

Information Auditing Report and Tool Kit

2nd edition by Sue Henczel

Based on 1st edition by Steve Wood, published by Free Pint Limited in 2004

"In recent years, much progress has been made in the way organisations have started to gain value from information audits and there is now a range of experienced practitioners and consultants to draw upon. By using this report, you can tap into the expertise of its contributors as well as knowledge resources within your own organisation."



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Author Profile



Sue Henczel is well known for her consulting and training in information auditing, and in particular for her writing. Her book 'The Information Audit: A Practical Guide', was published in 2001 by K.G. Saur (Munich). She is the author of many chapters, articles and conference papers and presentations on information auditing, knowledge management, performance measurement and benchmarking.

A professional librarian, Sue has worked in academic, public and special libraries in Australia, and she works extensively for the profession through her international networks in Asia, the United States, and the United Kingdom. Sue is a Fellow of the Special Libraries Association and the Convenor of SLA's International Information Exchange Caucus. She is a member of the Editorial Advisory Board and Book Review Editor for Emerald's Library Management Journal, and a member of the International Federation of Library Associations (IFLA) Section Standing Committee on Statistics and Evaluation.

Sue works with UNESCO and the Japanese Funds in Trust to evaluate instructional modules for librarians in developing countries and has recently been invited to join the United Nations consultant roster. After 10 years with an academic library consortium, Sue has recently returned to libraries as the Manager of Faculty Services for Science and Technology, and Campus Library Manager at Deakin University in Geelong, Australia. She can be contacted at sue.Henczel@deakin.edu.au

Please note: the first volume of the Information Auditing report was written by Steve Wood during his tenure at Liverpool University and published by Free Pint Limited in 2004.

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Introduction

By Sue Henczel

" Ideally, an information audit is a holistic approach to strategic information management and encompasses all aspects of an organisation."

When and Why to Audit

The strategic management of information by organisations has become increasingly important if they are to achieve performance goals and comply with current legislative and regulatory requirements. The increasing volumes of information being produced within, and acquired by, an organisation, combined with the common scenario of multiple repositories, inconsistent sourcing and development practices and diverse information seeking behaviours are impacting on business performance and in many cases, the corporate culture. Examples of these impacts include reduced levels of productivity (outputs) and reduced quality of decision-making and reporting (outcomes). Secondary impacts affect the corporate culture and include lower levels of job satisfaction, reduced willingness to collaborate and cooperate, and increased costs due to higher staff downtime and turnover.

Many organisations have found that investment in information technology alone has not been beneficial, a situation which has compounded existing problems. Information auditing has emerged as a formal method of investigation, analysis and evaluation that feeds into the development of information strategies, policies and systems that support business performance and legal and regulatory compliance.

An information audit provides a snapshot of the current information environment of an organisation or part of an organisation. Ideally, an information audit is a holistic approach to strategic information management and encompasses all aspects of an organisation. It can, however, be used to examine a part of an organisation (eg geographic region, business unit, etc.), a process (eg records management, intranet usage, risk management, legal compliance, etc.) or a type or, or format of information (eg databases, electronic subscriptions, etc.).

The key questions that will trigger information audits are:

- What information do we need to meet our business objectives?
- What information do we need for legislative and regulatory compliance?
- What information are we creating, storing, processing and using?
- How effectively does information flow within the organisation and between the organisation and its external environment?
- How much does it cost to acquire or create the information we use?
- What policies and strategic actions are required to improve the effectiveness of the internal information environment?
- How is technology impacting on the way we manage and use our information?
- How will a major business change (eg merger, new product change, buy-out, restructure) impact on the way we manage and share information?

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Some of the symptoms that will prompt an information audit are:

- Decisions are made based on information that is not the best available
- Too much staff time is spent on information management activities (sourcing, storing, locating and retrieving) instead of core activities
- Silos of underused information are located held in various parts of the organisation
- Critical information is not available when and where it is needed
- Information creation and acquisition activities are often duplicated
- Staff lack awareness of what the core organisational information assets are
- Organisation lacks common practices for managing information
- Staff lack understanding of the content requirements of an intranet or website
- Organisational strategy does not have a clear link between strategies for information management and the technology and systems that support it.

The reasons for conducting an information audit can be categorised into **environmental** or **organisational** factors.

Environmental factors

Environmental factors are those that are external to the organisation but that exist in its operating environment. They include social, political, economic, technological and legal factors such as the following:

Legal and regulatory compliance

An audit can help assure internal and external stakeholders as well as regulatory agencies that the organisation can comply with legislation such as Freedom of Information legislation and corporate governance requirements.

Competition

Audits ensure that the organisation has the information it needs to remain competitive and to achieve a competitive advantage.

Changes in customer expectations

Information audits are deployed to ensure that the information that customers expect to have is readily available in a format that can be passed on to them.

Technology changes and developments

An information audit may focus on information-related technology, to ensure that the technology an organisation employs enhances its information delivery and transfer rather than inhibiting or impeding it.

Organisational factors

Organisational factors are internal to the organisation. They include processes and resourcing (financial, human, technical and physical) such as the following:

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Process support and efficiency

Ensuring that all processes have the information they require aims towards the consistent production of quality outputs. The tasks and activities that have information requirements are identified. The way in which the information is used is identified, as well as the information outputs of the tasks and activities. It identifies under- or over-provision of information products and services and inappropriate or ineffective use of information.

The financial cost of information

An information audit may be intended to ensure that the money being spent on information is being spent on information that is of value to the organisation (ie that the 'right' information is being acquired). It identifies the information products and services acquired and/or produced; the processes/tasks they relate to; and the monetary value of gaps and/or duplications.

Information transfer

The purpose of an audit may be to ensure that the information acquired and generated by the organisation is transferred effectively and efficiently to where it is needed to support other processes and activities.

Information flow

An information audit can study the ways in which information is transferred between tasks and activities, levels of the organisation and within each level. Information flow also refers to the transfer of information between the organisation and its external environment. It identifies dead ends and bottlenecks; loops / circular flows; and gaps and duplications.

Strategic significance of information

An audit may focus on establishing priorities, eg to ensure that priority is given to information that is required for strategic processes. It identifies information resources supporting section, division, business unit and organisation objectives.

Making the information environment 'visible'

An information audit increases the understanding of how an organisation uses the information it acquires and creates. This ensures that appropriate information services and products are planned, developed and delivered.

Pre-restructure

An information audit completed prior to organisational restructure or merger will ensure that losses and/or duplications of key information sources are avoided. It will also enable key information sources to be accounted for in the restructured or merged processes.

An information audit will **reveal problems** such as:

- Inequitable distribution of resources
- The use of sub-standard resources (outdated, out-of-context, lacking authority, etc.)

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- Gaps and duplications
- Information hoarding / overload
- Lack of transparency and accountability (who uses what, and for what purpose)
- Lack of information traceability (where did it come from, who created or accessed it, etc.)

The **findings** of an information audit will **show**:

- How much an organisation spends on information
- Where and how information is being used and re-used and by whom
- Where and how information is being created and by whom (and where it goes after creation)
- Where individuals and groups get their information
- Gaps and duplications in information provision

The **outcomes** of an information audit **support**:

- Intranet content development and management
- Information product and service development and delivery
- Knowledge management program development
- Development of a framework for policies, standards and procedures
- The identification of skills gaps and consequently of training needs
- The identification of individual areas of expertise

The **outcomes** of an information audit **result in**:

- A raised awareness of the value of information
- An increase in information accuracy due to the shared responsibility for information
- Better developed communication channels
- More clearly identified core customer base for internal information services
- Evidence of the value of resources and services to organisational success
- Streamlined planning and budgeting
- More easily formulated acquisition strategies for information

An information audit should inform all three components of what Marchand, Kettinger and Rollins (2001) call an organisation's *information orientation*:

- **Information Technology Practices.** The capabilities of a company to effectively manage information technology applications and infrastructure to support operations, business processes, managerial decision making and innovation
- **Information Management Practices.** The capabilities of a company to manage information effectively over the lifecycle of information use including sensing, collecting, organising, processing and maintaining information

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"The emergence of legislation related to companies, data protection, privacy, and freedom of information has focused the corporate governance agenda into the area of information governance."

"Information auditing is an area where customisation and expertise are required – an off the shelf solution (particularly one that is purely technology- driven) is unlikely to succeed."

- **Information Behaviours/Values.** The capabilities of a company to instil and promote behaviours and values for its people for effective use of information.

The term *information governance* is increasingly used to describe the way an organisation has to formally manage information in accordance with business strategy and regulatory and legislative requirements. The emergence of legislation related to companies, data protection, privacy, and freedom of information has focused the corporate governance agenda into the area of information governance.

Many organisations have found that information auditing is a complex process if true value is to be achieved from the investment required. It is important to understand that an information audit provides a snapshot of the environment at a particular point in time, and that the environment will continue to change. This is partly due to the intangible nature of information: in many circumstances it is hard to quantify its value and it can be constantly changing in value: a piece of information that is vital today can be worthless tomorrow. It is also due to technological developments that impact on what information is available and how we interact with it, and the ways in which our behaviour towards information changes as the environment changes. It is vital that organisations use a methodology that suits their environment and culture and that clear objectives are defined and communicated to ensure that the process remains focussed. Information auditing is an area where customisation and expertise are required – an off the shelf solution (particularly one that is purely technology- driven) is unlikely to succeed.

In recent years, much progress has been made in the way organisations have started to gain value from information audits. By using this report, you can tap into the expertise of its contributors as well as knowledge resources within your own organisation.

✓ Tool Kit - Activity 2: Defining Objectives, Envisioning Outcomes

To get what you need from a project, you have to know what you need. This activity will help clarify the objectives of an information audit.

2.A. Why are you conducting an information audit? What is your purpose?

Be precise about what you are going to achieve. Detail what you are trying to achieve - don't use generalities (better, improved, good), use clear and easily understood descriptions. The lack of specificity limits one's ability to envision an outcome or a state of requirements satisfaction.

2.B. What do you hope to achieve? What are your objectives?

Quantify your objectives giving information that will enable an observer to check off activities and actions that contribute to success. If progress toward an objective can't be measured, it won't be accomplished. It goes hand-in-hand with specificity; if something can't be visualized, it can't be broken down into recognizable/countable units.

Objective	S	M	A	R	T
1.					
2.					
3.					
4.					
5.					
6.					

Tick each box to confirm that your objectives conform to SMART criteria: Specific, Measurable, Achievable, Realistic, Timely. If an objective does not conform to these criteria, keep revising it until it does, or provide a specific business reason for an exception.

Make sure objectives are challenging, but achievable. If you don't have the authority to make some of the decisions that contribute to your goal how can you achieve it? Do you have the resource to make the objective happen (people, money, machines, materials, time)?

Objectives should contribute to your overall work outcomes or, if a personal goal, add a dimension to your life that you are aiming to achieve.

Deadlines are important. If you don't have one it is easy to put off getting started. State when you will achieve the objective (within a month? by February 2010?).

☑ Tool Kit - Activity 2: Defining Objectives, Envisioning Outcomes

2.C. How will these objectives result in business-positive outcomes?

For each objective, state the business-positive outcome that will result from achieving the objective. Although the positive outcomes may be obvious to you, completing this exercise is a valuable part of building the business case for the audit. If you cannot identify a business-positive outcome for an objective, consider carefully if it should be part of the project.

Objective	Outcome
Example: Identify the resources that support key business objectives	Enables the rationalisation and prioritisation of information acquisition including the cessation or modification of existing services and the introduction of new services.
Example: Map information flows within the organisation and between the organisation and its external environment.	Highlights any inefficient information flows – can lead to the reengineering of processes to make flows more efficient and effective.
1.	
2.	
3.	
4.	
5.	
6.	

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Fully updated by Sue Henczel, internationally noted expert on information auditing, the Information Auditing Report and Tool Kit provides insight, hands-on activities, links to web-based resources and additional reading.

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