

# **ACT Auditor-General's Office**

## **Performance Audit Report**

### **Records Management in ACT Government Agencies**

**June 2008**





## ACT AUDITOR-GENERAL'S OFFICE



PA 07/18

The Speaker  
ACT Legislative Assembly  
Civic Square, London Circuit  
CANBERRA ACT 2601

Dear Mr Speaker

I am pleased to provide you with a Performance Audit Report titled **'Records Management in ACT Government Agencies'**, for tabling in the Legislative Assembly, pursuant to Section 17(4) of the *Auditor-General Act 1996*.

Yours sincerely

Tu Pham  
Auditor-General  
25 June 2008



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## LIST OF ABBREVIATIONS AND GLOSSARY

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ACT	Australian Capital Territory
ACTPLA	The ACT Planning and Land Authority
Cemeteries	ACT Public Cemeteries Authority
DET	The Department of Education and Training
Director	The Director of Territory Records
DIRKS	Designing and Implementing Recordkeeping Systems - an eight step methodology for undertaking a systematic, risk-based assessment of recordkeeping needs within agencies
IDMS	Integrated Document Management System
Records Act	<i>Territory Records Act 2002</i>
RMP	Records Management Program
TARDiS	Territory Administrative Records Disposal Schedule
Treasury	The Department of Treasury
TRAC	Territory Records Advisory Council
TRO	Territory Records Office
TVKAAA	Territory Version of Keyword AAA - a thesaurus of terms relating to the administrative functions common to agencies



# 1. REPORT SUMMARY AND AUDIT OPINION

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## INTRODUCTION

- 1.1 This report presents the results of a performance audit that reviewed compliance with records management requirements by selected ACT Government agencies.
- 1.2 Good records management is a fundamental element of good governance, in particular with respect to transparency and accountability. Good recordkeeping supports efficiency and accountability through the creation, management and retention of meaningful, accurate, reliable, accessible and durable records of government activities and decisions.
- 1.3 Poor recordkeeping practices negatively affect government administration, and projects are often difficult to implement and sustain effectively in the absence of well-managed records.
- 1.4 Despite the fact that the *Territory Records Act 2002* (the Records Act) has been in operation for five years, several audits conducted by this Office over the last 12 months, including the *Agency Implementation of Audit Recommendations*, *FireLink Project* and *Chris21 Human Resource Management System*, identified poor recordkeeping practices across several large agencies. The reports also highlighted the loss of corporate memory that can occur with a high turnover in staff, extensive use of external contractors and departmental restructures. The resultant risks may be mitigated by the creation and maintenance of proper records.

## BACKGROUND

- 1.5 The Records Act establishes a framework for the management and administration of government records. Under Part 1 the principal purposes of the Act are:
  - (a) to encourage open and accountable government by ensuring that Territory records are made, managed and, if appropriate, preserved in accessible form; and
  - (b) to preserve Territory records for the benefit of present and future generations; and
  - (c) to ensure that public access to records is consistent with the principles of the *Freedom of Information Act 1989*.
- 1.6 Agencies are required to develop and implement a Records Management Program (RMP) consistent with the Records Act and recordkeeping standards and codes to ensure records are created, managed and preserved in accessible form. The progress of agencies in implementing sound records management practices can be assessed against the requirements of the Records Act.
- 1.7 Although recordkeeping is crucial to the day-to-day management of an agency, public access to these records is also important. In May 2007, Part 3 of the Records Act was amended to provide a new date for commencement of provisions allowing public access to older Territory records. Public access to Territory

records older than 20 years will commence on 1 July 2008. Agencies are required to identify such records and must have systems in place to meet these new public access provisions.

## **WHAT IS RECORDS MANAGEMENT?**

1.8 The 2001 International Records Management Standard (ISO 15489) 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.

1.9 The Records Act states that records management covers, but is not limited to, the creation, retention, protection, preservation, storage and disposal of, and access to, records of the agency.

## **AUDIT OBJECTIVES**

1.10 The objective of the audit was to advise the Legislative Assembly on the extent to which the recordkeeping policies, systems and processes of selected agencies meet the requirements of the relevant legislation, Government policies and accepted recordkeeping standards and principles.

1.11 Section 7 of the Records Act identifies ACT entities that are classified as agencies for the purposes of the Act. This includes administrative units, the Executive, the Legislative Assembly Secretariat and the Courts. Guideline No. 1 issued by the Territory Records Office (TRO) identifies more than 100 individual entities to which the Records Act applies.

1.12 The audit covered only a selection of these entities. The following agencies were selected for inclusion in the audit following discussions with the TRO:

- Department of Treasury (Treasury);
- Department of Education and Training (DET), with a focus on schools;
- ACT Planning and Land Authority (ACTPLA); and
- ACT Public Cemeteries Authority (Cemeteries).

1.13 Although the audit considered the implementation of the Integrated Document Management System (IDMS) within ACTPLA as a recordkeeping system, the Audit did not assess the adequacy of management of the IDMS project itself.

## OPINIONS

1.14 The audit opinions drawn against the audit objectives are set out below.

- All audited agencies had taken action to comply with the legislative requirements of the *Territory Records Act 2002*, but progress towards full compliance varied between agencies.
- Each of the audited agencies was at a different stage in addressing their recordkeeping responsibilities. All required improvement in the development of their recordkeeping framework, and the implementation of recordkeeping policies and procedures.
- None of the audited agencies consistently demonstrated better practice in records management. Some fell significantly short of this mark.

## KEY FINDINGS

1.15 The audit opinions are supported by the following findings:

### The Territory Records Office

- The Territory Records Office has taken appropriate action to discharge its functions under the *Territory Records Act 2002* (the Records Act). However, it was unable to perform all tasks required under the Records Act mainly due to limited staff numbers and other competing requirements of the Office.
- The Director of Territory Records had not examined and assessed any audited agency's operation of, and compliance with, its Records Management Program, as provided by the Records Act.
- Views from agencies were generally positive regarding the level of assistance and advice provided by the Territory Records Office. Agencies required further assistance in areas such as training and advice to help them meet the requirements of the Records Act.
- There is currently no single agency solely responsible for records management in the ACT public sector, resulting in inefficiencies in the provision of recordkeeping services.
- All audited agencies reported high levels of communication between themselves and the Territory Records Office during the development of their Records Management Program. All Records Managers demonstrated a clear understanding of the services provided by the Territory Records Office.

### Recordkeeping framework

- Progress in complying with their Records Management Program varied between agencies. ACTPLA and Cemeteries had progressed further towards compliance than Treasury. DET had a well established framework for the Department but did not yet fully apply this to schools. All audited agencies required improvement to meet recordkeeping better practice.

- Most audited agencies had records management policies and guidelines that addressed the legislative requirements.
- All audited agencies had developed a Records Management Program and a strategy that identified agency-wide recordkeeping responsibilities. At the time of the audit, Treasury's Records Management Program did not meet the requirements of Section 16 of the *Territory Records Act 2002*.

### **Recordkeeping needs**

- No audited agency had produced a formal list of external and internal requirements for recordkeeping as part of the process of identifying their recordkeeping needs. Without these lists, agencies may be unable to ensure all requirements are addressed.
- Records management tools used in audited agencies were often unable to provide assurance that full and accurate records were captured and maintained over time.

### **Recordkeeping risks**

- Most audited agencies had recordkeeping practices that identified legislative or business risks to the agency.
- Not all audited agencies had developed policies and procedures to improve the protection of records, leading to a risk of damage to, or loss of, Territory records.
- Digital records of agencies connected to the ACT Government server are backed up daily by the Government's IT agency InTACT. However, not all ACT Government agencies are connected to this server; those that are not must make their own arrangements to ensure digital records and business systems are backed-up.

### **Records management practices**

- Records management policies and programs were not implemented consistently across business units in all agencies, resulting in poor records management in some areas.
- All audited agencies captured and maintained records in paper form, even those that had a formal electronic system that could capture documents in a more efficient manner.
- All audited agencies used recordkeeping systems or corporate software that tracked and recorded information on key recordkeeping events such as creation, classification, access and disposal.
- Most audited agencies had sufficient security measures in place to ensure the safeguard of both paper and digital files.

### **Creation and custody of records**

- Various digital business records were managed through systems that did not meet the Territory Standard for recordkeeping systems. Records maintained

under these systems may not meet the required criteria for the capture and preservation of a digital record.

- All audited agencies had some form of cataloguing and retrieval systems that could facilitate public access to records.
- Some agencies had difficulty locating a number of files required by the audit within a reasonable timeframe due to the poor recording of file movement details. Delays in locating files, or the failure to locate them at all, can have implications for agencies' compliance with the *Territory Records Act 2002* and the *Freedom of Information Act 1989*.

### Protection of records

- Current storage facilities within audited agencies were not sufficient to ensure the protection of records. Some audited agencies stored unclassified files in unsuitable locations such as disused toilet blocks, basements and in boxes outside office restrooms.

### Sentencing and disposal of records

- The DET Records Management Program currently uses the Territory Administrative Records Disposal Schedule (TARDiS) as the records disposal schedule; this cannot be used for school-specific records as TARDiS is intended for common administrative records only.
- Sentencing and disposal procedures within agencies were not always adequate and large quantities of records were retained, possibly unnecessarily, by agencies.

### Monitoring and review

- No agency had implemented a system to formally and regularly monitor and review their recordkeeping practices, systems, policies and procedures.

### Training and Communication

- Training and communication of recordkeeping guidance material within agencies was not sufficient, often resulting in staff expressing a lack of confidence in their recordkeeping knowledge and ability to meet legislative requirements.
- All audited agencies relied heavily on the experience and corporate knowledge of individual long term staff to ensure recordkeeping responsibilities were met.

## RECOMMENDATIONS AND RESPONSE TO THE REPORT

- 1.16 The audit made 11 recommendations to address the audit findings detailed in this report.
- 1.17 In accordance with section 18 of the *Auditor-General Act 1996*, a final draft of this report was provided to the Director of Territory Records (TAMS), Chief Executives of the audited Departments and the Board of the Cemeteries Authority for consideration and comments.

1.18 The Chief Executives' overall responses are shown below.

### ***Response from the Chief Executive of the Department of Education and Training***

*... I believe the proposed report is comprehensive and will provide the Department with useful guidance in the way forward to improve our recordkeeping practices.*

*The Department has well established policies and procedures for records management that meet good governance principles. In 2007-08 the Department provided additional guidance on sensitive information handling. Policies and procedures on electronic document management were also developed during the year.*

*Procedures for the disposal of school records have been developed. The Territory Records Office has advised that the Records Disposal Schedule: Schools Management Records is expected to be approved by Territory Records Advisory Council (TRAC), and listed as a Notifiable Instrument, by 30 June 2008. This will allow the Department to develop procedures and guidance material for the disposal of school records.*

*The DET Records Management Program, outlining policy and procedures for the capture and protection of records, was developed and made available to all staff on the Department's intranet in early 2005. Upon listing of the Records Disposal Schedule: Schools Management Records, the Program will be expanded to reflect the audit recommendations and all public schools will be further advised on the Department's recordkeeping practices including the management and disposal of their records.*

*During 2007-08 DET Records Management undertook a proactive approach to providing recordkeeping guidance and assistance to departmental staff in practical ways, with 45 visits conducted in addition to support offered by telephone and email.*

*Earlier this year, DET commenced the development of a three-year Records Management Plan for schools. The Plan identifies strategies and actions for the development of appropriate recordkeeping procedures in schools. Once approved, the Plan will be implemented from 2008-09.*

### ***Response from the Chief Executive of the Department of Treasury***

*With the establishment of the Shared Services Centre within the Treasury portfolio it was recognised that the current Records Management Program would need to be reviewed. This review was not complete at the time of the audit.*

*Treasury also recognises that to date there has not been a sufficient level of records management training offered to staff, and is putting measures in place to address this, including adding the new records training program offered by the CIT to its regular Treasury Training calendar. Our Treasury graduates will be the first to complete this training later this month.*

*Treasury is committed to records management, and significant work has been completed this year, including the full review of the Treasury Records Management Program and work in relation to the Public Access to Territory Records on 1 July 2008.*

### ***Response from the Chief Executive of Territory and Municipal Services***

*... The report provides a valuable perspective of the progress made at this time in the lead up to the commencement on 1 July 2008 of Part 3 of the Records Act, dealing with the public access to certain Territory Records over 20 years old.*

*It is accepted as inevitable that at any time, agencies will be at different levels of practice in Records Management. This should not obscure recognition of the considerable progress that has been made by all agencies in the development of Records Management Programs and the raising of staff recordkeeping skills. In practice, a framework now exists and recordkeeping policies and procedures are now implemented in every agency. It is also accepted that continuing improvement in the management of Territory records is required.*

- 1.19 In addition, the Director of Territory Records, Chief Executives of ACTPLA and DET and the Manager of the Cemeteries Authority provided responses to each recommendation, as shown below.

**Recommendation 1 (Chapter 2)**

The Territory Records Office should increase its compliance activities to ensure agencies comply with their approved Records Management Programs and the *Territory Records Act 2002* and to provide input to the required review of the *Territory Records Act 2002*.

**Territory Records Office (TAMS)'s response:**

*Agreed. The TRO will be able to give greater attention to assessing agencies' compliance with their Records Management Programs next financial year. The recent priorities of the TRO have been assisting agencies with their preparations for the impending commencement of the Access provisions of the Act which commence on 1 July 2008. The extent of the work on compliance is ultimately determined by the resources available to the TRO, as recognised in the Report.*

**Cemeteries' Response:**

*Agreed. Cemeteries would support a regular appraisal of the effectiveness of our Records Management Program.*

**Recommendation 2 (Chapter 2)**

The Territory Records Office should investigate and promote consistent records management practices across all ACT Government agencies.

**Territory Records Office (TAMS)'s response:**

*Agreed. A high level of consistency has already been achieved in the first six years of the operation of the Act. As a result of this recommendation, work will commence on the most urgently needed measures to promote consistency, namely, the expansion of the consolidated ACT Government records management thesaurus, further Standards for Records Management and a range of Records Disposal Schedules for those agencies without coverage for all of their records.*

**Cemeteries' Response:**

*Agreed. This would be of particular help to smaller agencies.*

### **Recommendation 3 (Chapter 2)**

The Government should consider the merit of consolidating InTACT's Record Services of the Department of Treasury, within the Territory Records Office with a view to creating a single records management agency.

#### **Territory Records Office (TAMS)'s response:**

*Agreed. The merits of creating a single central records management entity should be considered, always being mindful of potential issues that could arise when both service provider and regulator are contained within the one administrative structure.*

### **Recommendation 4 (Chapter 3)**

The Department of Treasury should finalise its Records Management Program for implementation throughout the Department.

#### **Territory Records Office (TAMS)'s response:**

*Agreed. The Treasury Records Management Program will need to incorporate the Shared Services component of its responsibilities.*

### **Recommendation 5 (Chapter 3)**

Agencies should ensure recordkeeping procedures and guidance material address the business activities specific to their operations.

#### **Territory Records Office (TAMS)'s response:**

*Agreed.*

#### **ACTPLA's Response:**

*Agreed. ACTPLA has included specific guidance and procedures in its Records Management Program relative to business activities and operations including IDMS (Objective system). The recent appointment of a dedicated Records Management Officer will allow for a significantly increased focus on education, information and compliance requirements.*

#### **Cemeteries' Response:**

*Agreed. Cemeteries will carefully examine where the difference in requirements lie between TAMS' RMP and Cemeteries' RMP and detail these exceptions in the Cemeteries' RMP.*

#### **DET's Response:**

*Agreed. Refer to the overall response.*

**Recommendation 6 (Chapter 3)**

The Territory Records Office should:

- subject to legal advice, improve the *Standard for Records Management No. 6 Digital Records* to provide sufficient information for agencies to assess the legal validity of their digital records;
- assist agencies in assessing the suitability of electronic recordkeeping systems or tools (including those currently in use such as *Objective* or *TRIM*); and
- assess the suitability of electronic recordkeeping systems or tools for wider application across government.

**Territory Records Office (TAMS)'s response:**

*Agreed. The TRO will monitor judgements from the ACT Courts and Tribunals to seek guidance on the acceptability of digital records as evidence provided by the ACT Government to the ACT Courts. At present some ACT Courts still require evidence provided to them in a print format. The TRO supports the extension of digital records management systems and tools for wider application across ACT Government. There are many areas of government that would benefit from the greater use of digital records.*

**Cemeteries' Response:**

*Agreed. This would be of particular help to Cemeteries as we capture all paper records associated with Exclusive Right of Allotment.*

**Recommendation 7 (Chapter 3)**

Agencies should assess the risks associated with the physical storage of records, within both in-house and outsourced storage facilities, and develop appropriate strategies to address these risks.

**Territory Records Office (TAMS)'s response:**

*Agreed. The Territory Records Office has developed a Standard and Guideline on the Physical Storage of Records. This has been distributed around government for consultation and has been discussed with the ACT Government's Property Forum. The final version of the Standard and Guideline will be tabled at the next meeting of the Territory Records Advisory Council prior to its becoming a Notifiable Instrument under the Territory Records Act 2002.*

**ACTPLA's Response:**

*Agree in Principle. ACTPLA's greatest risk with its records remains the building files housed at its Mitchell Offices. Property ACT is trying to identify alternative premises for the Mitchell Offices and the issues around paper file storage and access will be examined at that time. Over the last 4 years, ACTPLA has used available budget funding to scan new building files and a cross section of plans and related documents, so as to create back up and electronically accessible records. With 3 year budget funding from 2008-09, ACTPLA will focus on back-scanning licensing files, asbestos report files and pre private*

*certification building files. However, this funding is only a relatively small part of the total funding required in future to fully back up and secure the Territory's Building Files.*

**Cemeteries' Response:**

*Agreed. Risk assessment should be carried out and appropriate industry standards applied to both in-house and outsourced storage.*

**DET's Response:**

*Agreed. The DET Records Management Program includes the policy and procedures for the physical storage of records.*

*The risks associated with the physical storage of records are also addressed in the Department's draft Business Continuity Plan.*

*The risks associated with the physical storage of records will be reviewed and included in the Department's Risk Register. The review will include appropriate risk treatments and controls.*

**Recommendation 8 (Chapter 4)**

Agencies should implement a system, including conducting internal audits, to formally and regularly monitor and review their recordkeeping practices, systems, policies and procedures.

**Territory Records Office (TAMS)'s response:**

*Agreed.*

**ACTPLA's Response:**

*Agreed. ACTPLA recently appointed a dedicated Records Management Officer who will be responsible for the Records Management Program, including monitoring, reviewing, arranging training and implementing changes as business operating environments evolve.*

**Cemeteries' Response:**

*Agreed. This should be a normal component in any Records Management Program.*

**DET's Response:**

*Agreed. Records management has been identified as a core business risk and included in the Department's Risk Management and Audit Plan for 2008-2009. An audit of recordkeeping practices, systems, policies and procedures is included in the audit program.*

*The Department's Business Plan identifies records management processes and procedures that support departmental business as being a key deliverable. The business plan proposes a number of actions including the need for an analysis and documentation of school record keeping needs and the need to plan and undertake ongoing monitoring and review of schools recordkeeping framework and systems.*

*Upon approval of the Records Disposal Schedule: Schools Management Records, the DET Records Management Program will be updated to provide further advice to schools on the management and disposal of records.*

*The draft records management plan for schools will include a program of training and ongoing monitoring and review.*

#### **Recommendation 9 (Chapter 4)**

Agencies should disseminate recordkeeping guidance material to staff through means such as staff forums, induction programs and staff bulletins.

#### **Territory Records Office (TAMS)'s response:**

*Agreed. The TRO will be upgrading the intranet service that they provide to agencies which will enable greater dissemination of records management information for agency staff at all levels.*

#### **ACTPLA's Response:**

*Agreed. ACTPLA's Records Management Officer will develop and deliver training material by way of formal training sessions, Managers forums and contributions to the internal staff newsletter on a regular basis. A communication schedule will be developed to ensure consistency and the coverage of all related topics. The training will include skills improvement, knowledge of records and records management and better practice in electronic capture.*

#### **Cemeteries' Response:**

*Agreed. It may be appropriate for dissemination of the material to go to all ACT Government agencies to be through the TRO.*

#### **DET's Response:**

*Agreed. DET uses a range of staff forums to provide information and to seek feedback on the needs of line areas, including schools. Records Management staff regularly use the Business Managers (Schools) network meeting to advise staff of their records management obligations and to provide assistance to staff.*

*Advice on records management, particularly electronic records, is included in the Department's staff induction program. This section of the program will be enhanced to cover a broader range of records management procedures. The Department's daily staff alerts system is currently used to provide general advice on records management.*

*The draft three year Records Management Plan has identified a need to provide further training for school-based staff. Finalisation of the Schools Management Records Disposal Schedule will allow updated and appropriate training in disposal.*

## **Recommendation 10 (Chapter 4)**

Agencies should develop formal training programs that improve the skills and understanding of all staff in recordkeeping.

### **Territory Records Office (TAMS)'s response:**

*Agreed. The TRO has reached agreement with the CIT to provide whole-of-government records management training at both the Introductory and at the Certificate III levels throughout the ACT Government. This initiative will commence on 1 July 2008.*

### **ACTPLA's Response:**

*Agreed. Refer to the response to recommendation nine.*

### **Cemeteries' Response:**

*Agreed. Cemeteries does conduct training for all staff but will formalise the process.*

### **DET's Response:**

*Agreed. DET currently provides tailored in-house training on records management in line with the recommendations of previous external audits of ACT Government recordkeeping. This training, to date, has been focussed on the Department's central office staff. DET is in the consultation stages of developing a tailored training package for principals, teachers and administrative staff in schools to be implemented in 2008-2009.*

*The Territory Records Office has taken a role in development of DET training materials that are consistent and support correct practices. DET shared these materials with CIT to aid development of consistent practices across ACT Government.*

*DET Records Management personnel are currently enrolled in certified recordkeeping training with CIT.*

## **Recommendation 11 (Chapter 4)**

Agencies should develop procedures that provide sufficient practical guidance to enable all staff to capture both paper and digital records.

### **Territory Records Office (TAMS)'s response:**

*Agreed. TRO will continue to provide whole of government advice to assist agencies to meet their responsibilities under the Act.*

### **ACTPLA's Response:**

*Agreed. Refer to the response to recommendation nine.*

### **Cemeteries' Response:**

*Agreed.*

**DET's Response:**

*Agreed. The Department has developed electronic folder and document naming guidelines and draft electronic messages (email) handling guidelines. Senior executive is currently considering a draft electronic document management policy. Further 'user-friendly' procedures (e.g. Action Cards) will be developed to assist staff in Records Management practices.*

## 2. THE TERRITORY RECORDS OFFICE

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### INTRODUCTION

2.1 This Chapter discusses the role of the Territory Records Office (TRO).

### KEY FINDINGS

- The Territory Records Office has taken appropriate action to discharge its functions under the *Territory Records Act 2002* (the Records Act). However, it was unable to perform all tasks required under the Records Act mainly due to limited staff numbers and other competing requirements of the Office.
- The Director of Territory Records had not examined and assessed any audited agency's operation of, and compliance with, its Records Management Program, as provided by the Records Act.
- Views from agencies were generally positive regarding the level of assistance and advice provided by the Territory Records Office. Agencies required further assistance in areas such as training and advice to help them meet the requirements of the Records Act.
- There is currently no single agency solely responsible for records management in the ACT public sector, resulting in inefficiencies in the provision of recordkeeping services.
- All audited agencies reported high levels of communication between themselves and the Territory Records Office during the development of their Records Management Program. All Records Managers demonstrated a clear understanding of the services provided by the Territory Records Office.

### BACKGROUND

2.2 The *Territory Records Act 2002* (the Records Act) was introduced by the ACT Legislative Assembly in June 2002, followed by the establishment of the position of Director of Territory Records (the Director) and the establishment of the Territory Records Advisory Council (TRAC). The Territory Records Office (TRO) was created to assist the Director in undertaking these functions.

2.3 The functions of the Director are listed under Section 33(1) of the Records Act. The Director has responsibilities to assist individual agencies in records management, as well as a range of whole-of-government responsibilities. Principally, these functions and responsibilities are to:

- develop and approve standards, codes and guidelines for use by agencies in records management;
- assist in the development or amendment of an agency's Records Management Program (RMP);
- provide advice on, and approve a Records Disposal Schedule for the disposal of records under an agency's RMP;

- examine and monitor the operation of an agency's RMP and the agency's compliance with the Records Act and its RMP and report on the operation and compliance;
  - provide assistance, advice and where necessary training to agencies in records management. This includes encouraging and developing appropriate records management training for agency staff;
  - assist in the development of facilities for access by the public to records; and
  - encourage consistency between agencies in respect to RMPs and practices.
- 2.4 The Territory Records Advisory Council (TRAC) provides advice to the Director on several aspects of records management, in particular:
- the development and review of standards and codes for agencies records management;
  - the disposal of agency records; and
  - the preservation of agency records about Aboriginal and Torres Strait Islander heritage.
- 2.5 Members of the TRAC represent a broad spectrum of stakeholder interests within the local community. The Chairman is a former executive member of the National Archives of Australia. Additional members include representatives from the TRO, Records Management Association of Australasia, Australian Society of Archivists, community associations interested in historical or heritage issues, including Aboriginal and Torres Strait Islander heritage, Australian Women's Archive Project, Government Agencies, and the Heraldry and Genealogy Society of Canberra.

## **ACTIVITIES OF THE TERRITORY RECORDS OFFICE**

### **Development of Standards and Guidelines**

- 2.6 The TRO had two primary areas of focus following the introduction of the Records Act in 2002; the creation and provision of recordkeeping standards and guidelines for the ACT Government, and assisting agencies in preparing and developing their RMP.
- 2.7 The TRO developed, and continues to develop in consultation with agencies, a range of Territory Record Standards, each with a corresponding Guideline, as well as separate Territory Records Advice statements. These documents are readily available on the TRO website for use by agencies in their records management activities and in developing a comprehensive RMP. There are currently six sets of standards and guidelines. The Standards are based on better practices as promulgated by other jurisdictions in Australia and overseas, and the Guidelines provide detailed practical reference material, to assist agencies in implementing the Standards. The Advices – of which there are about 40 – are typically based on questions of practice that have been asked of the TRO, which the Director considers have broader application across ACT agencies.

- 2.8 In addition, the TRO also developed and implemented a whole-of-government records management thesaurus and records disposal schedule as a key means of encouraging consistency across agencies, as well as minimising the impact of the introduction of a formal records management regime. These tools are discussed further below.

### Assistance and advice provided to agencies

- 2.9 On the commencement of the Records Act, the Director liaised with agency Chief Executives, and nominated Records Managers, on the development and review of each agency's RMP, and provided advice to agencies when requested.
- 2.10 Although the TRO is not required to approve the final RMP - this responsibility rests with the Chief Executive of the agency - if the TRO is provided with a draft copy of an agency's RMP, it does review it for compliance with the Records Act. The Director must approve an agency's Records Disposal Schedule (an essential component of a RMP) before the RMP can be approved by the Chief Executive.
- 2.11 The agencies covered by the audit reported high levels of communication between the agency and the TRO during the development of the RMP, and most Records Managers had benefited from ongoing communications with the TRO, mostly through attendance at meetings of the Records Managers' Forum. One Records Manager was unaware of the existence of this forum, usually scheduled two weeks after each TRAC meeting and held at the TRO. This forum facilitates the discussion of issues raised by the TRAC and the concerns of Records Managers of agencies on topics such as Record Standards, Guidelines, Codes or Advices that have been recently promulgated by TRO or are currently in the process of development.
- 2.12 Agency views were generally positive regarding the level of assistance and advice provided by the TRO following the finalisation of their RMPs, all Records Managers demonstrated a clear understanding of the services provided by the TRO. However, operational staff were often unsure about the services provided by the TRO and those provided by their own Records Managers.

### Monitoring and compliance activities

- 2.13 By 2005, most ACT Government agencies had an approved RMP in place, and the TRO's focus shifted from assisting with the development of agency RMPs, to monitoring and compliance activities. As noted previously, a function of the Director specified in the Records Act is to:
- ... examine and monitor the operation of the records management program of an agency and the agency's compliance with [the Records Act] and the program and report on the operation and compliance.
- 2.14 Essentially, this provides the Director an audit role with respect to records management within an agency. The Director also has the authority under the Records Act to advise the Minister on any matter relevant to records management or the operation of this Act; this would include the outcome of monitoring or compliance activities undertaken.

- 2.15 Notwithstanding the TRO's increased focus on compliance with agency RMPs and the Records Act, no agency reviewed during this audit reported that the TRO had undertaken any examination, monitoring or assessment of the agency's operation of its RMP, or compliance with the Records Act. Indeed, Audit understands the TRO has not undertaken any compliance examinations of the operation of agency RMPs or otherwise examined agency performance against the Records Act.
- 2.16 Monitoring performance against RMPs and compliance with the Records Act is a significant responsibility of the TRO. This could assist agencies in complying with the Records Act and their own RMPs. Such activities could also provide valuable quantitative and qualitative data to inform views regarding the Territory's recordkeeping framework, as will be necessary when the operation of the Records Act is reviewed.<sup>1</sup> For these reasons, Audit considers the TRO should ensure it implements a sound program for examining and monitoring compliance with the Records Act.

### Recommendation 1

The Territory Records Office should increase its compliance activities to ensure agencies comply with their approved Records Management Programs and the *Territory Records Act 2002* and to provide input to the required review of the *Territory Records Act 2002*.

### Promotion of consistency in records management across agencies

- 2.17 Under the Records Act, the TRO is also required to encourage consistency between agencies in respect to RMPs and practices. The TRO observed that many administrative functions are common across agencies, and purchased a whole-of-government licence for Keyword AAA from the State Records Authority of New South Wales. Keyword AAA is a thesaurus of terminology used for records of common administrative functions across Government agencies. The TRO adapted Keyword AAA and mandated use of the Territory Version – known as TVKAAA - across all ACT agencies.
- 2.18 As well as developing a common thesaurus of administrative terms, the TRO developed a common Territory Administrative Records Disposal Schedule (TARDiS) which is consistent with, and linked to, the terminology used in TVKAAA. TARDiS provides all agencies with a Records Disposal Schedule for the disposal of records used in the common administrative functions of an agency. When an agency includes the TARDiS in its RMP, the agency needs only to produce separate Record Disposal Schedules for agency-specific functions that are not covered under TARDiS.
- 2.19 Although the use of the Thesaurus and TARDiS has promoted consistency across ACT Government agencies in the classification and disposal of records, current recordkeeping systems and procedures vary widely between agencies. This was

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<sup>1</sup> Section 58 of the Records Act requires the Minister to review the operation of the Records Act 'as soon as practicable after 1 July 2009' and present a report on the outcome of the review to the Legislative Assembly by 1 July 2010.

especially evident in file management (which includes file content, retrieval, and tracking), and in some areas of classification. For example, during testing in the Shared Services Centre (a sub-unit of Treasury which provides multiple agencies with Human Resource, Finance, Information and Communication Technology, Procurement, Publishing and Records Management functions), Audit observed that agencies did not consistently use a provided checklist to ensure uniformity in the types of documents retained on personnel files. A lack of consistent file indexing and page numbering also raised questions about file integrity, as Audit had no assurance that important and completed documents were captured and retained within the files.

- 2.20 Under the shared service arrangements, the Shared Services Centre is responsible for the provision of a wide range of Human Resource and other administrative services to agencies, including the maintenance of records. However, the legal responsibilities of the various Chief Executives, Chief Executive Officers and Governing Boards of departments and authorities under the *Financial Management Act 1996* and the Records Act are unchanged by these arrangements with Shared Services. These responsibilities include the requirement to ensure adequate controls are maintained and applicable legislation is complied with.
- 2.21 Audit noted that confusion existed in agencies regarding the responsibility and activities of Shared Services in records management particularly in regards to legal responsibilities and custody of records. Shared Services has only temporary custodianship of these records. Agencies should ensure provisions are made for the incorporation of these records back into their existing records management systems on return from Shared Services.

### Provision of training

- 2.22 The TRO does not have sufficient resources to provide whole-of-government training on records management. It has therefore established a panel of external providers with appropriate experience in records management and an understanding of records management in the ACT Government, to assist agencies to deliver records management training to staff. The TRO notified these contractors of Territory recordkeeping requirements by entering into service level agreements, ensuring a degree of consistency in training amongst different providers. However, Audit observed that most agencies preferred instead to use in-house resources rather than the approved external providers. Although this may be convenient, it creates the risk that in-house training may promote inconsistent or incorrect practices.
- 2.23 The Records Act clearly charges the Director – and hence the TRO – with the strategic responsibility to encourage consistency between agencies in records management and recordkeeping activities. This is not limited to the development or implementation of RMPs by agencies, but extends to increasing the awareness and understanding of sound records management overall. Audit considers the TRO should continue to encourage and promote consistency between agencies in respect to RMPs and practices through means such as:

- provision of training in records management by a central unit to help ensure procedures used by agencies achieved some level of commonality of better practice;
- adopting a proactive approach to dissemination of guidance material to ensure information penetrates in agencies beyond those staff with specific records management responsibilities and extends beyond the corporate and administrative functions;
- use of forums to promote better practice within all agencies; and
- use of a consistent electronic document management system in all ACT Government agencies.

## Recommendation 2

The Territory Records Office should investigate and promote consistent records management practices across all ACT Government agencies.

### Public access to records

2.24 The TRO advised that more recently its emphasis and focus was on preparing agencies for the commencement of the 'Access to Records' provisions of the Records Act, which will occur on 1 July 2008. This will have the effect of opening all Territory Government records to the public when they reach 20 years of age or older, as required under Part 3 of the Records Act. This section of the Act was originally planned to take effect as of 1 July 2007 but the Records Act was amended in 2007 to postpone the date of effect. The Explanatory Statement for the amendment Bill noted:

The commencement provisions of the Act allowed agencies one year to become compliant with the provisions of the Act and five years to prepare their records for public access. At that stage it was difficult for the Government to estimate the size and complexity of the task ahead as there had been no regime in place on which to make forecasts.

While great progress has been made in implementing the provisions of the Act and preparing for the implementation of the uncommenced provisions, the tasks required for the access regime have taken longer than expected. It is estimated that the Territory holds upwards of 20 kilometres of records. Many of these records will hold information of a personal and private nature and agencies need to ensure that this material does not inadvertently become open for public access. Territory agencies will use the additional time provided by this amendment to continue to examine the records that they hold in preparation for their access by members of the public.

2.25 Audited agencies reported high levels of involvement with the TRO in preparing for public access to their records and the TRO now has a dedicated reference archivist, funded by government departments, who will liaise with agencies and the public to facilitate this access when required.

2.26 On advice provided by the TRO, agencies were actively identifying relevant records for public access. For example, Treasury had identified and appraised

over 1300 records older than 20 years to establish whether those records should be made available for public access.

- 2.27 The TRO also liaised with agencies to arrange exemptions under Section 28 of the Records Act, which allows an agency to deny public access to records if they fall under certain provisions of the *Freedom of Information Act 1989*. Exemptions include personal privacy (accounting for over 80 percent of exemptions requested), legal professional privilege, and Commonwealth-State relations records. For example, Audit observed that Cemeteries had obtained a blanket Section 28 exemption for all exclusive rights of allotment records as they contained personal information.

### **TRO implementation of the Records Act**

- 2.28 Audit considers that the TRO has met the requirements of the Records Act in the following areas:

- development and approval of standards, codes and guidelines for use by agencies in Records Management;
- assistance in the development or amendment of an agencies RMP;
- provision of advice on, and approval of, Records Disposal Schedules; and
- assistance in the development of facilities for access by the public to records.

- 2.29 Audit considers the TRO has made significant progress in encouraging the effective implementation of the Records Act, but notes that for much of its existence, the TRO has consisted of only two or three staff including the Director. Audit considers the limited resources available to the Office – especially staffing – may have limited the overall effectiveness of the TRO, particularly in the face of the many competing requirements of the Office.

- 2.30 This is reflected in Audit’s conclusion that, even five years after the introduction of the legislation, the following requirements of the Records Act had not been sufficiently addressed:

- examining, monitoring and reporting on compliance with the operation of an agency’s RMP and the Records Act;
- the provision of assistance, advice and where necessary, training to agencies in records management; and
- encouraging consistency between agencies in respect to RMPs and practices.

- 2.31 Audit found that none of the audited agencies was consistently demonstrating better practices in records management and this reflects the consequences of ineffective or inconsistent implementation of the Records Act. This in turn can result in a weakening of corporate governance and accountability. The TRO has a strategically significant role in achieving effective records management (and hence good governance) in ACT Government agencies, but has not yet fully discharged this role.

## Creation of a single records management agency in the ACT

- 2.32 The TRO currently has three full-time staff, being:
- the Director of Territory Records;
  - an Information Management Strategist; and
  - an Information Quality Manager.
- 2.33 By comparison, the Archives Office of Tasmania has 25 staff under two main branches:
- Records Services, which deals with the regulation of Government recordkeeping; and
  - Reference Services, which deals with all aspects of public access, use and preservation of State Archives.
- 2.34 All other Australian States and Territories have combined archival and records management responsibilities into one key agency, often known as State Archives. These agencies typically provide:
- recordkeeping policy development and advice across Government;
  - archival services to Government agencies;
  - records storage services to agencies; and
  - recordkeeping assistance, advice and training to agency staff.
- 2.35 The TRO currently provides only one of these four key services across the ACT Government.
- 2.36 Individual agencies are currently responsible for their own storage of agency records and archival of Territory records. Options available to agencies include storage in-house, or the use of ACT Record Services, which currently exists as a sub-unit of Treasury, and provides a range of records management services to agencies, including the management of storage requirements and expert advice in records management. Alternatively, agencies can outsource this function to private external providers.
- 2.37 The Audit found that current storage facilities within agencies did not consistently meet the minimum standards for long term records protection. This is discussed further in Chapter 4 of this report.
- 2.38 As discussed earlier in this chapter, agencies currently organise their own in-house training on records management, with little involvement from the TRO. Audit understands that, from July 2008, the Canberra Institute of Technology will provide recordkeeping training to ACT Government agencies.
- 2.39 There may be considerable efficiencies in consolidating Record Services of the Department of Treasury within the TRO. Creating a single agency to deal with records management may make more efficient use of available resources to ensure those aspects of the Records Act currently unmet, are addressed.

2.40 In addition, creating a central agency responsible for the archival of Territory records may provide the following further benefits to the Territory:

- cost savings achieved by the central management and storage of records;
- storage facilities that meet minimum standards for long term records conservation and protection;
- centralised records that are readily accessible to agencies and the public; and
- public records and their context that are documented to support access and use over time.

2.41 The preservation of records is particularly important with the introduction of public access to Territory records over 20 years old.

### Recommendation 3

The Government should consider the merit of consolidating InTACT's Record Services of the Department of Treasury, within the Territory Records Office with a view to creating a single records management agency.

## CONCLUSIONS

2.42 Overall the TRO has provided sufficient services to enable agencies to implement recordkeeping frameworks that comply with requirements of the Records Act. However, there is a need for the TRO to take on a greater role to assist agencies to ensure that these recordkeeping frameworks are implemented, and obligations under the Records Act continue to be met. This could be achieved, at least in part, by an increase in the TRO's monitoring and compliance activities.

2.43 Agencies that had interacted with the TRO in developing their RMPs indicated they could have benefited from further advice and assistance. Audit considers there is opportunity for the TRO to investigate how it may take on a greater role and a more proactive approach in the provision of:

- records management training;
- additional guidance material; and
- support of relevant agency activities such as storage, in-house training and recruitment of specialised staff.

2.44 There is scope to consolidate recordkeeping functions across the ACT Government into one single agency under the TRO banner. This may achieve several benefits for the Territory including improved public access to records and consistent recordkeeping advice and training for agencies.

### **3. RECORDKEEPING FRAMEWORKS**

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#### **INTRODUCTION**

3.1 This Chapter examines the recordkeeping framework that audited agencies have developed to address their identified recordkeeping responsibilities.

#### **KEY FINDINGS**

- Progress in complying with their Records Management Program varied between agencies. ACTPLA and Cemeteries had progressed further towards compliance than Treasury. DET had a well established framework for the Department but did not yet fully apply this to schools. All audited agencies required improvement to meet recordkeeping better practice.
- Most audited agencies had records management policies and guidelines that addressed the legislative requirements.
- All audited agencies had developed a Records Management Program and a strategy that identified agency-wide recordkeeping responsibilities. At the time of the audit, Treasury's Records Management Program did not meet the requirements of Section 16 of the *Territory Records Act 2002*.
- No audited agency had produced a formal list of external and internal requirements for recordkeeping as part of the process of identifying their recordkeeping needs. Without these lists, agencies may be unable to ensure all requirements are addressed.
- Records management tools used in audited agencies were often unable to provide assurance that full and accurate records were captured and maintained over time.
- Most audited agencies had recordkeeping practices that identified legislative or business risks to the agency.
- Not all audited agencies had developed policies and procedures to improve the protection of records, leading to a risk of damage, or loss, of Territory records.
- Digital records of agencies connected to the ACT Government server are backed up daily by the Government's IT agency InTACT. However, not all ACT Government agencies are connected to this server; those that are not must make their own arrangements to ensure digital records and business systems are backed-up.

#### **WHAT IS A RECORDKEEPING FRAMEWORK?**

3.2 A recordkeeping framework consists of the following key components:

- standards, guidelines and legislation;
- policy;
- procedures; and
- training.

- 3.3 The standards, guidelines and legislation components, with which agencies must comply, are dictated by legislation and the Territory Records Office (TRO). However, in-house training, procedures and policies are managed within the agencies themselves.
- 3.4 A framework that encourages good recordkeeping practices within an agency should include:
- policies and procedures developed by the agency;
  - clear allocation of responsibility for recordkeeping amongst officers of an agency;
  - training of staff; and
  - appropriate recordkeeping systems.

### FRAMEWORK FOR RECORDKEEPING WITHIN AGENCIES

**Table 3.1: Agency compliance with elements of a good recordkeeping framework**

Criteria	Cemeteries	DET-Schools	ACTPLA	Treasury
Did the Agency have an approved RMP in place?	Yes	Yes	Yes	Yes <sup>(a)</sup>
Did the agency have a Records Management Policy in place?	Yes	Yes	Yes	Yes
Did the agency properly analyse its recordkeeping needs?	Yes	Partially	Yes	Yes
Did the agency properly analyse its recordkeeping risks?	Partially	Partially	Yes	Yes
<b>Note:</b>				
(a) This RMP did not comply with Section 16 of the <i>Territory Records Act 2002</i> , as it had not been updated to reflect either Treasury's approved records disposal schedules or its changed operating environment, which occurred as a result of Departmental restructures in 2006-07.				

### Records Management Program

- 3.5 Section 16 of the Records Act requires agencies to have an approved Records Management Program (RMP). Under the TRO Records Advice No. 41, the purpose of the RMP is to establish a framework for the creation and management of a record within an agency throughout the life of the record.
- 3.6 The RMP is a group of documents that outline, explain and fulfil the items under section 16 of the *Territory Records Act 2002*. The documents that should be included are:
- records management policy;
  - records management procedures;

- approved records disposal schedules;
  - business classification scheme;
  - training schedule;
  - compliance schedule; and
  - letters of authorisation, approval and transmittal.
- 3.7 Principally the RMP must establish within the agency, a range of ongoing *normal administrative arrangements and procedures*<sup>2</sup> for handling records, including for the allocation of resources to create, maintain, develop and review the RMP. Importantly, the RMP must outline arrangements for the interaction of the agency and TRO on matters such as the provision of assistance, advice and training to the agency in records management by the TRO and for the Director of Territory Records (the Director) to inspect the RMP and report on compliance. Other administrative arrangements that must be provided for in a RMP are specified in the *Territory Records Standard for Records Management Number 1: Records Management Programs 2003*.
- 3.8 As noted in the previous chapter, the TRO is not required to approve the final RMP - this responsibility rests with the Chief Executive of the agency. The TRO does, if provided with a copy, review the draft of an agency's RMP for compliance with the Records Act before providing clearance for Chief Executives to sign off on the final version of the RMP. This measure has ensured that each RMP submitted to the TRO meets the minimum requirements of the Records Act. Audit noted that the TRO does not, as a matter of course, follow up with agencies to ensure satisfactory implementation of the RMP, although each RMP must provide for arrangements by which the TRO can assess and report on compliance.
- 3.9 Of the four agencies reviewed by the audit, three had approved RMPs that included these key requirements. One agency, the Department of Treasury, was in the process of updating its RMP to incorporate structural changes including the establishment of the Shared Services Centre (dated December 2007), but the Program had not been finalised and approved for implementation. However, the Director had approved records disposal schedules covering Treasury's functions as follows:
- Treasury Management Records – April 2006;
  - Economic Management Records – December 2006;
  - Revenue Management Records – December 2006;
  - Information and Communications Technologies Records – June 2007; and
  - Procurement Records - October 2007.
- 3.10 Audit notes that Treasury has not complied with Section 16 of the Records Act since 2006, as the Department has not updated its RMP to reflect either the

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<sup>2</sup> The Records Act defines *normal administrative practice* as normal practices and procedures for the exercise of functions of the agency in relation to its records.

Department's approved records disposal schedules or its changed operating environment, which occurred as a result of Departmental restructures. This should be rectified as soon as practicable. At the time of audit, Treasury advised that the final version of the revised RMP would be approved within the next three months.

### Recommendation 4

The Department of Treasury should finalise its Records Management Program for implementation throughout the Department.

### Review of the Records Management Program

- 3.11 Most agency RMPs required a review of the program every three years unless circumstances made it appropriate to do so earlier. The Territory Records Standard for Records Management Programs requires the RMP to be reviewed not less than every five years, although agencies may plan a staged approach where a single element of the plan is identified for review in a given period.
- 3.12 ACTPLA and Cemeteries reviewed their RMPs in 2007, mainly to reflect their changing IDMS and operating environments. A review of the DET RMP is due in 2008. DET identified over ten areas for improvement in its current RMP, as a result of ad hoc 'reviews' of recordkeeping practices, where guidance available to staff could be improved to formulate more user friendly procedures or manuals.
- 3.13 Audit is supportive of activities within agencies that lead to the continuous improvement of administrative practices, including those relevant to recordkeeping. These should be in addition to the review envisaged within agency RMPs that is a substantial examination of the efficacy of the agency records management program, to ensure that it continues to meet legislative and policy requirements, the business needs of the agency, and better practices in records management. Audit considers a formal review should occur at least every five years, with an additional provision included for an earlier review when any significant changes are made to the operating environment of an agency.

### Policies and procedures

- 3.14 All audited agencies reviewed by the audit had at least basic policies and procedures that referenced the capture of all records (both digital and paper) and addressed the requirements of relevant legislation and standards. In addition, all audited agencies had an overarching records management policy statement that met the requirements of *Territory Records Standard for Records Management Number 1: Records Management Programs 2003*.
- 3.15 Each audited agency was at a different stage of development of recordkeeping procedures. Treasury, had not developed and disseminated agency specific recordkeeping procedures and guidance material, other than those relating to records disposal schedules. The majority of Treasury's policies were adopted directly from the TRO without modification. By comparison, ACTPLA, had an approved RMP, and had developed and implemented many agency specific procedures or guidance documents.

- 3.16 As might be expected, the size of an individual agency influences the level of procedural and guidance material prepared. As an efficiency measure, smaller agencies frequently use material prepared by larger agencies. For example Cemeteries, under advice from the TRO, has adopted and approved (without change) the RMP for the Department of Territory and Municipal Services, supported by its own Cemeteries and Crematoria Management Records Disposal Schedule.
- 3.17 Audit agrees that efficiencies can be gained by basing internal policies or guidelines on similar documents prepared by other agencies, but cautions that such materials must be adapted to address the business activities unique to the agency's operations. For records management purposes, each agency should undertake an agency-specific appraisal of its records and records management needs as an integral component of developing its Records Disposal Schedule.

### Appraisal of business activities

- 3.18 The TRO's *Guideline No.2 – Appraisal* states that:
- Appraisal is the process of evaluating business activities to determine which records need to be captured and how long those records need to be kept in order to meet business needs, the requirements of agency accountability and community expectations. Appraisal of agency functions and the records that arise from them result in decisions about what records should be made or captured and how long they should be retained. These decisions enable Territory agencies to produce Records Disposal Schedules.
- The criteria used to undertake the appraisal task need to take into account both the administrative context of the creating entity, stakeholder requirements, including community stakeholders, and associated risks.
- 3.19 The primary purpose of the appraisal process is to ensure agencies have accountable systems for making, managing and disposing of the records of their business activity. An appraisal will identify activities or records that are unique to an agency's operations, and thus will enable an agency to tailor a RMP, and associated policy and guidelines, to the agency's individual circumstances.
- 3.20 All audited agencies had some form of records disposal guidelines that assisted with disposal activities, including retirement of inactive records and destruction in accordance with approved records disposal schedules. Records disposal schedules are important to an agency to ensure unauthorised destruction of documents does not occur and conversely, unnecessary retention of records does not occur.
- 3.21 All audited agencies except Treasury had developed a recordkeeping policy that encompassed all record formats including digital records. Treasury's Records Management Policy defined broad recordkeeping responsibilities but did not identify different record formats including digital formats.
- 3.22 To maintain complete, accurate and reliable evidence of business transactions, it is essential to appropriately manage all digital documents that are Departmental records. It is important that agencies prepare policies that directly relate to both paper and digital based records to ensure these types of documents are not mismanaged.

### Recommendation 5

Agencies should ensure recordkeeping procedures and guidance material address the business activities specific to their operations.

#### Recordkeeping responsibilities

- 3.23 Under the Records Act, an agency must make and keep full and accurate records of its activities. The Records Act places the onus on Chief Executives to ensure records management framework and practices of agencies meet minimum statutory requirements. Key statutory obligations placed on Chief Executives under the Records Act are to:
- ensure their agency complies with the Records Act;
  - ensure their agency makes and keeps full and accurate records of its activities;
  - ensure information in their agency's records continues to be accessible in accordance with the *Freedom of Information Act 1989*;
  - have an approved RMP for their agency; and
  - ensure safekeeping and proper preservation of an agency's records.
- 3.24 In practical terms, these responsibilities typically fall to agency officers, in particular Records Managers.
- 3.25 Under the TRO's *Guideline No 1 – Records Management Programs*, relevant position profiles and duty statements must reflect the records management skills required by the agency. There may be a specific position such as an agency records manager, or responsibility for recordkeeping may be included in a position profile of another position such as an office administrator. Large and complex agencies may require a number of dedicated records management staff.
- 3.26 Responsibility for recordkeeping, while clearly allocated to officers such as Records Managers, was not always clearly defined when applied to general agency staff. Audit identified a need for improved guidance of a more practical nature that would assist staff to identify their recordkeeping responsibilities. In addition, Audit identified a need for senior officers in business units to be delegated clear responsibility for recordkeeping in their operational areas.
- 3.27 To effectively implement their RMP, agencies must ensure that all relevant staff have adequate knowledge and skills to be able to undertake recordkeeping at the appropriate level. This can be done by ensuring staff are either recruited with appropriate skills or appropriately trained, informed of their responsibilities for recordkeeping and kept abreast of records management issues.

## Recordkeeping systems

### *What is a Recordkeeping System?*

3.28 A recordkeeping system can aid in the capture, classification, and ongoing management of records. Systems used by an agency should be capable of capturing, maintaining and providing evidence of the agency's activities over time to satisfy the agency's recordkeeping needs. Although the purpose and content of records will vary between agencies, much of the system capability required to capture, maintain and access these records will be common to all agencies.

3.29 The *Territory Records Office Records Advice Number 4 – What is a Recordkeeping System*, states that:

In order to be full and accurate, records must be authentic, reliable, complete, unaltered and useable and the systems that support them must be able to protect their integrity over time.

In order to capture, maintain and provide evidence over time, systems must also be capable of performing various fundamental recordkeeping processes. These processes govern the following operations:

- **Capture** – formally determine that a record should be made and kept;
- **Registration** – formalise the capture of a record into a designated system by assigning a unique identifier and brief descriptive information about it (such as date, time and title);
- **Classification and indexing** – identify the business activities to which a record relates and then link it to other records to facilitate description, control, retrieval, disposal and access;
- **Access and security** – assign rights or restrictions to use or manage particular records;
- **Appraisal** – identify and link the retention period of a record to a functions-based disposal schedule at the point of capture and registration;
- **Storage** – maintain, handle and store records in accordance with their form, use and value for as long as they are legally required;
- **Use and tracking** – ensure that only those employees with appropriate permissions are able to use or manage records and that such access can be tracked as a security measure; and
- **Disposal** – identify records with similar disposal dates and triggering actions, review any history of use to confirm or amend the disposal status, and maintain a record of disposal action that can be audited.

3.30 A recordkeeping system may be paper based or computer based, such as an electronic records management application. There are advantages and disadvantages to both forms. Paper based systems may be easy to use and are not reliant on specific software products to access data. Most have disadvantages in their use including limited capabilities in maintaining metadata (the structure and information that describes and allows users to find, name, control, understand and/or preserve information over time), limited access to records in storage and the environmental impact of paper use. Electronic systems, on the other hand, may better suit a business environment where a large proportion of transactions is maintained digitally, providing easier access to records even in remote locations.

- 3.31 Most agencies in the ACT currently operate with both paper and electronic recordkeeping systems or tools.
- 3.32 Within agencies reviewed by the audit, two formal electronic recordkeeping systems, that satisfied the required recordkeeping system criteria outlined above, were identified. These systems were used principally to manage records within the following agencies:
- **ACTPLA** has used *Objective* as an Integrated Document Management System (IDMS) over the last three years, to manage both digital and paper records. The agency now uses *Objective* almost exclusively for records management; virtually all records created and used within the agency are now digital. Initially, the project was implemented within ACTPLA with a view to rolling out the system across the whole-of-government. Audit understands this roll-out did not occur due to the costs associated with maintaining the system, in particular the costs associated with the storage of digital files; and
  - **DET** has used *MAZE* as a database application to integrate school processes of financial management, enrolments, student management, student assessment, timetabling and school management. *MAZE* is used almost exclusively for records management by ACT Government schools but is not used by the administrative side of the Department.
- 3.33 In addition, many agencies used the storage facilities on common IT networks to manage records, these are commonly known as ‘G’ or ‘H’ drives. These network drives are typically accessible to all agency staff, and are used for a variety of business information management purposes, particularly to store agency information and records that are digital in nature. Although these facilities may emulate the structure of the Territory Version of Keyword AAA and agency-specific records classifications, they do not satisfy the criteria required for a recordkeeping system as they are not able to register, appraise or dispose of records. As such, they are better termed records management ‘tools’, and while they may meet some of the business imperatives for an agency, they cannot substitute for a formal ‘recordkeeping system’.
- 3.34 The adequacy of recordkeeping systems and tools examined by the audit provided varying levels of assurance for the management of records. For example, many agencies across the ACT Government use *TRIM* to manage the tracking of records, but the full functionality of this tool does not appear to have been assessed or accessed by agencies. The facilities to update file movements, either as a manual entry on the file cover or by the use of specific electronic slips provided, were often not used by staff.
- 3.35 Many business information systems, such as databases or business applications, are designed to support current business needs for information but have only limited ability, if any, to keep records of the business transactions they carry out. These systems generate records, but do not have the capacity to manage those records. This can place agencies at significant risk. Often the tools used in agencies were unable to provide assurance that full and accurate records were

- captured and maintained over time in a manner that gave confidence in their authenticity, reliability, completeness, integrity and usability.
- 3.36 Electronic business information systems that do possess some form of built-in recordkeeping functionality may lack sufficient business context to be used as evidence or be incapable of capturing and retaining records for the required periods of time.
- 3.37 If electronic business information systems have insufficient recordkeeping functionality, they will retain little or no evidence of the transactions performed. This lack of evidence represents a loss of corporate memory. Lost corporate memory can result in an agency being unable to satisfy its accountability requirements or conduct its business.
- 3.38 All agencies reviewed during the audit worked on a print-to-paper basis for digital records, even those with electronic systems to capture records. Staff in ACTPLA indicated that a clear precedent had not been set on the validity of digital records and as such, paper records were maintained as a backup. The potential therefore is that recordkeeping systems become bloated with unnecessary information, and thus inefficient. For recordkeeping to be efficient and effective, the limited resources available to agencies must be focused on retaining only required records.
- 3.39 The TRO's *Standard for Records Management No. 6: Digital Records* and its accompanying Guideline contain substantial information on the management of digital records but do not specifically dictate the criteria required for digital records to be considered legally valid. The TRO indicated that no legal precedent has been set in the ACT to clarify this issue. The accompanying Guideline provides detail on implementation of the Standard, including some comment on the functional specifications for digital recordkeeping and document management systems. TRO has also issued several Records Advices relevant to digital records that offer some practical guidance on this complicated issue. Nevertheless, there appears further scope for the TRO to assist agencies – potentially at a whole-of-government level – in considering the suitability of electronic recordkeeping systems or tools (including those currently in use such as *Objective* or *TRIM*) for wider application.
- 3.40 Audit accepts that significant effort may be required to ensure the legal validity of current digital records. However, agencies should be proactive, perhaps with assistance from the Government Solicitor's Office, in accessing current and future electronic records to ensure they meet these criteria.
- 3.41 There is clear evidence in the Commonwealth Government that electronic records, if created and maintained in accordance with strict criteria, do have legal validity in the courts. The National Archives guideline for creating, managing and preserving digital records (*Digital Recordkeeping – May 2004*) states that for digital records to retain their evidential value, and be admissible as evidence in court, recordkeeping systems and practices must prevent their unauthorised alteration, and so ensure their continued authenticity. To guarantee the authenticity of digital records, systems and procedures should be capable of establishing:

- the reliability of software applications creating digital records;
- the time and date of creation and alteration of digital records;
- the identity of the author of a digital record;
- whether digital records have been altered; and
- the safe custody and handling of digital records.

3.42 Version control is a useful tool for preserving the authenticity of digital records. Digital source records should be clearly distinguished from any subsequent copies. Identification may be achieved through labelling of records or by time and date stamps. To provide evidence of business activities or action taken, agencies must be able to clearly demonstrate the validity of digital records. This includes establishing the original conditions for the creation of the record, such as date and time of creation, software application integrity and the author or sender of a record. The ability to track when the record was last altered, by whom, and the ‘chain of custody’ (who was responsible for the record) will also support a record’s evidential value.

3.43 The Audit considers that ACTPLA’s electronic system, *Objective*, would likely meet these criteria. All agencies should assess their electronic systems to ensure current controls address these criteria. Audit considers the TRO also has a role in forming and promulgating clear guidelines on the creation and retention of digital records and assessing the suitability of electronic recordkeeping systems or tools.

### Recommendation 6

The Territory Records Office should:

- subject to legal advice, improve the *Standard for Records Management No. 6 Digital Records* to provide sufficient information for agencies to assess the legal validity of their digital records;
- assist agencies in assessing the suitability of electronic recordkeeping systems or tools (including those currently in use such as *Objective* or *TRIM*); and
- assess the suitability of electronic recordkeeping systems or tools for wider application across government.

### ASSESSMENT OF RECORDKEEPING NEEDS

3.44 Recordkeeping within an agency should be based on both an assessment of agency and stakeholder needs and a risk-based analysis of the consequences relating to those needs.

3.45 An assessment of recordkeeping needs is important for an agency to understand and determine which records need to be captured and how long those records need to be retained to meet business needs, the requirements of agency accountability and community expectations. It also provides a basis from which agencies can develop recordkeeping framework and systems.

- 3.46 DIRKS (Designing and Implementing Recordkeeping Systems) is an eight step methodology for undertaking a systematic, risk-based assessment of recordkeeping needs within agencies. It also assists agencies to design recordkeeping strategies and systems. The Director has adapted the DIRKS methodology and requires Territory agencies to complete three of the eight steps, detailed below, before Records Disposal Schedules can be approved and implemented.
- **Step 1. Preliminary investigation:** The preliminary investigation seeks to give the agency an understanding of its organisational context and the major influences on its need to make and keep records. The preliminary investigation will assist an agency to identify sources that influence the way it carries out its business and its need to keep records.
  - **Step 2. Analysis of business activity:** An analysis of business activity will identify and help to define the functions and activities for which an agency is responsible. The sources identified in the preliminary investigation can be used to develop a hierarchy of business activity, known as a Business Classification Scheme, which helps to categorise the business activities the agency must be documenting in its recordkeeping system.
  - **Step 3. Identification of recordkeeping requirements:** Sources identified in the previous two steps are re-examined to identify mandatory and voluntary recordkeeping requirements. Legislation and mandatory standards and codes will often provide mandatory recordkeeping standards. The Director also requires that agencies consider community expectations in their analysis of recordkeeping requirements and make recommendations regarding records that should be kept as Territory Archives.
- 3.47 The five DIRKS steps not required by the Director relate to:
- assessment of existing systems;
  - identification of strategies for satisfying recordkeeping requirements;
  - design of a records system;
  - implementation of a records system; and
  - post-implementation review.
- 3.48 The TRO strongly recommends agencies complete the remaining five steps but does not require this for approval of an agency records disposal schedule. Audit considers there would be clear benefits to the Government if the TRO required agency RMPs to address all eight steps of the DIRKS review system. The remaining five steps, while not critical to the creation of a records disposal schedule, would improve the quality of an agency's RMP, and therefore recordkeeping standards in the ACT.
- 3.49 Use of the DIRKS system ensures agencies analyse both their legislative and operational recordkeeping needs. All agencies reviewed by Audit had completed the required three steps during the preparation of their RMP.

3.50 All audited agencies analysed their recordkeeping requirements against their business environment. Some (Treasury and ACTPLA) had engaged external service providers to complete this process. However, none of the agencies produced a formal list of external and internal requirements for recordkeeping as part of the process of identifying their recordkeeping needs. Audit considers it important that requirements are formally documented; without documentation it is not possible for agencies to ensure these requirements have been addressed.

3.51 Available records examined by Audit did not demonstrate that any audited agency had conducted an assessment of recordkeeping needs beyond the identification of records required for retention by the agency. The assessment of issues such as training needs or the provision of information to external parties would assist agencies to deliver more targeted recordkeeping services in these areas.

### ASSESSMENT OF RECORDKEEPING RISKS

3.52 As part of the needs assessment, agencies should also conduct a risk assessment that considers both the operational risks to recordkeeping, such as technological obsolescence and disasters, and risks such as the agency's capacity to defend or prosecute claims and adverse community reaction. This is particularly relevant to Territory records made available to the public. With the introduction of public access to Territory records over 20 years old, agencies face new risks in relation to recordkeeping. Agencies whose records are managed poorly may face an increased risk of lack of community confidence in their operations if records of a confidential nature are released, or requested documents cannot be located.

3.53 Most audited agencies had conducted a risk assessment that considered these risks and had recordkeeping practices that identified these legislative or business risks to the agency. Where a risk was identified, agencies had developed a strategy to mitigate this risk. Risks were regularly reassessed against changes in environment or as part of the regular review of the RMP, which occurred in agencies every three to five years.

3.54 All audited agencies had established some form of contingency arrangements aimed at ensuring that, in the event of a disaster, vital records were available to enable the resumption of business operations, and had preservation strategies aimed at ensuring access, integrity and functionality of records. However, current storage and back-up systems may not be sufficient for agencies to meet the requirements of these strategies.

3.55 Under the Records Act, agencies are required to ensure the safekeeping and proper preservation of records. The TRO has drafted a new standard for physical storage of records<sup>3</sup>, that states that the internal storage environment for agency records should comprise of the following characteristics:

- appropriate temperature and humidity levels;
- appropriate energy management;

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<sup>3</sup> The draft *Standard for Records Management No.7 – Physical Storage of Records* is available to agencies for review and consultation from the TRO's intranet site.

- environmental monitoring;
  - appropriate air quality;
  - appropriate lighting and minimisation of other sources of light and heat;
  - fire protection and safety facilities;
  - security;
  - dirt and vermin control;
  - appropriate power supply; and
  - should meet occupational health and safety provisions for staff and visitors.
- 3.56 Audit found that agencies were storing files in a variety of locations that did not meet these requirements. For example, records were stored in a disused toilet block, basements that were prone to flooding, and in boxes outside office restrooms where conditions, such as temperature and humidity, were not controlled and security and fire control measures were not always in place. Conditions such as these could lead to the damage to, or loss of, records.
- 3.57 To ensure the ongoing protection of digital records, agencies require efficient and effective means for maintaining, handling, and storing digital records – both active and inactive – over time. Digital records of agencies connected to the ACT Government server are backed up daily by the Government’s IT agency InTACT. However, not all ACT Government agencies are connected to this server; those that are not must make their own arrangements to ensure digital records and business systems are backed-up, with back-ups stored in a secure location, generally off site to their main operations. Of the four agencies examined in this audit, Cemeteries was the only audited agency not on the ACT Government network. At present, the site for storage of Cemeteries’ back-up digital records is within another building in close proximity to the main administrative area. Audit considers that this proximity offers insufficient protection for the business-critical records. The intention of offsite storage is to ensure that extreme physical conditions that affect one area would likely not affect the other. A location in close proximity is unlikely to afford this protection.
- 3.58 Where agencies carried out records management functions in-house, Audit was able to examine and assess the effectiveness of records management practices. Where agencies had part of their records management functions outsourced, such as outsourcing the storage of records, audit work was limited to the evaluation of terms of engagement by reviewing contracts, service level agreements and tender documents.
- 3.59 One agency that outsourced this function, Cemeteries, could not provide documentation concerning the engagement of an external service provider for physical storage of Territory records. As a result, Audit could not assess whether the external service provider had complied with Territory requirements in regards to the physical storage of records and other minimum recordkeeping standards. Where records management functions are outsourced, agencies need to ensure that contractors understand and are legally required to comply with recordkeeping legislative requirements in the ACT.

- 3.60 In general, Audit considered that agencies had not properly considered the risks associated with the physical storage of records. For example, DET's central records storage facility was not assessed against suitable criteria for a main archival facility, and did not meet applicable minimum standards. The building had no dedicated water sprinklers suitable for the storage of paper records and instead hand held fire extinguishers were used to manage at least 500 cubic metres of paper records. A thorough analysis of the risks would provide agencies with a strategy to protect and preserve records, which meets better practice standards, particularly those that are of long term interest to the Territory.
- 3.61 Most audited agencies identified strategic risks to recordkeeping. However, most agencies did not adopt a strategic approach to records management. This is key to the identification of the resources required for them to adequately fulfil their legislative obligations.

### Recommendation 7

Agencies should assess the risks associated with the physical storage of records, within both in-house and outsourced storage facilities, and develop appropriate strategies to address these risks.

## CONCLUSIONS

- 3.62 Overall, all audited agencies, except Treasury, had in place sound recordkeeping frameworks and policies and procedures that addressed the requirements of the Records Act.
- 3.63 Treasury's current RMP does not comply with Section 16 of the Records Act. The Department does, however, have several recordkeeping policies and procedures in place and should meet the basic requirements of the Records Act and Standards, once the reviewed RMP is finalised and approved by the Chief Executive.
- 3.64 Audited agencies had largely assessed their recordkeeping needs and risks when preparing their RMPs. However, agencies could improve their policies and procedures, to ensure they are targeted to the agency's unique operating environment.
- 3.65 These improvements could include:
- documenting assessments of internal and external requirements for recordkeeping;
  - measures to ensure the physical protection of records;
  - guidance on the legal validity of digital records; and
  - the development or acquisition of comprehensive records management tools.
- 3.66 While many risks had been considered and addressed by agencies, agencies had not always adequately addressed the risks to the physical storage of records as

locations did not always meet applicable standards. Agencies should take a more formal approach to assessing the risks associated with storage needs.

- 3.67 Apparent confusion and uncertainty within agencies as to the legal validity of electronic records have resulted in additional storage of hardcopy records. Agencies should be more proactive in assessing whether their electronic records meet the required criteria to be accepted as legal evidence.

## 4. IMPLEMENTATION OF THE RECORDKEEPING FRAMEWORKS

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### INTRODUCTION

4.1 This Chapter examines the implementation of the recordkeeping frameworks established by the audited agencies.

### KEY FINDINGS

- Records management policies and programs were not implemented consistently across business units in all agencies, resulting in poor records management in some areas.
- All audited agencies captured and maintained records in paper form, even those that had a formal electronic system that could capture documents in a more efficient manner.
- All audited agencies used recordkeeping systems or corporate software that tracked and recorded information on key recordkeeping events such as creation, classification, access and disposal.
- Most audited agencies had sufficient security measures in place to ensure the safeguard of both paper and digital files.
- Various digital business records were managed through systems that did not meet the Territory Standard for recordkeeping systems. Records maintained under these systems may not meet the required criteria for the capture and preservation of a digital record.
- All audited agencies had some form of cataloguing and retrieval system that could facilitate public access to records.
- Some agencies had difficulty locating a number of files required by the audit within a reasonable timeframe due to the poor recording of file movement details. Delays in locating files, or the failure to locate them at all, can have implications for agencies' compliance with the *Territory Records Act 2002* and the *Freedom of Information Act 1989*.
- Current storage facilities within audited agencies were not sufficient to ensure the protection of records. Some audited agencies stored unclassified files in unsuitable locations such as disused toilet blocks, basements and in boxes outside office restrooms.
- The DET Records Management Program currently uses the Territory Administrative Records Disposal Schedule (TARDiS) as the records disposal schedule; this cannot be used for school-specific records as TARDiS is intended for common administrative records only.
- Sentencing and disposal procedures within agencies were not always adequate and large quantities of records were retained, possibly unnecessarily, by agencies.
- No agency had implemented a system to formally and regularly monitor and review their recordkeeping practices, systems, policies and procedures.

- Training and communication of recordkeeping guidance material within agencies was not sufficient, often resulting in staff expressing a lack of confidence in their recordkeeping knowledge and ability to meet legislative requirements.
- All audited agencies relied heavily on the experience and corporate knowledge of individual long term staff to ensure recordkeeping responsibilities were met.

### BACKGROUND

4.2 Records management involves the creation, custody, protection, preservation, storage and disposal of, and access to, records of the agency.

#### What is a record?

4.3 The Territory Records Office *Standard for Records Management Number 1 - Records Management Programs*, states that a record is:

information created, received, and maintained as evidence and information by an organisation or person, in pursuance of legal obligations or in the transaction of business. This recorded information must be maintained or managed by the agency to provide evidence of their business activities. Records can be in written, electronic or any other form.

4.4 The majority of Government records fall under the following categories:

- administrative records – policies, procedures, documentation, forms and correspondence;
- accounting records – invoices, bank account records etc;
- project records – correspondence, notes and product development documentation; and
- case files – client records, personnel records, contracts and lawsuit files.

4.5 Records may be in any form including handwritten documents, paper, microfilm, electronic documents or files, maps, plans, drawings, data from business systems, e-mail, audio or video. All records created or managed by Government agencies are the property of the ACT Government and not of the individuals that generate them, or of the outsourced parties that may store them.

### RECORDS MANAGEMENT

#### Creation and custody of records

4.6 For general staff, knowing what records to create involves:

- knowing the requirements of applicable legislation and the agency's business;
- the ability to identify what records are needed to document business or work processes; and
- assessing the risk associated with not creating records.

- 4.7 Audit found significant differences in judgement amongst staff as to what constituted a record. For example, in ACTPLA, most sub-units maintained records documenting actions, processes, consultations, correspondence and decisions both in their recordkeeping system (*Objective*) and on hard copy files. However, one division implemented the practice of retaining only documents detailing the final decision in the hard copy system. This practice reflects a misunderstanding of the requirements of sound records management; all documents made or received by Territory agencies that are evidence of a business activity are records. By capturing only documents detailing the final stage of a decision-making process, this business unit may have failed to adequately provide evidence of other important aspects of their business activities, thus weakening the accountability of the processes and decisions of government.
- 4.8 An apparent lack of understanding by agency staff as to what constitutes a record, and what their agency's recordkeeping requirements were, was evident throughout the audit. For example, the following deficiencies were frequently identified during the testing of paper files:
- almost all records had not been folioed or indexed. In some cases, loose, unattached documents were retained within files;
  - post-it and paper clipped notes were found in files containing information required to be retained as Territory records; and
  - sentencing details were often not present on the file cover, giving users inadequate notice of impending sentencing actions.
- 4.9 Audit considers that policies and guidelines regarding the creation and management of records should contain clear definitions of what constitutes a record, for consistency in application.
- 4.10 All audited agencies had some records management tools that tracked and recorded information on key recordkeeping events such as creation, classification, access and disposal. Agency's corporate software can be used for managing and tracking paper files, instead of individual work areas using local systems such as spreadsheet and databases to manage and track paper files. However, these were not always used within business units.
- 4.11 Most files examined during the audit were recorded in some form of formal or informal recordkeeping system or tool, and all paper files had been referenced to the recordkeeping system by way of bar coding or manual numbering or referencing.
- 4.12 A sub-unit of Treasury, the Human Resources section of the Shared Services Centre, used a temporary tracking worksheet rather than a formal recordkeeping tool to track paper files. This was due to an inability to fully update around 25 000 personnel files in TRIM, as the agency was still in the process of converting manually created files by different agencies into one formal recordkeeping system at the whole-of-government level. Use of local worksheets to manage paper files for an extended period should be discouraged as these temporary devices do not provide the functionality associated with a proper recordkeeping tool.

- 4.13 In many smaller agencies, or those without a need for a full electronic recordkeeping system, many digital business records were managed through means, such as shared network drives, that were not recognised record management systems or tools. These systems also catered for digital documents that could not be stored readily in agencies existing electronic systems. For instance, within schools, details on excursions or fund raising events which could not be stored readily within *MAZE*, were often managed through documents created on the corporate network drive. The use of multiple systems did not represent better practice as information was difficult to track and retrieve.
- 4.14 Although all audited agencies had records management tools to manage and track files, some agencies had difficulty locating a number of files sampled by the audit within a reasonable timeframe. This was often due to poor recording of file movement details. Systems for file transfer were not consistent across agencies or even within different business units of some agencies. Some files had file movements recorded on the files themselves, but these details were not always updated within the centralised records management database. Therefore it was not always possible to identify the location of files promptly and relevant Records Managers were required to use extra resources to locate these missing files. For example, four files, from a requested 15, could not be located within InTACT for a period of five days. Although the files were registered in a database, file movement details were not updated to establish the specific location of the files. Delays in locating files, or the failure to locate them at all, can have implications for effective management of many tasks, particularly those with a legislated timeframe, such as responding to applications under the *Freedom of information Act 1989*. Such deficiencies also call to question the ability of the agency to meet its obligations under the Records Act, and the *Freedom of information Act 1989*.
- 4.15 Most audited agencies had a print-to-paper/file policy for digital records. Where no formal policy existed, it was a common business practice to print important digital records for filing. ACTPLA's *Objective* system enabled users to attach digital records into the system and correctly allocate them against the correct file promptly. For example, Word and Excel documents can be saved against a chosen block/section of a land. ACTPLA staff use this facility frequently and the functionality has allowed prompt allocation of digital documents resulting in a higher proportion of complete records retained within the system.
- 4.16 Audit considers the ability to allocate and save documents promptly as one of the benefits of an electronic system, as many agencies without electronic systems appeared to struggle to correctly allocate and save documents in their paper based systems in a timely manner. In a paper-based system, staff often temporarily saved working documents as digital records in corporate networks (such as agency 'G drives'), although frequently access was restricted because digital records were also stored in individual's personal network storage facilities (such as 'H drives' or personal email accounts). Such records would later be printed for filing if considered appropriate. The decision as to whether a document or an e-mail message was a record depended on the personal judgement of staff and this decision may be postponed or forgotten with other emerging operational priorities of users. Under these circumstances, there remains a considerable risk that records are not being captured by the agency's recordkeeping system.

### Protection and preservation of records

- 4.17 The protection and preservation of records help ensure the security of key records that protect the legal and financial rights of the Government and persons affected by Government activities.
- 4.18 Classification identifies the confidentiality requirements of official information and conveys those requirements to all those who handle it. There are three categories of ACT Government information:
- Public Material Information;
  - Unclassified Information; and
  - Classified Information (In-Confidence, Protected, Highly Protected and Limited Distribution).
- 4.19 In general, audited agencies took action to ensure the appropriate physical security of records. Each audited agency's policy stated that classified files, should be kept under lock and key, and placed appropriate restrictions on their handling, use and access. Most systems that retained digital records, including corporate network drives, were generally restricted by hierarchical access network controls that allowed limited access to selected records. However, the Burial Records Management systems used by Cemeteries had no hierarchical access control. Without hierarchical access controls, access to information cannot be controlled, and sensitive or classified information may be accessed by inappropriate persons.
- 4.20 Audit observed in Treasury that a large number of client and staff-in-confidence files were handled by staff, particularly in Human Resources and Revenue Accounts sub-units of Treasury. Both had secure filing cabinets and storage facilities for files when not in use. As personnel or client files currently in use were not always held under lock and key, access to these areas was restricted to staff specifically from these areas to mitigate the risk of inappropriate access.
- 4.21 As previously discussed, Audit found that some audited agencies were storing non-classified files in inappropriate locations such as disused toilet blocks, basements and in boxes outside office restrooms. At these locations, climatic conditions, such as temperature and humidity, were not controlled and security and fire control measures were not always in place. Conditions of storage such as these could lead to the damage or loss of records.

### Sentencing and disposal of records

- 4.22 Sentencing is the process of identifying and classifying records according to Records Disposal Schedules and applying the disposal action specified in it. It occurs upon creation of a file or record and involves more than just determining destruction at the end of the active life of a record. It can also be used as an integral part of the recordkeeping task and assists in the overall management of records from point of creation.
- 4.23 Audit noted that frequently sentencing responsibility was not actively taken by staff. This deficiency commenced at the creation of a record or file as staff were

often not confident of the overall future content of the file and therefore a records disposal period was not chosen at this stage. However, in practical terms, the actual records disposal decision is not taken by the officer who created the file, but rather the records manager of each business area at time of disposal. No files should be destroyed without first being reviewed by the Records Manager of that area. Agencies should ensure staff clearly understand this procedure to improve the quality of sentencing information and avoid unnecessary storage of records where sentencing details are not determined. Improved sentencing procedures may help agencies to use their limited storage capacities more efficiently.

- 4.24 As discussed in the previous chapter, all audited agencies have an approved schedule for the disposal of records. However, the DET RMP currently uses TARDiS as the records disposal schedule and this cannot be used for school-specific records as TARDiS is intended for common administrative records only. Schools retain unimportant and often large volumes of records as no disposal schedule is available for school specific records. This creates unnecessary strain on storage and resources. Audit understands that a school specific records disposal schedule will be approved by 30 June 2008.
- 4.25 Audit observed that records were not always disposed of in accordance with an approved RMP. Records were generally retained in agencies for longer than required, rather than destroyed in accordance with the sentencing decision. This indicates to Audit that a level of confusion exists within business units as to the requirements of records disposal schedules, and in the absence of guidance, staff would normally take the 'safe' option of retaining records, even when they were no longer required.
- 4.26 Only one audited agency, Treasury, and one school within DET, provided a list of disposed of documents to the Audit. The other audited agencies had not carried out records disposal activities. For Treasury, the records disposal took place within InTACT and had been initiated by the TRO, and not by the agency itself. To reduce demand on storage facilities, one school within DET had disposed of records relating to administrative functions, such as financial records older than seven years. Although Cemeteries reported the disposal of some records, evidence of records disposal was not available in one common document as required under its RMP.

### MONITORING AND REVIEW

- 4.27 An agency that ensures regular monitoring and review of its recordkeeping practices and systems is likely to gain greater assurance that its records are captured and maintained as required.
- 4.28 Although all audited agencies had in place recordkeeping policies and procedures, agencies were not proactive in reviewing whether these policies and procedures were properly implemented and records were captured in accordance with policy.
- 4.29 Half the audited agencies regularly, at least within the last three years, reviewed their recordkeeping framework and system, often prompting a change that resulted in improvement. DET for instance, identified over ten areas for

improvement in its current RMP, where guidance available to staff could be improved to formulate more user friendly procedures or manuals.

- 4.30 Of the audited agencies, only ACTPLA and Treasury's Shared Services Human Resources section had recently conducted a file census of all agency/area files. Both ACTPLA and Cemeteries completed internal audits on recordkeeping topics in 2003-04 and 2005-06 respectively, and the major findings from these audits were considered in the development of current recordkeeping policies and procedures. Both Treasury and DET are currently conducting internal audits around recordkeeping topics.
- 4.31 Without a process of regular review, agencies are not able to identify whether staff are complying with good or prescribed practice that would result in appropriate records being captured and maintained as required. Agencies should develop an ongoing monitoring and review system that would assist in the identification of areas of improvement and the development of policies, procedures and training to address these areas. As discussed in Chapter 2 of this report, the TRO should also increase its compliance and monitoring activities to assist agencies in identifying areas for improvement.

### Recommendation 8

Agencies should implement a system, including conducting internal audits, to formally and regularly monitor and review their recordkeeping practices, systems, policies and procedures.

### TRAINING AND COMMUNICATION OF INFORMATION

- 4.32 For a records management framework to be effective, it must be communicated, known and understood throughout an agency through training and other activities to raise staff awareness of guidelines and procedures. Without proper training in recordkeeping, staff may be unaware of their recordkeeping responsibilities and without assessment of staff skills, training programs and guidance cannot be tailored to meet specific needs.
- 4.33 Generally, audited agencies included training on aspects of recordkeeping in their induction programs. However, the quality of this training varied between agencies, from a brief overview on the requirements of the Records Act and training on specific electronic systems, to full training of staff entering the graduate program.
- 4.34 All agencies reviewed by the audit relied heavily on the experience and corporate knowledge of individual long term staff to ensure recordkeeping responsibilities were met. This was particularly evident within schools, where no staff reported undergoing specific records management training and long term staff were relied upon to provide on the job training to new staff in records management practices. With the high staff turnover common in the public sector today, this exposed agencies to a high risk of not meeting their recordkeeping responsibilities under the Records Act.

- 4.35 Staff with recordkeeping responsibilities in schools often considered that only staff in the administration area, such as registrars, business managers and school principals had recordkeeping responsibilities and not teachers. One school principal suggested that a compliance checklist from the Department would be useful to help identify legislative and business obligations in recordkeeping, as their current limited understanding of these obligations did not ensure that current practices were adequate to meet legal and practical needs for recordkeeping.
- 4.36 Most audited agencies had conducted a skills audit of staff to determine what recordkeeping training was required. However, there was no evidence that agencies had developed a training program to specifically address needs identified in these audits.
- 4.37 No audited agency ensured the regular training of staff on either documentation procedures or recordkeeping responsibilities. Although most offered training courses to staff on recordkeeping, there was no requirement for staff to attend these training sessions. In addition, these training courses were often targeted at a broad audience and contained little practical guidance on recordkeeping. The audit observed that many staff had little confidence in their ability or knowledge of recordkeeping requirements or procedures.
- 4.38 Only Cemeteries held formal training for those responsible for the implementation of recordkeeping policies. Treasury had identified the need for enhanced records management training and have included specific records management training in their 2008-09 training calendar. In other audited agencies, Records Managers did not always appear to have the appropriate skills for their position and some did not consider recordkeeping to be a part of their core business. One Records Manager commented that she was unaware of why she had been placed in the position as she had no knowledge or training in recordkeeping.
- 4.39 Often the position of Records Manager included duties with competing operational requirements, for instance the Records Manager within Treasury was also the Director of the Office of the Chief Executive. Without formal training of staff in these positions and limited capacity devoted to records management, there is a risk that Records Managers themselves will not have the appropriate knowledge to impart practical guidance to relevant staff or keep abreast of new developments in recordkeeping practice.
- 4.40 Comprehensive training to enhance recordkeeping skills should be provided to both Records Managers and general staff. The training should include the recordkeeping roles and responsibilities for all staff within the agency and should cover records in all formats and all recordkeeping systems. It should also provide information about the use of all records management tools, such as an agency business classification scheme or its functional thesaurus, as well as TARDiS and the Territory Version of Keyword AAA. All new staff should be given at least basic recordkeeping training as part of induction programs.
- 4.41 Although practical guidance was available in all audited agencies to assist record creators and users, this was not sufficient to assist users to meet their recordkeeping responsibilities. Audit observed that staff were generally unaware of the guidance material provided both by their agency and the TRO.

## Implementation of the recordkeeping frameworks

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- 4.42 Most agencies' RMPs required the agency to issue up-to-date records management directives; typically this information was made available to staff through intranets and staff bulletins. Agencies were not proactive in disseminating information to staff on recordkeeping policies and procedures. In addition, material maintained on staff intranets was not always current.
- 4.43 Audit considers, to facilitate implementation, there is a need for a more planned and targeted approach to the delivery of guidance material to staff.

### Recommendation 9

Agencies should disseminate recordkeeping guidance material to staff through means such as staff forums, induction programs and staff bulletins.

### Recommendation 10

Agencies should develop formal training programs that improve the skills and understanding of all staff in recordkeeping.

### Recommendation 11

Agencies should develop procedures that provide sufficient practical guidance to enable all staff to capture both paper and digital records.

## IMPLEMENTATION OF RECORDS MANAGEMENT PROGRAMS

- 4.44 To facilitate the implementation of RMPs, agencies must ensure:
- records are managed according to the RMP;
  - policies and procedures supporting records management are implemented;
  - a system of monitoring and review of records management exists; and
  - a culture exists that promotes and supports good records management.
- 4.45 As discussed in the sections above, not all audited agencies took action to ensure that their RMPs and policies were implemented in all business units. For example, Audit noted that the DET had invested considerable effort in developing a records management framework within the Department, but this did not appear to extend to schools.
- 4.46 All audited agencies had identified senior positions with responsibility for the implementation of the agency's RMP. These positions were not always solely dedicated to records management and these staff often had other operational responsibilities. Typically these positions were filled by staff at a senior officer grade level and above. Agency RMPs require all managers and supervisors to understand records management policies and procedures in sufficient detail to implement these in their operational areas. Audit identified a lack of key officers responsible for records management in business units. Without key officers responsible for the implementation of RMPs at business unit levels, it is unlikely these programs will be properly implemented throughout the agency.

4.47 Audit summarised its assessment of the progress made by audited agencies in the implementation of their RMP in Table 4.1.

**Table 4.1: Summary of agency implementation of the recordkeeping framework**

Criteria	Cemeteries	DET-Schools	ACTPLA	Treasury
Creation and custody of records	Satisfactory	Partial	Partial	Partial
Protection of records	Unsatisfactory	Partial <sup>(a)</sup>	Satisfactory	Satisfactory
Sentencing and disposal of records	Partial	Partial <sup>(a)</sup>	Partial	Partial
Monitoring and review	Satisfactory	Partial	Satisfactory	Partial
Training and communication	Satisfactory	Unsatisfactory	Partial	Partial
<b>NOTES:</b>				
<b>Satisfactory</b> – Agency demonstrated sound records management in this area.				
<b>Partial</b> – Agency partially demonstrated sound records management in this area.				
<b>Unsatisfactory</b> – Agency did not demonstrate sound records management in this area.				
(a) DET (Schools) was not, at the time of audit, demonstrating sound records management in this area. A draft school-specific records disposal schedule has subsequently been submitted to the Director of Territory Records for approval. Promulgation of the schedule by the Department and implementation by schools will address many of the issues raised during the audit in relation to the agency's protection, sentencing and disposal of records. For this reason, implementation has been rated as 'partial'.				

## CONCLUSIONS

- 4.48 Overall, audited agencies could do more to ensure recordkeeping policies and procedures are implemented in business units, particularly those outside of the administrative functions of Departments.
- 4.49 Audit tested both electronic and paper based recordkeeping systems and found that audited agencies were facing similar issues in both sets of environments. Five years after the introduction of the Records Act, audited agencies had not adopted a full cycle of records management, from creation to disposal, in either environment, reflecting a lack of progress in either developing the recordkeeping framework or in the implementation of this framework.
- 4.50 Audited agencies should place a higher priority on the training of staff responsible for developing recordkeeping policies as well as those responsible for implementing them. An increased awareness of recordkeeping requirements assists all staff to understand their obligations under the Records Act and their own Records Management Program.
- 4.51 Further, agencies should include in their internal audit program, regular reviews of records management issues, to identify key areas for improvement that would enable the agency to better comply with the Records Act and implement better practice.

# APPENDIX A AUDIT CRITERIA, APPROACH AND METHODOLOGY

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## AUDIT CRITERIA

### *Role of the Territory Records Office*

The Territory Records Office should promote effective, efficient, and accountable records management practices.

- The TRO has a program of activity that facilitates timely, efficient and effective performance of its functions, particularly:
  - development and approval of standards and codes for records management;
  - assistance, advice and support to agencies in the development of an agency's records management program, and in the preparation and approval of schedules for the disposal of records; and
  - compliance monitoring activities.
- The TRO monitors achievement of this program, including seeking feedback from agencies.
- The TRO acts on the results of its monitoring to improve its assistance to agencies.

### *Framework*

The agency should develop a comprehensive framework and implementation plan that includes strategies, guidance and related activities to address its identified recordkeeping responsibilities.

- The agency has analysed and documented its recordkeeping needs, including future recordkeeping needs.
- The agency has assessed its operational risks in recordkeeping and identified appropriate strategies to mitigate risks.
- The agency has developed a records management program that satisfies specific legislative responsibilities and administrative requirements, including business and community needs for recordkeeping. This includes addressing requirements and needs related to creation, capture, storage and preservation, management, retrieval, security and disposal of records.

### *Implementation*

The agency should implement records management practices and procedures that comply with the *Territory Records Act 2002* and relevant standards.

- The agency has created appropriate policies and procedures for recordkeeping that seek to ensure proper records are captured and maintained as required by the agency.

- The agency has effectively implemented and managed its recordkeeping activities, including the use of appropriate records management tools and systems.
- The agency has planned and undertaken an effective program of ongoing monitoring and review of its recordkeeping framework and systems.

### *Culture*

The agency should promote an organisational culture that encourages effective, efficient, and accountable records management practices.

- The agency has acknowledged that recordkeeping is an integral part of 'doing business' and it has legal and other obligations to create and maintain records.
- Senior management demonstrate a sustained commitment to sound records management.
- The agency has allocated sufficient resources to support sound records management, and to create and maintain agency-wide awareness of the importance of recordkeeping and the individual responsibilities and accountabilities of staff.

### **AUDIT APPROACH AND METHODOLOGY**

The audit approach and methodology consisted of:

- reviewing, for each agency selected, the methods in place to meet their recordkeeping responsibilities;
- reviewing and analysing relevant agency documents and files; and
- seeking feedback from agencies on recordkeeping framework.



# AUDIT REPORTS

## Reports Published in 2007-2008

Report No. 3 / 2008	Records Management in ACT Government Agencies
Report No. 2 / 2008	Management of Calvary Hospital Agreements
Report No. 1 / 2008	Chris21 Human Resource Management System: Procurement and Implementation
Report No. 8 / 2007	2006-07 Financial Audits
Report No. 7 / 2007	The Aged Care Assessment Program and the Home and Community Care Program
Report No. 6 / 2007	Annual Report 2006-07
Report No. 5 / 2007	The FireLink Project

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Report No. 9 / 2006	Sale of Block 8, Section 48, Fyshwick
Report No. 8 / 2006	2005-06 Financial Audits
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Report No. 6 / 2006	Vocational Education and Training
Report No. 5 / 2006	Rhodium Asset Solutions Limited

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Report No. 3 / 2006	Management of Trust Moneys and Other Non-Public Moneys
Report No. 2 / 2006	Public Housing
Report No. 1 / 2006	Regulation of Charitable Collections and Incorporated Associations
Report No. 7 / 2005	2004-05 Financial Audits
Report No. 6 / 2005	Government Procurement
Report No. 5 / 2005	Annual Management Report for the Year Ended 30 June 2005
Report No. 4 / 2005	Courts Administration
Report No. 3 / 2005	Reporting on Ecologically Sustainable Development

Details of reports published prior to 2005-2006 can be obtained from the ACT Auditor-General's Office or the ACT Auditor-General's homepage: <http://www.audit.act.gov.au>.



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