PUBLIC PROCUREMENT OVERSIGHT AUTHORITY
Transforming Procurement

PROCUREMENT RECORDS MANAGEMENT

PROCEDURES MANUAL

DECEMBER 2OO8

CONTENTS

PREFACE

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 must be recognized as a key resource for good management. Sound records management is a vital aspect of ensuring transparency and accountability in the public procurement process. Improvement of procurement record keeping practices will ensure the conduct of procurement transactions in an orderly, efficient and accountable manner.

Good record keeping practices reduce vulnerability to legal challenge 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 Procurement Records Management Procedures Manual aims to address the weaknesses in the management of procurement records and to provide guidelines and direction for best practices. The manual advocates use of information technology alongside the paper based records management system. However, the underlying weaknesses of paper based records management must first be addressed before embracing the new automated record keeping system.

The manual has be prepared in line 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 provides theoretical and practical guidance for management of procurement records. It also provides guidance on general records management.

This manual was prepared on behalf of PPOA by e-sokoni Consulting under contract with ARD Inc. as a part of the Millennium Challenge Account Threshold Program assistance. The MCC project in Kenya was administered by the USAID. PPOA was actively involved in the preparation of the manual through the various stages of drafting. The manual forms part of the PPOA's efforts to reform the public procurement system in Kenya.

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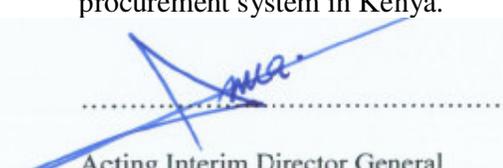
Acting Interim Director General

Date..11ᵀᴴ DECEMBER, 2008

ACRONYMS

AIE	Authority to Incur Expenditure
AO	Accounting Officer
ARD	Associates in Rural Development
DPM	Directorate of Personnel Management
GFS	Government Financial System
GOK	Government of Kenya
ICT	Information and Communication Technology
IFMIS	Integrated Financial Management Information System
ISO	International Standards Organization
KNADS	Kenya National Archives and Documentation Service
MCC	Millennium Challenge Corporation
MTC	Ministerial Tender Committee
PEs	Procuring Entities
PIN	Personal Identification Number
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
USAID	United States Agency for International Development
VAT	Value Added Tax
RFP	Request for Proposal
RFQ	Request for Quotation
TC	Tender Committee

TERMS AND DEFINITIONS

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 subject and places them in their distinctive classes. In a Procuring Entity's file classification scheme, procurement 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 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 completion of required retention period.

1.0 INTRODUCTION TO THE PROCUREMENT RECORDS MANAGEMENT PROCEDURES MANUAL

This procedures manual seeks to address the gaps and challenges that have undermined effective and efficient management of procurement records. It identifies the office responsible for control, co-ordination, maintenance and the disposal of records.

The manual takes into consideration the requirements needed for the management of procurement records and lays a suitable institutional framework that will support the effective management of procurement records.

The manual contains a broad written statement outlining the purpose, objectives, conditions and the scope of records management activities in an organization. It further explores key issues such as the requirements for suitable storage for records, sound records management systems and procedures.

It establishes general guidelines for creation, receipt, use, maintenance, storage, access to and disposal of procurement records in Procuring Entities. It assigns responsibilities to offices and individuals for purposes of accountability and efficiency.

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 procedures manual spells out the procedure, the system and structures required to be in place for creation, and maintenance of authoritative, reliable and accessible records for as long as they are required to support the business and accountability requirements of an organization. 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 the following areas:
1. Principles of records management;
2. Principles of electronic records management;
3. Principles and procedures for the management of procurement records;
4. Linkage with other legislations and government policy documents on management of public records;
5. Assignment and definition of records management responsibilities;
6. Rules and regulations governing the creation, maintenance, use and disposal of records;
7. Procedure for preservation of procurement records;
8. Security of records;
9. Access to procurement records;
10. Protection of vital records; and
11. Archiving of procurement records.

1.2 Application of the manual

This manual is 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 at least after every three years. Where necessary the advice of the Director of Kenya National Archives or other reputable institutions should 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 new procurement records management system has the following features:

1. Responsibility for the care and management of procurement records is clearly defined and assigned;
2. Procurement records management is mainstreamed and integrated with the overall records management and strategic plans in a Procuring Entity;
3. Procurement records are managed within the procurement cycle and within the records life cycle of creation, use, maintenance, preservation and disposal;
4. 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;
5. Provides linkage between procurement and payment files in accordance with section 45 (6) of the PPD Act;
6. Keeping of official procurement documents in official, approved, and registered files whose existence is documented in an approved procurement file scheme;
7. 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;
8. 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 and designated officer;
9. Clear referencing, coding, titling and logical physical arrangement (in secure filing cabinets) of procurement files in order to permit fast and efficient document retrieval;
10. Maintenance and safeguarding of the confidentiality, integrity and completeness of procurement files;
11. Regular removal of closed procurement files and documents from the current system to facilitate ease of access to active files;
12. 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 Cap 19, the new 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;
13. 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;

14. 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;

15. Co-operation and support for proper recordkeeping practices from the senior management staff in a Procuring Entity; and

16. The new procurement recordkeeping system will be managed within the requirements of the existing legislations 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 will 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 2 sets out the purposes of the Act, which are to:

1. Maximize economy and efficiency;
2. Promote competition and ensure that competitors are treated fairly;
3. Promote integrity and fairness of those procedures;
4. Increase transparency and accountability;
5. Increase public confidence in the procedures; and
6. Facilitate the promotion of local industry and economic development.

1.6 Functions of PPOA
The functions of PPOA as specified in Section 9 of the Act are to:

1. Ensure that the procurement procedures are complied with;
2. Monitor and report on the public procurement system and recommend improvements;
3. Assist in the implementation and operation of the public procurement system; prepare and distribute manuals and standard documents to be used by PEs;
4. Initiate public procurement policy and propose amendments to the Act and:
5. Perform such other functions and duties as are provided for under the Act.

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

Section 45 (1) of the Public Procurement Act requires a Procuring Entity to keep records for each procurement for at least six years. The records must include:

1. A brief description of the goods, works or services being procured;
2. Reasons for using a procedure other than open tendering;
3. A copy of the advertisement that was placed in the newspaper;
4. Names and addresses of the bidders;
5. The price or the basis of determining the price, and a summary of the principal terms of the tender, proposal or quotation;
6. An explanation if the procurement proceedings were terminated; and
7. 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 states that after a contract is awarded or terminated, records can be made available to bidders on request, and that the PE may charge fee to recover costs. Confidential information shall however not be disclosed.

Article 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:

1. A register and date of meeting;
2. List of all matters considered and the decision made for each matter; and
3. 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 to be treated as a part of procurement records:
1. Feasibility studies and surveys carried out or accepted by the procuring entity
   for the preparation of tender documents and reports;
2. Receipts for sale of tender documents;
3. Requests for, and clarifications issued by the Procuring Entity; and
4. Any negotiations records 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.

1.8 ISO 15489-documentation and records management

ISO 15489, the international standard for information and documentation-records management, provides guidance on managing records. An organization seeking to conform to ISO 15489 needs to have the following in place:

1. A records management policy whose objective is the creation, maintenance and management of authentic and reliable and accurate records that is 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;

2. 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;

3. Organizations need to create and maintain authentic and reliable records, and to protect the integrity of those records for as long as required. This will include:

   • Ensuring that reliable records are created – a reliable record is one whose contents can be trusted as full and accurate representation of transactions and activities captured on the record;
   • 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;
   • Safeguarding the integrity of records - this refers to their being complete and unaltered;
   • 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.

1.9 Linkage with other public records management legislations and policy documents

This manual should be used alongside other legislations and policy documents on management of public records issued by the government from time to time. These include the following:

1.9.1 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:
1. Examine any public records and advise on their care, preservation, custody and control;
2. 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
3. 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.

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

1.9.2 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.

1.9.3 The Chief Secretary's circular on the destruction of non-current government records Ref. OP.1/48A/66 of 28th November 1985

The circular states that it is the responsibility of the public offices to effectively manage their records. Paragraph b of the circular states that "in the event that a government Ministry or department considers that particular records are no longer needed for current administrative purpose the Director of the Kenya National Archives shall be notified without delay and requested for their appraisal and disposal." The circular further states that "no valueless public records should be kept longer than necessary as this will result into wastage of public funds through uneconomical usage of office space and equipment.

1.9.4 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 accounting documents. The relevant section of the chapter states that the 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

1.9.5 Circular OP.1/48A/11/10 of 7th July 1989 on depositing of reports and other generally circulated documents in the Kenya National Archives

This circular from the Chief Secretary directs all PSs, Heads of Departments and state corporations to deposit with the Kenya National Archives all categories of published and unpublished reports and documents, including annual reports, project proposals, case studies, feasibility studies, surveys, periodicals and magazines. Where necessary PEs are to prescribe the period for which the reports or

documents should remain restricted from consultation by the other public offices or members of the public.

1.9.6 Directorate of Personnel Management (DPM) circular on personnel records- ref. No. DPM.12/6AVol. I (71) of 12th March 2008

The personnel general letter number 1/2008 issued on 12 March 2008 revises the provisions of the personnel general letter No. 7 (reference DPM.12/6A of 29th August 1991).The circular provides guidelines on time limits for the 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 officer in equivalent groups in the local authorities, the judiciary and state corporations. The circular further advises that intended destruction must be communicated to the Director of Kenya National Archives Documentation Service for guidance.

1.9.7 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 concerning cases of missing and lost files in the public service and attributed the weakness to laxity and poor records management practices and in some cases result of corruption among civil servants. The circular directed accounting officers to:

> *ensure 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.*

1.9.8 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 proposed 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.*

> *The Director of the National Archives will submit a quarterly report to the Head of the Public Service detailing all reports of lost or missing files.*

It is important for PEs to ensure full compliance with the circulars mentioned above in their record keeping practices.

2.0 GENERAL PRINCIPLES OF MANAGING RECORDS

Records management involves designing and directing a program for achieving economy and efficiency in the creation, use, maintenance, and disposal of records. This promotes efficiency through improved access to information.

A sound records management system is essential for effective policy formulation, decision making, business operations, implementation and monitoring of programs and activities. 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. It also means assigning responsibilities for records management in an organization.

2.1 Importance of records

An organization's ability to function effectively and give account of its actions will be undermined if sound records management principles are not applied. Procurement records play a significant role as evidence of purchases of goods and services. 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. This factor contributes to difficulties in retrieval and use of procurement records efficiently and therefore inability to carry out the audit process.

Sound records management is a critical component for good governance, effective and efficient administration, transparency, accountability and delivery of quality services to the citizens. Good record keeping practices contribute to the following:

1. Creation and maintenance of accurate and reliable information;
2. Easy accessibility to information;
3. Transparency and accountability;
4. Procurement Units and Procuring Entities performing their functions efficiently;
5. Availability of authentic, reliable and tangible records to fight corruption; and
6. Resources being matched to objectives.

Records form the foundation of good and accountable administration. Unorganized and poorly managed records lead to inability to access information needed to support policy formulation, implementation and delivery of programs and services.

Procurement records provide the controls that document how a procurement action was undertaken, and protects essential audit trails. Disorganized records mean reviewers and auditors take an excessive amount of time to locate needed records.

A well managed procurement records management system will enable the physical and logical control of records and prevent unauthorized access, tampering, loss, misplacement or destruction of documents. Proper records management is essential for ensuring transparency and probity in the procurement and financial management.

Records are important for accountability and are a powerful deterrent against procurement and financial malpractices. Weak records management practices mean officials cannot be held accountable for their actions.

Failure to manage records leads to build up of closed records, overcrowding and disorganization. This makes it difficult to retrieve and use records efficiently.

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.

2.1.1 Consequences of failure to maintain adequate procurement records

Failure to effectively manage procurement records means:
1. Decisions are taken on ad hoc basis without the benefit of records;
2. Fraud cannot be proven and meaningful reporting and audits cannot be carried out;
3. Government actions are not transparent;
4. Citizens cannot protect or claim their rights;
5. Citizens cannot make an informed contribution to the governance process; and
6. A PE's or even a country's memory is impaired.

2.1.2 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.

2.1.3 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. They should be maintained and managed within a logical filing system that facilitates their access. Current records are usually maintained in records offices (or registries).

2.1.4 Semi-current records

These consist of the recently closed files. They 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.

2.1.5 Non-current or inactive records

These are documents 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 contract started (Public Procurement and Disposal Act, Sec. 45)

2.2 Records management unit

Some procuring entities generate records on a large scale and some have several units responsible for keeping and controlling records. A large Ministry for example will have multiple registries such as:

1. Main registry;
2. Secret registry;
3. Accounts registry;
4. Personnel registry; and
5. Procurement registry.

In most cases the registries will operate without any co-ordination. Each registry may follow its own style and procedure and is run completely independently of others. Often there is no overall unit or department to provide direction and co-ordination of the record keeping function.

For larger PEs it is important to have a records management unit, headed by a qualified records manager to provide co-ordination, leadership and direction of the records management function in the Ministry. This unit will be responsible for overall records management co-ordination at the Ministry headquarters and the provincial and district departments. The following will be the responsibilities of the records management unit:

1. To set and monitor records management standards and procedures;
2. To take necessary steps for the storage and security of records;
3. To provide leadership and guidance in the appraisal of records;
4. To provide guidance in the establishment and management of departmental records management units or records offices;
5. To train records staff;
6. To liaise with the Kenya National Archives and Documentation Service on all matters pertaining to the appraisal, preservation and disposal of records;
7. To monitor and evaluate the RM system to assess its efficiency and effectiveness and to make necessary structural adjustments; and
8. To conduct records management audit.

2.2.1 The role of the departmental records officer

A large PE should have a records officer who will be responsible for the effective and efficient management of both current and semi-current records and storage facilities, including the safe-keeping, accessibility and retention of records for as long as required. It should be his responsibility to co-ordinate management of records both at the head office and the district and provincial offices of the PE. The records officer's other responsibilities should include:

1. Establishing procedures and directing the implementation of a records management program;
2. Co-operating with the management to define and monitor functional recordkeeping requirement;
3. Developing recordkeeping standards and rules;
4. Addressing and resolving the records management problems in the entity;
5. Establishing procedures for the evaluation, implementation and review of manual and automated records systems;
6. Managing an off-site storage program for inactive records;
7. Designing and implementing an effective records retention and disposal program;
8. The accurate recording and tracking of file movements within the organization;
9. Making files available on demand;
10. Collecting and distributing outward mail;
11. Circulating files to officers in accordance with established procedures; and
12. Assisting with the preparation and review of departmental file classification schemes.

2.3 Managing current records-the role of the records office (registry)

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

1. 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;
2. Promptly circulating files to action officers;

3. 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;
4. Production of files on demand by authorized persons, and monitoring the movement of the file within the entity. A file movement register will be maintained for controlling file movements in and out of the records office;
5. Opening, maintenance and closing of files;
6. Preparation and periodic review of an approved file classification scheme;
7. 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;
8. Preparation and implementation of a records retention and disposal schedule to avoid accumulation of closed records; and
9. 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.

2.3.1 Opening a new file

A file is a folder containing papers relating to a specific subject or activity. The following information must appear on the file cover:

- Name of the Ministry or department;
- File reference number;
- File title;
- Date on which the file was opened;
- Related files; and
- Disposal information.

The disposal information indicates what is to be done with the file when it is closed. On the "related files" space are indicted the titles and reference numbers of other files that are closely related with the file.

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. This leads to uncertainty in filing of papers. 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:

- A file title that is clear and specific;
- A file reference number that links the file to the approved file scheme and other official files;
- Name of the organization on the cover;
- A specific subject or activity; and
- 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. It is a possible pointer to a file that covers too many activities.

As well as a title, a file will have a unique reference number, derived from the approved file classification scheme. The file reference number should not be unnecessarily long or unwieldy; it will have about three

parts or codes: the first part to identify the broad subject, the second part to identify the series and the third part to identify the specific file.

The following types of files should not be opened:

- Files whose scope and coverage is too narrow, i.e. a file that covers a very small aspect of a subject;
- Files whose scope is too wide, general or vague - this implies opening a file with very many activities or subjects that is files that are not specific;
- Files with vague or general titles, or unnecessarily long titles; and
- Speculative files, that is, files opened in anticipation of new subjects.

2.3.2 Filing of papers

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 will 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.

2.3.3 File movement controls

The records office controls and monitors the movement and use of a file or a document within the department. 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 overstay with 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.

A file movement register should have the following format:

- Date out;
- File title;
- File reference number;
- To whom issued and signature;
- Date in; and
- Signature of officer receiving file in registry.

The file's return to the records office will be marked on the "date in" column. By regularly checking the column the registry officers will be able to tell cases where files are overdue for return and therefore to take necessary steps to have the files returned.

There should be an administrative guideline stipulating how long an officer should hold a file - usually 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 files.

2.3.4 Closing a file

A file should be closed when it gets full, or when the fastener cannot take any more papers. The next volume will then be opened. A case file such as 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 entered in the closed files register and removed 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.

2.4 File Classification scheme

A file classification scheme logically organizes official documents in an orderly and function based system. A file classification scheme is the official and approved list of existing files in an organization. Files not reflected in a classification scheme should not be maintained.

A file classification scheme organizes records into categories based on the functions and activities of the organization and is the guide to all existing current files and serves the following objectives:

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

2.4.1 Common weaknesses in file classification schemes

The following weaknesses are frequently observed with regard to file classification schemes for most public organizations:

- Failure to update a file scheme which is indicated by presence of many files on abandoned activities and subjects;
- Presence of many files opened and maintained outside the file scheme;
- Maintenance of one old, often tattered and soiled file scheme in the registry with no copies distributed to action officers;
- Private file retrieval tools devised by action officer to serve own convenience because the official file scheme is unavailable;
- 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;
- Maintenance of different departmental file schemes in an agency that are not harmonized; and

- File coding and referencing system that looks unwieldy, unnecessarily long or having illogical and meaningless codes.

2.4.2 Features of a good file classification scheme

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

- It should include all the files in an organization;
- It should be easy to understand, use and maintain;
- It should facilitate speedy identification and retrieval of files;
- It should be comprehensively documented with easy to follow procedures manual;
- 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;
- It should be capable of being automated;
- 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;
- The file scheme should facilitate proper coding and referencing of files;
- The file scheme should be approved and endorsed for use by the head and senior management in the organization; and
- 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.

2.5 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. Qualified and competent people should be deployed to manage the records of a Procuring Entity. They should be clearly assigned their duties in writing. Additionally they should be given professional training.

2.6 Need for support and co-operation from the senior management

Records officers need support from the senior management in a Procuring Entity. This support and co-operation will take the form of 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 will also require adequate budgetary support and improvements in the working environment of records personnel. This should include offering training and an incentive program for records personnel.

2.7 The Role of internal auditors

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 sanctions and penalties against offenders.

2.8 Forms design and management

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.

 It is essential to have a forms management program in an organization whose objective is:
- To determine what forms are needed;
- To design forms that are user friendly and that enhance information processing;
- To ensure only authorized forms exist and are used;
- To review existing forms periodically to establish whether they are still relevant and to consider those that can be eliminate or consolidated; and
- To exercise control over forms to ensure there is no proliferation of forms.

Some common problems with forms include:
1. Use of obsolete forms, e.g. forms requiring a user to indicate tribe
2. Forms with vague captions and words
3. Forms that are unnecessarily complicated to fill
4. Forms that duplicate other existing forms
5. Forms that lack an identifying number or code
6. Forms that are poorly designed

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.

2.9 Strategic plans for records management

Most organizations fail to capture records management in their strategic plans. A strategic plan identifies the goals and objectives of the organization and determines the best mechanisms for implementing change. The plan is intended to be an action document that that will be reviewed and evaluated regularly. A strategic plan can be a valuable tool for restructuring and improving records management. The following components of records management can be incorporated in an organizational strategic plan:

- Review of file classification schemes;
- Review and appraisal of dormant and closed records in three departments within the plan period;
- Establishment of a departmental records centre, complete with access policy and guides (catalogues) to the records;
- Preparation of a records management policy;
- Preparation of a records retention and disposal policy document;
- Acquisition and installation of records management software;
- Training of a specified number of staff in records management within a set time frame;
- Acquisition and replacement of record keeping equipment; and
- Attainment of ISO 15489 documentation and records management.

The objectives should be expressed in quantifiable and measurable terms and within defined time frames. Resources required should be specified. The head of the records management section should play a leading role in the initiation, guidance and implementation of the records management component of the strategic plan.

2.10 Records accommodation

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

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

2.11 Equipment

The right equipment and materials for the maintenance and storage of records need to be provided. These will include
- File folders of the right quality;
- Good quality shelving including both secure file cabinets and mobile bulk filing units;
- Computers and related equipment;
- Relevant software programs;
- Office furniture; and
- Boxes-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 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 and 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 fiscal or administrative 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 will study and analyze all types of records in a PE. The committee will prescribe the retention and disposal actions that will be applicable. A records disposal schedule will have the following elements:

- Class of records;
- Name of a record;
- Prescribed retention period; and
- Disposal action upon completion of the retention period.

The records retention and disposal schedule will best be prepared in consultation with the Director of the Kenya National Archives and Documentation Service. The document should be aligned and harmonized with the requirements of existing legislations 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 DPM, and chapter 23 of the government financial regulations and procedure. The schedule should be periodically reviewed to align it with other 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 audit queries should be retained and preserved.

1.14 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 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. The list will be used for locating and retrieving files. The list therefore acts like a catalogue, and should be distributed to records users. 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.

Right filing equipment will need to be put in place. This will include modern mobile bulk filing units, trolleys and furniture.

2.15 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.

2.15.1 Steps in the record keeping restructuring exercise

The following steps should be taken to restructure a failed or a collapsed record keeping system:

- Appoint a steering committee headed by a senior officer and comprising among others a representative from the National Archives, key user departments in the PE, and a PPOA representative if the records of the Procurement Unit are involved;
- Set the terms of reference for the scope of the exercise, responsibilities, expected outcomes, the cost and timeframe; and
- The steering committee should come up with a checklist of key area to be examined, and a questionnaire to guide it in conducting interviews.

The committee's first activity should be to conduct a survey or baseline study of the existing record keeping situation. 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 study will also involve examination of the organizational structure, and type of work and procedures in each section.

The committee should thoroughly study all the weaknesses of the record keeping system before submitting a detailed report containing findings, recommendations and a proposed work plan and the required budget, staff, space and equipment.

If it is deemed necessary an implementation committee can be appointed to implement the recommendations in the report. The committee should be composed of representatives from the main record keeping sections of the entity such as the main registry, accounts, personnel and the administrative department. In the recordkeeping restructuring exercise the committee could address all or some of the following assignments:

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

2.16 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 defeat the objectives of automation if a dysfunctional and inefficient paper-based records keeping system is automated. 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 will 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.

2.16.1 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:

- The legal framework as it applies to a PE;

- All interested stakeholders (e.g., record creators, the public, information technology staff, records management staff) ;

- All relevant aspects of electronic records;

- An organization's preferred management procedures and technologies; and

- 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.

2.16.2 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. At the moment in Kenya, legislation recognizing electronic records is not fully in place but significant efforts have been made to address this issue.

The government is in the process of streamlining the legal requirements for electronic records through the Kenya communication amendment bill 2008. The bill has among other issues addressed the following:
- Legal recognition of electronic record
- Retention of electronic records
- Recognition of parties of electronic message
- Attribution of electronic records
- Security of electronic records

This legal framework will pave way for complete acceptance and implementation of electronic transactions.

2.16.3 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:

- Speedy access and retrieval of information;

- Ability to manipulate data;
- Greater accuracy and consistency in performance of routine tasks;
- Great capacity for storage of information, which translates to huge space and equipment savings;
- Sharing and simultaneous access to information;
- Automatic updating of file classification scheme and indexes; and
- Controlling the movement of files.

2.16.4 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:

- 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.

- 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.

- Specialized RM software. Purchase of specialized software is on the whole the best option. There are many and 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 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 departments that 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.

2.16.5 Software selection-factors to consider

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

- 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;
- Short-term and long term cost of installation, system upgrading, maintenance and training;
- Ability to import data from other systems such as word processing to the new software;
- Whether the software can be networked or used on the internet or intranet;

- Security features of the software, including user authentication and selective access;
- 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;
- The software's ability to generate reports on usage of files and documents; and
- 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.

2.16.6 Records management functions that can be automated

The following areas of records management can be automated:

- Classification and listing of files;
- Correspondence;
- 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:

1. File title;
2. File code or reference number;
3. Date of request for file;
4. Name or location of requesting user;
5. Date of file production;
6. Name and location of user to whom the file is transferred;
7. Date of reminder if overdue for return; and
8. Date of file's return.

2.16.7 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.

2.16.8 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:

1. It contains information developed in preparing position papers, reports, studies;
2. Conveys statements of policy or rational for decisions or actions;
3. Adds to the proper understanding of the formulation or the execution of an agency's operations and responsibilities;
4. Approves or authorizes actions or expenditure;
5. Creates a precedent, e.g. by issuing an instruction or advice;
6. Involves negotiations on behalf of the organization; or
7. Constitutes a formal communication or correspondence relating to official business.

2.16.9 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 supports the e-mail. Each e-mail message should have 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.

2.16.10 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.

2.16.11 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 IT. A digital image can be edited, manipulated, emailed across the world, deleted, copied and inserted into other files including the www pages.

The other benefits of digitization include:

- Wide access and sharing of information;
- Preservation of the original while the digital surrogate is made available for consultation, and therefore reducing the possibility of further deterioration;
- Digital forms a backup;
- Ease of access and sharing of digital information; and
- 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 an appropriate and secure media such as hard drives, optical disks and magnetic tapes.

A functional network will be 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 images.

2.16.12 The role of the ICT manager

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

It is the responsibility of the ICT manager to ensure that electronic 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 IT 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 off-site environment.

2.16.13 Challenges in the management of electronic records

Some of the challenges of managing electronic records include:

- Impermanence of the storage media and technological obsolescence. Electronic storage media is fragile and changes with time;
- Changes in technology means that records that were generated in computer seven years ago may not be accessible today. This calls for regular migrating of the records to new computer systems to ensure they remain accessible;
- 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 alteration has been done;
- High risk of wholesale loss or destruction of business records, and
- Evidential status of electronic records is unreliable and legal admissibility of electronic records in Kenya is just beginning to be addressed.

In spite of the challenges highlighted here automated records management and information has immense benefits as observed elsewhere in this manual. What is recommended is a hybrid or dual system, meaning maintenance of paper records system parallel to the automated system.

2.17 Establishing records management performance indicators and monitoring

It will be essential to set monitoring targets as a way of assessing the effectiveness of the records management program and to ensure that it is meeting the users' needs. It will be important to quantify the improvements brought about by the new records management system, and this will entail measuring activities both before and after introduction of the system. Key areas of activity that should be used for service targets include the following:

- The receiving and registration of incoming documents/correspondence;
- Identification and delivery of records requested by action officers; and
- Quality of service such as the number of officers expressing satisfaction with the service provided. A periodic questionnaire will be used to collect information for evaluating the performance of the RM unit.

The procedures for monitoring the records management unit will include the following:

- Accuracy of file titling and filing;
- Use of control documents, completeness, and uniformity of entries;
- Response times, file retrieval, return of files to records office and archives
- Record storage; and
- Appearance of the records office.

The monitoring team uses several methods of gathering information:

- Logging (counting the number of items handled);
- Interviews with RM unit staff and users;
- Questionnaires to users; and
- Observation.

The team should be aware of the symptoms that a records office needs attention. The symptoms include the following;

- Users lack confidence in the system because papers are not readily available;
- Users keep files in their own offices / desks;
- Users do not understand records office procedure;
- Users send files to the records office only when they have run out of space;
- The records office has a backlog of filing;
- The records office staff morale is poor;
- Files become bulky;
- Information is frequently lost;
- There are no performance measures; and
- There is a backlog of inactive files that should have been transferred to the records centre (archives).

The monitoring team will discuss problem areas with the head of the RM unit, and prepare a report for the head of the PU and the Accounting Officer

3.0 MANAGING PROCUREMENT RECORDS

Procurement records should be managed within the procurement cycle and within a framework of the records life cycle.

3.1 Current weaknesses in the management of procurement records

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. Management of procurement records needs to be mainstreamed and integrated with the overall records and information management function in the 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:

1. Non-maintenance of an accurate, comprehensive and complete file for each procurement;
2. Non-compliance with the regulatory and legal requirements for records management;
3. Existence of a huge backlog of unfiled procurement documents;
4. Absence of record keeping policy and regulations;
5. Non-assignment of procurement records keeping responsibility to a specific officer or office;
6. Officers keeping official records in personal folders, and desks;
7. Absence of co-ordination of management of records in entities;
8. Disorganized storage of and inadequate accommodation for closed records;
9. Mixing of active records with the closed ones which impedes access and retrieval;
10. Absence of an official filing scheme and failure to update where the file scheme is available for records;
11. Inadequate accommodation and security safeguards for records;
12. Lack of senior management support and commitment to records management services which leads to low ranking of records services;
13. Fragmentation of procurement records, where different documents pertaining to a single procurement activity are kept by different offices, such as accounts, registry, and stores section;
14. Existence of different versions of the same information and the absence of a definitive or authentic version;
15. Unauthorized access to, alteration or destruction of records;
16. Inability to locate and retrieve needed document due to disorganized storage;
17. Absence of reliable records control systems;
18. High incidence of lost and missing files which necessitates opening of many temporary files;
19. Inadequate and weak file movement control procedures;
20. Unqualified staff in charge of records and with low morale;
21. Huge backlogs of closed and unorganized files;
22. Lack of budgetary provision for records management; and
23. Inappropriate, dilapidated and inadequate filing equipment.

A well-structured record keeping system is a key component for effective and efficient delivery of services and a foundation of 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 responsibility for the records management function is assigned.

3.2 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 from the government issued from time to time.

The Accounting Officer is ultimately accountable for record keeping in the Procuring Entity. The senior management in the Procuring Entity should ensure that all staff are made aware of their record keeping and records management responsibilities. Senior officers should lead by example and should themselves observe good record keeping practices.

The records manager in a Procuring Entity is mandated to make such training and other interventions necessary to ensure that records management practices comply with the existing legislative requirements and government policies.

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.

Every Procuring Entity should assign responsibility for management of records to one or more specific officers. A large Entity such as a Ministry, a large department or a major parastatal corporation should establish a records management unit, headed by a qualified records manager. The role of the records management unit will be to maintain, control and protect the records, and produce them promptly upon request by authorized officers. 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. A Procuring Entity should allocate adequate resources to support records management activities. Adequate and secure accommodation facilities for current and non-current records should be provided.

It is the responsibility of every officer to create and maintain accurate records. Official records should be maintained in official files in a central place where they will be accessible by all who have access rights. In this regard it is not permissible for official records and documents to be maintained in personal folders or drawers, or to a have private and unofficial systems for keeping and retrieving records.

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 remove a document from, or tamper with the contents of a file. This includes removal of papers, deletion, alteration or destruction of official documents.

3.3 Requirements for procurement records management

Procurement records management program should consist of the following elements:

3.3.1 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 will be used for purchase of equipment, materials and accommodation.

3.3.2 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.

3.3.3 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.

3.3.4 The role of the accounting officer in the management of procurement records

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.

3.3.5 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/she should ensure that documented records of procurement transactions are comprehensive, accurate, authentic, understandable and usable. A Procurement Unit should assign in writing responsibility for the maintenance, control, security and access to procurement records to a specific procurement officer.

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

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

3.3.6 The role of the procurement records manager

It should be the procurement records manager's responsibility to ensure that all the documents pertaining to a specific procurement are placed in one file. 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 will also need to be folio numbered, i.e. each paper will need to be serially numbered, to protect them from unauthorized tampering or removal of papers from a file. It is easy to detect removal of papers from a file because of the evident break in folio numbering. If for some reasons the documents cannot be accommodated in one file, subsidiary files linked with the main file will be opened. The procurement activity file will bear the tender or quotation number, item name and the file reference number generated from the procurement file scheme. Files will 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.

The records management officer's responsibilities should include:

1. Being accountable for accurate recording of file data and movement of files and documents in the PU ;
2. Providing assistance and information on the status of records;
3. Directing the implementation of a records management program within the PU;
4. Monitoring compliance with legislative and other recordkeeping requirements;
5. Addressing and resolving record keeping problems;
6. Preparing periodic reports for the head of Procurement Unit with respect to records management operations;
7. Preparing and submiting a budget for records management activities;
8. Ensuring the completeness, security, integrity, confidentiality and security of procurement records and documents;
9. Receiving, downloading, filing and forwarding electronic mail (on procurement activities);
10. Organizing storage of procurement records in a manner that will permit their access and retrieval;
11. Sorting, classifying and placing of procurement documents in the right files;
12. Maintaining a register of all files and documents requested by action officers;
13. Ensuring prompt delivery of files and documents requested by action officers;
14. Controlling and tracking movement of files in and out of the unit;
15. Receiving and recording of all incoming documents in paper or electronic format;
16. Following up on files and documents borrowed by action officers; and
17. Maintenance of a closed procurement files room (records centre or archives).

3.4 Use of procurement records

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

1. Procurement Unit;
2. Finance department;
3. Auditors and Procurement reviewers;
4. End users of goods or services;
5. Authorized persons; and
6. Officers of the Compliance Department of PPOA.

3.5 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 procurement requirement. It is important to ensure that the procurement file will contain all the pertinent documents. 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. The following sections examine key documents in a procurement file.

3.5.1 The procurement plan

Regulation 20 of PPDR requires 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 be 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. Procurement plan preparation will generate a lot of paper work which needs to be placed in a file. The procurement file will contain the plan and related papers.

A file for procurement plan will be opened and maintained as one of the files in the procurement category. The file will contain the procurement plan as well as correspondence and other documents related to preparation of the plan. 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.

3.5.2 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. 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:

1. Name of the user department;
2. Item code number (drawn from the Supplies Branch catalogue for common user items) where applicable;
3. Item or service description and specifications;
4. Quantity and unit of issue;
5. Requisitioning officers name and signature;
6. Recommendation by the departmental head;
7. Approval by the AIE holder ; and
8. The vote to be charged.
9. Quotation/tender/contract number, LPO/LSO 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.

3.5.3 Receipt of bid documents

The tender documents will be deposited in the tender box, which will remain locked until the time for 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 and a representative of the bidders present. The tender documents should be entered in the tender register, and be securely stored pending evaluation, adjudication and award.

3.5.4 Tender/contract file

A tender file should as a minimum contain the following documents:

1. Purchase requisition from user department;
2. Market survey form;
3. Procurement plan extract from user department;
4. Approved Tender notice;
5. Tender documents;
6. A copy of the tender advertisement as it appeared in the daily papers;
7. Notice of tender opening and tender opening minutes;

8. Copy of the LSO that was raised for the advertisement;
9. Copy of letter of appointment of the tender opening committee;
10. Copies of bid security documents where applicable
11. Appointment letter for tender evaluation committee;
12. Minutes of the evaluation committee, evaluation summaries (or reports) and recommendation for award;
13. Extracts of the relevant minutes of the tender or procurement committee that adjudicated and awarded the tender;
14. Notification Letter of tender award to the successful bidder;
15. Notification Letter of tender award to the unsuccessful bidder;
16. Letter of acceptance by the winning bidder;
17. Copy of Performance bond (where necessary);
18. Contract agreement form signed by the supplier and the Accounting Officer;
19. LPO / LSO signed by authorized persons and by the supplier;
20. Copy of delivery note;
21. Copy of the invoice;
22. 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;
23. Copy of goods received voucher (form S13) signed by an authorized person;
24. Copy of the payment voucher, and cheque number generated by the IFMIS system;
25. 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;
26. Copies of the notice of termination of procurement proceedings to the bidders;
27. Copy of termination report to PPOA as per section 36 (7) and (8) of the PPDA; and
28. 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:

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

3.5.5 Unsuccessful tender documents

Unsuccessful tender documents should be separated from the successful ones. Unsuccessful tender documents should be organized in the tender register entry number that was allocated at the time of opening the bid documents. The unsuccessful bid documents should be stored in secure cabinets in the Ministerial Tender Committee secretariat.

3.5.5 Request for quotation files

Similarly, a comprehensive and complete quotations file should contain the following documents:

1. Extract of the relevant procurement plan;
2. Purchase requisition from user department;
3. Request for quotation form (S 10) submitted by suppliers;
4. Tax compliance certificate;
5. PIN and VAT certificates;
6. Business registration certificate;

7. Filled confidential business questionnaire, S 33;
8. Evaluation committee summary and report;
9. Recommendation for award;
10. Extracts of the relevant minutes of the tender or procurement committee that adjudicated and awarded the tender;
11. LPO / LSO signed by authorized persons;
12. LPO / LSO signed by the supplier;
13. Letter of notification of award where applicable;
14. Letter of acceptance by the supplier where applicable;
15. Delivery note;
16. Invoice;
17. Signed copy of the inspection and acceptance committee minutes or form; and
18. A copy of payment voucher and cheque number.

Tenders and request for quotation files should have indicated 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 physically 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 will have to maintain a register for recording details of files borrowed by action officers.

3.5.7 Request for quotation (S10) form

The Procurement Unit uses the S 10 form to get quotations from the suppliers. The quotation form should contain the following details:

1. Supplier's name, signature and address;
2. Quotation number and date;
3. Buyer's designation and address;
4. Point and date of return of quotation forms;
5. Item code, description unit, quantity and the price of the item;
6. Suppliers delivery time;
7. Item brand and country of origin; and
8. Date, names, designations of the quotation opening committee members.
9. Instructions to bidders

3.5.8 The evaluation committee minutes

Regulation 16 (1) of the PPD 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:

- Minutes of the opening of the tenders or proposals;
- The results of the preliminary evaluation;
- The scores awarded by each evaluator or for each tender or proposal;
- A summary of relative strengths for each proposal;
- Total score for each tender or proposal; and

- A recommendation for award to the lowest evaluated bidder or the proposal with the highest score.

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

3.5.9 The tender committee (TC) minutes

The Tender Committee's function is, among other things, to verify and ascertain the legality of all procurement and disposal activities, and to award contracts.

The Procurement Unit will normally provide the secretary to the tender committee. The minutes of the TC should be as comprehensive as possible and should contain the date and venue, list of members, apologies for absence, any conflicts of interest declared the matters discussed, decision on every matter, the TC secretariat's comments and should be signed by the chairman and the secretary. The letter of the tender committee appointment 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 will 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) will be the authoritative TC file and should therefore be securely maintained.

The TC minutes file should not be permitted to become bulky and unwieldy. It should be closed upon attaining reasonable thickness - the file fastener will be the guide - or at the close of the financial year. The file should have the minutes organized in session number and organized 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. This will include:

- 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 and organized storage in the closed records facility. The closed files should be physically 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 departmental records centre.

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

3.5.10 Procurement committee minutes

Regulation 15 (7) of the PPDR states that the Procurement Committee shall cause to be prepared minutes of all its meetings. Among the records to be made from the meeting include:

1. Date of meeting;
2. Register of attendance;
3. List of all matters considered;
4. Decisions made for each matter;
5. A note on the basis of any evaluation; and
6. Any conflict of interest declared.

Letters of appointment of the Procurement Committee should be placed in the minutes file that will 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.

3.5.11 Retention of procurement and Tender Committee files

Closed procurement committee and TC files will be entered in a closed documents register before transfer for preservation in the procurement closed records room. The closed documents will be retained for the prescribed minimum of six years as provided for in the Regulations and then reviewed or appraised. Some of the files will upon review be found to be worthy of permanent preservation in the National Archives. These should be transferred there for preservation. Those found to be not necessary for further retention, such as duplicate minutes files for members of the TC will 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.

3.5.12 Local purchase/service order

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

1. Suppliers name and address;
2. Tender or quotation reference number;
3. Contract number;
4. LPO number and date;
5. Address of the buyer and place and date and time of delivery;
6. Item code number;
7. Full description of goods;
8. Quantity ordered;
9. The total cost;
10. Account and vote to be charged;
11. Name, designation and signature of the AIE holder;
12. Signature of the accountant in charge of Vote book Control;
13. Supplier's signature and date; and
14. IFMIS number and signature of the officer responsible for computer data entry.

Distribution

The LPO will be distributed as follows:

1. The original and first copy is issued to the supplier;
2. The first copy will accompany the goods to be delivered and will be placed in the procurement activity file;
3. 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(S 10); and
4. The third copy is left in the pad.

The used or partly used LPO booklets 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 LPO booklets 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.

3.5.13 Receipt of goods - inspection and acceptance committee

The inspection and acceptance committee is established in accordance with Regulation 17 (1) of the PPDR. 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. If a form is used it should record the following:

1. Supplier's name;
2. Order/ tender,/contract number;
3. Invoice number
4. Item number, description, unit and quantity;
5. Date and time of delivery; and
6. 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, user department representative and the officer in charge of stores.

3.5.14 Issue and receipt voucher-S 12

The goods supplied are received into the PE using the S12- the issue and receipt voucher. This is raised in six copies and distributed as follows:
1. 1st copy remains in the receipt section and filed as evidence for delivery and receipt of goods;
2. 2nd copy accompanies the goods to the warehouse where the goods are stored;
3. 3rd copy retained attached to the payment voucher;
4. 4th copy is sent to the stock control to enable adjustment of stock control card, the S 3;
5. 5th copy is sent to procurement office for filing; and
6. 6th copy remains in the pad.

The goods issue and receipt voucher should contain the following particulars:

1. The suppliers name and address;
2. Date;
3. Invoice number from the supplier;
4. LPO number;
5. Description of goods received;
6. Unit, quantity and value of goods received; and
7. Name, signature and designation of the person receiving the goods.

3.6 Contract administration

It is important to monitor procurement contracts, particularly multiyear contracts in order to ensure the contractors and suppliers meet their contractual obligations. In the execution of a contract record keeping is a key function particularly with regard to documenting the progress and performance of the contract including contract variations. Some of the important documents generated in contract execution include the contract agreement, contract management plan, progress reports, minutes of contract review meetings, contract amendments and variation applications, and approvals, payment schedules, and part and final completion certificates.

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. This will entail monitoring of contract amendments, and maintaining minutes of the TC that approved the changes to the contract
Record and document keeping is important in monitoring the contractor's performance to ensure that the contract is implemented in accordance with the terms and conditions of the contract agreement.

The contract agreement document should comprise:

- Original tender documents;
- Signed contract form;
- Letter of appointment of tender evaluation committee;
- Extract of relevant TC minutes that awarded the contract;
- Letter of award;
- Letter of acceptance; and
- Performance guarantee.

The contract should be maintained in contract number and tender reference number order in secure cabinets. The contract should be linked with the corresponding quotation or tender file.

3.6.1 Contracts register

A contracts register should be maintained that contains the following details:

- Contract name;
- Date of contract award;
- Contractor's name;
- Account charged;
- Total cost; and
- Payment dates and completion dates.

For multiyear contracts such as roads, a project file will need to be opened that contains all the documentation pertaining to the project, such as correspondence between the client Ministry and the contractor. As most public construction projects such as roads, bridges and public buildings are permanent structures, the related project documentation, such as plans/drawings, minutes of meetings and progress, reports and project correspondence between the PE and the contractor should be preserved permanently. The procurement records management officer under the direction of the head of records management has a key role to play to ensure the records are well managed, preserved and made accessible.

3.7 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.

3.8 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 filing system is the official and approved file classification scheme, and 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 procurement 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 results are official information becomes inaccessible.

The filing system recommended in this manual is the alpha-numeric that is based on functional approach of 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:

1. General administration;
2. Human resource;
3. Finance and accounts; and
4. Procurement.

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

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

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 will be physically arranged in secure and labelled cabinets in the sequence of arrangement on the file scheme.

3.8.1 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
- 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:

1. A separate number for each solicitation document e.g. 02 for the second solicitation document or RFQ resulting from the requisition;
2. 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 each the date, person and department/project and the subject of the procurement.

In creating a Procurement Reference Number the following process is followed:

a) The Procuring and Entity Code is included by the initiator of the procurement requirement;
b) The abbreviation for Works (Wrks), Services (Srvcs) or Supplies (Supls) is included by the initiator of the procurement requirement;
c) 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);
d) The five digit number allocated for this requirement is obtained by the initiator of the procurement requirement form the person nominated by the Accounting Officer with the responsibility to allocate reference numbers within the Procuring and Entity code.

In order to integrate the procurement files with other records in an entity it will be 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 start from the general to the specific. For instance under the general file "Tenders general" individual and specific tender files will be 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/Sppls/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 make copies of the file index available to all officers who require access to the files and information. This has given rise to existence of a parallel filing system where officers devise their own file retrieval mechanisms. Cases of officers opening and maintaining own files alongside the official ones arises from the failure to distribute copies of the file index. This weakness also contributes to instances where officers are unwilling to release files back to the procurement records office for fear that they may not easily get the files when they need them next.

3.8.2 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.

3.8.3 Filing of procurement papers and documents

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

1. A well-structured file index that captures the existence of all documents;
2. All files must be indexed with the required reference and code number;
3. Official documents must be kept in official files;
4. Officials must avoid devising unofficial and private file tracking systems;
5. Copies of the file index must be widely circulated to users;
6. Opening of temporary files must be avoided;
7. Closing files on attaining the appropriate thickness- avoid maintaining files that are too thick;
8. Internal organization of the file, papers must be numbered sequentially-assists in detecting cases of folio removal, or tampering with file contents;
9. All official files must be registered; existence must be documented in a file register. Officials must avoid keeping of private folders;
10. An inventory of closed files needs to be maintained; and
11. 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 within the file will be filed in chronological order, and will be serialized, or folio numbered. It is also important for the records manager to ensure that all documents pertaining to a procurement activity are available in the file, and in the right order. For this purpose a check list of all the documents in the file should be maintained as the first folio in a file.

Maintenance of the documents mentioned above will make an entity compliant with the requirements of the procurement law. The documents in a procurement file will vary according to the procurement method. It will be the records manager's duty to ensure that all documents for the entire procurement process are maintained in the file. These should be documents such as delivery note, invoice, certified goods received voucher, payment voucher number and the cheque number.

3.10 Procurement file movement register

The procurement file movement register will record the following details:

1. File title and reference number;
2. Date borrowed;
3. Name of borrower; and
4. Date of file return.

The register should be frequently examined to determine 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.

3.11 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.

3.12 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 will 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.

3.13 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.

In order to comply with section 45 (6) of the PPDA the procurement file scheme will need to be cross-referenced with the corresponding payment files in the Accounts division. Procurement files will need 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. Loss of user confidence will be manifested by officers maintaining own files and reluctance or unwillingness to have the files centrally controlled by the procurement records section.

3.14 Registers

A Procurement Records Management Unit should maintain the following kinds of registers. Registers are important because they document records and files which have been captured in the PU's records management system. For this reason they should be properly cared for.

3.14.1 Tender register

This register is used for recording details of bidders who have bought tender documents. It runs for one financial year, and captures the following information: tender title and number, tender closing date and time, company address, receipt number, collectors name, tender number, signature of person collecting and date of collection.

3.14.2 Quotations register

This register records the following details: date, quotation number, department, name of sender, item description, firm's name and address, receiver's name, closing date, and remarks. The forms will be filed in the relevant quotation file

3.14.3 Tender opening register

This register is maintained in compliance with section 60 (5) of the Public Procurement and Disposal Act. It identifies the tender name and reference number, number of tenders sold; tender opening date, tender opening time, closing date, number of respondents and the LPO for tender advertisement. The form also records the names, designations and signatures of the chairman, secretary and the members of the tender opening committee. Also recorded on the form are the names of the suppliers' representatives, firms' represented, tender number and the firm's representative's signature.

3.14.4 LPO/LSO register

This is used for documenting the existence of all issued LPOs and LSOs. Among other things the register identifies the LPO/LSO number, item description, amount, the supplier, the AIE holder and a provision for the signature of the head of Procurement Unit and the Chief Finance Officer.

3.14.5 LPO movement register

This is used for recording details and movement of all LPO/LSOs issued and records the LPO serial number and the signature of the procurement officer

3.14.6 File movement register

This records the file name, file reference number, date out, date returned, the borrowing officer and the signature of the person who collected the file. The register is used for tracking file movements.

3.14.7 Sample register (vouchers)

This is used for recording the particulars of samples of items submitted by bidders. The sample register (form) is kept in the respective tender or quotation file. The register identifies the sample submission date, item number, item description, sample size, batch number, brand name and an indication of whether any relevant product literature was included.

3.14.8 Payment voucher movement register

This register is used for monitoring and tracking the payment voucher movement, and it records the date out, name of borrower, PV number, date returned and the signature of the person collecting it. The register is maintained by the accounts section.

3.14.9 Out-going files register

A procurement file movement register should be maintained by the procurement records management unit for controlling and tracking movement and circulation of files. The register captures the following details of a borrowed file:

- File reference and title;
- Date issued;
- To whom issued; and
- Date returned.

The procurement records management officer should be responsible for the maintenance of the file movement register

3.14.10 Assets register

A Procuring Entity should maintain an assets register for items of capital nature such as plant machinery, vehicles, office furniture and books. The register should record item description, model number and location. The register should be maintained by the Procurement Unit. An inventory sheet for items in each room or office should be maintained.

3.14.11 Register of bid bonds

This records the following:

- Bidder's name;
- Contract name and number;
- Name of the bank/financial institution issuing bond;
- Date of issue and receipt of bond;
- Expiry date of the bid bond; and
- Value of the bond.

The successful bidder's bond will be retained until the performance security is received. Bid bonds should be returned to unsuccessful bidders, and the collectors should sign in a register that they have collected the bonds.

3.15 Maintenance of closed procurement documents

Regulations 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.

3.16 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.

Procurement records shall be disposed of in accordance with the requirements of the following legislations and regulations:

- Public Archives and Documentation Service Act, Cap 19; and
- Government Financial Regulations, (chapter 23) 1989.

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

After the 6 year minimum retention period provided for in section 36 of the Procurement Regulations, 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.

3.18 Auditing the procurement records management system

A periodic audit and inspection of a PU's records keeping system will need to be carried out. 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 procuring unit and to the Accounting Officer. The report will provide a basis for action where records problem is identified. It should be particularly useful to the head of the concerned procuring unit and the accounting officer who are responsible for maintaining financial and procurement records. Key questions to consider when conducting a records management audit include:

1. Has the responsibility for managing and maintaining procurement records been assigned to an officer?
2. Are procurement documents organized in files and accessible?
3. Are the documents in a procurement file filed in the order and sequence of the transactions they relate to?
4. Are the procurement files complete with all the necessary documents, or are the documents scattered in various offices?
5. Are the stores records maintained in any order?
6. Are the store records retrievable with ease?
7. Is there an established records management unit?
8. Is there a tool to facilitate retrieval of archived procurement records?
9. Are non-current records properly organized in a records room (Archives)?
10. 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.

4.0 INVENTORY MANAGEMENT AND STORES RECORDS

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. It is particularly important to have close collaboration among the officers responsible for the management of procurement, stores and accounts records. The head of records management department in a PE must provide direction and leadership in the management of stores records alongside other records in the entity. The following are some of the documents in use in the stores section:

4.1 S12 Issue and receipt voucher

These are usually numbered serially. They are used for receiving and issuing goods by the stores; the original is maintained by the stores, the duplicate is kept by the person collecting goods, while the triplicate is sent to the collector of goods for him to acknowledge receipt of goods, which he signs to acknowledge receipt and returns to the stores. The fourth copy is attached to the payment voucher, while the fifth copy is retained in the pad. The serial number of the S12 is quoted on the ledger card.

Maintenance of the S12

The original and second copy S12 receipts should be maintained in a file in serial number and date sequence. A file should be maintained for each financial year. The used receipt books should be similarly maintained in date and serial number sequence and according to the financial year.

4.2 S11: Counter requisition and issue voucher

This is used for requesting and issuing goods from stores. It identifies the Ministry, the department requesting goods, and has the following columns:

- Code;
- Item;
- Unit of issue;
- Quantity ;and
- Remarks.

It identifies the requisitioning officer, the issuing officer, and the receiving officer. The account to be charge is also shown. It also identifies the requisitioning officer, the issuing officer and the receiving officer.

The original document is maintained by the stores, the duplicate by the receiver, while the triplicate is maintained in the pad. The user department should also maintain the triplicate copy in date, serial number sequence and in fiscal year arrangement

The original vouchers should be maintained in a file in serial number and date order, and according to the financial year. The used receipt books should similarly be maintained in serial number and date order, in each financial year. These documents should be securely maintained in lockable cabinets, and should be easily retrievable.

4.3 Bin card S5

The S5 card or the bin card is used for controlling stocks and for physical stock verification in a warehouse. The bin card details the goods received and issued from the stores section. The bin card facilitates indexing and location of an item in the store and movement of materials in and out of the store. They are also used for stock replenishment. They should be maintained in files by the stores staff according to the item code number and in date order and fiscal year arrangement.

4.4 LPO

A purchasing officer issues a copy of the LPO to stores officer to alert him that a delivery of stock will eventually come about, although it may be some time before the goods actually arrive at the stores.

4.5 Delivery note

This document is usually supplied with the goods as they are delivered; it states what the supplier has actually delivered to the store. It is the responsibility of the stores manager to check delivery notes and sign them as correct or not as the case may be. The delivery note could be described as the most important stock receipt document; as it contains the following information:-

a) Quantity
b) Type
c) Colour
d) Code
e) Date
f) Costs

4.6 S3 – Stores ledger and stock control card

This card is used for recording all the materials and items supplied to the store, whether from internal transfers (i.e. from another Procuring Entity) or from external sources (i.e. delivery from suppliers). Both must be strictly controlled to ensure efficient stores management and smooth operations. Items received are transacted in red pens while issues are done in either blue or black. S11 and S13 are reflected in S3 card.

4.7 S13 – Counter receipt voucher (GRN – Goods Receipt Notes).

It is the duty of the storekeeper to receive and handle all items delivered to the store, to check the documentation (delivery notes, LPOs etc) the following information is found on the counter receipt voucher.

i) Procuring Entity
ii) Receiving Officer
iii) Issuing Officer
iv) Signature and Designation
v) Date and account number
vi) It is raised in three copies, original duplicate and triplicate.

4.8 Counter requisition and issue voucher S11

The "issue" function of stores management is the process of reacting to the demands of users for goods and services held within the store. The success of this function is often taken as a measure of the efficiency of the whole stores operation. The document has the following columns:-

1. Code
2. Item
3. Unit of Issue
4. Quantity
5. Requisitioner's name and signature
6. Receiving Officer's name and signature
7. Date items are issued

4.9 S4 – Stores ledger and stock control register

It is the register for all S3 Cards. The S3 cards being accountable and auditable documents have to be properly maintained for avoidance of losses or alterations.

4.10 S12 – Issue and receipt voucher

This document is used to transact stores between Procuring Entities e.g. Ministry to Ministry, Ministry to parastatal, Department to Department. Procuring Entities requisition their goods from Ministry of Public Works (Supplies Branch) by use of S12.

4.11 Maintenance of stock 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.

4.12 Security of accountable documents

Accountable documents are officially prescribed forms that must be used for procurement transactions. LPOs and other accountable documents need to be kept under lock and key in a secure room to prevent their misuse.

4.13 Register for accountable documents

Accountable documents should be securely maintained. They should be issued serially and control on serial number has to be ensured. A register for accounting documents issued to user departments should be maintained. The register should record the following details:

- Date;
- serial number;
- Department;
- Name; and
- Signature of officer collecting documents.

5.0 ACCOUNTING AND PAYMENT RECORDS

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

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

Supporting documents such as the LPO/LSO, invoice, goods received voucher and extracts of the evaluation and tender committee minutes that awarded the contract will 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 GFS system in central government. The files must be clearly labeled 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 will 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 will 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 will be necessary for efficiency in document location and retrieval.

5.1 Filing of payment vouchers

PVs along with all the supporting documents - copies of LPOs, 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 will be written on the cover.

An inventory of the payment vouchers file that is cross-referenced with the related procurement files should be maintained. Both 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.

5.2 General principles of managing financial and accounting records

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

1. Management of financial and accounting records should be assigned to a specific officer or unit within the accounting department;
2. 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;
3. Accounting records should be managed throughout their life;
4. Accounts and financial records should be managed and arranged according to financial function;
5. Financial and accounting records should be maintained and arranged according to accounting period and financial activity;
6. Financial and accounting records should be protected against unauthorized access, alteration and destruction;
7. Closed accounting records should be periodically removed from the current system for organized storage in a secure closed records room; and
8. Closed and non-current accounting documents should be disposed of in accordance with chapter 23 of the government financial procedure and regulations.

6.0 RISK MANAGEMENT AND SECURITY OF RECORDS

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 will merit a higher level of protective measures, including security classification to restrict access and their storage in a secret or confidential registry. Records that appear to be prone to the risks need a higher level of security, such as storage in a secret registry in order to have restricted access. While security classification of files is essential, it is unwise and 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.

Procurement files and documents are vulnerable to the following threats;

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

Some of the basic security safeguards for files include:

1. Maintaining a minute sheet for each file-this is a card that contains a summary of the file contents;
2. 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;
3. Documentation of all existing files in an approved file plan;
4. Assignment of responsibility for maintenance and filing of documents and files
5. Maintenance of file integrity;
6. Folio numbering of documents in a file in order to easily detect cases of unauthorized removal of papers from a file.
7. Duplication and dispersal of records where high value records are distributed to other departments or individuals to guard against loss and alterations;
8. Secure storage of both open and classified files; and
9. Secure storage of procurement documents before and after evaluation and adjudication.

Regulation 8 (3) (d) of the PPDR requires a Procurement Unit to maintain and safeguard procurement and disposal documents and records. Procurement records should be protected at all times from all threats. The records will need to be protected against unauthorized access, leakage of information and against fire and water damage. Classified records will need a higher degree of protection. In this regard, the head of Procurement Unit should:

1. Identify and use proper and secure storage rooms and facilities for procurement records;
2. Identify, purchase and install proper and appropriate storage equipment and enclosures for the records;
3. Identify, purchase and install appropriate firefighting equipment in the records keeping areas and facilities;
4. Ensure that vital records are identified in time and kept elsewhere as a security measure;

5. Ensure that there is backup for electronic records;
6. Ensure that access to records is restricted to authorized persons only;
7. Ensure that procurement staff are sensitized and trained on prevention and management of hazards ;and
8. Put in place ways and measures in which the documents in varying formats will be protected in case of a disaster.

6.1 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 advise on the most appropriate fire prevention and equipment to install. Fire precautions should include:

1. Ban on smoking within the building and particularly in the filing and records storage areas;
2. General tidiness and removal of hazardous clatter such as heaps of files, papers, boxes and rubbish;
3. No hazardous or inflammable materials should be stored in the building;
4. Installation of fire extinguishers and smoke detectors in the building. The smoke detectors and extinguishers should be serviced regularly;
5. Electrical appliances should be switched off at the end of the day;
6. Firefighting equipment such as hose reels and extinguishers should not be used for purposes other than fire fighting;
7. 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;
8. Availability of fire extinguishers in all rooms. The extinguishers should be serviced regularly; and
9. Clearly posted fire escape routes, exits and procedures.

6.2 Precautions against water

Precautions against water will include the following:

1. Records should be place far from water mains and drainage pipes;
2. Roofs should not be leaking; and
3. Plumbing should be of high standard, and be regularly checked.

6.3 Precautions against rodents and insects

Precautions against rodent and insect invasion should include the following:

1. A regular full building inspection to locate and block all points of rodent and bird entry;
2. Complete ban on all food eating and storage in records keeping and storage areas; and
3. Regular and thorough cleaning of ceilings, walls and floors, and regular fumigation.

6.4 Precautions against people

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 they be 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.

6.5 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 extreme embarrassment. 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.

6.6 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:

1. Employee compensation and benefits;
2. Insurance;
3. Research findings;
4. Proof of ownership of property;

5. Contracts and agreements;
6. Research and development records;
7. Assets/Liabilities records; and
8. Deeds/Mortgages.

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

6.7 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:-

- Physical security of the computer hardware; and
- Security data through controlling access.

6.7.1 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.

6.7.2 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 suffering 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.

6.7.3 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.

6.7.4 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.

6.7.5 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.

6.7.6 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.

6.7.7 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.

6.7.8 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.

6.7.9 Data backups

Backing up disks is an essential safeguard against data loss through a disaster. 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 BACKUP 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 five major entities including ministries of Health, Energy, Education, Roads and Public Works and the Kenya Medical Supplies Agency. 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:

1. Organizing and controlling current records;
2. Automating records services;
3. Managing public sector records; and
4. Managing financial records.

The following publications were also found useful:

1. A Manual of Records Management (Kenya National Archives, 2002)
2. ISO 15489 Information and Documentation-Records Management; and
3. 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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