

**THE LEGAL FRAMEWORK OF ARCHIVES AND RECORDS MANAGEMENT IN  
FINANCIAL INSTITUTIONS IN ZAMBIA**

by

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**ABSTRACT**

Financial institutions transact locally and internationally. In this regard, there is need to enact comprehensive records and archival legislation to ensure that records emanating from such transactions are managed in an effective manner to protect their integrity. The paper posits that without an effective legislation on financial institutions, issues of transparency and accountability will not be tenable in these institutions. This scenario will not only affect the financial institutions but also the users of these financial institutional. The situations may also lead to financial crimes and other related crimes that thrive on financial transactions. The paper discusses the various legal frameworks for archives and regards management in financial institutions in Zambia and its role in the control and management of. The article was written based on a critical analysis of various anti-crime regulatory frameworks pertaining to banking and finances in Zambia. It was discovered that each regulatory framework had penalties for not managing records in an appropriate manner. The contends that the provisions of the regulatory frameworks in a way encourages appropriate records management and archives administration in financial institutions as they act as a guiding principle to custodians and users of records and archives. The paper concludes that guidelines in financial institutions concerning records and archiving processes, retention periods and all associated legal frameworks though punitive in nature are actually very good as they ensure that financial records in Zambia are managed in an appropriate manner. It was thus recommended that National Archival Institutions' legislation should have punitive measures in place to ensure that institutions under their mandate adhere to their wishes.

**Key words:** Accountability, Archival legislation, Financial Institutions, Financial Records, Money Laundering.

## **1.1 Introduction**

The International Standards Organisation 15489-1 (2001) defines records management as "the field of management responsible for the efficient and systematic control of the creation, receipt, maintenance, use and disposition of records, including the processes for capturing and maintaining evidence of and information about business activities and transactions in the form of records. Additionally, The International Standards Organisation 15489-1 (2001) defines records as "information created, received, and maintained as evidence and information by an organization or person, in pursuance of legal obligations or in the transaction of business". The International Records Management Trust(1999) points out that records themselves form a part of or provide evidence of such transactions. It is in this vein that they are subsequently maintained by or on behalf of those responsible for the transactions and kept for their own future use or for the use of their successors or others with a legitimate interest in the records.

In this regard, control should be exercised over the creation, distribution, utilization, retention, storage, retrieval, protection, preservation and final disposition of all types of records within an organization. However, for this to happen, it requires appropriate records management programs that can manage organizational information so that it is timely, accurate, complete, cost-effective, accessible and useable.

Ultimately, the purpose of records management is to provide relevant, accurate, complete, and timely information to the user in the most efficient manner. It should be noted that records management programs are not generally an organization's primary business. However, Robek, Brown and Stephens (1995) highlighted the following as the most important reasons to set up a good records management program in any organisation;

1. To control the creation and growth of records
2. To reduce operating costs
3. To improve efficiency and productivity
4. To assimilate new records management technologies
5. To ensure regulatory compliance
6. To minimize litigation risks

7. To safeguard vital information
8. To support better management decision making
9. To preserve the corporate memory
10. To foster professionalism in running the business

To this effect, Robek, Maedke and Brown, (1987) points out that records management is based upon three functions of *service, profit* and *social responsibilities*. It should be noted that the service function is essential because users need recorded information to assist them to carry out their tasks more efficiently while profit is essential if an organization is to continue operating or offering a service or a product, and; social responsibilities are important because the objectives of an organization should be attained within the moral and ethical codes of the society in which the organization is operating.

In this regard, good records management is essential for any institution to function effectively. The effective management of records allows for fast, accurate and reliable access to information. It ensures the timely destruction of redundant records and the protection of valuable records. It is in this vein that Shepherd and Yeo (2003:) contends that poorly managed records will often be inadequate for the purposes for which they are needed and will probably be destroyed prematurely and others retained unnecessarily. Ultimately, Yeo (2003) points out inadequate records management practices may lead to serious consequences such as;

1. An organisation inability to prove that it did what was required.
2. An organisation may be unable to defend itself if liabilities are made against it.
3. Business operations may be compromised if critical information is unavailable when required.
4. The rights of customers, citizens and the wider community may also be impaired.

In this regard, an effective records management programme will ensure that records are available for use when needed and that redundant records are destroyed. However, to have an effective records management programme, there must be legislation in place to guide and institution.

## **1.2 Records and Archives Legislation**

Legislation in general terms means laying down of instructions to people responsible for running an institution or an organisation so that they can properly discharge each function of that particular institution or organisation within an agreed regulatory framework.

Subsequently, legislation it provides for the powers, obligations and limits of such institution or organisation. Legislation relating to the management of records and archives exists in some form in most countries. However, some legislation relating this has some weaknesses. Hamooya et al (2011) contends that the weaknesses that are found stem largely from their failure to recognise the life-cycle concept of records and archives and the importance of managing records in a continuum. This is often compounded by the inflexibility of the legislation in the face of the changing nature of records and archives in an electronic age. It should however be noted that comprehensive, up-to-date records and archives legislation is a critical prerequisite of effective life-cycle records and archives management. It establishes the framework within which appropriate records and archives systems can be put in place. This is bearing in mind the view of Parer (2001) who observed that no organisation can operate without records. To this effect, institutions must use legislation to ensure records and archives are properly managed and preserved over time. It is in this regard that records and archives legislation becomes an essential component of the broader regulatory framework of accountable and effective institution. In this vein that Barata, Piers and Routledge (2001) submits that records and archives legislation enables institutions to operate with authority in its dealings. Some of the institutions that need to operate within a proper legislative framework in terms of records management and archives administration are financial institutions. This is especially so because records are ultimately essential for financial accountability. It is in this line that The International Records Management Trust (1999) contends that records provide a reliable, legally verifiable source of evidence of decisions and actions about finances and are the basis for determining responsibility. They are a powerful tool in constraining individuals from engaging in corruption. In this vein, it can be argued that financial records are interlinked with financial accountability. In this regard, if financial records management systems are weak, individuals cannot be held accountable for their decisions and actions. Subsequently fraud, corruption and other related organized crimes such as drug trafficking, money laundering and human trafficking will flourish. In order to avoid this, proper records management in financial institutions would be a cost-effective restraint because when individuals know that there is an audit trail, they are less likely to take the risk.

### **1.3 Financial Records and Accountability**

The International Records Management Trust (1999:2) defines financial records as those records 'resulting from the conduct and activities relating to financial management'. On the other hand, financial management involves 'the planning, controlling, implementation and monitoring of fiscal policies and activities, including accounting and audit of revenue, expenditure, assets and liabilities' (Ibid). Financial records are produced in every area of financial management. If these are records not well managed, the financial management function suffers.

Amongst financial records that are mostly created by financial institutions that fall in the ambits of financial management are deposit slips. Deposit slips are written forms that are sometimes used to deposit funds into an account. It indicates the date, the name of the depositor, the depositor's account number and the amounts of cheques, cash, and coin being deposited. The bank clerk typically verifies the funds received against the amounts listed on the deposit slip. The deposit slip is processed to indicate that funds have been received from the customer.

Another important record is the withdraw slip form. The withdraw slip is the opposite of the deposit slip as it is a written forms that are sometimes used to withdrawn funds from an account. It indicates the date, the name of the drawer, the drawers ' account number and the amounts of cheques, cash, and coin being withdrawn. It should equally be noted that for a costumer to operate an account, there is need to open one for this purpose. This also requires documentation such as application forms, photocopies of identity documents of the would be customer as well as letters of reference that supports the application. The others standard account documents that are created by banks are statements, reconciliations, purchase orders and vouchers.

It is important that these records are management in a manner that when they are needed they should be accessible and subsequently quickly retrieved. This is where the issue of records management comes in because records management ensures the provision of relevant, accurate, complete, and timely information to the user in the most efficient manner. As alluded by Robek, Maedke and Brown, (1987) records management fulfils furnishing of accurate and complete information based upon three functions of service, profit and social responsibilities where the service function is essential because users need recorded information to assist them to carry out their tasks more efficiently. On the other hand profit is essential if an organization is to continue operating or offering a service or a product, and; social responsibilities are important because the objectives of an organization should be attained within the moral and ethical codes of the society

in which the organization is operating. Ultimately, with proper records management in place accountability can be achieved.

The International Records Management Trust (1999:2) submits that accountability is the ‘requirement to perform duties, including financial and operational responsibilities, in a manner that complies with legislation, policies, objectives and expected standards of conduct.’ Additionally, the Business Dictionary (2013) looks at accountability as an obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner. It also includes the responsibility for money or other entrusted property.

It should be noted that proper financial management that adheres to principles of accountability depends upon a system of internal controls that make it possible to carry out business in an orderly and efficient manner, ensure adherence to management policies and safeguard assets. In this regard, The International Records Management Trust (1999) is of the view that management of financial records is a critical component of this control system. In this vein, where financial records are not controlled, their completeness and accuracy cannot be guaranteed. Subsequently, records needed for reference, decision making and risk assessment can become difficult to access. It is in this regard that (Ibid) argues that records management reinforces financial management controls and supports accountability because it is able to establish who did what, when, why and how. This is especially so in that well maintained and managed records provide an unbiased account of responsibility and liability. However, for this to happen, financial institutions require a comprehensive regulatory framework that will compel them to manage records according to acceptable standards

#### **1.4 Regulatory Requirements and Financial Records**

Financial records created and held by financial institutions should be subject to regulation and control to allow them to conduct business in an orderly, efficient and accountable manner. It should be noted that Government financial records are usually subject to legislation that forbids their destruction for a set period of years after the accounts have been audited. This implies that before these records are audited, they cannot be destroyed and even after auditing, a specified period is given on how long they should be kept. It should be noted that the legal framework affecting government financial records mostly comprises the constitution, which may provide for the supervision and audit of public accounts, and laws

relating to finance, audit and government records. These finance and audit laws generally require ministries, departments and agencies to ensure that financial and accounting records are adequately kept and managed. They also empower the audit body to obtain access to all financial records.

The International Records Management Trust (1999) on the other hand points out that other legislation on financial records are in place to support of government functions that specifies conditions for their maintenance, use or disposal. The Trust gives an example of pension's legislation that imposes an obligation on departments to maintain records of contributions. Additionally, revenue laws may indicate a time limit on the recovery of tax or duties, thereby establishing a minimum period for the retention of revenue files. These requirements lay down more detailed conditions and requirements for accounting and financial records, including their creation, filing, storage, production and disposal. The idea is to ensure that at any given time records should be able to show who did what. It is in this regard that Smith (1993) contends that the role of Records Managers and Archivist is increasingly concerned with the maintenance of a document trail as legal obligations imposed on them make the ability to trace and to track financial records an essential feature of the records management work. This is especially so because the requirements of proof and evidence which have always confronted Records Managers and Archivist over time appear to have become broader now (Ibid).Smith (1993:124) notes that 'issues such as fraud, money laundering, tax evasion, negligence and deception coupled with strengthened disclosure laws and the extensive search powers of regulatory authorities means that document trail extends past the basic ideas of proof and evidence and into such areas as substantiation, authentication, increased accountability and the demonstration of reason care'.

It should be noted that issues such as fraud, money laundering and tax evasion mostly leave a financial documents/ records trails that can help law enforcement officers be able to detect, investigate and possibly prosecute would be offenders. As noted by the International Records Management Trust (1999), records provide a reliable, legally verifiable source of evidence of decisions and actions about finances and are the basis for determining responsibility. However, these records have to be kept in an appropriate manner as they are a powerful tool in constraining individuals from engaging fraud, corruption and other related organized crimes such as drug trafficking, money laundering and human trafficking. For these records to be kept in an appropriate manner that will ensure that law enforcement officers can access them as they carry out their various mandates pertaining to financial crimes there is need to

put in place effective regulatory frameworks that will guarantee the availability of these records.

## **1.5 Regulatory Frameworks for Financial Records in Zambia**

In Zambia, there are several regulatory frameworks that compel financial institutions to manage records in a manner that enhances the operations of other organisations. The regulatory frameworks include the Banking and Finances Act No 18 of 2000; the Prohibition and Prevention of Money Laundering Act No.14 of 2001; The Anti-Human Trafficking Act No 11 of 2008; The Forfeiture of Proceeds of Crime Act No,19 of 2010; The Anti-Corruption Commission Act No 38 of 2010; and The Finance Intelligence Centre Act No 46 of 2010. The records management practices enshrined in the laws applicable in Zambia are in line with Robek, Maedke and Brown, (1987) who views records management as an object of fulfilling the furnishing of accurate and complete information based upon the functions of service and social responsibilities where the service function is essential because users need recorded information to assist them to carry out their tasks more efficiently and social responsibilities are important because the objectives of an organization should be attained within the moral and ethical codes of the society in which the organization is operating. Based on this, financial institutions in Zambia need to manage records based on the functions of service and social responsibility and not look at the laws as punitive as they seem to be in some cases.

### **1.5.1 The Banking and Finances Services Act No 18 of 2000 cap 387**

The overall law that regulates financial institutions in Zambia is The Banking and Finances Services Act No 18 of 2000 cap 387 laws of Zambia. The law provides for the regulation of the conduct of banking and financial services, provides safeguards for investors in and customers of banks and financial institutions. It should be noted that The Banking and Financial Services Act Cap 387 confers on the Bank of Zambia to act as the Regulatory Authority for all financial institutions. In relation to records, section 52(1) provides that every bank or financial institution shall cause to be created and shall maintain in its principal office in Zambia proper 'credit documentation' and any other information concerning its business relations with its customers and other persons that the Bank of Zambia may prescribe. The provision in subsection 2 credit documentation means a contract entered into by a bank or financial institutions with any other person for the provision of a financial services or in



respect of a financial services performed or to be manner of keeping records performed by the bank or institutions. Furthermore, section 54 of the act outlines that a register or record required or authorised under this Act to be prepared and maintained shall be retained by the bank or financial institutions that prepared it for at least 6 years and in case of a register or record for unclaimed funds, for at least 10 years. In addition to this provision, section 55 provides that every bank or financial institutions, and very manager, employee and agent thereof shall take reasonable precaution to;

- I. Prevent loss or destruction of;
- II. Prevent falsification of entries;
- III. Facilitate deletion and correction of inaccuracies;
- IV. Ensure that no unauthorised person obtains access for or the use of information prepared and maintained by the bank of financial institution.

The provisions of the Act are in line with the principles of records management that ensures that records should not only be available and accessible but also be authentic. The provisions are also in line with Robek, Maedke and Brown, (1987) contends that records management ensures thus rendering of maximum service to the customer or user of records.

It should be noted that should banks or financial institutions fail to comply with the provision of this Act, The Bank of Zambia as a regularity institution may take punitive measures. This is in line with Section 81(2) of the act that provides that The Bank of Zambia in its supervisory action may take the following measures for financial institutions that fail comply;

- I. Taking possession of the bank or financial institutions
- II. Suspending the banks or financial institutions licence for a period not exceeding six months
- III. Restricting the banks or financial institutions licence
- IV. Revoking the banks or financial institutions licence

The provisions of Act though they seem very punitive in nature are actually very good as they ensure that records are management in consideration of the issues of accountability. This in line The International Records Management Trust (1999:2) who contends that accountability is the ‘requirement to perform duties, including financial and operational responsibilities, in a manner that complies with legislation, policies, objectives and expected standards of conduct.’

### **1.5.2 The Prohibition and Prevention of Money Laundering Act No. 14 of 2001**

In addition to The Banking and Finances Services Act No 18 of 2000 cap 387 laws of Zambia there is also The Prohibition and Prevention of Money Laundering Act No. 14 of 2001 that regulates in some sections how records created by banks and financial institutions should be maintained. In principle The Prohibition and Prevention of Money Laundering Act No. 14 of 2001 provides for the prohibition and prevention of money laundering, the constitution of an Anti-Money laundering Authority and the Money Laundering Investigation Unit and provides for the disclosure of information on suspicion of money laundering activities by the supervisory authority. In relation to records, the Act under section 6 empowers the unit to collect, evaluate and investigate financial information from regulated institutions. This information must relate to financial and business transactions suspected to be part of money laundering. The provision implies that law enforcement officers have the mandate of inspecting records held by banks and financial institutions as they investigate matters related to money laundering. The implication of this provision is that records should be kept in a manner that they are available and accessible in a timely manner. In this line, the issue of document/records trial is important as financial records will help determine who did what over the issue being investigated upon. In this vein Smith (1993) points out that money laundering coupled with strengthened disclosure laws and the extensive search powers of regulatory authorities means that document trail extends past the basic ideas of proof and evidence and into such areas as substantiation, authentication, increased accountability and the demonstration of reason care. This is critical as noted by the International Records Management Trust (1999) that records provide a reliable, legally verifiable source of evidence of decisions and actions about finances and are the basis for determining responsibility.

It should be further noted that section 13(1) of The Prohibition and Prevention of Money Laundering Act No. 14 of 2001 imposes a duty upon regulated institutions to keep identification and business transaction records for a period of 10 years after the termination of the business transactions so recorded. Additionally section 13 (4) provides that any regulated institution which contravenes the provisions of subsection 1 shall be guilty of an offence and shall be liable, upon conviction, to a fine not exceeding two hundred thousand penalty units. This provision is a very good control mechanism that ensures that financial records are available overtime and subsequently help law enforcement officers carry out their mandates. On the part of financial institutions this control mechanism makes it possible for

individuals to be accountable for their activities. This is line with The International Records Management Trust (1999) who views management of financial records a critical component in the issues of accountability. In this vein, where financial records are not controlled, their completeness and accuracy cannot be guaranteed. Subsequently, records needed for reference, decision making and risk assessment can become difficult to access.

### **1.5.3 The Anti-Human Trafficking Act, No 11 of 2008**

The other legislation that ensures that financials records are kept in an appropriate manner in Zambia is The Anti-Human Trafficking Act, No 11 of 2008. This is an Act that provides for the prohibition, prevention and prosecution of human trafficking. In relation to financial records ,section 50(1) provides that where the Attorney –General has reasonable grounds to suspect that a person has committed ,is committing or is about to commit an offence under this Act, or is in possession of property obtained through the commission of an offence under this Act , The Attorney –General may ,for purposes of an investigating the offence ,apply to the High Court for an order to among other things require a bank or any other financial institutions ,trustee or custodian to produce all information and deliver up all documents and records regarding any business transaction by or on behalf of the person. Additionally, subsection 2 provides that any order made under this section may authorize an authorized officer to enter any premises, including a bank or other financial institutions, and search the premises and remove any documents or records for the purposes of executing the order. Furthermore, subsection 3 of the Act provides that any person who delays, interferes with or willfully obstructs an authorized officer in the exercise of powers under this section commits an offence and is liable, upon conviction, to imprisonment for a period not exceeding twenty years

It should equally be noted that section 63(1) of The Anti-Human Trafficking Act, No 11 of 2008. Act provides that where an order has been made under this part in relation to an investigation relating to an offence under this act, a police officer of above the rank of inspector may require a bank, financial service provider or a financial institution customer information for the purposes of an investigation and subsection 4 provides that a bank, financial service provider or financial institutions which fails to comply with the requirement under an order commits an offence and is liable to a penalty not exceeding five hundred thousand penalty units . In this regard, eensuring the safety and accessibility of financial records is an essential need for all banks and financial institutions as financial records often contain sensitive, proprietary and even confidential information that can help law

enforcements officers carry out their investigative mandates. As it is, it is the responsibility of these institutions to maintain the confidentiality of accounting information, customer financial data and financial information as other partnerships may need. The irony of it all is that if records managers in these institutions to comply, they may be jailed. is.

#### **1.5 .4. The Forfeiture of Proceeds of Crime Act No 19 Of 2010**

Additionally, in Zambia, there is also The Forfeiture of proceeds of crime act No 19 Of 2010 which provides for the confiscation of the proceeds of crime; for the deprivation of any person of any proceed, benefit derived from the commission of any serious offence and the facilitation of the tracing of any proceed, benefit and property derived from the commission of any serious offence. In relation to financial records, section 64(1) of the Act provides that The Director of Public Prosecutions may apply to a court in chambers for a monitoring order directing a financial institution to give information to a police officer. Specifically, subsection 3 outlines that a monitoring order shall direct a financial institution to give information obtained by the financial institutions about transactions conducted through an account held by a particular person with the financial institution. For the financial institutions that may fail to comply with this monitoring order, subsection 7 of the Act provides that where a financial institution that has been given notice of a monitoring order contravenes the order, the financial institution commits an offence and is liable, upon conviction, to a fine not exceeding seven hundred thousand penalty units.

For the financial institution to avoid such penalties, they need to have effective records management programme in place .This is especially so in that records are the basis of most business activities. Thus it is imperative that they are kept in such a way that the users should have easy access to them. It is important, that record maintenance practices for current use should be designed in such a way that records are found quickly when they are wanted. This can be achieved if records are kept in an orderly and accessible manner.

#### **1.5.5. The Anti-Corruption Commission Act No. 38 of 2010**

The Banks and Financial Institutions in Zambia have also to contend with Anti-Corruption Commission Act No. 38 of 2010 which also amended in 2012.The Act provides for the prevention, detection, investigation, prosecution and punishment of corrupt practices and related offences based on the rule of law, integrity, transparency, accountability and management of public affairs and property. Pertaining to financial records created and maintained by Banks and Financial Institutions, Section 56(1) outlines that The Director-

General, Deputy Director-General or an officer of the Anti-Corruption Commission may, with a court order, investigate any bank account, share account, purchase account, expense account or any other account or safe deposit box in any bank. Additionally, subsection 2 indicates that an order made under subsection (1) shall be sufficient for the disclosure or production by any person of all or any information, account, document or article that may be required by an officer of the Commission so authorised. In this regard, if the record is not found, the chances are that the case may fail to take off. This is especially so because records provide verifiable evidence of fraud and can lead investigators to the root of corruption. It can thus be argued that financial management and control through a well-managed record system is vital to the success of most anti-corruption strategies.

#### **1.5.6 The Financial Intelligence Centre No.46 of 2010**

To crown it all in relation to all legislation related to financial records and how they should be kept in Zambia, there is the Financial Intelligence Centre No.46 of 2010 (FIC Act). The most notable feature of the FIC Act is that it creates the Financial Intelligence Centre whose principal objective is to prevent money laundering and the financing of terrorism. The Centre is also responsible for the receipt, requesting, analysing, disclosure and dissemination of Suspicious Transaction Reports (STRs).

The FIC Act places various obligations on supervisory authorities and reporting entities (defined as institutions regulated by a supervisory authority). Supervisory authorities include BOZ; the registrar of pensions and insurance; the Securities and Exchange Commission; the Patents and Companies Registration Agency; the Zambia Development Agency; the Licensing Committee established by the Tourism and Hospitality Act; the Law Association of Zambia and the Zambia institute of Chartered Accountants. The supervisory authorities are under an obligation to monitor and ensure compliance by reporting entities with their obligations under the FIC Act. In order to galvanize this role, the supervisory authorities are given authority to compel the production of any information by reporting entities and to impose sanction for any failure by reporting entities to comply with their obligations under the FIC Act.

Specifically, Section 22(1) of the FIC Act compels a reporting entity to maintain all the books and records with respect to customers and transactions and shall ensure that such records and the underlying information are available, on a timely basis, to the centre. Additionally, Section 22(2) provides that the books and records referred under Section 22(1) shall be

maintained for not less than ten years after the business relationship has ended. The FIC Act through Section 43 furthermore provides that a person who intentionally or negligently

- I. Fails to maintain books and records as required by section 22;
- II. Destroys or removes any records or books;
- III. Fails to make information available in a timely manner in response to a lawful request for any books or records

Commits an offence and is liable, upon conviction, to a fine not exceeding two hundred thousand penalty units or to imprisonment for a period not exceeding two years or both. Situlile et al (2013) submits that these directives were issued with a view to ensuring that banks and other financial institutions could enhance the prevention and detection of money laundering and related activities. *It* should be noted that banks and financial institutions go through a tremendous amount of paperwork on a yearly, monthly and daily basis. However, the amount of paper cannot simply be shred anyhow. In this regard, Banks and Financial institutions must have appropriate records management programmes that will ensure that are kept in compliance with the various laws of the land.

Overall, the enactment of the Banking and Finance Services Act in 2000, The Anti-Human Trafficking Act of 2008, Anti-Corruption Commission Act of 2010, the Financial Intelligence Centre Act (No. 46 of 2010) (the FIC Act) and the Forfeiture of the Proceeds of Crime Act (No. 19 of 2010) (the FPC Act) when read together with the Prohibition and Prevention of Money Laundering Act (No. 14 of 2001) reveals a much more holistic approach to the prevention of financial crimes. Cardinal to the Acts is the provisions of making available financial records and maintaining them for specified numbers of years. The provisions though punitive in nature are actually very good as they ensure that financial records are management in an appropriate manner. In this regard, ensuring the safety and accessibility of financial records is an essential need for all banks and financial institutions as financial records often contain sensitive, proprietary and even confidential information.

## **1.6 Lessons Learnt and Way Forward**

Records management is the first important task in the process of sound financial management. Maintaining good financial records on a regular basis requires time and effort that you might believe would be better spent on running your business. It should note that banks and financial institutions go through a tremendous amount of paperwork on a yearly,

monthly and daily basis. However, the amount of paper, the banks and financial institutions receive and produce during the process of their mandate cannot simply be shredded when they feel like doing so. This because there are certain regulatory frameworks pertaining to financial crimes that banks and financial institutions have to comply with. However, it is recommended even without these regulatory frameworks, banks and financial institutions must have a policy for retention of their records. This way, if the customer comes back or if the bank needs to revisit the records for legal reasons, the record can easily be found.

Lastly, it is recommended that a comprehensive research is done to determine the compliance of banks and financial institutions pertaining to the regulatory frameworks

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