

Information Audit

Introduction

In our view information is one of the fundamental assets that any organisation possesses. It is used extensively in almost every aspect of an organisation, especially financial, operational and human resource services. Performance is often measured in terms of key performance indicators (KPIs) and for them to be effective they should be timely and accurate. For that to happen the underlying data and analysis environment must be well managed, robust and aligned to the organisation's strategic goals.

The information (or data) audit is an essential tool to ensure that the information environment (scope, quality, usefulness and usability) is as good as it can be. Ideally it does not just focus on the quality of the content, but also how that content is utilised.

Musgrave Analytics have massive experience of state-of-the-art information use across several sectors and so are uniquely positioned to review and recommend best practice.

Definition

An information audit is a process by which the following questions can be addressed:

- What information is being held and how it is managed?
- What are the current information needs, broken down by functional unit?
- How effectively does the information meets these needs?

In other words, we might say that it is a systematic review of the information resources within an organisation, how they are used and the processes needed to manage them. It involves the determination of users' needs and an assessment of the cost and value of the information resources. The goal is to establish how much these resources are contributing to the organisational strategy and whether improvements to their management and use can be made to improve organisational effectiveness.

Benefits

A well delivered information audit has a number of benefits.

Value

The first benefit is that the audit validates the role of information as a fundamental corporate resource that should be invested in and managed effectively. It will show what information resources are used, by whom and for what tasks. It helps to clarify the costs (which can be reasonably easy to quantify) but more importantly the benefits (which can be much harder to quantify) of the information. These benefits include the ability to make better informed long term strategic decisions.

Diagnostic

Part of the process should also help to identify how much the information, as it is communicated and presented, is both useful and useable. Investments should be made in information that is particularly useful to the organisation. However, it is not helpful to have highly useful information that is not inherently usable. On the other hand, it is not particularly helpful to invest heavily in very useable resources that are not, in fact, very useful.

Thus, the audit process will help to identify the strong and weak points of the information available to the organisation. As a result, the strong points can be exploited more fully and the weak points (or gaps) can be addressed.

Feedback on requirements

The process of identifying user requirements is a very useful exercise in itself. It provides an opportunity for a wide range of staff to be interviewed and for their requirements to be understood more fully. This might identify gaps in provision. It might show that seemingly unimportant resources are, in fact, absolutely critical to some parts of the organisation. It may well be that some parts of the information landscape are well run and yet operate with a very low profile, in part because they work so well. The shapers of information strategy may have an insufficient appreciation of their importance.

Information awareness

The audit process might also help a wider range of users become aware of the assets that already exist, leading to better use. Also, better decision making results from a wider understanding of the evidence and so the audit may help to make additional sources of information visible. For example, decision making is improved if customer feedback, operational statistics and financial data can be considered together rather than relying on just one or two sources of information. This might lead to the investment in improved tools to bring together disparate sources (at a lower level via a data warehouse or at a higher level via a dashboard that integrate these sources).

Another way of thinking about this is that the audit provides the curators of these resources an awareness raising or marketing opportunity across the organisation.

Training

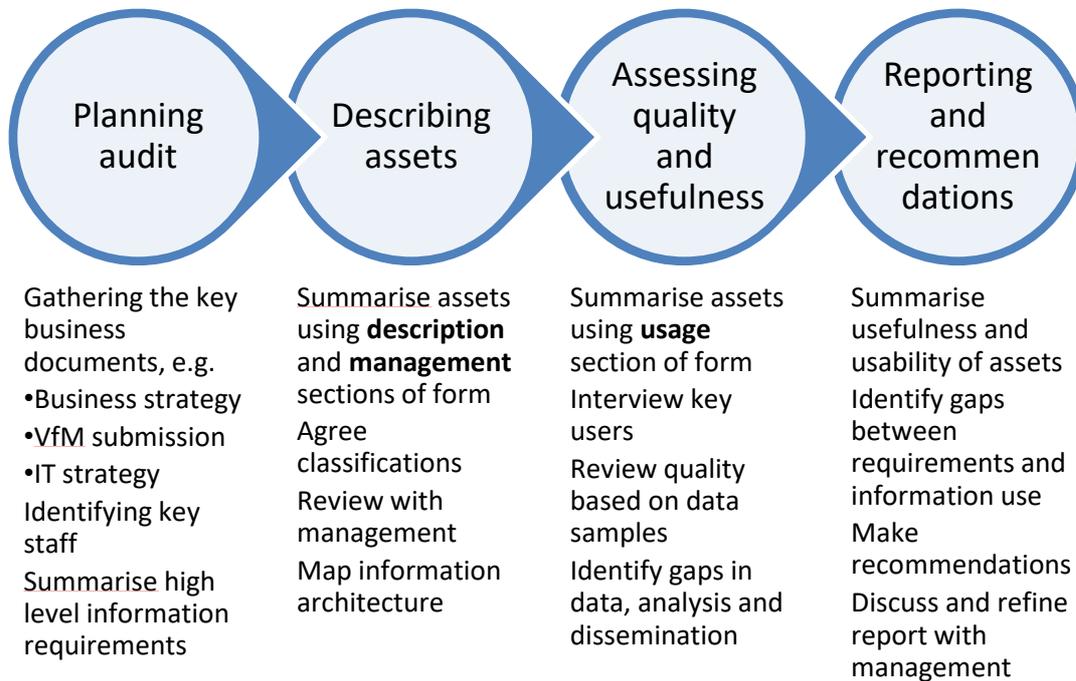
Carrying out the audit, and demonstrating the range of available resources can also be an important training opportunity, both to the end users and, potentially, to the staff carrying out the audit.

Improved return in investment

After the audit, it should be possible to make much better use of resources and so improve the return on investment (ROI). On the cost side, it will identify costs of information or tools that cannot really be justified and so, potentially, lead to a lowering of some costs by rationalising resources, and hence improved ROI.

Audit Process

The audit has a four-step process designed to understand the current information requirements and how they map to the underlying data provision. The four steps are shown in the diagram below. They can be carried out by an internal, external or joint team, in much the same way that a financial audit is carried out. Due to the wide variety of ways in which information is exploited by organisations and the rapidly changing technical opportunities and options, it is recommended that the audit does include significant external input in order to ensure that best practise is employed and / or planned.



Outputs

The outputs of the audit should focus on the following:

- A clear definition of organisation goals and how better use of information can support them
- An inventory of available data and information resources along with their costs in terms of staff, acquisition and tools
- An identification of user requirements
- An improvement plan

These issues will be developed in a comprehensive report that is focused on the recommendations for improvements. However, to build up to those recommendation, the report will contain several sections that could be considered as important documents in their own right.

Inventory of Assets

The process will produce an exhaustive inventory of data assets based on the form overleaf. This will be created in a database so that it can be analysed further as necessary and updated to become a live record. It could, potentially, be merged with any existing inventory, for example an IT register of software. It will include the approximate costs of acquiring and maintaining this inventory of information.

The inventory should also show how the assets are linked and what the major information flows are. There are often some critical dependencies between data resources that should be highlighted. Any issues that hinder effective integration should be noted, for example poor metadata or inconsistent data classifications.

The inventory should also identify the main classifications that are used, for example the geographical and management hierarchies used to classify assets or organisational structures. There may be other hierarchies employed which should be identified.

User Requirements

A formal identification of user requirements focused on the information resources that are needed by the main functional teams will be included. It will be divided into the main functions and focus on mapping the information resources to that team's main duties.

Costs and Benefits

The inventory and user requirements should be developed to show the costs and benefits. Whilst benefits are sometimes harder to quantify than direct costs, the output should create an indicative ROI for each of the major components.

Gaps

By mapping the assets against the user requirements, it should be possible to identify the major gaps in provision. These gaps are not just in terms of the actual content, but in the accessibility and usability of content.

Recommendations

The improvement plan should identify the potential for better use of the information. It should include a focus on data harmonisation to establish 'one version of the truth', in other words addressing the, sometimes contradictory, messages from alternative data sources.

Whilst the focus of the audit is not on statutory compliance, it should cover this to some extent, at least to the point of identifying the need for follow up actions. Data governance will have been addressed in the inventory, but mainly in terms of responsibility. One possible outcome is to remind data owners of their statutory responsibilities.

There should be a focus on the potential for more advanced analytics, such as exploratory (for understanding current issues) or predictive (for forecasting). This is a route to improve the ROI of existing data assets by allowing them to be used to improve understanding of the past, present and future performance of the organisation.

In terms of combining the useful and usable attributes of data, the report should explore the potential for improved reporting and dashboard solutions. This will help to ensure that useful information is readily usable by those who can make the most effective use of it, for example executive teams, management teams and Boards.

Asset Form

The following form will be used to build up a picture of the information assets within the organisation.

Name of Data Asset:	
<i>Description</i>	
<i>Keywords</i>	
<i>Purpose</i>	
<i>Data source</i>	
<i>Data dependencies</i>	
<i>Classification</i>	(vital, important, minor)
<i>Classification comments</i>	
<i>General Comments</i>	
Management	
<i>Manager</i>	
<i>Department</i>	
<i>Software used</i>	
<i>Recurrent cost (if applicable)</i>	
<i>Format</i>	
<i>Update frequency</i>	
<i>Usage frequency</i>	
<i>Data protection issues</i>	
<i>Start date</i>	
<i>Retention period</i>	
<i>Backup policy</i>	
<i>Staff time (annual man days)</i>	
Usage	
<i>User community</i>	
<i>Main usage</i>	
<i>Quality issues</i>	
<i>Gaps in content</i>	
<i>Potential users</i>	
<i>Potential usage</i>	