated; and
- A summary of the evaluation, tender, quotation or proposal comparison and the evaluation criteria.

- Section 45 (6) of the Act provides for a procuring entity to maintain a proper filing system with clear links between procurement and expenditure files.

- Section 45 (3) states that after a contract is awarded or terminated, records can upon request be made available to a person who submitted a tender, a proposal or a quotation and that the PE may charge a fee to recover costs.

- Regulation 7 (e) of the PPDR requires an Accounting Officer to ensure that a procuring entity properly documents procurement proceedings in accordance with the Regulations.

- Regulation 8 (3) (d) requires a procurement unit to maintain and safeguard procurement and disposal documents and records.

- Regulation 8 (3) (n) requires a procurement unit to maintain and archive documents and records of the procurement and disposal activities for the required period.

- Regulation 16 (9) (e) requires user departments to maintain and archive records of contract management.

- Regulation 12 (6) and 15 (7) requires a tender committee and the procurement committee respectively to prepare minutes of meetings including:

  - A register and date of meeting;
  - List of all matters considered and the decision made for each matter; and
  - A note on the basis of any evaluation made.

- Regulation 16 (9) requires an evaluation committee to prepare a report on the analysis of tenders received, and final ratings assigned to each tender and submit a report to the tender committee.

- Regulation 34 (1) directs that the following documents be treated as a part of procurement records:

  - Feasibility studies and surveys carried out or accepted by the procuring entity for the preparation of tender documents and reports;
  - Receipts for sale of tender documents;

- o Requests for, and clarifications issued by the procuring entity; and
- o Records of any negotiations and end of activity reports.

- Regulation 34 (3) directs a procuring entity to maintain a complete and comprehensive individual file, and marked with relevant procurement number, for each procurement requirement.

1.7 Linkage with other legal and regulatory requirements for management of public records

This Manual should be used alongside other legal and statutory requirements on management of public records issued by the Government from time to time. These include:

a)   The Public Archives and Documentation Service Act, Cap 19

This is the principal law that governs management, preservation and disposal of public records. The Act mandates the Director of the Kenya National Archives to:

a) Examine any public records and advise on their care, preservation, custody and control;
b) Require transfer to the custody of the Kenya National Archives and Documentation Service public records he considers should be housed in the National Archives; and
c) Authorize the destruction of public records judged to be of no further administrative or reference value to the creating office.

Section 5A of Cap 19 states that every Permanent Secretary or head of government department or chief executive of a state corporation or local authority shall supply to the Director two copies of any published or generally circulated documents or report produced by that office whether in hard copy or microfilm; and the creating office may prescribe the period for which the document shall remain restricted from circulation to other public offices or members of the public.

Under Section 8 of the Public Archives and Documentation Service Act, Cap 19, it is an offence to destroy public records without the Director's authority.

b)   The Records Disposal Act, Cap 14

This Act facilitates the management and disposal of court records. The Act mandates the Chief Justice and the Attorney General, in consultation with the Director of the Kenya National Archives and Documentation Service to make rules for the disposal of court records.

c)   Government Financial Regulations and Procedures, Chapter 23, section 4:2-5

Chapter 23 of the Government Financial Regulations and Procedures, section 4:2-5 were issued to provide guidance on the management and disposal of accounts documents. The relevant section of the chapter states that an Accounting Officer may give permission for the destruction of accounting books and documents, provided such records have been audited and

are of no archival value. Accounting documents with outstanding audit queries should not be destroyed. The Director of Kenya National Archives may be requested to examine the records before their destruction. Chapter 23 also provides the following retention periods for the specified accounting documents:

Records description	Retention period
Principal ledger	10 years
Cash books	10 years
Journals	3years
Payment vouchers	5 years
Paid cheques	3 years
Completed indent warrants	12 months after the end of the financial year to which they relate
Completed order books	
Duplicate receipts	
Duplicate payment vouchers	
Receipt books	
Fully used	6 months after date of completion, but must be inspected by the Auditor-General
Obsolete, partly used	
Obsolete, wholly used	None
Redundant	None

d) Circular OP.39/2A of 14th April 1999 on cases of missing and lost files and documents in the Public Service

The circular was issued by the head of Public Service and attributed cases of missing and lost files in the public service to laxity and poor records management practices and in some cases corruption among civil servants. The circular directed Accounting Officers toensure that public records are properly managed in order to avoid the incidence of missing and lost files; and that firm and immediate administrative or legal action should be taken against officers who intentionally hide, misplace public records or cause them to be lost /destroyed.

e) Circular OP.39/2A of 14 November 1999 on cases of missing and lost files and Documents in the Public Service

This circular was a follow up to the 14th April 1999 circular and was issued by the Head of the Public Service and stated that:

The public, including civil servants, will be encouraged through media adverts to submit formal complaints, in writing, to the Director, Kenya National Archives and Documentation Service wherever the service that they require is unduly delayed on the grounds that a file or documents are "missing". The Director of National Archives will then follow-up and will submit a quarterly report to the Head of the Public Service detailing all reports of lost or missing files.

f)   Ministry of State for Public Service (DPM) circular on personnel records - ref. No. DPM.12/6A Vol. I (71) of 12th March 2008

The personnel general letter number 1/2008 of 12th March 2008 provides guidelines on retention of various categories of personnel records in the public service. It provides the following retention periods for the specified categories of records:

Category of Records	Retention Period
Records relating to recruitment selection by Authorized Officers.	One year after the file is closed.
Records relating to candidates selected for training.	3 years after file is closed.
Records relating to promotions and appointments by Authorized Officers.	1 year after file is closed.
Personal files of officers who have retired or left service.	15 years after file is closed except for senior officers in Job group 'N' and above which may be kept permanently. In exceptional cases, files of officers in job groups "M" and below may be considered for permanent preservation if the file is of some historical significance.

The prescribed retention periods should also be applicable for personal files for officers in equivalent job groups in the local authorities, the judiciary and state corporations. The circular further advises that that any intended destruction must be communicated to the Director of Kenya National Archives and Documentation Service for guidance.

g)   ISO 9001: 2008

Some public entities are pursuing ISO 9001:2008 certification as a part of efforts to improve their operational efficiency and enhance customer satisfaction. Some PEs are already ISO certified. To be ISO certified a PE needs to demonstrate its ability to provide a service that meets customer and applicable regulatory requirements. Some of the requirements in the ISO 9001:2008 include:

a) Putting in place a set of procedures that cover all key processes in the PE;
b) Monitoring the processes to ensure they are effective;
c) Keeping adequate records;
d) Checking output for defects and taking corrective action;
e) Regular review of the individual processes and the quality system for effectiveness; and
f) Facilitating continual improvement.

Records control is among the six mandatory procedures for ISO certification. Section 4.2.4 of ISO 9001:2008 requires an entity to ensure that records are available to provide documentary evidence of conformity to the requirements of an effective quality management system. All the procedures must be documented and a records control system should be in place for identification, storage, protection, retention and disposition of records. The records should remain legible, readily available and retrievable when needed.

To enhance conformity to the record keeping requirements of ISO 9001:2008 it is recommended that:

a) Efforts towards conformity to the ISO record keeping requirements be pursued as a part of an organization-wide records management restructuring and improvement program;

b) Integrating procurement, administration, personnel, finance and accounts record keeping into a unified records management program directed by a senior records manager in the Records Management Unit;

c) Strengthening the records management program by co-opting records management officers into the ISO steering committee;

d) Appointing records managers as some of the ISO internal auditors ; and

e) Preparing and implementing an operational procedures manual that applies in the context of the entity's work the ISO and other legal and statutory requirements for record keeping, including the features advocated in this Manual.

The ISO certification process for quality systems requires preparation and implementation of procedures manuals for key processes including the procurement process. In this regard it is essential to incorporate the record keeping provisions of the PPD Act and Regulation in the procurement procedures manual. It is particularly important to indicate in the procurement procedures manual that:

a) A complete and comprehensive file for each procurement shall be maintained in compliance with Regulation 34 (3);

b) That the PU will put in place a proper system for the management of procurement documents that forms a part of an integrated records management program; and

c) The duty for the filing and maintenance of procurement files and documents shall be defined and assigned to a procurement officer in writing.

h)   ISO 15489

Section 4.2.4 of the ISO 9001:2008 is closely related with ISO 15489 (2001), the international standard for information and documentation records management. ISO 15489 is an important best practice standard and an authoritative source for promoting effective records management as a basis for sound business and organizational management. An organization seeking to conform to ISO 15489 needs to have the following in place:

i.   A records management policy whose objective is the creation, maintenance and management of authentic, reliable and accurate records that are capable of supporting business functions and activities. The policy should be endorsed and adopted at the highest decision making level, and should be implemented throughout the organization;

ii. Lead records management responsibility and accountability should be defined and assigned to a person with appropriate authority. All employees of the organization are responsible and accountable for keeping accurate and complete records of their activities. Those who create records should ensure that the records they create are captured in the official filing system;

iii. Creation and maintenance of authentic and reliable records and protection of their integrity - integrity of records refers to their being complete and unaltered - for as long as required. This should include:

- Ensuring that reliable records are created – a reliable record is one whose contents can be trusted as a full and accurate representation of transactions and activities;
- Assessing the risks that would result from failure to maintain authoritative records;
- Preserving records and making them accessible over time in order to meet business requirements;
- Complying with legal and regulatory requirements and organizational policy;
- Ensuring that records are maintained in a safe and secure environment;
- Compliance records should be managed in accordance with the legal and regulatory environment;
- Providing an appropriate storage environment and media that afford records adequate protection; and
- Records systems should provide timely and efficient access to, and retrieval of records needed for business and accountability requirements.

2 GENERAL PRINCIPLES OF RECORDS MANAGEMENT

ISO standard 15489 defines records management as the field of management responsible for the efficient and systematic control of the creation, receipt, maintenance, use and disposition of records, including the processes for capturing and maintaining evidence of and information about business activities and transactions in the form of records. Records management is a professional and administrative function which involves designing and directing a program for achieving economy and efficiency in the creation, use, maintenance, and disposition of records. The goal of sound records management is to promote efficiency through improved access to information.

2.1 Importance of records

Sound records management is a critical component for good governance, effective administration, transparency, accountability and delivery of quality services.

Good recordkeeping practices enable speedy and efficient access to and sharing of information. Good records management implies capturing complete, accurate, reliable, secure and accessible records.

A procuring entity's ability to function effectively and give account of its actions will be undermined if sound records management principles are not applied. Unorganized or otherwise poorly managed records mean that an organization does not have ready access to authoritative information, to support sound decision making or delivery of programs and services. Weak records management practices mean officials cannot be held accountable for their actions. Records are a powerful deterrent against procurement and financial malpractices.

Procurement records provide the controls that document how a procurement action was undertaken, and protect essential audit trails.

A well managed procurement records management program will enable the physical and logical control of records and prevent unauthorized access, tampering, loss, misplacement or destruction of documents.

As records provide evidence of activities of a procuring entity, they need to be managed within systems that control them throughout their existence and within the procurement cycle.

2.2 Consequences of failure to maintain adequate records

Failure to effectively manage records means:

a) Decisions are taken on ad hoc basis without the benefit of records;
b) Fraud cannot be proven and meaningful reporting and audits cannot be carried out;
c) Existence of different versions of the same information and the absence of a definitive or authentic version;
d) High incidence of lost and missing files which necessitates opening of many temporary files;

e) Government actions are not transparent;
f) Citizens cannot protect or claim their rights;
g) Citizens cannot make an informed contribution to the governance process; and
h) A PE's recorded memory is impaired.

A well-structured record keeping system is a key component for effective and efficient delivery of services and a foundation of an accountable and transparent administration.

It is important to have procedures and control systems to ensure that complete, accurate and comprehensive records are created and maintained, that records can easily be located and retrieved when needed, that records are not destroyed when still required and, most importantly, that records management responsibility is assigned.

2.3 Records life cycle concept

Records should be managed throughout their life. A record goes through a life cycle consisting of three phases: active or current, semi-current and inactive or non-current phase.

a)   Current or active records

These are the open files that are in use for conducting the current business of the organization. Current records and documents are constantly in use and should therefore be maintained close to the users within a logical filing system that facilitates their access. Current records are usually maintained in records offices (or registries).

b)   Semi-current records

These consist of the recently closed files that are only infrequently used. They should be entered in a closed records register and systematically transferred and organized in a departmental records centre. The register acts as a retrieval tool.

c)   Non-current or inactive records

These are records that are hardly ever referred to for the conduct of business operations. Non-current records should be reviewed and appraised in order to make judgment on their further retention. Those that are selected as valuable records should be preserved in a departmental records centre or with prior arrangements transferred to the National Archives for long term preservation as archival records. Note that procurement records must be kept for at least six years from the date the procurement is completed or cancelled (Public Procurement and Disposal Act, Sec. 45 (1)).

2.4 Records management unit

It is important for large PEs to have a records management unit, headed by a qualified senior records manager to provide PE-wide co-ordination, leadership and direction of the records management function. The mandate of the records management unit should include:

- Setting and monitoring records management standards and procedures;
- Taking necessary steps for the storage and security of records;
- Providing leadership and guidance in the appraisal of records;

- Providing guidance in the establishment and running of records management units or registries;
- Training the records staff;
- Liaising with the Kenya National Archives and Documentation Service on all matters pertaining to the appraisal, preservation and disposal of records;
- Monitoring and evaluating the records management program to assess its efficiency and effectiveness and to make necessary structural adjustments;
- Guiding the procuring entity in ensuring compliance with all the legal and regulatory requirements including the PPD Act and Regulations on the management of its records;
- Preparation and implementation of a records retention and disposal schedule;
- Preparation and periodic review of the official file classification scheme;
- Reviewing and appraisal of closed files and documents and initiating the necessary records preservation or disposal action;
- Establishment and maintenance of a corporate Records Centre (or Archives) for the preservation of documents and files deemed to be of lasting administrative, fiscal and historical value; and
- Conducting records management audit.

a) The role of the departmental records officer

A PE should have a records management officer at a senior level responsible for the PE-wide coordination and direction of the records management program. The records management officer's responsibilities should include:

i.   Establishing procedures and directing the implementation of a records management program;
ii. Co-operating with the management to define and monitor functional recordkeeping requirements;
iii. Developing recordkeeping standards and rules;
iv. Addressing and resolving records management problems in the entity;
v.   Establishing procedures for the evaluation, implementation and review of manual and automated records systems;
vi. Managing an on-site and off-site storage program for inactive records;
vii. Designing and implementing an effective records retention and disposal program; and
viii. Assisting with the preparation and review of file classification schemes.

b) The role of the records office (registry)

Current records should be maintained and controlled in records offices (also called registries). The registry has the following responsibilities:

i.   Receiving and registering all incoming and out-going letters. A register for incoming letters is maintained. All incoming letters should be put in the right files and then sent to the appropriate officer to deal with;
ii. Promptly circulating files to action officers;
iii. Filing of all letters and documents in the right files. The letters are filed according to the approved file classification scheme and in date order sequence;
iv. Production of files on demand by authorized persons, and monitoring the movement of the file within the entity. A file movement register should be maintained for controlling file movements in and out of the records office;

v. Opening, maintenance and closing of files;
vi. Preparation and periodic review of an approved file classification scheme;
vii. Maintenance of a closed records room for files retired from current use. This also involves preparation of a closed records catalogue and controlling use of the closed files;
viii. Preparation and implementation of a records retention and disposal schedule to avoid accumulation of closed records; and
ix. Review and appraisal of closed and non-current records and selecting those worthy of long-term preservation and the disposal by authorized destruction of those judged to be unworthy of further retention.

c) Opening a new file

A file is a folder containing papers relating to a specific subject or activity. A file is opened when an existing one matures for closing and the next volume is opened, when a new subject or activity arises which cannot be accommodated in the existing files, or when an existing file subdivides into new subjects. A file should be opened after adequate consultation with the unit or officer responsible for records management. Consultation and care in file opening is necessary to avoid opening files when similar or the same files are in existence, and which leads to needless duplication of files. The papers in the file should be neatly arranged in chronological order, and on a specific subject. An official file should have the following qualities:

i. A file title that is clear and specific;
ii. A file reference number that links the file to the approved file scheme and other official files;
iii. Name of the organization on the cover;
iv. A specific subject or activity; and
v. Security classification - open or confidential.

The file title should be brief, clear and precise. A file title that is too general or too long tends to attract all kinds of papers, and therefore is likely to promote misfiling of documents. When a file grows thick too fast this is an indication that the file is possibly too broad in its coverage of subject.

Besides a title, a file should have a unique reference number, derived from the approved file classification scheme.

Papers in the file should be filed in date order with the earliest ones at bottom and the latest documents at the top. The papers in the file should be folio numbered, that is serially numbered. This helps to maintain the order of the papers and facilitates early detection if the papers are removed or tampered with.

d) File movement control

The records office should have effective methods of controlling and monitoring the movement and use of files within a PE. The purpose of controlling and monitoring of file movement is:

- To monitor access to records by users;
- To ensure a particular matter is dealt with by the responsible officer;
- To ensure that the location of a file is known at all times;

- Files are returned promptly to the registry once they have been seen by the indicated officers;
- Files do not go missing; and
- Officers do not retain for too long files issued to them.

The principal file movement control tool is the file movement register, where the file name, reference number, name of the officer to whom the file is issued, and date of issue and return are recorded.

There should be an administrative guideline stipulating how long an officer should hold a file - ideally no officer should possess a file for more than four days. Borrowed files should be promptly returned to the records office once an officer has completed consulting it.

The records staff must ensure that a requested file is promptly provided. Speedy provision of requested documents and files is one way of cultivating and maintaining confidence in the users of the registry services.

Another way of cultivating the users' confidence in the efficiency of the registry is to maintain a bring-up diary for recording files requested by users at a future date. The registry should then promptly provide the file on the requested date. This service is of value to officers who may wish to consult a file on a specified future date.

A fortnightly file census is a method of tracking files by checking and noting files retained in offices by officers. A file census form is used for recording details of files found in offices. It is an important security safeguard to examine files to ensure all documents are intact and that the file has not been tampered with. This is especially important for high value and sensitive files.

e)   Closing a file

A file should be closed when it gets full or when the fastener cannot take any more papers. The next volume should then be opened. A case file such as a procurement action file can be closed once the procurement activity is concluded. A file should not be permitted to become too thick and unwieldy. The file closure date should be clearly indicated on the cover. Closed files should be recorded in the closed files register prior to their removal from among the current files for storage in the closed records room or centre.

Closed files should be reviewed after every six years to determine whether they warrant further retention.

2.5   File classification scheme

File classification is the process of identifying and organizing records into categories that reflect the functions and activities of an entity. A file scheme is the official and authorized file list that facilitates their procedural opening, referencing, physical storage and retrieval. Normally no files should be permitted to exist if they are not captured in the file scheme. This means official documents should be maintained in official files whose existence is documented. Files existing outside the file scheme should be considered as informal and unauthorized.

A file classification scheme is a key tool for organizing records and:

- Ensures letters and documents are put in their right files;
- Facilitates access to and retrieval of records;
- Facilitates procedural opening of files;
- Ensures consistent and logical naming and referencing of files; and
- Facilitates logical arrangement and organization of files.

a)   Common weaknesses in file classification schemes

The following weaknesses are frequently observed with regard to file classification schemes for most PEs and it is important to pay attention to them:

i.   Failure to update a file scheme which is indicated by presence of many files on obsolete activities and subjects;
ii.   Presence of many files opened and maintained outside the file scheme;
iii.   Maintenance of one old, often tattered and soiled file scheme in the registry with no copies distributed to action officers;
iv.   Private file retrieval tools devised by action officer to serve own convenience because the official file scheme is unavailable;
v.   Action officers and secretaries being forced to enquire from the main registry for guidance on reference numbers to use on out-going and internal memos because they have not been provided with copies of the approved file scheme;
vi.   Maintenance of different departmental file schemes in an agency that are not harmonized; and
vii.   A file coding and referencing system that looks unwieldy, unnecessarily long or having illogical and meaningless codes.

b)   Features of a good file classification scheme

A good corporate file classification scheme should have the following features:

i.   It should include all the files in an organization;
ii.   It should be easy to understand, use and maintain;
iii.   It should facilitate speedy identification and retrieval of files;
iv.   It should be comprehensively documented with easy to follow procedures;
v.   It should be flexible to permit expansion or contraction; i.e. it should permit insertion of files opened in the future and deletion of files related to activities that become obsolete;
vi.   It should be capable of being automated;
vii.   It should be well-packaged and enough copies of the file scheme should be circulated to all authorized users of official files. This will remove the need for officers to open and maintain personal folders for official documents;
viii. The file scheme should facilitate proper coding and referencing of files;
ix.   The file scheme should be approved and endorsed for use by the Accounting Officer; and
x.   The files in the scheme should be physically organized in the order and sequence of arrangement in the file classification.

A PE wishing to design or to improve its corporate file scheme can obtain professional advice from the National Archives.

2.6   Records personnel

Deployment of the right people to be in charge of records is a key step in the management of records. Officers in charge of records should be people of integrity, with appropriate qualifications and skills. They should be clearly assigned their duties in writing. Additionally they should be given professional training.

2.7   Need for support and co-operation from senior management

Records officers need support from the senior management in a procuring entity when complying with record keeping policy, regulations and procedures. Senior officers must particularly avoid the practice of opening and maintaining parallel files to serve their own immediate and limited needs. Official documents must be kept in official files whose existence is known and documented in a file classification scheme. Official files must be centrally maintained in the records office to facilitate pooling and sharing of recorded information. The records management function should be allocated adequate budgetary support and improvements in the working environment of records personnel. This should include offering training and an incentive program for records personnel.

2.8   The role of internal audit

Auditors can contribute to better records management by noting and drawing the attention of Accounting Officers to cases of weak and inadequate record keeping practices. Auditors should indicate where there is non-compliance with the requirements for good records management. They should report on and recommend remedial actions.

2.9   Public procurement forms

A form is a fixed arrangement of captioned spaces designed for entering and extracting information. Forms need to be carefully analyzed and designed. Forms management is a part of records management. Every form should have a unique control number printed on it for identification. Forms design and composition can be automated.

Regulation 33 (1-2) of the Public Procurement and Disposal Regulations states that the PPOA shall issue guidelines on the format of procurement documents and that the Authority may issue standard forms by which a procuring entity shall carry out specific procurement procedures. Some standard tender documents developed by the PPOA are available on its website www.ppoa.go.ke.

2.10   Records accommodation
Adequate accommodation is essential for the proper functioning of the records service. Accommodation for records is required at three levels:

   a) Records offices (also called registries) for maintenance of current records;
   b) Records centres (also called departmental closed records rooms) for the storage, maintenance and retrieval of closed and semi- current records; and
   c) Kenya National Archives- for the preservation of archival records.

2.11   Storage equipment

The right equipment and materials for the maintenance and storage of records need to be provided. The equipment should include:

a) File folders of the right quality;
b) Good quality shelving including both secure file cabinets and mobile bulk filing units;
c) Computers and related equipment;
d) Relevant software programs;
e) Office furniture; and
f) Archival boxes.

2.12   Budget for records management

It is important to make adequate provision in the annual budgetary estimates for capital and running expenses for records services. The unit responsible for managing records should prepare a comprehensive budget for records management activities. The records management budget should be reflected in the PE's or the department's consolidated budget. Similarly, it is essential as part of overall budgetary planning for the records management unit to prepare a procurement plan that captures all the needs of the records management unit. The head of the records management unit should initiate the procurement of the budgeted equipment.

2.13   Records retention and disposal scheduling

Effective records management requires controlling records throughout their life cycle of creation, use, maintenance, review, appraisal, preservation and disposal. It is important to plan the actions to be taken on records at various stages in their life in order to avoid their uncontrolled accumulation and consequently taking up valuable office space. A records retention and disposal schedule is a policy document that prescribes the retention periods for specified categories of records and the applicable disposal action. The objectives of a records retention and disposal schedule are:

- To facilitate identification, selection and retention of records needed for conduct of business;
- To minimize requirements for filing equipment and space, as the records that are not needed for current operations will be removed from the office for storage in a departmental records room or the National Archives; and
- To facilitate identification and procedural destruction of records that are judged to be of no further value.

A records retention and disposal schedule should be as comprehensive as possible and cover all the records of a procuring entity.

A records retention and disposal schedule is best prepared by a committee that should study and analyze all types of records in a PE. The committee should prescribe the applicable retention and disposal actions. A records disposal schedule should have the following elements:

- Class of records;
- Name of a record;
- Prescribed retention period; and

- Disposal action upon completion of the retention period.

It is advisable that the records retention and disposal schedule be prepared in consultation with the Kenya National Archives and Documentation Service. The document should be aligned with the requirements of existing legal and regulatory requirements such as the Public Procurement and Disposal Act, the Public Archives and Documentation Service Act, Cap 19, circular number DPM.12/6A Vol.I of 12th March 2008 from the Ministry of State for Public Service, and chapter 23 of the Government financial regulations and procedure. The schedule should be periodically reviewed to align it with subsequent Government policy documents on public records management. For the disposal schedule to have legal validity the Director of the National Archives will need to give his approval before its application. The disposal schedule should clearly point out that documents and files that are subject of court orders or audit queries should be retained and preserved.

2.14 Records centres

Maintaining current and closed files together impedes speedy access to files. Closed and semi-current records and documents should regularly be transferred to a departmental records centre. A records centre is a facility for economical storage of semi-active and inactive records and provision of reference services. The records centre should be operated as a part of the records management program. Periodic and systematic removal of closed and semi-active records enhances efficiency and improves access to the active files.

Where a PE has an established records centre the right practice is to organize, arrange and store records according to the units that created them. In this connection it is important to designate some space for the storage of procurement records. A register to facilitate retrieval of records should be maintained. The procurement records should be physically organized according to the serial number entry in the register.

In the absence of a central facility for storage of all closed records in a PE it is the duty of the head of a Procurement Unit and the procurement records manager to ensure that a secure and appropriate facility for the storage of closed and inactive procurement records is established. This can take the form of secure cabinets or a room.

Files in the records centre should be serially numbered and physically arranged on shelves according to the serial number. A register for recording details of files borrowed by users should be maintained.

Security of the records preserved in the records centre is important. Records must be protected against unauthorized access, fire, water, dust and pests.

The right filing equipment including right furniture, cabinets and modern bulk filing shelving systems should be put in place.

2.15 Automation of records management

The same records management principles and policies applied to paper records must also govern the management of electronic records. The paper-based records management system must be fully functional before attempting automation. It will be counterproductive if the fundamental weaknesses of paper-based record keeping system are not remedied before automation. Planning and proper analysis of the manual system must be done before computerization. Planning for computerization also entails consultation with intended users,

ICT section, and the senior management and forming a project team. The project team drawn from key departments such as Finance, Records Management and ICT should determine the resource requirements and the functional requirements. Relevant government departments and where necessary external consultants can be brought on board. Functional requirements are the records management tasks that will be performed by the computer.

a)   Electronic records management strategy

PEs intending to adopt electronic records management should develop an electronic records management strategy. The strategy should aim for a policy that integrates:

  i.   The legal framework as it applies to a PE;
  ii.   All interested stakeholders (e.g., record creators, the public, information technology staff, records management staff);
  iii.   All relevant aspects of electronic records;
  iv.   An organization's preferred management procedures and technologies; and
  v.   Long-term storage and access needs (both legal and operational).

A sound, integrated strategy reflects the relationship between records management and operations, and ensures records are managed in a way that supports a PE's daily work, long-term operational needs, and meets legal requirements.

b)   Legal framework

Careful consideration needs to be made when choosing an electronic management solution to make sure that it meets a PE's legal and technological requirements.

The legal requirements for electronic records was addressed through the Kenya Communications Amendment Act which was passed in 2009.The Act has among other issues addressed the following:

  i.   Legal recognition of electronic records;
  ii.   Retention of electronic records;
  iii.   Recognition of parties to an electronic message;
  iv.   Attribution of electronic records; and
  v.   Security of electronic records.

This legal framework therefore paves the way for acceptance and implementation of electronic transactions.

c)   Benefits of automation

There is widespread reliance on computer and information technology for most activities in the public and private sector because of the demand for speedy access to information. There are immense benefits that arise as a result of computerization. These include:

  i.   Speedy access and retrieval of information;
  ii.   Ability to manipulate data;
  iii.   Greater accuracy and consistency in performance of routine tasks;
  iv.   Great capacity for storage of information, which brings huge space and equipment savings;

v. Sharing and simultaneous access to information;
vi. Automatic updating of file classification scheme and indexes; and
vii. Controlling the movement of files.

d) Selecting the right records management software

Adequate planning and thorough analysis of functional and technical requirements is a prerequisite before acquisition of electronic records software. The manual paper based records management system should be well-designed and streamlined before records management automation takes place. The selected RM software must fully capture all the processes of managing records. There are three options in the acquisition of RM software:

i. Designing records management software. This entails getting a computer programmer to study and analyze the record management processes and designing a software application that captures all the processes. This can be an attractive and less costly option because it will capture all the unique features of an organization's record keeping practices. However, it may be difficult to support in the long run if the original programmer leaves, as some of the system source codes could be in his head. It may also be difficult to exchange information with other systems where an organization uses its own unique program.

ii. Customizing existing software. A generic word processing or spreadsheet software can be customized to perform RM work. Such software has the benefit of being supported by an established institution and local technical support to maintain the software in case of a problem. This may be less expensive than a specially written program. However, customization may entail a time consuming process of setting up forms, fields, templates and establishing guidelines for data entry. It may also be expensive in terms of time and training of staff to perform data entry.

iii. Specialized RM software. Purchase of specialized software is the best option in many circumstances. There are many good records management software in the market. Before purchasing it will be necessary to invite product demonstrations from several firms. It would make sense to get a demonstration copy of the software for an in-house test run. It is also important to consult relevant government departments such as the Government Information Technology Services (GITS) in the Ministry of Finance and the Directorate of e-Government in the Office of the President. A lot could be learnt from visiting procuring entities which have installed records management software such as the Central Bank of Kenya, Kenya Power and Lighting Company, Ministry of Education, Retirement Benefits Authority and the Kenya National Archives and Documentation Service.

e) Software selection factors

The following should be taken into consideration when selecting records management software:

i. Compatibility of the software with the operating system that is already in place. This should include the memory/ storage capacity, and the number of users who can access the system;
ii. Short-term and long term cost of installation, system upgrading, maintenance and training;

iii.   Ability to import data from other systems such as word processing to the new software;
iv.   Whether the software can be networked or used on the internet or intranet;
v.   Security features of the software, including user authentication and selective access;
vi.   Whether the software has such features as variable length fields, subject classification capabilities, indexing and retrieval, and ability to charge files in and out and to track their movements and to generate necessary reports;
vii.   The software's ability to generate reports on usage of files and documents; and
viii.   Whether the software has menu or command driven systems and ability to work in a windows environment.

The records management and ICT departments must be involved in the evaluation, selection and installation of the records management software.

f)   Records management functions that can be automated

Records management functions which can be automated include:

- Classification and listing of files;
- Correspondence management;
- Preparation of file labels;
- Identification of records that are due for transfer to the archives or disposal;
- Location and tracking file movements;
- Information about authorized users of records; and
- Production of management information reports.

It is important to carry out a thorough analysis of the tasks to be automated such as file classification systems, indexing, file movement tracking and scheduling and disposal. These functions must be built into the computer system. For the computer to execute the given commands it will be important to define the fields, field lengths and ensure that the field will accept the types of data to be entered. Some of the fields in a records management database include:

- File title;
- File code or reference number;
- Date of request for file;
- Name or location of requesting user;
- Date of file production;
- Name and location of user to whom the file is transferred;
- Date of reminder if overdue for return; and
- Date of file's return.

g)   Electronic document classification

In a paper based environment documents are organized in categories and files that reflect the functions of the office. The result of this is a file classification plan or scheme that facilitates access to the information in the files. Electronic records should be organized in electronic folders that reflect the paper-based file classification scheme. Each electronic document created should be saved in the appropriate electronic folder. The electronic file classification scheme should be set up on a central server in order to create a central electronic filing system that can be used and shared by all network users.

h) E-mail

E-mails that are evidence of business transactions are official records and should be managed and kept for as long as is required for functional purposes.

E-mails that approve or authorize an action, contain guidance, advice or direction, relate to project activities or contain policy decisions should be managed as records and should be filed in a file plan. An e-mail message is a record if it:

i. Contains information developed in preparing position papers, reports, studies;
ii. Conveys statements of policy or rational for decisions or actions;
iii. Adds to the proper understanding of the formulation or the execution of an agency's operations and responsibilities;
iv. Approves or authorizes actions or expenditure;
v. Creates a precedent, e.g. by issuing an instruction or advice;
vi. Involves negotiations on behalf of the organization; or
vii. Constitutes a formal communication or correspondence relating to official business.

i) Creating and filing e-mails

Outgoing e-mails shall contain sufficient information to ensure they are properly contextualized and that they are meaningful and accessible over time. They should include the reference number of the subject folder in the physical and electronic file plan in the top right hand corner of the message box to provide a link between the business activities that support the e-mail. Each e-mail message should have a clear subject line that informs the recipient what the e-mail is about.

E-mails and their attachments should be captured into the approved file classification scheme contained in the electronic records management system. E-mails and attachments should be captured as separate but linked documents. Emails and attachments on significant matters should be printed and filed in the appropriate physical file. E-mails on official matters should not be deleted from the system without the relevant authority.

Should an e-mail be received or generated for which an appropriate file does not exist in the approved file plan, the head of records management section should be contacted to create a relevant file and to add it to the file plan.

All e-mail messages should never be considered to have equal retention value. Each e-mail should be managed individually according to its informational content and retained accordingly.

j) Version control

Once an electronic record has been created it is important to have version control to avoid accidental use of the wrong version. Where very many versions of a document are in existence it is difficult to identify the final version. This can lead to the use of the wrong versions of electronic records in policy decisions.

When a final version is declared as a record, editing should not be allowed. The final version should be protected against alterations by users and system administrators.

k) Digitization

After the acquisition and installation of the records management software and hardware, it may be necessary to migrate some or all the existing paper files and documents into the automated system. This can be achieved through the process of digitization. The two main objectives of digitizing paper records are access and preservation.

Digitization means conversion of information from analogue to digital media to facilitate preservation, and sharing by use of ICT. Other benefits of digitization include:

i.   Wide access and sharing of information;
ii.   Preservation of the original while the digital surrogate is made available for consultation, and therefore reducing the possibility of further deterioration;
iii. Digital forms a backup;
iv.   Ease of access and sharing of digital information; and
v.   Minimized storage requirements - digitized information takes much less storage space than information on paper.

The documents to be digitized must be analyzed to determine their suitability for scanning. The documents must be well organized and indexed. Priority for digitization should be accorded to documents or files that are heavily consulted and whose digitization will facilitate multiple and simultaneous access. Important documents and files in poor physical form and whose frequent use may lead to their further physical deterioration can also be a priority for digitization.

It is important to select the right scanner, and this will depend on the volume of materials to be scanned and the compatibility of the scanner with the existing hardware and software. The digitized images should be stored in appropriate and secure media such as hard drives, optical disks and magnetic tapes.

A functional network is necessary for staff to access the digitized images. The software used should be able to handle multiple simultaneous access and permit only authorized staff to access the digital records.

l) The role of the ICT manager

Following the installation of the electronic records management program, the ICT manager is responsible for the maintenance of the system for storage of records. The ICT manager should work in close collaboration with the head of records management to ensure that the official records are properly managed, protected and appropriately preserved for as long as they are required for official business.

It is the responsibility of the ICT manager to ensure that records in all electronic systems remain accessible by migrating them to new hardware and software platforms when there is a danger of technological obsolescence.

The ICT manager should ensure that the backup files for the e-mail system are recognized as being part of the overall records management system and are stored in a secure on-site and off-site environment.

m) Integrated Records Management System

The Ministry of State for Public Service has developed records management software for use by all ministries and PEs with minor adjustments to suit the specific functions of an entity. The IRMS has the following functionalities:

- Incoming mail, parcel and cheque registration;
- Directing mail to the PS and the heads of departments;
- Mail classification, indexing, filing and action taken;
- Mail search;
- File bring up facility;

- Report generation on history of mail and file movement; and
- Outgoing mail registration and dispatch.

The IRMS is divided into different registry modules through which each registry has access permissions. The registries can be added or deleted according to the needs of the ministries. The registry menu   has the following functions:

- Mail receipt and dispatch;
- Indexing and filing;
- File movement register;
- File request; and
- Bring ups.

The system has a file classification and indexing menu for files maintained by all registries.

The IRMS can be configured to accommodate and manage procurement files under the relevant class.

The indexing and filing function enables the indexing or referencing and filing of a letter into the relevant file. The function automatically closes a file once it is full and opens the next volume.

The mail dispatch function is used for dispatching mail generated by officers. The screen tracks dispatches and generates a report.

Under the files menu marking officers and records management officers can access documents according to their security levels and permissions. The options under files menu are:

- Pending mails for action;
- Pending files and mails for action;
- File and menu receipt screen;
- Daily activities reporting; and
- Search for mail and file.

The IRMS provides for filing of electronic records in subject files that have been organized in subject order to reflect the paper based file classification scheme. The filing of electronic records is done by the registry

The system has a reports menu that can be accessed on the basis of seniority and security levels of the officer. Some of the reports include:

- Lists of files held by various registries;
- File movement;
- Mail dispatched to external organizations;
- Files requested and delivered to various action officers;
- Pending mails by designated officers;
- Circulated mails; and
- Users currently logged into the system.

The IRMS is freely available from the Ministry of State for Public Service to Government ministries and departments. Priority for installation and rolling out is presently given to major public PEs. The IRMS is designed to run parallel to the existing paper based records management system. An electronic version of the paper file scheme is used for the filing of electronic records.

n)   Preservation of electronic records

Electronic records need to be well-cared for and preserved. Some of the steps to be taken include:

i.   Regularly backing up the files and documents on disks;
ii.   Performing regular system-wide backups; and
iii. Denial of unauthorized access to computer servers, tapes and files.

o)   Challenges in the management of electronic records

Some of the challenges of managing electronic records include:

i.   Impermanence of the storage media and technological obsolescence. Electronic storage media is fragile and changes with time;
ii.   Changes in technology mean that records that were generated several years ago may not be accessible today. This calls for regular migrating of the records to new computer systems to ensure they remain accessible;
iii. Security and integrity of the information can be compromised through inadvertent or intentional alterations and unauthorized deletions. An electronic file can easily be altered without leaving any evidence that the alteration has been done; and
iv.   High risk of wholesale loss or destruction of business records.

In spite of these challenges, automated records management and information has immense benefits. What is recommended is a hybrid or dual system, for maintenance of a paper records system parallel to the automated system.

3 MANAGEMENT OF PROCUREMENT RECORDS

Procurement records should be managed within an integrated PE-wide records management program comprising administration, finance and accounts records under a single authority headed by a records manager.

A recent in-depth study of the management of procurement records in a number of major GOK procuring entities revealed major weaknesses. Management of procurement records in GOK entities has not been given enough attention in terms of resource allocation, personnel, equipment, space and accommodation. One major weakness is that procurement records are often viewed as lying outside the jurisdiction of records management officers where these exist in procuring entities.

It is important for procuring entities to ensure that that there are adequate mechanisms for management of records. Breakdown of record keeping systems has serious consequences. Some of the indicators of failure to manage records effectively include the following:

- Non-maintenance of an accurate, comprehensive and complete file for each procurement action;
- Existence of a huge backlog of unfiled procurement documents;
- Non-assignment of procurement record keeping responsibility to a specific officer or office;
- Officers keeping procurement records in personal and unofficial files, and desks;
- Absence of co-ordination of management of records in entities;
- Disorganized storage of and inadequate accommodation for closed procurement records;
- Mixing of active procurement records with the closed ones which impedes access and retrieval;
- Inadequate accommodation and security safeguards for procurement records;
- Fragmentation of procurement records, meaning records on a procurement activity are kept in several files;
- Unauthorized access to, alteration or destruction of procurement records;
- Inability to locate and retrieve procurement documents and files due to disorganized storage;
- Inadequate and weak procurement file movement control procedures;
- Lack of budgetary provision for records management; and
- Inappropriate, dilapidated and inadequate procurement filing equipment.

3.1 Policy statement on management of procurement records

Procurement records shall be managed in accordance with the Public Procurement and Disposal Act, subsidiary Regulations, the Public Archives and Documentation Service Act, Cap 19, and policy directives on management of public records issued by the Government from time to time.

Every procurement unit should maintain complete, accurate, authentic and accessible records pertaining to the procurement activities and transactions. For each procurement activity, complete and comprehensive records must be kept, covering the entire procurement process from initiation to tender processing, award, receipt of, and payment for goods.

The head of the records management unit will establish systems and procedures for controlling, receiving, maintaining, securing and tracking movements of procurement records, files and documents.

It is every procurement officer's responsibility to safeguard and maintain the completeness, integrity and authenticity of official records. In this connection no officer should delete, alter, destroy or remove papers from a file. This includes removal of papers, deletion, alteration or destruction of official documents.

3.2   Requirements for procurement records management

A procurement records management program should consist of the following elements:

a)   Finance

Appropriate provision must be made in annual estimates for sufficient funds to enable the records management unit to perform its functions properly. Ideally the unit should have its own budget but if this is not possible adequate allowance should be made in the budget of the larger PU. The budget should be used for purchase of equipment, materials and accommodation.

b)   Accommodation for records

The records office should be in a location that is easily accessible to action officers. Records office should be adequate in size to house both the staff and records. There must be adequate space for both current and inactive records.

c)   Equipment and stationery

Sufficient and appropriate equipment should be provided for the handling and storage of records. An adequate supply of suitable file covers, and other stationery should be maintained. Computers and the necessary software should also be provided.

d)   The role of the Accounting Officer in the management of procurement records

Section 27 (2) of the Act provides that the Accounting Officer shall be primarily responsible for ensuring that the procuring entity fulfils its obligations in the implementation of the provisions of the Act;

Regulation 7 (e) states that the Accounting Officer is responsible for ensuring that an entity properly documents procurement proceedings and manages records in accordance with the Regulations.

Procuring entities need to develop strategies to ensure that records are controlled and managed effectively and are available to users when needed and disposed of appropriately when no longer required. Records management needs the strong support of the senior management so

that adequate resources can be invested in designing and introducing new records system. The Accounting Officer and the senior management in a procuring entity should support an agenda that includes:

i. Developing an efficient records service that meets the needs of the organization;
ii. Strengthening the role of records management and records managers within the PE;
iii. Developing and strengthening records regulations and policy;
iv. Defining and implementing records related standards; and
v. Allocating adequate budgetary resources for the records management function.

e) The Role of the head of procurement unit in procurement records management

The head of the procurement unit is responsible for the overall management of procurement records, under the direction of the Accounting Officer. He should ensure that documented records of procurement transactions are comprehensive, accurate, authentic, understandable and usable. A procurement unit should assign in writing to a specific procurement officer responsibility for the maintenance, control, security and access to procurement records.

The procurement records management officer under the direction of the head of the PU should ensure that the records are authentic, accurate, reliable and secure.

ICT officer/Systems Administrator should ensure that any procurement records in electronic format are accurate, available and legible.

f) The role of the procurement records manager

Procurement record keeping duties should be delegated to an officer in the procurement unit. The duties of the procurement records management officer should include:

a) Being accountable for accurate recording of file data and movement of files and documents in the PU ;
b) Providing assistance and information on the status of records;
c) Directing the implementation of a records management program within the PU;
d) Ensuring compliance with legal and regulatory requirements for record keeping;
e) Addressing and resolving record keeping problems;
f) Preparing periodic reports for the head of PU with respect to records management operations;
g) Preparing and submitting a budget for records management activities;
h) Ensuring the completeness, security, integrity, confidentiality and security of procurement records and documents;
i) Receiving, downloading, filing and forwarding electronic mail (on procurement activities);
j) Organizing storage of procurement records in a manner that will permit their access and retrieval;
k) Sorting, classifying and placing of procurement documents in the right files;
l) Maintaining a register of all files and documents requested by action officers;
m) Ensuring prompt delivery of files and documents requested by action officers;
n) Controlling and tracking movement of files in and out of the unit;
o) Receiving and recording of all incoming documents in paper or electronic format;
p) Following up on files and documents borrowed by action officers; and
q) Maintenance of a closed procurement files room (records centre or archives).

Assignment and delegation of procurement record keeping duties to a procurement officer does not relieve the head of procurement of the overall responsibility and accountability over the integrity, security, confidentiality, completeness and accessibility of procurement files.

3.3   Use of procurement records

Procurement records shall be used for transacting official business. The users of procurement records may include:

a) Procurement unit;
b) Finance department;
c) Auditors and Procurement reviewers;
d) End users of goods or services;
e) Other authorized persons; and
f) Officers of the Compliance Department of PPOA.

3.4   Receipt of bid documents

The tender documents are deposited in the tender box, which remains locked until the time of bid opening. Bulky bid documents received by PU staff should be signed for in a register. The bid documents should at the time of opening be signed by all the tender opening committee members. The tender documents should be entered in the tender register, and be securely stored pending evaluation, adjudication and award.

3.5   Unsuccessful tender documents

Unsuccessful tender documents should be separated from the successful ones. The tender register entry number that was allocated at the time of opening the bid documents should be retained and the documents should be stored in a secure facility.

3.6   Policy and general procurement files

Policy and general correspondence procurement files should be captured in the file classification scheme of the Procuring Entity, and maintained in the main registry. All procurement files should be captured under one class, to be called *procurement*, and serially numbered and referenced according the referencing system of the existing file scheme. The files should be physically kept together in a cabinet in the order they have been referenced. A copy of the file scheme should be made available to the procurement records management unit, and all procurement officers authorized to have access to the files. This will facilitate records and information retrieval.

3.7   Procurement activity files

Regulation 34 (3) of PPDR directs a procuring entity to maintain a complete and comprehensive and readily accessible procurement file, marked with the relevant procurement number for each requirement. It is important to ensure that the procurement file contains all the pertinent documents. As far as possible, these should be original documents, or where not possible, certified copies of the originals.

The file must cover all the key stages of procurement including tender preparation, tender invitation, submission, evaluation, adjudication, notification, award, and evidence for receipt

of and payment for goods/services. Additionally the file must be reflected in the approved file scheme under the relevant class, i.e. *procurement*.

Documents in a procurement file should be placed in a logical order to reflect the sequence of the transactions of the procurement action. The documents should be folio numbered, i.e. each paper should be serially numbered, to protect them from unauthorized tampering or removal of papers from a file. If for some reasons the documents cannot be accommodated in one file, subsidiary files linked with the main file should be opened. The procurement activity file should bear the tender or quotation number, item name and the file reference number generated from the procurement file scheme. Files should be arranged and maintained according to the tender number, file reference number and in financial year sequence. These files will need to be captured in the official procurement file scheme and maintained in secure cabinets.

3.8   Tender file

Regulation 34 (3) directs procuring entities to maintain a complete and comprehensive individual file, and marked with the relevant procurement number, for each procurement action. To comply with this requirement, a tender file should as a minimum contain:

- Purchase requisition from user department;
- Market survey form;
- Procurement plan extract from user department;
- Approved tender notice;
- Tender documents;
- A copy of the tender advertisement as it appeared in the daily papers;
- Notice of tender opening and tender opening minutes;
- Copy of the procurement order that was raised for the advertisement;
- Copy of letter of appointment of the tender opening committee;
- Copies of bid security documents where applicable
- Appointment letter for tender evaluation committee;
- Minutes of the evaluation committee, evaluation summaries (or reports) and
- recommendation for award;
- Extracts of the relevant minutes of the tender or procurement committee that adjudicated and awarded the tender;
- Notification Letter of tender award to the successful bidder;
- Notification Letter of tender award to the unsuccessful bidders;
- Letter of acceptance by the winning bidder;
- Copy of Performance Bond (where necessary);
- Contract agreement form signed by the supplier and the Accounting Officer;
- PO signed by authorized persons and by the supplier;
- Copy of delivery note;
- Copy of the invoice;
- Signed minutes of the inspection and acceptance committee or form signed by the committee. If the goods and services were rejected, reasons for rejection should be stated;
- Copy of goods received voucher (form S13) signed by an authorized person;
- Copy of the payment voucher, and cheque number generated by the IFMIS system;

- For use of restricted tender or direct procurement as an alternative procurement procedure, the written request for approval to the tender committee and tender committee minutes approving use of these methods;
- Copies of the notice of termination of procurement proceedings to the bidders;
- Copy of termination report to PPOA as per section 36 (7) and (8) of the PPDA; and
- Tender committee minutes approving contract variations or contract termination where applicable.

In accordance with Regulation 34(1) of the PPDR, 2006 the following additional documents should be treated as a part of procurement records:

- Feasibility studies and surveys carried out or accepted by the Procuring Entity for the preparation of tender documents and reports;
- Any negotiation records and end of activity reports; and
- Requests for and clarifications issued by the Procuring Entity.

The file must cover all the stages of a procurement process including request for purchase, tender preparation, tender invitation, submission, evaluation, adjudication, notification, award, and evidence for receipt of and payment for goods/services. Copies of the tender committee minutes that awarded the tender or approved contract variations or cancellation and requests and approvals for use of restricted or direct procurement method must also be available in the file. Any correspondence or clarifications concerning the procurement activity should be housed in the file. Each procurement file should be reflected in the official file scheme under the appropriate class and must have the procurement name and number on the cover.

The documents in the file should be arranged in the sequence of the transactions in each procurement activity. The files should be arranged in secure cabinets in procurement number sequence.

3.9   Request for quotation files

To comply with the requirements of Regulation 34 (3) a comprehensive and complete quotations file should contain:

  i.   Extract of the relevant procurement plan;
 ii.   Purchase requisition from user department;
iii.   Request for quotation form submitted by suppliers;
 iv.   Recommendation for award;
  v.   Extracts of the relevant minutes of the tender or procurement committee that adjudicated and awarded the tender;
 vi.   Procurement Order signed by authorized persons;
vii.   Procurement Order signed by the supplier;
viii. Copy of delivery note
 ix.   Copy of Invoice;
  x.   Signed copy of the inspection and acceptance committee minutes or form; and
 xi.   A copy of payment voucher and reference of the cheque.

Tenders and request for quotation files should have on their covers the tender and quotation number, quotation name, and the file reference number that links the file with the approved file classification scheme. The quotation files should be organized in secure cabinets in the order of the tender/quotation number and reference number. Additionally the files should be

organized in financial year sequence. At the beginning of the financial year the closed quotation files for the previous year should be removed for storage in a closed records room. The files should be entered in a closed files register and arranged in serial number sequence to facilitate speedy access. The procurement records officer will be responsible for the care, control and maintenance of the active and closed procurement records. In this connection he/she should maintain a register for recording details of files borrowed by action officers.

The following section examines some of the key documents in a procurement file.

a) The procurement plan

Section 26 of the Act and Regulation 20 require a procurement plan to be prepared for each financial year as a part of the annual budget preparation process. It is the responsibility of the head of department to submit an annual departmental procurement plan to the Accounting Officer, at least 30 days before the close of the financial year. Regulation 21 of PPDR states that a procurement plan should include a detailed breakdown of goods, works and services required and completion or delivery dates. Multi-year procurement plans may be prepared and integrated into the medium term budgetary expenditure framework. The procurement unit integrates and consolidates the plans submitted by various departments and sections of the entity to one consolidated procurement plan. A procurement plan is one of the key documents in the procurement process. A procuring entity should maintain a file containing the approved procurement plan approved by the Accounting Officer together with departmental annual procurement plans and progress reports on implementation and revisions and correspondence between the PU and departments on the plan preparation and updating. The file should bear the right reference number and should be captured under the appropriate category in the approved file scheme.

For each procurement activity, the relevant extract of the procurement plan should be placed in the file.

b) Purchase requisition

Regulation 22 (1) of PPDR states that every procurement requirement shall be initiated using a purchase requisition which shall include all relevant information including evidence of authorization and approval within the threshold for the procurement being considered (First Schedule of PPDR). The user department initiates the procurement and fills the purchase requisition form which is sent to the procurement unit. The purchase requisition should be linked to the procurement plan and the budget. The requisition should as a minimum contain the following details:

i. Name of the user department;
ii. Item code number (drawn from the Supplies Branch catalogue for common user items) where applicable;
iii. Item or service description and specifications;
iv. Quantity and unit of issue;
v. Requisitioning officer's name and signature;
vi. Recommendation by the departmental head;
vii. Approval by the AIE holder ;
viii. The vote to be charged; and
ix. Quotation/tender/contract number, PO number.

The original is sent to the procurement unit, the duplicate is held in the user department file while the third copy is left in the booklet.

c)   Request for quotation form

The Procurement Unit uses the request for quotation form to get quotations from suppliers. The quotation form should contain the following details:

  i.   Supplier's name, signature and address;
 ii.   Quotation number and date;
iii.   Buyer's designation and address;
 iv.   Point and date of return of quotation forms;
  v.   Item code, description unit, quantity and the price of the item;
 vi.   Suppliers delivery time;
vii.   Item brand and country of origin; and
viii.   Date, names, designations of the quotation opening committee members.
 ix.   Instructions to bidders.

d)   The evaluation committee minutes

Regulation 16 (1) requires establishment of an evaluation committee for carrying out the technical and financial evaluation of tenders or proposals. Section 16 (9) requires an evaluation committee to prepare and submit to the tender committee a report on the analysis of the tenders received and final ratings assigned to each tender. The report prepared under paragraph 9 shall include:

  i.   Minutes of the opening of the tenders or proposals;
 ii.   The results of the preliminary evaluation;
iii.   The scores awarded by each evaluator or for each tender or proposal;
 iv.   Ranking of the bids on the basis of bid price;
  v.   A summary of relative strengths for each proposal;
 vi.   Total score for each tender or proposal; and
vii.   A recommendation for award to the lowest evaluated bidder or the proposal with the highest score.

The minutes and reports of the evaluation committee duly signed by all the members, including letter of appointment should form part of the tender or quotation file.

e)   The Tender Committee (TC) minutes

Regulation 12 (6) requires a tender committee to prepare minutes of all its meetings. Functions of the tender committee (Regulation 10 (2) include: to verify and ascertain the legality of all procurement and disposal activities, to approve contract variations, to approve extension of tender validity period, to adjudicate and to award contracts.

The procurement unit provides the secretary to the tender committee. The minutes should be organized in session number and should be as comprehensive as possible. The minutes of the tender committee should comprise:

  • Meeting session number, venue ,time and date;
  • List of those in attendance (attendance register);

- List of matters for discussion and decision on each matter;
- Confirmation of the minutes of the last meeting;
- Matters arising; and
- Any conflict of interest declared.

The minutes must be bear the date of the meeting and be signed by the chairman and the secretary.

The letters of appointment of the tender committee members including alternate members should be available in the minutes file. Where necessary, reports and minutes of the tender evaluation committee, individual evaluators' score sheets, and minutes of negotiations with consultants for RFP assignments should be attached to the TC minutes as appendices. Where the evaluation score sheets are numerous, these should be maintained in a separate folder that will be linked to the corresponding TC and procurement file. The file containing the minutes signed by the chairman and the secretary (and sometimes countersigned by the Accounting Officer to signify approval) should be the authoritative TC file and should therefore be securely maintained.

Regulation 12 (8) and 12 (9) provides for the invitation of at least 2 observers, besides the representatives of various departments, to attend the tender committee meetings where the cost of the contract is estimated to be more than 50 million shillings. The observers may not participate in the deliberations but may prepare reports about the procurement proceedings. Such reports should form part of the TC minutes file (Section 44 (1) (b) of the PPDA).

The TC minutes file should not be permitted to become bulky and unwieldy. It should be closed upon attaining reasonable thickness - the file fastener should be the guide - or at the close of the financial year. The file should have the minutes organized in session number and in date order and the documents in the file should be folio numbered. Folio numbering means serially numbering all the papers in the file and serves the purpose of ensuring the items in the file are not tampered with. The minutes files should be maintained in a serial number and fiscal year sequence, and should be securely locked in cabinets. It is essential to exercise effective control on TC files including:

- Properly organizing the minutes files;
- Separating closed volumes from the current ones;
- Separately maintaining and producing committee members duplicate minutes;
- Closing and opening new TC files; and
- Ensuring the TC files are captured in the approved file scheme and are readily available and accessible for consultation by authorized officers.

TC files should only be consulted by authorized officers. To support this practice, files borrowed by officers should be recorded in an appropriate register.

Closed volumes of TC files should be removed and entered in a closed files register for secure storage in the closed records facility. The closed files should be organized and arranged in the serial number sequence of the closed files register. The register will serve as a location and retrieval tool for closed files.

Duplicate minutes files for TC members should be maintained for one fiscal year and then removed after entry in the closed files register for storage in the departmental records centre.

Extracts of the TC minutes that considered and awarded the contract should form part of the procurement activity file.

Some important procurement records such as the tender and procurement committee minutes and documents may need long term retention, well beyond the six year period provided for in section 45 (6) of the PPD Act. These should be considered for archival preservation in the procuring entity's Records Centre (or Archives). The procurement unit with some professional input from the records management unit should take the lead in the review and appraisal of closed, non-current procurement documents and files, to decide which files to retain and which files can be disposed of by procedural destruction.

f)   Procurement committee minutes

Regulation 15 (7) of the PPDR states that the procurement committee shall cause to be prepared minutes of all its meetings. Minutes of the procurement committee meeting include:

i.   Date of meeting;
ii.   Register of attendance;
iii.   List of all matters considered;
iv.   Decisions made for each matter;
v.   A note on the basis of any evaluation; and
vi.   Any conflict of interest declared.

Letters of appointment of the procurement committee should be placed in the minutes file that should be kept by the procurement records officer. The file should be reflected in the approved procurement file scheme.

Extracts of the procurement committee minutes that adjudicated and awarded a contract should be filed to form part of the procurement activity file.

g)   Procurement order

The PO is the commitment document and triggers the process of supply of goods from the supplier. The PO is a serialized accountable document and records the following details:

- Suppliers name and address;
- Tender or quotation reference number;
- Contract number;
- LPO number and date;
- Address of the buyer and place and date and time of delivery;
- Item code number;
- Full description of goods;
- Quantity ordered;
- The total cost;
- Account and vote to be charged;
- Name, designation and signature of the AIE holder;
- Signature of the accountant in charge of Vote book Control;
- Supplier's signature and date; and
- IFMIS number, and signature of the officer responsible for computer data entry.

The PO should be distributed as follows:

- The original and first copy is issued to the supplier;
- The first copy will accompany the goods to be delivered and will be placed in the procurement activity file;
- The second copy is used for receipt of goods and stock control and is usually attached to the payment voucher, along with the invoice, delivery note and the quotation form; and
- The third copy is left in the book.

The used or partly used PO books should be maintained in chronological and fiscal year order, and arranged in that sequence in secure cabinets until the end of the financial year. The closed PO books will be transferred to the closed procurement records room for safe retention for the required period of six years. The booklets can be disposed of after the prescribed retention period by applying chapter 23 of the Government Financial Regulations and procedures.

h) Receipt of goods - inspection and acceptance committee

The inspection and acceptance committee is established in accordance with Regulation 17 (1) of the PPDR. The duties and responsibilities of the inspection and acceptance committee are defined in Regulation 17 (3). Minutes of the committee or the forms filled and signed by the committee, interim or completion certificates or goods received notes should be filed as a part of the procurement action file. The report or the form should contain the following details:

- Supplier's name;
- Order/ tender,/contract number;
- Invoice number;
- Item number, description, unit and quantity;
- Date and time of delivery; and
- An indication of whether the goods conformed to the specifications and whether they were accepted or rejected.

The form should be signed by the committee members, quality inspector or verifier and the supplies officer/stores officer.

i) Issue and receipt voucher

The goods supplied are received by the PE using the issue and receipt voucher which should contain the following particulars:

- The supplier's name and address;
- Date;
- Invoice number from the supplier;
- PO number;
- Description of goods received;
- Unit, quantity and value of goods received; and
- Name, signature and designation of the person receiving the goods.

j)   Contract management

Section 68 (3) of PPD Act provides for a written contract between the successful tenderer and the procuring entity. It is important to monitor the contractor's performance to ensure that the contract is implemented in accordance with the terms and conditions of the contract agreement in order to ensure that contractors and suppliers meet their contractual obligations.

Record and document keeping is important in monitoring the contractor's performance. For this reason a contract file for each contract should be opened. Some of the important documents generated in the course of contract execution include:

   i.   Letter of award;
  ii.   Letter of acceptance;
 iii.   Performance guarantee;
 iv.   Signed original contract agreement;
  v.   Signed contract form;
 vi.   Contract management plan;
 vii. Letter of appointment of PE's contract administrator;
viii. Contract variation applications,
 ix.   Tender committee variation approvals and variation schedules;
  x.   Any signed amendments to the contract;
 xi.   Contract correspondence between parties;
 xii. Contract performance reviews and progress reports;
xiii. Payment schedules; and
xiv. Part and final completion certificates.

The procurement and management of large and complex multiyear projects require involvement of many staff members at different stages of the procurement cycle. Regulation 9 provides that a user department shall among other things maintain and archive records of contract management.

It is imperative for the PE to define the roles and responsibilities of all persons involved in the activity. Often the documentation generated in the course of contract implementation is so voluminous that it is critical to appoint a person to be in charge of the records management aspect of contract implementation. This should be a person with technical expertise in records management, preferably from the records management unit of the PE. The records manager under the direction of the head of records management has a key role to play to ensure the project and contract records are well managed, secure, complete and accessible.

It is advisable to open several files on key aspects of the contract performance. Such files may include minutes of review meetings, technical drawings, progress reports, and payment records. Records of contract and project management should be managed as part of an integrated records management program of a PE.

The contract files should be maintained in chronological sequence in secure facilities. Ideally the contract files should bear the contract or project name and contract number on the cover and a reference number drawn from the PE's main file classification scheme as part of an integrated records management program. The records manager should maintain a register to facilitate file and document access and retrieval.

Some public works projects such as roads, bridges and public buildings are of permanent nature, and logically, it follows that the related records and documents are uniquely important and of permanent nature, and should be therefore be securely and permanently archived.

3.13 File classification scheme for procurement files

Section 45 (6) of the Public Procurement and Disposal Act requires PEs to maintain a proper filing system with clear links between procurement and expenditure files. The core of the filing system is the official and approved file classification scheme, which is also called a file plan.

Official documents should be maintained in official and approved files whose existence is known and documented. A recent study of management of procurement records in a number of procuring entities revealed many instances where official procurement documents and papers are maintained in unofficial folders. This is not in order. Official documents and papers ought to be maintained in official and registered files that are accessible to authorized persons.

The filing system recommended in this Manual is the alpha-numeric system that is based on a functional approach to an organization's activities. Normally files should be organized according to the functions and activities of an organization. The functional approach brings together and links files that relate to the same activity. Files on procurement matters should therefore constitute a specific class in the file scheme. Some typical classes of files in a file scheme would be:

   i) General administration;
   ii) Human resource;
   iii) Finance and accounts; and
   iv) Procurement.

Under the procurement class, the following are some of the suggested files:

- PPOA/4 /1Procurement plan;
- PPOA/4 /2 Procurement general;
- PPOA/4 /3 Tenders general;
- PPOA/4 /4 Quotations general;
- PPOA/4 /5 Stores general;
- PPOA/4/ 6 Supplies Branch;
- PPOA/4/ 7 Assets inventory;
- PPOA/4 /8 Disposal of stores and equipment; and
- PPOA/4/9 Handing over reports.

In the above example PPOA (Public Procurement Oversight Authority) identifies the procuring entity, 4 is the code that identifies the class of files - "procurement" and 1 identifies the individual file, and followed by the file title. Where necessary, the file title should be followed by volume number. The files should be physically arranged in secure and labelled cabinets in the sequence of arrangement on the file scheme.

a) Referencing of procurement transactions

Regulation 34 (3) requires a procuring entity to maintain a file for each procurement transaction and such a file shall be marked with the relevant procurement reference number. A procurement number should be allocated when a procurement requisition is raised and used on all correspondence and records related to the procurement requirement. The number should not be reused where a procurement requisition is cancelled. The procurement reference number should consist of four parts:

- A predetermined code for the procuring entity;
- An abbreviation of up to 5 letters, identifying the requirement as the procurement of works, services or goods;
- The budget year, e.g. 07/08; and
- A five digit number allocated sequentially from 00001 onwards.

Where a single requisition results in multiple tenders or a single tender results in multiple contracts, the following should be added:

- A separate number for each solicitation document e.g. 02 for the second solicitation document or RFQ resulting from the requisition; and
- A separate number for each contract e.g. 03 for the third contract resulting from a solicitation document.

In order to have effective control on the procurement reference numbers, the Accounting Officer should appoint an officer in the procurement unit to issue the five digit sequential reference number. The officer should maintain a register of sequential reference numbers issued recording against the date, person and department/project and the subject of the procurement.

In creating a procurement reference number the following process is followed:

- The procuring entity code is included by the initiator of the procurement requirement;
- The abbreviation for Works (Wrks), Services (Srvcs) or Supplies (Supls) is included by the initiator of the procurement requirement;
- The Budget Year indicator is included by the initiator of the procurement requirement. (Note this year is initiated and is not intended to be the financial or budget year in which the procurement is expected to be paid);
- The five digit number allocated for this requirement is obtained by the initiator of the procurement requirement from the person nominated by the Accounting Officer with the responsibility to allocate reference numbers within the procuring entity.

In order to integrate the procurement files with other records in an entity it is essential to capture them in the approved file scheme under the relevant class. This means besides the procurement reference number the procurement file should also be assigned a file reference number drawn from the official file scheme.

In referencing and organizing the procurement files it is important to proceed from the general to the specific. For instance under the general file "Tenders general" individual and specific tender files are opened and serialized according to the reference numbers as shown below:

CLASS 4 - PROCUREMENT		
File ref no.	File title	Procurement reference no.
PPOA/4/3	Tenders general	
PPOA/4/3/1	Tender for supply of computers	PPOA/Suppls/08-09/ 00001
PPOA/4/3/2	Tender for supply of file servers	PPOA/Suppls/08-09/00002
PPOA/4/3/3	Tender for supply of a generator	PPOA/Suppls/08-09/00003

This serial sequence should be followed in the physical arrangement of procurement files in the cabinets. The file scheme should have the flexibility that permits insertion of new files opened in their right place without disrupting the order of the other existing files. The file scheme should be updated and revised regularly to accommodate new files. As the file index is a guide to the existing files, enough copies of the bound guide should be distributed to all action offices to facilitate their access to information.

A major weakness that has been observed in many procuring entities is the failure to circulate copies of the file index to all officers authorized to access files. This gives rise to existence of parallel filing systems where officers devise their own file retrieval mechanisms and open unofficial files.

b) Maintenance of the filing scheme

A file scheme needs to be reviewed and updated regularly to accommodate new files opened or to remove files that have become redundant. New files may be the result of new activities in the organization, or new subjects. New files or series of files should be inserted at the right place in the file scheme. File scheme maintenance also entails insertion of new files opened as a result of new activities or subjects, and deletion of files on activities that have become obsolete.

c) Filing of procurement papers and documents

Section 45 (6) requires PEs to maintain a proper filing system for procurement and expenditure files. To comply with this requirement the following points should be observed:

- A well-structured file index that captures the existence of all documents;
- All files must be indexed with the required reference and code number;
- Official documents must be kept in official files;
- Officials must avoid devising unofficial and private file tracking systems;
- Copies of the file index must be widely circulated to users;
- Opening of temporary files must be avoided;
- Closing files on attaining the appropriate thickness;
- Internal organization of the file: papers must be numbered sequentially to assist in detecting cases of folio removal or tampering with file contents;
- All official files must be registered and documented in a file register;
- Officials must avoid keeping of private folders;
- An inventory of closed files needs to be maintained; and
- Separate closed files from the current ones. Assists in speedy retrieval of needed documents and files.

It is important to ensure that complete, accurate and accessible documents are maintained for each procurement activity. Documents should be placed in files in the order in which they

were created or received. Maintaining the correct order of documents within a file establishes the context within which decisions and action were taken and confirms the sequence of those transactions. It is therefore important to file procurement documents in the same order as the transactions of which they form a part. Documents in the file are filed in chronological order, and should be serialized, or folio numbered.

d) Procurement file movement register

The procurement file movement register should record the following details:

- File title and reference number;
- Date borrowed;
- Name of borrower; and
- Date of file return.

The register should be frequently examined to establish files that are overdue for return to the records section of the procurement unit. Officers should avoid the practice of unduly retaining borrowed procurement files.

e) Missing and lost procurement files

When a file is reported lost or missing the procurement records officer should first contact the officer who was last issued with the file. If this fails to identify the whereabouts of the file, the case should be reported to the head of procurement unit. In the meantime a systematic search should be made. The action officer to whom it was last issued should be held accountable for the lost file.

Where necessary, a temporary file bearing the same reference number as the lost or missing file may be opened. All the documents in the temporary file should be transferred to the original missing file when it is recovered.

f) Automated file movement control

In a computerized records management environment it is possible to charge out and track file movements and issue reports. An automated records management system should alert the records staff when a file is needed on a specific date in the future and cases where a file's return is overdue. An automated system can be linked to an automated staff list containing all authorized users and their security clearance level. The user list should be updated regularly. Linkage between procurement and payment files.

Section 45 (6) directs PEs to maintain a proper filing system with clear links between procurement and expenditure files.

To comply with section 45 (6) linkage between procurement and expenditure files should be at the level of procurement planning, budget preparation and execution, as well as at the level of coordination of management and maintenance of procurement and expenditure files. The procurement files can be linked by cross-referencing with the corresponding payment files. In this connection it is important to clearly define and delegate accounts records management duties to an officer in the Accounts department who should work in close coordination and liaison with the procurement records officer under the overall professional guidance and direction of the head of Records Management Unit.

Procurement files should to be easily accessible by authorized officers. Ease of location and retrieval of procurement files will remove the need for officers to keep files in their drawers and desks. It is very important for the officer in charge to cultivate the confidence of the users of the procurement files by being efficient in controlling and maintenance of the procurement documents. Users of the files on the other hand must co-operate in observing and complying with the requirements of the new procurement file management and control system.

3.14 Maintenance of closed procurement documents – compliance with Regulation 8(3) (n)

Regulation 8 (3) (n) directs a procurement unit to maintain and archive documents and records of procurement and disposal activities for the required period. Closed procurement records should be properly organized, stored and protected, so that they can easily be located and retrieved. Sound control and management of closed procurement records should include:

- Ensuring that procurement records are kept in adequate and suitable storage equipment and space;
- Regular removal of closed procurement documents from among the current ones;
- Monitoring the movement and location of the records so that they can be effectively used, easily retrieved and provide audit trail;
- Controlling access to the records;
- Ensuring that closed files are transferred in a controlled manner to a designated records storage room or records centre; and
- Maintenance of a closed procurement records register.

The procurement unit should establish and maintain a closed records room (Archives) whose objective will be to receive and maintain closed procurement records. Specifically the role of the closed records room will be for:

- Preservation of closed procurement records and documents;
- Maintaining an inventory (guide or list) of inactive records preserved in the archives;
- Prompt production of records and documents requested by action officers;
- Maintenance of an issue register for recording records and documents borrowed by action officers;
- Maintenance of security, integrity and confidentiality of documents and records preserved in the Archives; and
- Following and ensuring the return to the Archives of borrowed files and documents.

The best practice is to have a section in the PE's records centre designated for the storage and preservation of procurement records.

3.15 Retention and Disposal of procurement records

Section 45 (1) of the Public Procurement and Disposal Act directs that procurement records shall be retained for a minimum period of six years after the resulting contract was entered into. Due to the high rate of generation and accumulation of procurement records a procuring entity may not have adequate storage space for records, and periodic review and appraisal of closed and dormant records is recommended. The objective of review and appraisal of closed procurement documents and records is to determine the records and documents unworthy of further retention and those that qualify for long term or permanent retention. Clearly some inactive and closed procurement records and files will upon review be judged to be of no

further use and their continued retention will be an unnecessary expense in terms of maintenance and the space they occupy. Some important closed procurement records such as tender and procurement committee minutes files, contracts and progress reports should be entered in a closed files register before transfer for preservation in the procurement closed records room or records centre where it has been established in a PE. The closed documents should be retained for the prescribed minimum of six years as provided for in section 45 (1) of the PPDA and then reviewed or appraised. Some of the files may upon review be found to be worthy of permanent retention in a records centre and some may be found suitable for long term preservation in the National Archives (see 3.16 below). Procurement files deemed to be unworthy of further retention, such as duplicate minutes files for members of the tender committee should be disposed of by authorized destruction as provided for in section 7 of the Public Archives and Documentation Service Act, Cap 19, laws of Kenya and chapter 23 of the Government Financial Regulations, 1989. The procurement unit with some professional input from the records management unit should take the lead in the review and appraisal of closed, non-current procurement documents and files, and to make a decision on which files to retain, and files that can be disposed of by procedural destruction.

3.16 The Role of the National Archives in the disposal of procurement records

After the 6 year minimum retention period provided for in section 45 (1) of the Public Procurement and Disposal Act procurement records will be appraised and those found to have archival value should be transferred to Kenya National Archives and Documentation Service for permanent preservation. The exercise of records appraisal should be undertaken jointly between the procuring unit, the National Archives, and the Records Management officer (where one exists) of the procuring entity. Such records will be processed and preserved in the repositories of the National Archives. The National Archives will prepare a guide to the deposited records. A copy of the guide will be sent to the procuring unit that deposited the records. Such records will be available for consultation by the procuring entity.

3.17 Restructuring of records management system

When a record keeping system has consistently failed to deliver satisfactory and efficient service or where it has collapsed, an overhaul or some radical restructuring of the system may have to be undertaken. It is advisable to undertake procurement record keeping restructuring and improvement as a part of an entity-wide records management re-engineering.

The starting point for records management restructuring is appointment of a committee or a taskforce with clear terms of reference that include a time frame, the scope of the exercise, responsibilities, the cost and expected outcomes.

The committee or taskforce should be headed by a senior officer and comprising representatives from the key departments in the PE. The head of the team should be a leader with a clear idea of the tasks to be carried out. The restructuring exercise should adopt a hands-on approach. This will entail collecting background information, examining the types of records in existence, their use and quantity and interviewing the officers and records staff.

The best strategy is to conduct an entity-wide survey or baseline study of the existing record keeping situation and a review of all existing files – both current and the closed ones.

After doing a thorough study of all the weaknesses of the record keeping system, the committee should submit a detailed report containing findings, recommendations and a proposed work plan, the required budget, staff, space and equipment.

The following are some of the key tasks that can be undertaken in the implementation phase of the records management restructuring exercise:

- Thorough revision and harmonization of file classification schemes in the entity;
- Merger or splitting of registries where such action is deemed prudent for organizational efficiency;
- Purchase and installation of appropriate filing equipment;
- Establishment of departmental or ministerial records centre for the secure accommodation of closed records;
- Preparation of records management procedures and policy manual;
- Review and appraisal of non-current and closed records in the entity;
- Listing and facilitating authorized destruction of records judged to be of no further administrative or fiscal value;
- Preparation of a comprehensive records retention and disposal policy document; and
- Training of records personnel; and
- Restructuring, improvement and upgrading of procurement records management program in a PE.

If a procuring entity decides to focus on restructuring and improvement of procurement records management, a team can be constituted comprising members drawn from the procurement unit, records management unit and accounts section. Restructuring of procurement record keeping would require the leadership of the head of procurement unit under the technical direction of the head of Records Management Division, and active cooperation of procurement officers. The overall objective of the exercise should be the establishment of a formal procurement records management system. In this regard the procurement records management restructuring taskforce should undertake the following tasks:

- Preparation of a procurement file scheme that is linked to the main file scheme in the PE;
- Review of all the existing files maintained by the various officers and sections of the PU with a view to converting them into official files whose existence is documented and captured in the official file scheme;
- Compliance with Regulation 34(3) on the maintenance of a complete and comprehensive file on each procurement;
- Definition and assignment of procurement records management responsibilities to one officer;
- Review/appraisal of closed files procurement files to determine those that warrant long-term retention and those qualifying for disposal by authorized destruction;
- Establishment of a Records Centre for the preservation of closed procurement documents and files pursuant to Regulation 8 (3) (n); and
- Opening a register for accessioning closed procurement files and documents into the Records Centre (archives).

3.18 Auditing the procurement records management system

It is necessary to conduct periodic audit and inspection of a PU's records keeping system. The audit or inspection should check that records procedures are understood and are being carried out consistently. A report based on the inspection should be submitted to the head of the procurement unit and to the Accounting Officer. The report will provide a basis for action where records management problems are identified. Key questions to consider when conducting a records management audit include:

a) Has the responsibility for managing and maintaining procurement records been assigned to an officer?
b) Are procurement documents organized in files and accessible?
c) Are the documents in a procurement file filed in the order and sequence of the transactions they relate to?
d) Are the procurement files complete with all the necessary documents, or are the documents scattered in various offices?
e) Are the stores records maintained in any order?
f) Are the store records retrievable with ease?
g) Is there an established records management unit?
h) Is there a tool to facilitate retrieval of archived procurement records?
i) Are non-current records properly organized in a records room (Archives)?
j) Is there an inventory (or guide) to the closed records in the Archives?

The performance audit should be done by a team appointed from within the PE and should comprise representatives from departments that use the services of the procurement records including the ICT, internal audit, accounts and records management.

4 INVENTORY MANAGEMENT AND STORES RECORDS

It is important to for a PE to exercise proper controls on stores and assets. Stores and warehousing records are used for receiving and issuing goods to user departments. Most of these documents are accountable and should therefore be protected against unauthorized access and use. Stores and warehousing records should be managed within the procurement cycle and their management should be integrated with the records management program of a PE. The procurement records management officer should have supervisory and coordinating responsibility for the management of stores records. It is essential that stores records be properly managed. Close collaboration among the officers responsible for the management of procurement, stores and accounts records is particularly important. The head of the records management department in a PE must provide direction and leadership in the management of stores records alongside other records in the entity.

4.1 Standard forms and registers

The Public Procurement Oversight Authority has introduced some procurement and stores management forms to comply with the Public Procurement and Disposal Act 2005 and the Public Procurement and Disposal Regulations 2006. PPOA has also introduced some procurement registers. All forms with "Register" in the title can be kept in the form of spreadsheets or other electronic records provided that procuring entities ensure they have adequate backups. It is **not** acceptable for a PE to keep a single copy on a flash disk. They may also be kept in paper form.

a) PPO1 Requisition

PPO1 replaces S9 and is used to start all procurement processes under all procedures. The form is authorized by signatures from user departments requisitioning the item, the budget holder (AIE holder/Accounting Officer and finally the Procurement Officer to authorize the procurement method.

b) PPO2 Quotations Progress register

PPO2 replaces S28 and is used to record the progress of all procurements under RFQ procedure.

c) PP03 Request for Quotation

This form replaces S10 and is used to request suppliers and contractors to submit quotations for the specified work under the RFQ procedure. The PE completes all the white part of the form and the bidder then completes the shaded portions. There is space on the form to record who opened the quotation. If additional details of specification or work are required, these should be attached on separate sheets. One form should be send to each person invited to submit a quotation. When requesting international quotations, the appropriate INCOTERM should be used in the item description.

d) PP04 Local Procurement Order

This form Replaces S20 and is used to place an order for goods, works or services under the RFQ procedure. It replaces the existing LPO and LSO forms. Use the form titled "Local" for Kenyan suppliers.

e) PP04I International Procurement Order

This form is exactly the same as PP04 other than the title and is used for international suppliers and contractors. Specify the appropriate INCOTERM in the item description.

f) PP05 Order Amendment

This form replaces form S20A and is used to amend an existing PP04 for minor adjustments, such as minor changes of quantity, change of colour, change of delivery address. Any substantial change requires a new PP01 to be raised, referring to the original PP01.

g) PP06 Procurement Order Progress Register

This form is used to keep track or PP04s issued and assists the PE to manage its orders and ensure more goods, services and works are delivered on time.

h) PP07 Register of Samples

This form replaces S23 and records bidders who supplied samples, what they were, and when they were returned. A separate form should be used for each separate procurement.

i) PP08 Suppliers/Vendors Register

This replaces S38 and records basic details of those suppliers who have applied, and been approved, to receive RFQs.

j) PP09 Tender Documents Issue Register

This form is used to record details of those who have obtained tender documents. A separate page for each procurement should be used. This enables the PE to contact each potential bidder with any details of changes to, or cancellation of, the procurement.

k) PP10A Tender Opening Register – Record of Opening

PP10A and B form the majority of the contents of the minutes of the tender opening and should be attached to those minutes. PP10A records details of the tender opening committee members and the tenders read out, while PP10B records who was present at the tender opening.

l) PP10B Tender Opening Register – Record of Attendance

This register is maintained in compliance with section 60 (1) (5) of the Public Procurement and Disposal Act which requires the following details to be recorded:
   a) Bidder's name;
   b) Bid price and any discounts or modifications; and
   c) Tender security.

m) PP11 Counter Requisition and Issue Voucher

This form replaces S11, S12 and S15 and is used to obtain any goods that are held in stores and records issues made and the remaining stock to enable storekeepers to reorder supplies in good time.

n) PP12 Counter Receipt Voucher / Goods Received Note

This form replaces S13 and S17 and is used to signify receipt of goods, services or work, whether delivered to the stores or direct to another location. It does not signify acceptance, until accompanied by PP13. Raise one form for each Procurement Order.

o) PP13 Inspection and Acceptance Report

This form replaces S24 and S27 and records the Inspection and Acceptance Committee's decision on whether to accept or reject goods, works or services. It can record all the decisions made at a meeting, so covers multiple orders.

p) PP14 Rejection Voucher

This replaces S14 and is used in cases where goods, works or services are rejected to inform the contractors the reasons for the rejection and the remedial action that they need to take.

q) PP15 Tender Progress Register

This replaces form S22 and records the progress of all tenders issued by the PE including notifications to PPOA.

r) PP16 Contracts Register

This form records the progress of all contracts awarded by the PE. A contracts register should contain:

i)   Contract name;
ii)   Date of contract award;
iii) Contractor's name;
iv)   Commencement date;
v)   Duration of contract;
vi)   Contract amount;
vii) Expected completion date; and
viii)   Actual completion cost.

s) PP17 Disposal Requisition

This form allows users to nominate items for disposal.

t) PP18 Request for Approval of Disposal Method

Replaces F58 and is used to seek approval for disposal method

u) PP19 Disposal Certificate

This form replaces S58 and records that items have been disposed of in accordance with the instructions of the Disposal Committee and the authorization of the Accounting Officer.

v) PP20 Destruction Certificate

This form replaces S25 and records that items have been destroyed in accordance with the instructions of the Disposal Committee and the authorization of the Accounting Officer.

4.2 Maintenance of stock and inventory records

Stock records become meaningless as a means of control if stock is lost and not recorded. The calculated level of stock indicated by the stock cards will bear no resemblance to the actual stock held.

All stores records are usually pre-serialized. These documents should be maintained in the serial number sequence, in chronological and accounting period arrangement. Each type of stores document should be maintained in a clearly marked file. The files should be numbered and arranged in cabinets according to the serial numbers and accounting period.

Stores of capital nature such as machinery vehicles and office furniture should be recorded in the assets register. The procurement unit should be responsible for keeping the inventory record sheets.

Capital equipment issued to staff for use are kept on inventory charge until they are disposed of as required by law. Inventory records must be kept and verified annually as required by the Public Procurement and Disposal General Manual.

4.3 Motor vehicle records

Motor vehicles are important organizational assets and should remain on inventory charge up to the time they are disposed of as required by law. A complete file for each motor vehicle should be maintained comprising:
- Work tickets;
- Vehicle repairs and service record;
- Fuel and lubricant records;
- Any report about the vehicle including recommendation for its disposal and transfer to another person or department; and
- Report on misuse of vehicle.

Log books are important documents and should be separately stored in secure facilities.

5   ACCOUNTS AND PAYMENT OF RECORDS

Payment for goods and services is initiated by raising a payment voucher. Normally preparation of a payment is initiated by the accounts unit, once the procurement unit certifies the receipt of goods and services. The payment voucher captures the following information:

- The date the PV is prepared;
- Payee-the name of the person or organization being paid;
- Description- reason for the payment;
- Invoice number-the invoice number received from the supplier and the invoice date;
- Amount to be paid;
- LPO number;
- Account code; and
- Names and signatures of the persons approving the PV.

Supporting documents such as the procurement order (PO), invoice, and goods received voucher and extracts of the evaluation and tender committee minutes that awarded the contract should be attached to the payment voucher.

Payment vouchers are important in the documentation of the compliance of procurement. For this reason payment vouchers should be kept securely and protected against unauthorized access.

Payment vouchers should be maintained in files according to the accounting codes, which include vote, heads, sub-heads, item and sub-item classifications as per the central Government GFS system. The files must be clearly labelled to indicate the vouchers contained in the file. The file should be of reasonable size in order to adequately protect the contents. In addition PV files should be arranged according the accounting period.

The files should be serialized on the cover. The serial number should be entered in a register or a catalogue to facilitate file retrieval. The entries in the register should be cross-referenced with the corresponding entries in the procurement file catalogue. This will provide the prescribed linkage between procurement and payment files.

In order to provide a linkage with the tender or procurement files, the voucher number and the cheque number must be recorded in the corresponding procurement file. Where possible a copy of the payment voucher should be maintained in the relevant tender or quotation file. It is the responsibility of the records manager to ensure documentary evidence about receipt and payment for goods and services are maintained in the procurement files. Close co-ordination between the procurement records manager and the officer in charge of filing of payment records in the accounts section is necessary for efficiency in document location and retrieval.

a) Filing of payment vouchers

PVs along with all the supporting documents - copies of POs, delivery notes, goods received voucher, signed goods inspection and acceptance committee form - should be filed serially, in chronological order and according to the account code vote head, item head and sub-item

head. The vouchers in the file should be arranged in date order and serially numbered. The vote head and item head numbers will additionally be prominently written on the cover. Related procurement files should be written on the cover.

b) Linkage between procurement and expenditure files – section 45 (6) of PPDA

An inventory of the payment vouchers file that is cross-referenced with the related procurement files should be maintained. The Accounts Section and the Procurement Unit should co-ordinate and collaborate closely in ensuring that a logical linkage is maintained between the procurement and the payment files.

c) General principles of managing financial and accounting records

To sum up, financial and accounting documents should be managed according to the following principles:

i. Management of financial and accounting records should be assigned to a specific officer or unit within the accounting department;

ii. There should be active collaboration and co-ordination between the records management department, procurement records management unit, the accounts records management unit, and the audit section;

iii. Accounting records should be managed throughout their life;

iv. Accounts and financial records should be managed and arranged according to financial function;

v. Financial and accounting records should be maintained and arranged according to accounting period and financial activity;

vi. Financial and accounting records should be protected against unauthorized access, alteration and destruction;

vii. Closed accounting records should be periodically removed from the current system for organized storage in a secure closed records room; and

viii. Closed and non-current accounting documents should be disposed of in accordance with chapter 23 of the government financial procedure and regulations.

6 RISK MANAGEMENT AND SECURITY OF RECORDS

Regulation 8 (3) (d) of the PPDR requires a procurement unit to maintain and safeguard procurement and disposal documents and records. Records should be protected at all times from all threats. The records need to be protected against unauthorized access, leakage of information and against fire and water. It is important to conduct a risk analysis in order to discover and evaluate potential hazards and therefore to take protective measures. Risk analysis and evaluation will lead to identification of records and documents that are most at risk from threats such as loss, destruction, misplacement, document removal and malicious alterations. Files and documents that are judged to be vulnerable to such threats merit a higher level of protective measures, such as storage in a secret registry in order to have restricted access. While security classification of files is essential, it would be counterproductive to classify all files as secret or confidential. This will adversely affect overall efficiency and access to information. Records need to be protected against unauthorized access, malicious destruction and alterations, fire water, physical and biological damage.

Records in general and procurement files and documents in particular are vulnerable to the following threats;

- Mishandling of procurement files leading to loss of folios and covers;
- Keeping of procurement files together with stores items
- Fragmentation of procurement files leading to loss of documents
- Inappropriate storage of procurement files such as placing bid documents on the floor of an office frequented by many visitors;
- Misfiling of procurement documents; and
- Poor storage environment for closed procurement files leading to their damage and loss.

Some of the basic security safeguards for files include:

- Maintaining a minute sheet for each file - this is a card that contains a summary of the file contents;
- File examination - this entails examining every file once it s returned to the registry to ensure that the contents have not been tampered with. This is particularly recommended for high value files that are judged to be vulnerable to this risk;
- Documentation of all existing files in an approved file plan;
- Assignment of responsibility for maintenance and filing of documents and files;
- Maintenance of file integrity;
- Folio numbering of documents in a file in order to easily detect cases of unauthorized removal of papers from a file;
- Duplication and dispersal of records where high value records are distributed to other departments or individuals to guard against loss and alterations;
- Secure storage of both open and classified files; and
- Secure storage of procurement documents before and after evaluation and adjudication.

Classified records need a higher degree of protection. In this regard, the head of procurement unit should:

- Identify and use proper and secure storage rooms and facilities for classified procurement records;
- Identify, purchase and install proper and appropriate storage equipment and enclosures for these records;
- Identify, purchase and install appropriate fire fighting equipment in the record keeping areas and facilities;
- Ensure that vital records are identified in time and kept elsewhere as a security measure;
- Ensure that there is backup for electronic records;
- Ensure that access to records is restricted to authorized persons only;
- Ensure that procurement staff are sensitized and trained on prevention and management of hazards; and
- Put in place ways and measures in which the documents in varying formats will be protected in case of a disaster.

a) Precautions against fire

Advice on precautions to take against fire should be sought from the Principal Fire Officer in the Ministry of Public Works, or local fire prevention experts. These will be able to advice on the most appropriate fire prevention and equipment to install. Fire precautions should include:

i) Ban on smoking within the building and particularly in the filing and records storage areas;
ii) General tidiness and removal of hazardous clatter such as heaps of files, papers, boxes and rubbish;
iii) No hazardous or inflammable materials should be stored in the building;
iv) Installation of fire extinguishers and smoke detectors in the building. The smoke detectors and extinguishers should be serviced regularly;
v) Electrical appliances should be switched off at the end of the day;
vi) Fire fighting equipment such as hose reels and extinguishers should not be used for purposes other than fire fighting;
vii) An organization should have a fire fighting team headed by a senior and responsible officer. It is the responsibility of the team leader to ensure all occupants of a building know what to do in case of fire, how to evacuate the building, how to fight fire and that regular fire drills are conducted;
viii) Availability of fire extinguishers in all rooms. The extinguishers should be serviced regularly; and
ix) Clearly posted fire escape routes, exits and procedures.

b) Precautions against water

Precautions against water will include the following:

i) Records should be place far from water mains and drainage pipes;
ii) Roofs should not be leaking; and
iii) Plumbing should be of high standard, and be regularly checked.

c) Precautions against rodents and insects

Precautions against rodent and insect invasion should include doing a regular full building inspection to locate and block all points of rodent and bird entry, complete ban on all food eating and storage in records keeping and storage areas, regular thorough cleaning of ceilings, walls and floors, and regular fumigation.

d) Precautions against theft

Members of staff have a key responsibility in ensuring security of records in the registry and other areas especially in locking windows and doors in the registry storage areas at closing time. It is important to ensure that records staff have been security vetted and that people of integrity are deployed in records offices. Too often the wrong people are deployed to manage records, in many cases officers who have failed to perform in other sections in a PE. Only motivated, committed and competent people should be put in charge of records. Their performance can be greatly improved by offering them professional training.

There should be strict control of all building keys. Locks should be changed when keys are lost. Strict supervision should be maintained of non-staff members who enter the building especially of cleaners and maintenance workers.

Theft of records, whether single letters or entire files by insiders or outsiders, poses a real threat to an organization's recorded information. Theft of documents is motivated by cash gain, forgery or withholding or complete loss (or destruction) of the information they contain. When such information falls in the hands of unauthorized persons the interests of the organization and of private persons and other parties may be harmed.

e) Classified records

Although access to all the records of an organization whether in the registry or elsewhere should be restricted, certain classified documents require a much higher degree of protection from disclosure to unauthorized persons of the information they contain.

The degree of security classification will depend on the sensitivity of the document. It must however be realized that most information and records do not required security classification. The tendency to over-classify documents might end up stifling the registry's efficiency.

Records or documents may be classified as restricted, confidential, secret or top secret depending on the sensitivity of their informational content.

All classified documents must be registered in a secret or confidential register. Documents with security grading will not be opened in the open registry. They should be routed to the secret registry for opening and transmission to the relevant action officers.

Confidential or secret documents are normally dispatched in two envelopes: the outer without a security grading and an inner one with a security mark. Once received, the registry will only open the outer envelope and send the letter in the inner envelope to the secret registry.

A file with a security grading of 'Confidential' or 'Secret' contains information which if disclosed to anyone not responsible for working on the subject could cause damage to national security. Generally information can only be classified or declassified by the originator. It is only a small portion of an organization's records that merit security classification. Over-

classification of documents may result in inefficiency. Confidential and secret classifications should only be used for information and documents that truly merit that level of security grading.

f) Vital records protection

Vital records are records essential for the survival and continued functioning of an organization during and after an emergency. A vital records protection program must be put in place to ensure that in the event of a major disaster such as fire or flooding certain key records will remain to permit continuity of essential functions. Records likely to fall under this category include those that protect the rights and interests of the organization, employee and clients. Other vital records include records relating to:

- Employee compensation and benefits;
- Insurance;
- Research findings;
- Proof of ownership of property;
- Contracts and agreements;
- Research and development records;
- Assets/Liabilities records; and
- Deeds/Mortgages.

It is important to have a corporate information security policy that incorporates both paper and electronic records.

g) Security of automated records management systems

Security for automated records management systems is an important issue. Mainframe computer systems have traditionally had considerable protection, but other computers have not because they have been treated as single-user devices. As a result, security weakness may threaten the confidentiality, integrity, or availability of electronic information. There are two major means of protecting electronic records:-

a) Physical security of the computer hardware; and
b) Security data through controlling access.

i) Computer hardware protection

Computers and their component parts are high-value items. A security policy should be established that would protect computer installations.

The file server/mainframe computer operations should be in an area which is locked, has constant attendance and supervision, and is restricted to authorized personnel. For personal computers, possible solutions to protecting the hardware are central processing unit cabinet locks, cables to lock equipment to stable fixtures, bolt-down devices to permanently attach personal computers to desks, keyboard locks, workstation enclosures and alarms to signal motion. Rooms in which the hardware is located should be locked when they are not occupied.

ii) Computer data protection

A good security system for protecting electronic data will employ a number of different products, services, and resources which can be customized to an organization's particular needs. Those responsible for implementing security systems including the ICT department must analyze the potential costs of a loss and therefore develop a complete security system that addresses the specific security needs of a PE. In order to be successful, ICT security strategies have to be monitored continuously. The senior management should be committed to implementing a security awareness program for all staff.

iii) The role of staff in ICT security

A vital component of information security is staff user sensitization. The staff must be sensitized on the risks of using personal memory disks and external hard drives, the dangers of visiting unsafe sites or downloading unsafe programs. There is also the ever present risk of viruses as a result of exchange of unauthorized files through the computer network. This can be controlled by installing the right antivirus software, which should be updated regularly.

Information security awareness should be conducted for all staff, as well as preparing security manuals that incorporate ICT security concerns. Staff must be made aware of their responsibility in ensuring security of information.

iv) Common methods of computer and data security that can be employed to customize a security system

Software packages are available to help quantify potential exposure to security breaches. This is a good starting point in determining your need for and development of a plan of action.

v) Access levels

Users can be assigned a variety of access privileges, such as read only, remote access, specific file or directory access, and ability to uphold or download data form a File Sever or network database.

vi) Passwords

Passwords can be used to control access to terminals, files, records or even fields within a record. In a password system, users must enter the appropriate password to gain access to the data for which they have been cleared. Multiple levels of passwords can provide entry to different layers of information in an agency database. The best approach is to use passwords to create a hierarchy of entry and progressively more complex entry codes as the information becomes more sensitive.

vii) Audit trails

There are security software programs that can audit computer use by providing a comprehensive record of all network or system activity, including who is accessing what data, when and how often.

viii) Encryption

Data encryption is a process that 'scrambles' data files and thus making them unreadable to unauthorized people when they are stored or transmitted. Data so treated become unintelligible without a data 'key'. When the encrypted data are sent to another terminal, the required software key on the receiving end decodes the information. The use of the encryption can be a complex process and should be used only for data that are highly confidential and require utmost security.

ix) Data backups

Backing up disks is an essential safeguard against data loss. It is an important and basic computer security measure. In backing up data it is important to have an authorized user access to change an electronic file or document. Collections of data that are constantly being updated, such as electronic databases, should be backed up regularly on a daily, weekly and monthly basis. Weekly and monthly back-ups should be kept in a secure location which is fire proof. Backup media should be clearly indicated with the word <u>BACKUP</u> written on the label.

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One of the major challenges encountered in the preparation of this Manual was lack of literature on procurement records management. This problem was resolved by conducting a detailed study of existing records management practices in more than ten major procuring entities including ministries of Health, Energy, Education, Roads and Public Works and the Kenya Medical Supplies Agency, Ministry of Justice, National Cohesion and Constitutional Affairs, Ministry of State for the Development of Northern Kenya and Other Arid Areas, Communications Commission of Kenya, Teachers Service Commission, Kenya Agricultural Research Institute, and Ministry of State for Special Programs. The findings of the studies were used in the compilation of this Manual.

The draft of the Manual was submitted to the PPOA and useful suggestions were obtained and used in its development.

The draft Manual was used for teaching in several workshops and the comments and suggestions of the participants were incorporated in the preparation of the final document.

A number of publications and sources were consulted. Some of the most useful sources were the publications of the International Records Management Trust (www.irmt.org) including the following:

- Organizing and controlling current records;
- Automating records services;
- Managing public sector records; and
- Managing financial records.

The following publications were also found useful:

- A Manual of Records Management (Kenya National Archives, 2002)
- ISO 15489 Information and Documentation-Records Management; and
- Managing electronic records in governmental bodies; Policy guidelines (National Archives and Records Service of South Africa, 2003).

The Manual in its draft form was also shared with professional colleagues and their contribution and suggestions were used in the preparation of the final document.

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