**INFORMATION GOVERNANCE**

**Myths and Realities: Risk Management**

**MYTH: There’s no risk here! We’ve never been sued or had an audit finding.**

**Reality:** No one is immune to a lawsuit or an audit. Small agencies as well as large have all suffered from either a lawsuit or made the front page in an audit finding. While you may never have been sued over a public records violation or had a finding, lots of agencies have – and it can affect even an agency with the best intentions. The costs involved can add up to a significant amount even before a fine is considered. To name a few of the most well-known records lawsuit and the fines imposed (not including attorney’s fees and court costs):

* City of Mesa (2007) $167,930.00
* City of Shoreline (June 2013) $538,555.00
* Snohomish County (October 2014) $575,000.00 (as a settlement)

And unfortunately the list is more extensive with a number of not-so-well-known lawsuits that happen each year.

Risk insurance DOES NOT cover these types of fines – that money comes directly out of the agency pocketbook.

There are a lot of rules, statutes and accountability requirements that apply to local, state, and federal governments. Records are the evidence that an agency needs to keep to demonstrate that their business and legal obligations and requirements are met.

Ever go through an audit? What does the auditor want to look at? RECORDS. Accountability and proof are found in the records an agency creates, receives and uses in the conduct of their business. Records are the evidence asked for by auditors and requested in public disclosure.

Some records are required to defend or protect an agency’s actions in court or some other legal process. While some of these records may have a fairly short internal business or legal need or statute of limitations involved, many may have other long-term or permanent external retention requirements. Records are one of the agency’s most important asset, yet one of the most frequently ignored and managed as an asset.

You can get insurance to cover the other assets of the organization – buildings, equipment, facilities, staff, and you can get disaster coverage if you have a flood or fire, but you can’t buy insurance protection from disorganization or damages resulting from a fine.

You CAN buy protection and prevention. By investing and prioritizing a robust information governance program and investing in an Enterprise Content Management (ECM) system will help limit liability and provide cost avoidance benefits as well as provide process improvements and reduce costs.