



Section	14	INTERNAL CONTROLS	Effective Date	01/31/2018
Sub-section	03	Retention of Supporting Documentation	Revision Date	08/22/2018 Revisions Highlighted
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BACKGROUND

Questions have been raised about the use of electronic versions of an original document as a replacement for the original paper document. In the STAR financial system documents can be scanned and attached to specific transactions. However, it has been clearly communicated that the documents that are attached to STAR transactions would function as working copies. And, it is possible that these attachments may be deleted from the system in a shorter period of time than the required retention period. Therefore, agencies should retain another copy of the document outside of STAR that complies with all applicable records retention laws. The State is moving toward a records management system that would retain supporting documentation in an electronic format. **8/22/2018 Revision:** in January 2018 the On-Base document management system was implemented for retaining electronic documents that are attached in the Expense Module and Accounts Payable Module. Although the documents are attached in the STAR screens/pages they are actually saved in the On-Base system. The documents can be accessed from the STAR system just like they were prior to implementing On-Base.

The guidance below is intended to help meet financial business needs, provide effective internal control, and assist agencies in compliance with applicable records retention laws. For example, in Wisconsin Administrative Code Chapter Adm 12, under the authority of s. 16 611(2)(d) Wis. Stat., the Department of Administration has prescribed, by rule, qualitative standards for the storage of public records and copies of these records in an electronic format. Additional records retention policies are outlined in the General Records Schedules created by the Public Records Board and in each agency’s Records Disposal Authorization schedules.

In addition, the Federal Omni Circular released in December 2013 by the Office of Management and Budget provides policies that apply to federal grants. Included in this circular is a section on electronic documents. The provisions of the Omni Circular must be met for the expenditures to be eligible expenses under federal grants. This section states the following:

When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.

This policy implies that whatever method is used to convert paper documents to an electronic format there must be controls to provide reasonable assurances that the electronic document is an accurate representation of the original, that the electronic version cannot be easily altered and that the form of the electronic version will be readable in the future.



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Also, Section Adm 12.05 of the Wisconsin Administrative Code requires that for public records stored exclusively in an electronic format, state and local agencies shall ensure that those records are accessible, accurate, authentic, reliable, legible, and readable throughout the record life cycle.

Section Adm 12.04 includes the following definitions for this requirement:

Accessible - means information arranged, identified, indexed or maintained in a manner that permits the custodian of the public record to locate and retrieve the information in a readable format within a reasonable time.

Accurate - means all information produced exhibits a high degree of legibility and readability and correctly reflects the original record when displayed on a retrieval device or reproduced on paper.

Authentic - means the retained electronic record correctly reflects the creator's input and can be substantiated.

Reliable - means the electronic record produced correctly reflects the initial record each time the system is requested to produce that record.

Legible - means the quality of the letters, numbers or symbols can be positively and quickly identified to the exclusion of all other letters, numbers or symbols when displayed on a retrieval device or retrieved by device or reproduced on paper.

Readable - means the quality of a group of letters, numbers or symbols is recognized as words, complete numbers or distinct symbols.

Life cycle - means all phases of a record's existence: creation, active use, preservation and management through to disposition. "Disposition" includes permanent preservation as well as designation for destruction.

POLICIES

General Policies¹

1. Original (paper or electronic) supporting documentation for financial transactions covered by the Wisconsin Accounting Manual (such as payments, Travel reimbursements, P-card charges, etc.) must be

¹ While some of the requirements in this sub-section may be stricter than records retention laws require, they ensure that the methods for retaining electronic records support good internal control, and that any related audit findings are reduced.



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retained in a manner that allows compliance with s. 16.53, Wis. Stat. The records must be retained for the period identified in the General Records Schedule or the agency-specific Retention Disposition Authorization (RDA) which is approved by the Public Records Board.

- Agencies must develop a method/process for retaining and filing the original documentation for the life cycle prescribed in the associated RDA so it can be identified with a specific transaction and can be easily retrieved from the files (paper or electronic) when requested.

In addition to the general policies, below are policies associated with the use of electronic documents in place of the original paper documents. These policies support effective internal control, and also help agencies comply with the requirements specified in the Background section of this document. The following policy requirements must be met for an electronic record to be considered as the state’s official record:

- The electronic record must be maintained in a system outside of STAR/PeopleSoft. It has been determined (Letter from Jim Langdon dated February 3, 2015) that PeopleSoft is not a content management system, and any attachments scanned into STAR may not meet applicable record retention requirements. **8/22/2018 Revision:** However, in January 2018, the State implemented a process where documents scanned as attachments into the Expense Module or the Accounts Payable Module (including P-cards) are actually saved and stored in On-Base, a document management system. This system qualifies as a storage system for official electronic documents. So as of the On-Base implementation date those documents scanned into these two modules in STAR/PeopleSoft qualify as original documents.
- All scanned documents should be reviewed to ensure they are legible and readable. This comparison can be performed by the person scanning the document.
- Scanned documents must be verified (original paper copy compared to the scanned copy) to ensure they are accurate and authentic. Agencies can develop sampling methodologies to perform the verification. The verification should be performed by someone other than the person that scanned the document.
- There must be controls in place to provide assurances that the electronic document cannot be altered without detection.
- In order for an audit to verify/test that the control procedures have been performed the original paper document must be available for comparison, by an auditor. Therefore, the original paper document should be retained for at least one year. These documents should be filed and retained in a location similar to item 8 below.
- Any paper documents that are considered the original document (have not been converted and replaced by an electronic format) should be retained and filed in a location where appropriate filing and retrieval procedures can be maintained (meets Accessible definition in s. Adm. 12.04(1) of the Wisconsin Administrative Code). To support effective internal control, it is recommended that those paper documents considered the original document (for example, support for charges on a p-card or claims for reimbursement of travel expenses) should not be left to the responsibility of the cardholder or traveler for retention and filing. It is recommended (but not required) that these documents be filed in a more



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central location where retention and retrieval of the document would not depend on the employee that originally obtained the document remaining an employee of the agency.