

# Accurate Records Depend on You

by Donna Davis, Director, Ethics & Business Conduct

Most of us dread “paperwork.” Filling out forms and filing reports are chores we have to do (and a formality we love to let slide). But we also need to face the fact that our jobs require us to create and maintain a permanent record of tasks, transactions and communications. Our company’s stakeholders—customers, suppliers and vendors, co-workers, management, investors and agencies who oversee our business—rely on the accuracy of those records to make business decisions. Every one of us is responsible for truthfully and accurately recording required information, within the recommended timeframe.

As busy people, we may face situations where it’s tempting to skirt the procedures to save time. Do any of these situations sound familiar?

- A delivery deadline looms. Missing the deadline means risking our relationship with a customer, but that’s what will happen if we take time to complete all the paperwork for our quality checks. At the eleventh hour, you ask, “What does my boss want, an on time delivery or a bunch of forms?”
- Some transactions require several forms to be completed and signed. You’re in a hurry so you fill out one form and make a copy for everyone who needs it. That not only saves time but it also seems to you that we’re avoiding the chance of mistakes by not duplicating information.

- Just back from a hectic business trip, you’re in a rush to file expense reports. It’s such a pain to sort expenses into the right category, so you combine a few here and there. It’s all coming from the same place, you reason, so “it’s a wash.”

## Quality Is the Only Choice

The first situation is not really about forms at all, it’s about what they represent: quality assurance. By taking the time to perform and sign off on proper tests and procedures, we protect our customers and our reputation. Never interpret a desire to meet a deadline as an invitation to skimp on quality. If goals are missed, we may need to readdress our planning process or revisit our procedures to improve our performance for next time.

## All Data Is Not Created Equal

Our jobs involve a variety of data, used by many different people for unique purposes. Our reporting process is designed to route the proper information to the appropriate people. In the second example above, one form may contain general personnel information, while the other may contain more sensitive information such as medical facts or payroll data. Sometimes, customer or patient signatures may be required on multiple forms that reflect different uses for data. Though it may seem that you’re being asked to duplicate information, there is always a good reason for the request. Be sure to fill out all required forms and route them as requested.

## It’s Never “A Wash”

In the third example, it’s incorrect to assume “it’s a wash” because expenses remain the same no matter how they’re reported. Expense reports—just like budgets—sort expenses by category in order to track the cost of doing business. This level of detail is needed for our company to accurately assess its position and plan for the future. In addition, as a government contractor, we must ensure proper accounting and allowances.

## The Consequences Are Real

The consequences of failing to file accurate and truthful information are very real. Fraudulent reporting of books, records or other written communication violates our company policy and possibly the law. Northrop Grumman could be fined or prevented from bidding on new contracts or doing business with certain entities. Inaccurate reporting can cause serious problems for investors, customers, regulators and fellow employees who depend on this information to make decisions. Delays in reporting can result in loss of revenue or new business.

Today’s news reports are filled with the devastating consequences of inaccurate reporting practices such as those followed at Enron, Tyco and other major corporations. Don’t assume that problems caused by inaccurate records are “way above your head” or that you aren’t responsible. Accurate reporting is important at all levels and is critical to our reputation and success.

Paperwork is not just routine. Accurate records are a critical part of Northrop Grumman’s success.