



Module 7 : Filing systems

- How to set up a good filing system
- What you should avoid when creating a filing system
- How to categorise, sub-categorise and manage your filing system
- Why it is important to have a good system when running a successful business

A secretary or personal assistant will have to keep track of every record, account, employee profile and business event. An accurate filing system will make your job much easier and a well-stored archive that is easy to use will make accounting tasks much easier to execute.

The importance of an efficient and foolproof filing system cannot be emphasised enough. Filing systems is a behind-the-scenes administrative task that can have a significant impact on productivity and profits.

In this module you will learn:

- How to set up a good filing system
- What you should avoid when creating a filing system
- How to categorise, sub-categorise and manage your filing system
- Why it is important to have a good system when running a successful business

7.1 Introduction

Importance of an Efficient Filing System

As a PA, you may be expected to create and maintain a successful, readable, easy-to-navigate filing system.

You may have to plan one right from scratch and implement it. A good filing system contributes to efficient execution of operations and helps foster a strong brand image. Regardless of whether files and records are stored on the computer (these are called 'soft copies') or in actual paperback files (called hard copies), files should be easily accessible.

The essential goal of any good filing system is to provide easy access to information.

A filing system is the precursor to a records management system. Record management refers to the systematic, logical and practical control to information. A centralised filing system is intended for use by a single organisation and the system must allow the retrieval of files (regardless of the format) as and when needed.

Features of an Integrated and Well-Designed Filing System

- The filing system must be able to minimise the tediousness and effort involved in record retrieval
- Most filing systems should ideally offer a retrieval time of 30 seconds. The aim must be to waste minimal time and effort in retrieving records
- The filing system must offer continuity and integrity despite changes in office personnel
- It should allow current users to identify and purge (delete) inactive and obsolete records
- The system should be able to combine simplicity and clarity with flexibility; the system must be able to accommodate evolving needs

An efficient filing system is associated with several tangible benefits:

- The company saves on time and costs that may be incurred due to poor filing processes

- A good filing system leads to increased staff efficiency and productivity
- An updated filing system makes it easier to access unpaid invoices, pending bills and open contracts
- One of the most important benefits is that properly stored (and retrievable) records reduce the risk of loss in the event of litigation. Past records are vitally important during litigation and this is one of the biggest benefits of efficient filing

Properly filed documents and records reduce the likelihood of penalties and fines due to erroneous auditing procedures.

Finally, the protection of vital records results in improved service to customers.

Unfortunately, most filing systems suffer from inbuilt drawbacks. The most common drawback is that there was never a consistent system in place to begin with. Some people tend to put a random bunch of files together and call it a filing system. It can be challenging to clean up a messy filing system and create a new one. A filing system should be effective, consistent and user-friendly in order to be successful.

Simply putting labels onto your files does not suffice. For your supplies, you can do an effective job by using several different coloured 2/5 cut tab folders and a few bottom-box hanging folders.

You know you need to have a new filing system if:

- You are unable to retrieve records quickly due to full shelves and drawers
- There is unnecessary duplication of records
- You are unable to find files because they are all stored haphazardly in different locations

Creating a good filing system ultimately depends on two underlying factors: simplicity and consistency. The filing system that you create should be easily understood and used by others. The system should lend itself to regular maintenance.

There are three essential components that must be considered before the implementation of a new filing system:

- The most suitable arrangement of office records. For example, you may wish to arrange them alphabetically or date-wise.
- The media that is best suited to storing the files. There are two main choices: hard copies (actual paper copies) and soft copies (paperless copies) that can be stored on the computer.
- Appropriate equipment for storing the files and the selection of a system that complements the choice of equipment.

7.2 Create your categories



Is your current filing system in disarray or non-existent?

Start by looking through your files and classifying the different documents.

Categories like Finances, Employees, Accounts, Projects, Meetings, and Miscellaneous etc. may all be possible category titles. Make a list of the broad, main categories. At this stage, do not worry about going into more detail.

The setting of filing systems is done to ensure records are stored and co-ordinated. A PA is most often the records co-ordinator and you can work in conjunction with other people to get the most out of the filing system. You can also act as supervisor to other people using the filing system to ensure that procedures are followed as per guidelines and format.

Get everybody to understand the system and legitimise the project fully with their approval or feedback.

All members of the office should know how to use the system, that way others can suggest feedback on when they are using the filing archive.

You can consider getting feedback from your boss and colleagues on the new filing system.

7.3 Move on to sub-categories

Start this part by choosing one of your major categories and examining the various sub-categories of each.

For example, the 'Finance' section could be subdivided into:

- Personal
- Checking accounts
- Company accounts
- Pay-roll
- Budgets
- Costs

Be specific at this point for better clarity and detail. Determine which place they should be filed and put them in separate piles. No files should be stored under disconnected categories otherwise it will lead to confusion and inefficiency.

7.4 Colour coding



Choose a different colour for each major category in your filing system.

This will make it easier to identify different files at a glance. You can then place each subcategory into individual hanging file folders. For example, if you chose a blue colour for your accounts section, then all the accounts files and records should be filed in the blue folder. Colour coding is a very simple yet effective way to keep track of your filing system.

When you look into your file drawer and see different information records clearly classified and demarcated, it becomes easier to retrieve them.

When you know the colour of each section, you will not be obliged to rummage through full drawers and waste valuable time and effort.

7.5 Make your labels



Now that each file has its own colour folder, you then have to label each file.

You may wish to be specific with making your labels; the level of detail will now be significantly higher than it was for broad categories and subcategories. Use names, accounts, place names and arrange every file alphabetically - this includes categories, sub-categories and all other files.

Your goal is to keep all relevant and connected information together, do it with every file for every major category. You can easily print personally designed labels from your computer.

Activity 1 - Working with Labelling and Colour Coding

Estimated time: 10-15 minutes

This module discusses how to create an efficient filing system, which is another office skill that is key for an organisation.

In this activity, you will practise implementing a filing system in your own personal or professional life. Choose one area of your life that could use some organisation and implement the labelling and colour coding tips in this module.

FACT



Research found that almost half (49 per cent) of UK businesses are still operating a physical paper filing system

Source: fmj.co.uk

7.6 Place in the Filing Drawer



Now all you have to do is place the files neatly into a cabinet of adequate size.

The equipment and storage space should correspond to the number of records. Ideally storage equipment must be expandable to accommodate additional records.

Put the folders into the hanging box bottom folders and keep them in an upright sliding drawer. Then, when you need a file, all you need to do is look for the correct major category and the right label. The filing process becomes faster, easier and much more efficient.

7.7 Collecting information



All changes begin with your inventory which should have a full list of all files of information gathered.

Without this, it may prove difficult to incorporate efficient changes to your filing system.

Now that you have decided on your categories you can decide on where each file needs to go. All files listed on the inventory sheet should correspond with your list/colour code, etc.

Your inventory of data should include titles and dates of when each file was created. This will make archives less confusing when it comes to reviewing the system or looking for vital information.

Activity 2 - Activity: Categorising Your Filing System

Estimated time: 10-15 minutes

As you know, a personal assistant will keep track of every record, business account and employee record, so it is very important to create an accurate filing system. Hopefully, in the first activity, you got plenty of practise using the labelling and colour coding system.

Since there are more aspects of an efficient filing system, this activity will expand upon what you created. Now that you have a current filing system in place, you will now practise implementing some categories. Begin by classifying different documents; then you can move on to sub-categories.

7.8 Analysing your records

Once records have been written onto an inventory they are ready to be analysed.

During the process of creating a new filing system, you may wish to understand the details and wherefores of each type of record.

ASK

- Who created the record?
- Who will use it?
- Why is it required?

- How often will it be needed?
- What is the volume?
- How long is the data relevant?
- How many people are allowed access to them?
- What equipment is available to store records?
- How much space is available?
- Any legal requirements?
- Validate vital records that need to be kept

There is no correct set of answers that will fit every record or file, but you should always revise each one to your best ability. Your system should be practical, user-friendly and consistent. The filing system should ideally help workers collect, analyse and execute operations based on the information that they retrieve.

An economical and efficient filing system is one that can be easily used by you, your boss and other members of staff. Simplicity and transparency are the key attributes of a good filing system.

Aim to identify, establish, retrieve, segregate and secure all information within your filing archive.

7.9 First level classification

This is a tool of analysis and a method of sorting into groups; each document will be part of a particular department or office.

The first level classification will help you identify the fundamental difference between purposes, objectives, missions, projects, activities and other programmes of use.

Common files you will come across are

- Administrative files - documents of internal admin that circulate within the office.
- Organisational files - documents that label the relationships between your office and other external offices
- Programmes - staff activities or programmes
- Case files - staff files, agendas, reports, specific events etc.

Many of these files could fall into similar categories and the system must satisfy your organisation's requirements. The size and complexity of the filing system will depend upon the operations, nature and size of the business.

7.10 Do you need a retention schedule?



You may wish to consider the concept of a retention schedule for your filing system.

Retention periods provide you with ideas on how to sort your files into the right places. A lot of records with the same time retention will belong in the same place, so it makes perfect sense to use this strategy.

A retention schedule can be used for the storage of legal documents and helps you keep track of how long they need to be kept for in accordance with the law. They can also provide guidelines regarding the handling of unused files into other places or even deleting them for good.

7.11 Correspondence



This may comprise of only a small amount of your documents in your records, but can pose a big problem for the office if disorganised.

Some of these files can be difficult to classify and you should keep them in a priority file so that you do not forget to respond to them. Poorly managed correspondence files can result in inefficient levels of customer care and may lead to complaints and problems.

Correspondence files can consist of incoming and outgoing letters, emails and phone calls. File them in chronological order after they have been dealt with. Date-wise filing can help retrieve correspondence faster. Emails should also follow the same system of date-wise filing. This may be easier to manage compared to filing them on the basis of subject and content.

Retrieve your information based on the content or the sender. Save emails by subject, department,

direction etc. An efficient and well-organised filing system for correspondence will help maximise time usage and overall productivity.

You can also consider backing up files by keeping a second copy of each, but everything should be marked as a duplicate so that you are aware of the existence of a second record of the file in question. It's always advisable to create backups of soft copies of records.

Computer crashes and software viruses can destroy information in a matter of seconds. On the other hand, less important and temporary information can be saved in the form of electronic records alone. The decision of whether to store a file electronically, in the form of a hard copy, or both is an important one.

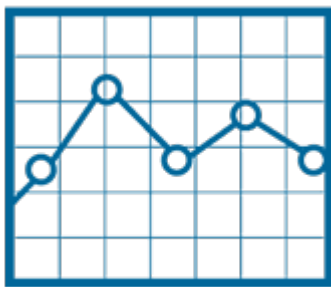
Emails can be printed or placed in a paper filing system. If you choose to keep emails on your hard drive, then you can try storing them in relevantly labelled folders in your inbox.

All vital records will be stored for long-term purposes in most circumstances; they require maximum protection and backing up to minimise the chances of loss.

Take a Quick Recap Test

[viralQuiz id=72]

7.12 Analysis of your system



Once you have completed the analysis of the old system, you can proceed to implement your new system.

Try doing it on paper if you have any doubts about the format you have adopted. Some records may have to go in a Misc. file if you are confused about where to place them. This is also a good opportunity to get rid of obsolete and inactive files that are no longer required.

Centralised filing systems are recommended for its numerous benefits.

Centralised filing involves placing all records in one central location in an office. The system is most useful when most employees within an office require access to a majority of the files. The electronic equivalent to centralised filing is a shared directory that offers improved employee access to records and files.

In a centralised file system:

- Keeping your files in the same place gives you greater control over the storage and retrieval of information

- A uniform procedure is easy to maintain as it offers consistency
- You can easily source vital information as and when required
- Specific categories are all located in the correct place
- The need of duplicate files is significantly lowered
- You will need less space to store and record data

Assignment

Filing systems

Time: 30+ minutes

Hopefully, you took in as much of the information in this 7th module as possible. To find out how well you have done, complete the following worksheet.

Download the worksheet below print out and complete.

[Download Worksheet \(PDF\)](#)

[Download Worksheet \(Word\)](#)

Module summary

You now understand the importance of a good filing system. You will need to keep all of your company records in an archive that can be easily accessed and maintained. You will be able to access and retrieve files at any point in time. A good filing system minimises the wastage of time and effort and positively impacts productivity and customer service.

An efficient filing system makes it easier to access legal and finance documentation in the event of litigation or audit procedures. Most importantly, a filing system created with integrity and

transparency continues to be used over time, regardless of change in office personnel.

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