

The Auditor-General
Audit Report No.6 2006–07
Performance Audit

Recordkeeping including the Management of Electronic Records

Australian National Audit Office

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of Australia 2006

ISSN 1036-7632

ISBN 0 642 80924 0

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Canberra ACT
12 October 2006

Dear Mr President
Dear Mr Speaker

The Australian National Audit Office has undertaken a performance audit across agencies in accordance with the authority contained in the *Auditor-General Act 1997*. I present the report of this audit and the accompanying brochure to the Parliament. The report is titled *Recordkeeping including the Management of Electronic Records*.

Following its tabling in Parliament, the report will be placed on the Australian National Audit Office's Homepage—<http://www.anao.gov.au>.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian McPhee', written over a horizontal line.

Ian McPhee
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office. The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits and financial statement audits of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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Contents

Abbreviations.....	7
Glossary	8
Summary and Recommendations	11
Summary and Key Findings	13
Background	13
Audit objective and coverage.....	14
Issues impacting on entities' recordkeeping responsibilities	15
Audit conclusion and key findings.....	18
Entities' comments	24
Sound and better practices	24
Recommendations	26
Audit Findings and Conclusions	31
1. Introduction	33
Background to business support process audits	33
Context of this audit	33
Audit coverage	36
2. Strategic Directions in Recordkeeping.....	38
Introduction	38
The case for managing records electronically	38
3. Recordkeeping Framework.....	43
Introduction	43
Australian Government recordkeeping requirements	43
Recordkeeping as an integral part of information management.....	46
Recordkeeping policies and guidance	50
4. Recordkeeping Needs Analysis	64
Introduction	64
Assessing recordkeeping requirements.....	64
Business continuity planning.....	68
Recordkeeping needs analysis for electronic systems	69
5. Recordkeeping Management and Practices	73
Introduction	73
Managing electronic systems.....	73
Management of electronic systems that contain records.....	77
Managing recordkeeping activities.....	79
Recordkeeping practices	83

Appendices	85
Appendix 1: Entities' responses to the proposed audit report.....	87
Series Titles.....	88
Better Practice Guides	89

Tables

Table 1	
Sound and better practices	25
Table 3.1	
Examples of how records should be created, received, maintained and managed	57

Figures

Figure 2.1	
Where should you keep your records?	42

Abbreviations

ACSI 33	Australian Government Information and Communications Technology Manual
AEC	Australian Electoral Commission
AGD	Attorney-General's Department
ANAO	Australian National Audit Office
Archives	National Archives of Australia
APS	Australian Public Service
AS	Australian Standard
DIRKS	<i>Designing and Implementing Recordkeeping Systems—A Strategic Approach to Managing Business Information (DIRKS)</i> a manual to guide entities when <i>Designing and Implementing Recordkeeping Systems</i> .
EDMS	Electronic Document Management System
ICT	Information and communications technology
ISO	International Standards Organization
IT	Information technology
MAC	Management Advisory Committee
NAA	National Archives of Australia
NAP	Normal administrative practice
PM&C	Department of the Prime Minister and Cabinet
PSM	Protective Security Manual

Glossary

DIRKS	<i>Designing and Implementing Recordkeeping Systems— A Strategic Approach to Managing Business Information</i> (DIRKS). The National Archives of Australia (Archives) and State Records New South Wales jointly developed the DIRKS manual to guide entities when <i>Designing and Implementing Recordkeeping Systems</i> . DIRKS is an eight step methodology for undertaking a systematic, risk-based assessment of recordkeeping needs and designing appropriate recordkeeping strategies and systems as promulgated for use by the National Archives of Australia.
Disposal	Any action that changes the circumstances of a record or removes a record from its usual setting. Disposal can include destruction, damage, alteration, or transfer of custody or ownership of records.
Electronic systems	Electronic systems include: shared folder systems, email, ministerial correspondence systems, the corporate recordkeeping system and other business systems that support a line of business (such as the management of the electoral roll or legal opinions) or a corporate function (such as finance or human resources).
e-permanence	A suite of recordkeeping policies, standards, guidelines and training published by the National Archives of Australia.
Metadata	Structured information that describes and/or allows users to find, manage, control, understand or preserve other information over time.

Normal administrative practice	Archives Advice No.18, provides guidance to entities on the <i>Archives Act 1983</i> 'normal administrative practice' (NAP) provision which allows entities to dispose of records without formal authorisation. The Advice states in part that '...Destruction as a 'normal administrative practice' usually occurs because the records are duplicated, unimportant or for short-term use only and cover both paper and electronic records. The NAP provision is not intended to replace the records disposal arrangements agreed to in disposal authorities...'. Archives Advice No.20 provides additional guidance to entities on the application of the NAP provision to emails.
Recordkeeping	The making and maintaining of complete, accurate and reliable evidence of business transactions in the form of recorded information.
Recordkeeping system	For the purposes of this audit, the term is defined as a system (electronic or paper) that holds records and contains the mandatory metadata elements as set by the Archives.
Records	The Australian Standard on Records Management, AS ISO 15489, defines records as 'information in any format created, received, and maintained as evidence and information by an organisation or person, in pursuance of legal obligations or in the transaction of business'. For further information on the definition of a record refer to the section titled <i>The creation, receipt, maintenance and management of records</i> commencing on page 52.
Records Disposal Authority	A formal instrument issued by the National Archives of Australia under the <i>Archives Act 1983</i> that defines the retention periods and consequent disposal actions authorised for classes of records described in the authority.

Vital records

Records without which an organisation could not continue to operate, that is, those containing information needed to re-establish the organisation in the event of a disaster. Vital records are those which protect the assets and interests of the organisation as well as those of its clients and shareholders.

Summary and Recommendations

Summary and Key Findings

Background

1. A key element of sound public administration and accountability is the adequate recording of the business of government. As such, recordkeeping is a fundamental function of all Australian Government entities. This is reflected in the Australian Public Service Commission's 2004–2005 State of the Service Report:¹

The values set out in the [Public Service] Act provide that the APS is openly accountable for its actions within the ministerial responsibility to the Government, the Parliament and the Australian public. The maintenance of effective recordkeeping systems allows agencies to demonstrate that due process has been followed in actions and decisions. It also helps agencies to achieve business goals by ensuring that necessary corporate information is available and accessible as required. Furthermore, effective recordkeeping assists employees to meet their specific obligations to Ministers, the Government and the Parliament.

2. The importance of good recordkeeping is reinforced by the Australian Standard on Records Management:²

Records contain information that is a valuable resource and an important business asset. A systematic approach to the management of records is essential for organisations and society to protect and preserve records as evidence of actions. A records management system results in a source of information about business activities that can support subsequent activities and business decisions, as well as ensuring accountability to present and future stakeholders.

3. The need for effective recordkeeping has also been highlighted in recent times in successive State of the Service Reports issued by the Public Service Commissioner, publications issued by the Management Advisory Committee (MAC), reports on specific agency activities and reports by the Australian National Audit Office (ANAO).³ Collectively, these reports and

¹ Australian Public Service Commission, *State of the Service Report 2004–2005*, November 2005, p. 46.

² Standards Australia, *Australian Standard-Records Management AS ISO 15459.1*, p. 4.

³ Relevant reports include ANAO Audit Report No.45, 2001–2002 *Recordkeeping*; ANAO Report No.7, 2003–2004, *Recordkeeping in Large Commonwealth Organisations*; ANAO Report No.18, 2004–2005 *Regulation of Non-Prescription Medicinal Products*; ANAO Report No.32, 2005–2006, *Management of Tender Process for the Detention Services Contract*; M.J. Palmer AO, APM, *Inquiry into the Circumstances of the Immigration Detention of Cornelia Rau*, July 2005.

publications reinforce the message that the effective management of records is an essential element of public administration, as well as detailing the consequences, including the financial and human cost, of poor recordkeeping practices.

4. The following two developments are expected to impact positively on recordkeeping in the public sector:

- (a) on 6 September 2006, a Bill to amend the *Archives Act 1983* was introduced into the Senate. The Bill proposes a number of amendments designed to better equip the National Archives of Australia (Archives) to carry out its functions; and
- (b) MAC is currently undertaking a study on recordkeeping in the Australian Public Service, with a view to publishing a report that will:
 - articulate the purpose of recordkeeping in the APS context, the ‘business case’ for it, and identify any impediments to effective recordkeeping;
 - explain how recordkeeping interacts with the Australian Government’s information collection, use and disclosure obligations; and
 - explain how efficient and effective recordkeeping can be achieved in a modern Commonwealth Agency, having regard to the increasing scale and complexity in recordkeeping, brought about by the proliferation of electronic communications and new electronic media.

The ANAO understands that a draft of the report is proposed to be considered at a MAC meeting scheduled towards the end of 2006, and it is expected that the MAC report will provide practical advice in relation to the issues discussed in this report.

Audit objective and coverage

5. The objective of the audit was to assess the extent to which entities were meeting their recordkeeping responsibilities. In particular, the audit examined how effectively the entities were managing records that were created and stored electronically in corporate recordkeeping systems and in other electronic systems in accordance with recordkeeping requirements. It is the third audit in a series of Recordkeeping audits undertaken by the ANAO since 2001–2002.

6. The audit was conducted in the following entities:
- The Attorney-General's Department;
 - The Australian Electoral Commission; and
 - The Department of the Prime Minister and Cabinet.

Issues impacting on entities' recordkeeping responsibilities

7. Records can be defined as '...information in any format created, received, and maintained as evidence and information by an organisation or person, in pursuance of legal obligations or in the transaction of business...'.⁴ In this context, much of the information created, received and maintained by public sector entities will meet the definition of records. It is, however, a matter for each entity to determine policies that guide recordkeeping practices so that legal and business requirements are met. In this context, the Archives has issued a range of better practice advice and guidance material to assist entities in meeting their legal and business requirements.

8. The increasing complexities of public administration means there is now a wide range of legislative, policy and administrative requirements that have recordkeeping implications.⁵ These requirements are contained in a variety of documents and are administered by a range of different entities. This situation can impact on the extent that these requirements are understood and applied by individual entities.

9. Establishing effective recordkeeping regimes is not an easy task and represents a significant business issue for many entities. Often it is only when there are pressing business priorities or something goes wrong that the full implications of not having in place good recordkeeping practices become apparent. In these circumstances, entities may have little choice but to access information outside of their recordkeeping system in an endeavour to meet their immediate priorities. However, this situation often does not result in entities taking a longer term, strategic approach to meeting their recordkeeping responsibilities.

⁴ Standards Australia, op.cit., p. 3.

⁵ In addition to the *Archives Act 1983*, recordkeeping requirements are contained in other Acts, standards, policies and guidance including the *Electronic Transactions Act 1999*, the *Evidence Act 1995*, the *Freedom of Information Act 1982*, the *Privacy Act 1998*, the *Protective Security Manual*, and the *Australian Government Information and Communications Security Manual (ACSI 33)*.

10. It can be difficult to prepare a business case that supports the expenditure required to implement a new or upgraded recordkeeping system, as well as address the related policy, guidance, training and work practice issues. While good recordkeeping should result in direct and indirect business benefits, such benefits may be qualitative in nature and are difficult to measure. Conversely, the costs of poor recordkeeping, particularly inefficient and ineffective work practices, are often accepted as ‘the way things have always been done’ and these can be equally difficult to identify and quantify.

11. Consistent with all other business critical activities, establishing and maintaining an effective recordkeeping regime requires sustained commitment from senior management. It also requires a consistent and disciplined approach to the creation, management⁶ and disposal of records by all staff in an entity.

12. Implementing good recordkeeping practices will often require changing long standing and embedded work practices, and challenging work place cultures. These issues often prove the most difficult to address and therefore should be an integral part of, rather than separate from, any initiative involving the introduction of new or revised recordkeeping systems and processes.

13. Effective recordkeeping also requires considered judgements to be made on a range of issues. A key judgement in respect of a particular programme or business activity is determining the information that needs to be maintained and managed in a recordkeeping system to meet legal and business requirements having regard to risk, cost and disposal considerations. This decision needs to be made in the context that much of the information that is created or received in undertaking entities’ business activities is a record. In respect of information held, where it is decided that it is not necessary to maintain the information as a record in the entity’s recordkeeping system, this information can be disposed of as a normal administrative practice.⁷

⁶ The management of records encompasses the storage, protection, security and archival of records.

⁷ A discussion of the disposal of information as a normal administrative practice is included in the section titled *The creation, receipt, maintenance and management of records*, on p. 52. The decision to dispose of information as a normal administrative practice should be made in the context of entity guidance that indicates the information that should be maintained as a record in a recordkeeping system, and the information that can be discarded as part of a normal administrative practice.

14. In addition, other recordkeeping judgements will include:

- who is responsible for creating and managing records;
- how long should the record be retained;
- should the record be destroyed or archived; and
- is the record readily accessible when required.

15. Such assessments should be made within a broader knowledge or information management context, including the ability to capitalise on, or reuse information. They should also be guided by comprehensive and clear policies and guidance that are tailored to the individual circumstances and culture of the entity, be based on an assessment of risk and be made by people who have an appropriate level of knowledge and training.

16. The effect that information technology has on entities' recordkeeping environments is a common factor that impacts on the way records are managed by all entities. The creation and storage of records in electronic systems, including email, shared folders and business systems,⁸ means that traditional recordkeeping practices involving the creation of paper files are, in many situations, unlikely to be suitable or cost effective. There is also an increasing trend for governments to provide services to the community via the Internet, with such services creating an electronic client interface. The management of records created in this environment also needs to meet minimum recordkeeping requirements.

17. Managing electronic records poses particular challenges in ensuring compliance with relevant recordkeeping requirements. The capture and retention of all relevant records created electronically, and the capacity to ensure the long term access, integrity and functionality of these records are two challenges facing most entities.

⁸ Examples of electronic business systems include financial and human resource systems, ministerial correspondence systems and agency specific systems such as those supporting the management of the electoral roll and legal opinions.

Audit conclusion and key findings

Audit conclusion

18. Each of the entities subject to audit were at different stages in addressing their recordkeeping responsibilities. Over recent years, each entity had made improvements, to varying degrees, to their recordkeeping regimes. In one entity this involved a focus on managing their records electronically.

19. Each entity had developed, to varying degrees, elements of a recordkeeping framework such as strategies, policies and/or guidance to meet their recordkeeping responsibilities. The audit identified that further work was required in each of the entities to complete elements of their frameworks to enable them to fully meet their recordkeeping responsibilities. Each of the entities was using some combination of electronic and paper-based systems to manage their records. This involved using either a paper-based or an electronic corporate recordkeeping system, together with a number of other electronic systems. In each of these entities these latter systems were being used to create, store and manage records. In some cases this was contrary to the entity's recordkeeping policy. In most instances entities did not recognise and manage these systems as part of the corporate recordkeeping framework. As a consequence, the records held in the majority of the electronic systems reviewed as part of the audit were not being managed in accordance with the entity's recordkeeping policy.

20. The audit also found that improvements were required in each of the entity's electronic and paper-based recordkeeping practices. This included, in particular, the need to develop further guidance on circumstances where records are created, received and maintained by the entity having regard to its legal and business requirements. In the context that much of the information that is created or received in undertaking entities' business activities is a record, entities should determine for each major business activity, the information that needs to be maintained and managed in the corporate recordkeeping systems. These decisions should have regard to legal and business requirements.

21. The ANAO considered that entities needed to give ongoing, and in some cases, increased commitment to meeting their recordkeeping responsibilities. This is particularly the case for those records that are created electronically, including records held in electronic systems. This commitment should extend to finalising the development and implementation of

knowledge or information management strategies, of which recordkeeping is a component. A recordkeeping needs analysis and risk assessment that identifies an entity's specific recordkeeping requirements and the actions needed to address these should also be undertaken. Entities should also review the resources required to manage their recordkeeping environments and adopt more formal and structured project management arrangements. This latter requirement should assist entities in better planning and managing the range of projects and tasks needed to enhance their recordkeeping environments. Given that entities are at different stages of developing and implementing their recordkeeping frameworks, the extent and nature of the work required will vary between entities.

22. To assist entities in meeting their recordkeeping responsibilities, the ANAO considers that Archives should, in consultation with relevant entities, set minimum recordkeeping standards and requirements and develop further practical guidance. Archives should also coordinate, and periodically publish, details of the legislation, policies, standards, and guidance that impact on entities recordkeeping responsibilities.

Audit findings

23. The audit found that many of the issues facing entities in meeting their recordkeeping responsibilities are similar to those outlined in the two earlier recordkeeping audit reports.⁹

24. Key findings are outlined below in relation to entities' recordkeeping frameworks, needs analysis, management and practices. These findings are followed by an outline of seven areas that all entities could usefully focus on to enhance their recordkeeping practices.

Recordkeeping frameworks

Australian Government recordkeeping requirements

25. The audit identified that there is an increasing range of legislation, standards, policies and guidance that is issued by a number of Australian Government entities that has recordkeeping implications. The status of this material ranged from mandatory legislative requirements to better practice advice and guidance, the majority of which is issued by Archives. The ANAO found there was differing levels of awareness of this material in the entities audited. The ANAO considers that in view of the Archives' existing

⁹ op.cit., ANAO Audit Report No.45, 2001–2002 and ANAO Report No.7, 2003–2004.

responsibilities to develop recordkeeping policies, standards and guidance,¹⁰ Archives could further assist entities by:

- setting minimum recordkeeping requirements that entities are expected to comply with to meet their legal and business requirements;
- developing further practical guidance entities can use in developing their own guidance material; and
- coordinating, and periodically publishing, details of the legislation, standards, policies and guidance that impacts on the recordkeeping responsibilities of individual entities. This coordination role may also offer the potential for rationalisation of existing material, having regard to the minimum requirements set.

Recordkeeping as an integral part of information management

26. Each of the entities audited had recognised that their recordkeeping responsibilities needed to be managed in the context of a broader knowledge or information management framework.¹¹ Each agency had, to varying degrees, developed and implemented a strategy or framework that outlined their future recordkeeping directions, that included recordkeeping policies and guidance.

Recordkeeping policies and guidance

27. One of the entities had adopted a policy to manage its records electronically, wherever practical, and had implemented an electronic document management system (EDMS) for the management of a significant proportion of its records. This has involved a significant investment over a number of years in the entity's recordkeeping function. As an integral part of the introduction of its EDMS, the entity had effectively embedded significant changes to its recordkeeping culture and work practices.

28. The other two entities had a 'print to paper' policy,¹² while recognising that they had a number of electronic systems that were used to create and, in

¹⁰ The *Archives Amendment Bill 2006* introduced into the Senate on 6 September 2006, amongst other things, states the role of Archives includes '...overseeing Commonwealth record-keeping, by determining standards and providing advice to Commonwealth institutions...'

¹¹ This situation acknowledges that good information or knowledge management practices can assist in decision making by better utilising corporate knowledge through improved information access and retrieval. Each of the entities, nevertheless, had gaps in their strategy or framework that will require further sustained commitment to develop and implement.

¹² A 'print to paper' policy means that the official record of the entity is the physical record or file rather than the electronic copy. In practice this requires staff to print and file records that have been created electronically.

some cases, store, electronic records. The ANAO considered these two entities should assess the most appropriate way to manage, in the longer term, the ever increasing volume of records that are created or maintained electronically by each entity.¹³ This assessment should particularly take into account the volume and characteristics of records being created electronically. In this context, the ANAO considers that a 'print to paper' approach is increasingly unlikely to meet an entity's longer term recordkeeping requirements across the full range of their systems, particularly electronic systems, that are used to create and store records.

29. The audit found that each entities' recordkeeping policies and supporting guidance focussed on the entity's corporate recordkeeping system but did not address all relevant issues relating to other electronic systems that held records. The ANAO considers that each entity should identify all systems, whether paper based or electronic, where records are held that need to be managed within the entity's recordkeeping systems. In the development or review of their recordkeeping policies, entities should ensure they identify all systems that hold records, irrespective of their format or location.

30. To be able to identify all systems that hold records, entities must first be able to determine the information that needs to be created and received in the context of each of their major programmes or business activities.¹⁴ Entities should then determine the information that needs to be maintained in the corporate recordkeeping system(s) and how these records will be managed to meet legal and business requirements. In making these judgements an assessment of risk will need to be made.¹⁵ By taking these steps, entities will be able to better manage and dispose of their records in accordance with their business needs.

31. A factor identified by the audit that contributed to inadequate recordkeeping practices was the absence, to varying degrees, of adequate guidance to record users about the expected recordkeeping requirements in specific work areas. Where guidance material did exist, it was not always

¹³ These records encompass those that are printed and placed on a paper file, those that are created in electronic business systems and those that were created in paper form and subsequently converted into an electronic format.

¹⁴ These activities can range from large scale payment processing systems to administrative activities such as the management of leases.

¹⁵ Standards Australia, op.cit. AS ISO 15489.2, p. 11 '... a decision not to require formal capture of records is usually based on the assessment of the risk arising from having incomplete records of the business activity...'

supported and reinforced by an ongoing programme of training and awareness. The audit highlighted that in situations where individual work areas had developed recordkeeping guidance, tailored to their particular circumstances, the overall quality of recordkeeping practices was of a higher standard.

Recordkeeping needs analysis

32. Each of the entities had undertaken a limited assessment of their recordkeeping needs in the context of completing elements of the Archives' Designing and Implementing Recordkeeping Systems (DIRKS) process which covers the design and implementation of recordkeeping systems.¹⁶

33. In addition, during the planning, acquisition, design and implementation phases for new electronic systems, entities generally did not consider the need for recordkeeping functionality. As a result, some systems were being used to maintain records although they had not been designed to do so. Conversely, some systems could have been used to manage records but no consideration had been given to their potential to fulfil this function.

34. The ANAO considered that none of the entities had given adequate consideration to their recordkeeping risks. Entities should assess these risks in the context of their broader risk management framework. These assessments should then be used to update or, in some cases, develop, remaining elements of their information management strategy or framework.

35. Another common issue identified was the need for entities to identify, in the context of business continuity planning, their vital records and to take steps designed to ensure these records are accessible and usable within specified timeframes in the event of a disaster.

36. Entities also need to develop a set of minimum metadata¹⁷ requirements for electronic systems that contain records, including the corporate recordkeeping system, as part of their information technology (IT) management framework.

¹⁶ The DIRKS process enables entities, amongst other things to obtain a records disposal authority, enabling them to destroy records that are no longer needed. It also provides entities with a business classification scheme to assist in record titling.

¹⁷ Metadata is structured information that describes and/or allows users to find, manage, control, understand or preserve other information over time.

Recordkeeping management and practices

37. The ANAO's review of practices in place for the management of electronic systems within entities identified the need for improvements in the areas of access security, preservation and destruction of relevant records, as well as controls over system design and ongoing development.

38. There was also a wide variation in recordkeeping management practices across the entities audited. The ANAO considered that a number of management practices contributed to entities not addressing in a timely manner issues with their recordkeeping framework or practices. The ANAO considers that entities needed to improve the planning and monitoring of projects and tasks undertaken to enhance their recordkeeping regimes. This includes establishing timeframes and milestones, determining priorities, allocating sufficient resources and periodically reporting on progress achieved. Entities should also introduce quality assurance programs to periodically assess the extent of compliance with their recordkeeping policies and related requirements.

39. There was a wide range of recordkeeping practices in place in each of the entities. The ANAO observed a number of practices that adversely impacted the completeness and integrity of entity records. These practices included: file classification practices that did not comply with the Protective Security Manual (PSM); using email and shared folders to manage records contrary to the entity's recordkeeping policy; and inconsistencies in decisions about the information, including data in electronic systems, that constituted a record and, therefore, there were inconsistencies in what was captured into entities' recordkeeping systems.

Opportunities for improvement

40. Based on the results of the two previous recordkeeping audits and the current audit, the ANAO suggests that the following factors are most likely to enhance entities' capacity to meet their recordkeeping responsibilities:

- recognise recordkeeping as an integral part of 'doing business', requiring a sustained and visible commitment from senior management;
- undertake a recordkeeping needs analysis that identifies the entity's specific recordkeeping requirements and the actions needed to address these. This analysis should be informed by an assessment of

recordkeeping and related information management risks, completed as part of an entity's broader risk management framework;

- develop medium to long term strategies that recognise the environment in which an increasing volume of records are being created electronically;
- ensure that recordkeeping policies address all systems, whether paper-based or electronic, that are used to create and store records and information;
- for each major programme and business activity determine the information that needs to be created, received and maintained in entities' recordkeeping systems, and how these records will be managed to meet legal and business requirements;
- supplement the entity's strategic and policy framework with practical guidance and advice, together with an ongoing programme of training and awareness, designed to assist record creators and record users to meet their specific recordkeeping responsibilities. Such a programme should recognise that work practice and cultural issues can be significant impediments to improving recordkeeping practices; and
- assess the resources required to establish, and sustain, a recordkeeping regime that meets the entity's legislative and policy requirements.

Entities' comments

41. Each of the audited entities and Archives responded positively to the audit report and agreed to each of the recommendations.¹⁸

Sound and better practices

42. The following table outlines sound and better practices highlighted during the audit. These practices were considered beneficial to improving recordkeeping practices in the audited entities.

¹⁸ Entities' general or specific comments are provided in the relevant section of the report to which they refer and/or in Appendix 1.

Table 1
Sound and better practices

Reference	Description
Recordkeeping Framework	<p>Recordkeeping framework</p> <p>One entity had identified and mapped out the elements of its recordkeeping framework. The map articulated the scope of the framework, identified its individual elements and their relationship to other elements (including other strategies and policies of the entity), as well as the status of each element. The framework provided staff with responsibility for its implementation with a valuable management tool that gave them a clear picture of what had been accomplished and what needed to be done to achieve the entity's information management goals.</p> <p>Senior management support</p> <p>In one entity, a number of senior managers at the branch and divisional levels played active and positive roles in facilitating and promoting good recordkeeping by their staff.</p> <p>Administrative responsibility for recordkeeping</p> <p>Two entities had grouped, within one work area, responsibility for managing records management, information and/or knowledge management, library services, the management of the intranet and internet sites, and the management of information and communication technology. The entities concerned considered that the grouping of these functions would facilitate a collaborative approach, would minimise gaps, inconsistencies and overlaps in the provision of these services, and would support planned improvements in the provision of information and records management services.</p> <p>Recordkeeping policies and guidance</p> <p>Two entities had adopted a consultative process when developing parts or all of an entity's recordkeeping policy and guidance. This approach is more likely to result in a greater level of acceptance and understanding of the material developed.</p> <p>Work areas in two entities had developed business rules and/or titling conventions that provided practical and tailored guidance for record users in the respective areas.</p> <p>One entity provided examples within its recordkeeping guidance of how the entity's recordkeeping requirements would be implemented under different scenarios.</p>
Needs Analysis	<p>One entity had undertaken a training needs analysis to identify gaps in record users' knowledge of recordkeeping. The results of the analysis were being used to develop a more targeted training and awareness program.</p>
Recordkeeping Management and Practices	<p>Post implementation reviews</p> <p>One entity posted a template for post implementation reviews on its intranet, for the benefit of system owners and managers.</p> <p>Training and awareness</p> <p>Two entities adopted a practice of requiring users to complete training modules prior to being given system access.</p>

Source: ANAO, based on audit findings.

Recommendations

The summary of recommendations below are based on the findings made in the entities reviewed but are likely to have relevance to other Commonwealth entities. Previous ANAO recordkeeping audit reports¹⁹ have made a number of similar recommendations and these recommendations should be read in conjunction with the recommendations in this report.

Recommendation No.1 The ANAO recommends that the National Archives of Australia in consultation with other entities:
Paragraph 3.8

- (a) define minimum recordkeeping requirements that entities should comply with to meet legal and business requirements;
- (b) develop further practical guidance that can be used by entities when developing their own entity-specific recordkeeping material; and
- (c) coordinate, and periodically publish, details of the legislation, policies, standards, advice and guidance that impacts on entities' recordkeeping responsibilities.

¹⁹ Refer to ANAO Audit Report No.45, 2001–2002, and Audit Report No.7, 2003–2004.

Recommendation No.2

Para. 3.20

The ANAO recommends that, within the context of a broader information or knowledge management framework, entities should:

- (a) develop and implement a recordkeeping strategy that addresses their entity-wide recordkeeping responsibilities. For entities with a print to paper policy for the majority of their records, this should involve an assessment of whether such a policy remains appropriate in the longer term;
- (b) include key timeframes and milestones of each element of the strategy; and
- (c) establish administrative arrangements that facilitate a collaborative approach between records and information management, information and communication technology and other related functions.

Recommendation No.3

Para. 3.51

The ANAO recommends that entities' recordkeeping policies and guidance:

- (a) identify all systems, particularly electronic systems, that contain records that need to be managed in accordance with recordkeeping requirements; and
- (b) address, where relevant, the management and use of electronic systems to meet recordkeeping requirements, including their relationship with the entity's corporate recordkeeping system.

- Recommendation No.4**
Para. 3.53
- The ANAO recommends that, to meet legal and business requirements, entities develop recordkeeping guidance that assists record users to determine:
- (a) for each major programme or business activity, the information that needs to be created, received, and maintained as a record of the business activity in entities' recordkeeping systems; and
 - (b) how those records should be managed to support each particular business activity.

- Recommendation No.5**
Para. 4.16
- The ANAO recommends that entities periodically undertake an assessment of their recordkeeping needs and risks, and use these assessments to inform the development or review of their recordkeeping strategies, policies and guidance.

- Recommendation No.6**
Para. 4.23
- The ANAO recommends that entities:
- (a) identify vital records in both paper and electronic formats as part of their business continuity planning; and
 - (b) establish contingency arrangements aimed at ensuring that, in the event of a disaster, vital records are available to enable the resumption of business operations within specified timeframes.

Recommendation No.7 The ANAO recommends that entities' IT management arrangements provide for the consideration of recordkeeping needs, including metadata requirements, when developing or upgrading electronic systems.
Para. 4.36

Recommendation No.8 The ANAO recommends that entities:
Para. 5.25

- (a) review current practices to ensure that they meet the requirements of the Protective Security Manual for classifying sensitive electronic information; and
- (b) develop a formal preservation strategy aimed at ensuring access, integrity and functionality of electronic records, particularly those records that need to be retained for long periods of time.

Entities' responses to the recommendations

43. The audited entities and Archives agreed to the recommendations. Where provided, entities' additional responses to each recommendation are provided in the body of the report.

Audit Findings and Conclusions

1. Introduction

This Chapter provides an outline of recordkeeping and electronic recordkeeping requirements in the Australian Public Service and describes the audit objectives and approach.

Background to business support process audits

1.1 This audit is part of a program of Business Support Process audits that examine business processes that support the delivery of services provided by Australian Government entities. They are normally conducted at a selection of entities under the provisions of section 18 of the *Auditor-General Act 1997*, which provides for the examination of a particular aspect of the operations of the whole or part of the Australian Government sector. The audit recommendations are framed to have general application, and the audit findings are reported to Parliament in generic terms, without being attributed to particular entities. Where appropriate, references to sound and better practices have been included in this report. In addition to this report, an individual management report was provided to each of the entities examined in the audit.

Context of this audit

1.2 A key element of sound public administration and accountability is adequate recording or documentation of the business of government. To achieve better practice recordkeeping, Australian Government entities should aim to build systematic recordkeeping into business processes and systems, seamlessly integrating recordkeeping into work practices, and where possible, making it a routine part of business operations. To achieve this, entities need to develop appropriate recordkeeping frameworks and systems designed to ensure that records are appropriately managed. This commences with their creation and subsequent capture in recordkeeping systems, through to their maintenance and use, and ultimately their archiving or destruction.

1.3 Good recordkeeping practice assists an entity to:

- meet accountability obligations;
- provide evidence of business conducted and decisions made; and
- manage legal and other risks.

1.4 Sound information management practices, of which recordkeeping is a key element, can assist an entity's business performance by:

- better informing decisions;
- harnessing and utilising corporate knowledge;
- supporting collaborative approaches; and
- better utilising resources, by providing better access to information and reducing the need to re-create work.

1.5 Irrespective of the format or medium in which records are created and managed, entities need to comply with relevant legislative and policy recordkeeping requirements.

1.6 This can be a difficult task, particularly in view of the various legislative and policy requirements, the vast array and nature of information and records created, the increasing volume of records created electronically, the increasing need for records to be readily and easily accessible, as well as the different time periods for which records are required to be retained.

1.7 This is the third audit in a series of Recordkeeping audits undertaken by the ANAO. The previous ANAO audit reports on recordkeeping, Report No.45, 2001–2002 *Recordkeeping* and Report No.7, 2003–2004 *Recordkeeping in Large Commonwealth Organisations*, broadly concluded that entities' recordkeeping frameworks, policies and practices were at different stages of development, and there was a significant risk of non-capture and unauthorised disposal of records. This particularly applied to records created electronically, including records held in electronic systems other than entities' corporate recordkeeping systems.

Recordkeeping requirements and guidance

1.8 A number of Australian Government entities have issued policies, standards and guidelines relevant to the management of records, including electronic records. These include:

- the National Archives of Australia (Archives) that has an extensive range of standards, policies, guidance and information on its website <www.naa.gov.au>;
- the Department of the Prime Minister and Cabinet (PM&C) that publishes the Cabinet and the Federal Executive Council Handbooks;

- the Protective Security Co-ordination Centre is responsible for publishing the *Protective Security Manual* that provides policy advice, guidance and minimum standards on protective security matters;
- the Australian Government Information Management Office provides advice and guidance on a range of issues associated with information and communications technology that impact on entities' recordkeeping systems and responsibilities; and
- the Defence Signals Directorate is responsible for publishing the *Australian Government Information and Communication Technology Manual* (ACSI 33) that sets out policies, practices and procedures relating to entities' information technology security environment.

1.9 The Archives has also endorsed the Australian Standard on Records Management²⁰ as 'best practice' in its published guidance to Australian Government entities. This standard supports a comprehensive and integrated approach to recordkeeping.

Audit objective

1.10 The objective of the audit was to assess the extent to which entities were meeting their recordkeeping responsibilities. In particular, the audit examined how effectively the entities were managing records that were created and stored electronically in corporate recordkeeping systems and in other electronic systems in accordance with recordkeeping requirements.

Audit criteria

1.11 The audit reviewed each entity's strategies, policies and practices against a series of audit criteria relating to records management with a particular focus on records created electronically.

1.12 The audit criteria were developed taking into account relevant legislation and guidance and the results of earlier ANAO audits. In particular the following material was used:²¹

²⁰ Standards Australia, op.cit., AS ISO 15489.

²¹ The audit did not consider guidelines and standards that were issued after commencement of the audit in August 2005.

- general legislation,²² with recordkeeping implications;
- Australian Standards on records management,²³ metadata,²⁴ and corporate governance of information and communication technology;
- policies and guidance issued by the Archives for recordkeeping;²⁵
- *Part C—Information Security of the Commonwealth Protective Security Manual 2005*; and
- the *Australian Government Information and Communication Technology Security Manual*.

Audit coverage

1.13 The audit was conducted in the following entities:²⁶

- The Attorney-General’s Department;
- The Australian Electoral Commission; and
- The Department of the Prime Minister and Cabinet.

1.14 In each of the entities a sample of electronic systems was selected for audit. These systems included: shared folder systems, email, ministerial correspondence systems, the corporate recordkeeping system and a business system that supported a key line of business in each entity. The audit did not review entities’ use of the Internet; none of the entities used the Internet to generate business transactions.

1.15 Each of the audited entities was provided with a comprehensive management report detailing the audit findings and recommendations for improvement, where appropriate, arising from the fieldwork specific to them.

²² General legislation includes: *Archives Act 1983*; *Financial Management and Accountability Act 1997*; *Commonwealth Authorities and Companies Act 1997*; *Auditor-General Act 1997*; *Public Service Act 1999*; *Freedom of Information Act 1982*; *Privacy Act 1988*; *Electronic Transactions Act 1999*; and *Evidence Act 1995*.

²³ Standards Australia, op.cit., AS ISO 15489.

²⁴ For example, the *Recordkeeping Metadata Standard for Commonwealth Agencies*, May 1999, published by the National Archives of Australia. During the course of the audit, the Archives and the Chief Information Officers Committee issued the *Australian Government Email Metadata Standard* in December 2005.

²⁵ E-permanence products can be accessed at the Archives website <<http://www.naa.gov.au/recordkeeping/default.html>>.

²⁶ These entities had a range of electronic and paper based systems for managing records. The mix of electronic and paper records reflected an entity’s policy position and its level of investment in electronic systems that maintained records.

The entities generally agreed with the recommendations made by the ANAO in their management reports. In particular, one entity advised the ANAO of detailed action they had taken to address the audit findings and recommendations.

1.16 The audit was undertaken in accordance with the ANAO's Auditing Standards and was completed at a cost of \$520 000.

2. Strategic Directions in Recordkeeping

This Chapter discusses considerations that are relevant to entities in determining their future recordkeeping strategies, in an environment where an increasing number of records are created electronically.

Introduction

2.1 In the context of their recordkeeping regimes, many entities find themselves in what amounts to a twilight zone; they are continuing to rely on traditional systems and practices suited for paper records, while at the same time recognising the business reality that an increasing proportion of records are being created electronically. Entities in this situation are facing decisions about the benefits of adopting a strategy of managing their records electronically.

2.2 The decision to manage records electronically will generally involve a substantial investment in appropriate systems, training programmes and the development of supporting policies and guidance material. In many entities the redevelopment of systems that occurs in the normal business cycle presents an opportunity for this decision to be made. The electronic management of records will often also involve changing long-standing and embedded work practices, as well as cultural and attitudinal issues. To be successful, a decision to manage records electronically requires strong and visible senior management commitment and support and a recognition that a carefully planned staged approach will generally result in entities achieving long-term benefits.

The case for managing records electronically

2.3 Based on the results of this and previous audits, the ANAO suggests that for the majority of entities, the adoption of a medium to long-term strategy of managing records electronically is likely to be the most appropriate. The business imperative for entities that adopt this approach include a recognition that:

- an increasing proportion of entity records are being created electronically, and it is generally more effective to manage such records in this medium;

- electronic recordkeeping can directly contribute to an entity's broader information and/or knowledge management strategies and practices including through quicker and easier access to records and information;
- a number of risks associated with poor recordkeeping can best be addressed through the electronic management of records;
- the embedded cost of inefficient and ineffective work practices resulting from poor recordkeeping practices is often significant;
- the cost of maintaining paper records, including the need to print records created electronically and store records in appropriate facilities is increasing. On the other hand, the cost of storing electronic records continues to reduce; and
- the effective implementation of an electronic recordkeeping regime is likely to result in a higher level of compliance with recordkeeping requirements (as compared with a traditional 'print to paper' approach).

2.4 The electronic management of records will not necessarily require the implementation of a single corporate wide electronic document management system (EDMS). For many entities the management of records in a corporate EDMS as well as selected electronic systems with recordkeeping functionality will best meet their recordkeeping requirements. However, as recordkeeping should be considered in the context of an entity's broader information or knowledge management strategy, entities should consider options to connect or link those systems used to manage records to facilitate access to records and information by staff.

2.5 Electronic management of records will generally not eliminate the need for entities to maintain some paper records and to use records and information in paper form in conducting their day-to-day business. For example, records with a security classification above the security level of an entity's network and other electronic systems will need to be maintained and stored in paper form to meet Australian Government security requirements. Some records of historical significance will also continue to be maintained in paper form as will records that lose their original functionality if converted from paper form to an electronic medium. There will also be circumstances where paper records are converted into electronic form, the original records will need to be retained to meet legal requirements, for judicial proceedings or to meet specific

government policies.²⁷ For many entities, such records will represent a small proportion of their total record population.

2.6 In practice, therefore, entities will generally need to manage their records in a combination of both paper and electronic form. Entities recordkeeping policies and guidance should, as a minimum, specify the form in which records are to be maintained. Importantly, it also requires any electronic system that is used to manage records to have the necessary recordkeeping functionality.²⁸

Cost implications

2.7 The costs of adopting a strategy involving the electronic management of records will generally represent a significant investment for most, if not all, entities and funds will need to be sourced from internal efficiencies and other sources. The following factors are relevant in estimating such costs:

- apart from ongoing operational costs, it is likely that an investment in managing records electronically will be required over a number of years;
- as with the implementation of many electronic systems, the hardware and software costs often represent a minority of the full cost of implementation;
- the direct and indirect costs of re-engineering work practices and providing an appropriate level of ongoing training and support should be included in the overall estimate of costs; and
- where electronic systems are to be used to manage records and do not have sufficient recordkeeping functionality, the costs associated with enhancing the recordkeeping functionality of such systems will need to be considered.

²⁷ The Archives General Disposal Authority for Source Records that have been copied, converted or migrated, authorises the destruction of source records subject to certain conditions.

²⁸ There is guidance material available at the Archives website <<http://www.naa.gov.au/recordkeeping/default.html>>.

Issues relating to managing records electronically

2.8 A number of issues were identified during the audit that entities should address when adopting a strategy of managing records electronically, including when considering the implementation of an EDMS.²⁹ These include:

- obtaining senior management commitment to the change processes involved;
- deciding on the nature and timing of the required changes, including system enhancements or implementations. This could involve conducting a pilot project and/or adopting a staged approach;
- establishing collaboration and consultation mechanisms to obtain the support of key staff as early as possible in the design and implementation of the system. This may include establishing representative user groups, consulting information technology hardware and software specialists and key staff from business areas;
- determining the extent to which the changes will be required to work practices and culture, and establishing training and change management programs to address these changes;
- considering the implications on the entity's recordkeeping policies and practices of the security level of the entity's network(s). In addition to electronic systems used to manage records, entities generally will need to maintain a paper file system to manage records with security classifications above the security rating of the network. This requires the entity to ensure its recordkeeping policies and guidance and related training material addresses the management of paper records;
- determining the approach to be adopted in respect of the scanning of hard copy documents to produce electronic documents that will be stored in electronic recordkeeping and/or business systems. When addressing the issue of scanning, entities should take into account related staffing, hardware and work flow issues. (An alternative to scanning is to maintain a paper file system for paper documents and use an electronic recordkeeping system for managing electronic documents only);

²⁹ These issues are not exhaustive and entities should prepare a comprehensive implementation plan that identifies all relevant issues and their dependencies before proceeding with implementation.

- considering the cost effectiveness of practices that involve the duplication of records between the corporate recordkeeping systems and other electronic systems such as shared folders;
- identifying the linkages and interrelationships between the corporate recordkeeping system and other electronic systems that contain records;
- where electronic recordkeeping is introduced, considering the benefits and risks of requiring either mandatory or optional compliance; and
- where a new system is implemented, scheduling a timely post-implementation review to assist in identifying and addressing issues that may affect the credibility and useability of the system after implementation.

2.9 Figure 2.1 depicts, in a humorous way, inappropriate recordkeeping practices.

Figure 2.1

Where should you keep your records?



Source: National Archives of Australia, *Keep the Knowledge – Make a Record! What every Commonwealth employee needs to know about recordkeeping*, Commonwealth of Australia, 2002.

3. Recordkeeping Framework

This Chapter examines whether the entities developed a recordkeeping framework, that included strategies, policies, guidance and related activities, as a sound basis for meeting their recordkeeping responsibilities.

Introduction

3.1 An important issue in strategic records management is a recognition that an entities' recordkeeping responsibilities are an integral part of their broader information and knowledge management responsibilities. Entities could therefore be expected to have in place, or be committed to developing and implementing, an information or knowledge management framework that incorporates recordkeeping strategies, policies and guidance. The aims of such a framework include:³⁰

- articulating the strategic direction and organisational priority of information management and recordkeeping;
- establishing clear lines of responsibilities;
- achieving an accountable framework for the actions and decisions of each entity;
- facilitating compliance with legislative and policy requirements;
- improving operational efficiency and productivity by maximising the use of available resources, lowering levels of duplication and providing better access to information; and
- reducing management and operational risks associated with managing records and information.

Australian Government recordkeeping requirements

3.2 The audit identified that there is an increasing range of legislation, standards, policies, advice and guidance issued by a number of Australian Government entities that have recordkeeping implications for the public sector as a whole.³¹ This material includes:

³⁰ Based on principles outlined in the National Archives of Australia, *Recordkeeping in DIMIA: A Strategic Review*, February 2006, p. 27.

³¹ Identification of entity specific legislation and other recordkeeping requirements is the responsibility of individual entities.

- the *Archives Act 1983* and other pieces of legislation;³²
- Archives *e-permanence* suite of products and guidance material;
- The Australian Standard, *Records Management AS ISO 15459* that has been endorsed by Archives as ‘best practice’;
- The Protective Security Coordination Centre’s *Protective Security Manual*;
- The Defence Signal Directorate’s *ACSI 33*;
- The Department of the Prime Minister and Cabinet’s *Cabinet Handbook* and *Federal Executive Council Handbook*;
- The Australian Government Information Management Office’s requirements for such matters as online services and protective markings on emails, as well as their suite of better practice checklists on information, communication and technology related subjects;
- The Australian Public Service Commission’s publications, including the *Foundations of Governance*; and
- The Senate’s Procedural Order No. 8 *Indexed Lists of Departmental and Agency Files*.

3.3 This material comprises a combination of:

- legislative and mandatory requirements, primarily relating to controlling the destruction of records and disclosure of government information;
- government policy requirements and minimum standards and associated guidelines for certain activities; and
- better practice standards and guidelines covering a wide range of recordkeeping and related activities.

3.4 The majority of these specific recordkeeping requirements derive from better practice advice and guidance material issued by the Archives.

3.5 While entities are expected to take the above referenced material into account in the development of their own recordkeeping strategies, policies and guidance, there is no central repository or database of such material, and each

³² These include the *Freedom of Information Act 1982*, the *Privacy Act 1988*, the *Electronic Transactions Act 1999*, the *Evidence Act 1995*, the *Crimes Act 1914*, the *Public Service Act 1999*, the *Financial Management and Accountability Act 1997* and the *Commonwealth Authorities and Companies Act 1997*.

entity is expected to be aware of its content, and use and adapt it, where necessary, to meet their own particular circumstances. The ANAO considers that this situation results in a high risk of individual entities not being fully conversant with the full range of material that impacts directly and indirectly on their recordkeeping responsibilities. The ANAO found differing levels of awareness and understanding of this material in the entities audited.

3.6 Consistent with other areas of administration, the ANAO considers there would be benefits in Archives³³ developing a recordkeeping framework that clarifies the status of the various pieces of legislation, policies and guidance that currently exist and defining more clearly the minimum recordkeeping requirements with which entities are expected to comply. In this regard, the *Archives Amendment Bill 2006* includes amendments to the Archives Act that clarifies the role of Archives as the Commonwealth's recordkeeping authority, responsible for the provision of advice, standards and guidance on behalf of all Commonwealth agencies.

3.7 The ANAO also considers that Archives should coordinate, and periodically publish, details of the range of legislation, policies, standards, advice and guidance that impacts on the recordkeeping responsibilities of individual entities. This task would require ongoing liaison with those entities that periodically issue, in the context of their particular responsibilities, such material. The coordination of existing material may also offer opportunities to identify any duplication or overlap that warrant its rationalisation.

Recommendation No.1

3.8 The ANAO recommends that the National Archives of Australia in consultation with other entities:

- (a) define minimum recordkeeping requirements that entities should comply with to meet legal and business requirements;
- (b) develop further practical guidance that can be used by entities when developing their own entity-specific recordkeeping material; and
- (c) coordinate, and periodically publish, details of the legislation, policies, standards, advice and guidance that impacts on entities' recordkeeping responsibilities.

³³ Archives' current legislation gives it the role to promote economical and efficient keeping of current records.

Entities' responses

3.9 Each of the audited entities and Archives agreed with the recommendation. Specific comments provided were:

Department of the Prime Minister and Cabinet

The Department agrees that the development of minimum standards by the National Archives of Australia (NAA) will improve consistency of policy and practice across the APS and allow agencies to focus resources on agency-specific requirements.

National Archives of Australia

The Archives fully supports (a) and (b) of Recommendation 1. The Archives has been engaged in providing advice to agencies on a whole-of-government basis for some years now and agrees in relation to (a) that, while agencies could make substantial progress using the advice issued by the Archives since 2000, provision of more specific implementation guidance as recommended in (b) would be desirable. The Archives will explore addressing the recommendation as resources permit the review of our advisory materials.

The Archives strongly supports Recommendation 1 (c) as it applies to whole-of-government legislation and policies. However, to do this function at a whole-of-government level the Archives would require additional resources.

The Attorney-General's Department

The Department applauds the recommendation that the National Archives assist agencies to meet their recordkeeping responsibilities. In our view the National Archives will need to engage the agencies in an effective and consultative manner, through a managed and sustainable program. The National Archives will need to ensure it adopts an approach that meets the practical recordkeeping needs of agencies, not high level statements, if its advice is to be of value or use.

Recordkeeping as an integral part of information management

3.10 The ANAO assessed to what extent entities had developed and implemented recordkeeping strategies, policies and guidance as an integral part of an information or knowledge management framework. In particular, the ANAO assessed whether:

- all elements of the framework had been identified;
- timeframes for developing and implementing elements of the framework had been established; and
- key relationships and dependencies between elements of the framework, and linkages to other organisational strategies and policies, had been identified.

Recordkeeping framework

3.11 The audit identified that each of the entities had developed, to varying degrees, an information or knowledge management framework.

3.12 One entity had identified and mapped out the elements of its framework. The ANAO considered this ‘map’ was an example of good practice as it clearly set out the scope of the framework, identified its individual elements and their relationship to other elements (including other strategies and policies of the entity), as well as the status of each element. The framework provided staff with responsibility for its implementation with a useful management tool that gave them a clear picture of what had been accomplished and what needed to be done to achieve the entity’s information management goals.

3.13 Another entity had established a knowledge and information management framework which set out in broad terms the key strategies that underpinned the framework. The entity had also established timeframes for the development and implementation of these strategies. Although the framework recognised that each strategy would be supported by implementation plans, policies, guidance and related activities,³⁴ the framework did not identify the nature, number or scope of these individual elements. The framework also identified that knowledge and information management strategies would be developed, it did not clearly outline the extent to which recordkeeping would be addressed in their development.

3.14 The third entity had developed a knowledge management ‘blueprint’ that focused on the methodology for implementing knowledge management in the entity. The ‘blueprint’ identified a number of knowledge management areas requiring urgent attention and contained a number of recommendations to address these areas. From a recordkeeping perspective, the ‘blueprint’

³⁴ In addition, information and IT enterprise architectures would underpin the framework by creating synergy between IT, the information infrastructure and business processes.

recognised that the entity needed to develop policies and guidelines to assist with filing and document archiving requirements. However, it did not outline the nature, number or scope of these individual elements.

3.15 The audit found that a number of key recordkeeping strategies, policies and guidance, that each entity had identified as being key elements of their respective frameworks, had not been developed and implemented. Most entities had not established timeframes, including key milestones and deadlines, for the development and implementation of these elements. The ANAO considered that the absence of milestones and deadlines, and the general absence of monitoring activity, contributed to delays, in some instances of several years, in the entities' implementation of their respective recordkeeping frameworks.

Managing records electronically

3.16 One entity had adopted a strategy of managing a significant proportion of its records electronically, within an EDMS. The implementation of an EDMS involved a substantial investment in terms of resources, time and changes to work practices. This investment contributed to raising the importance and priority of recordkeeping within the entity. Senior management supported and prioritised issues related to the implementation and use of the EDMS. This in turn led to work areas contributing staff to a pilot implementation, as well as developing local business rules. These factors all contributed to general improvements in the record practices of the entity.

3.17 The other two entities had given consideration to managing a significant proportion of their records electronically, including implementing an EDMS as their corporate recordkeeping system, to replace their existing paper file system. At the time of the audit, the entities had no immediate plans to implement an EDMS. The entities indicated that the implementation of an EDMS would have a significant impact in terms of cost, risk and changes to established work practices and culture. Both entities wanted to improve paper based recordkeeping practices before implementing an EDMS.

Administrative responsibility for recordkeeping

3.18 Two entities had each grouped, within one work area, responsibility for managing records management, information and/or knowledge management, library services, the management of the intranet and internet sites, and the management of information and communication technology. The entities considered that the grouping of these functions would facilitate a collaborative

approach, would minimise gaps, inconsistencies and overlaps in the provision of these services, and would support planned improvements in the provision of information and records management services. While the benefits of such an arrangement are difficult to measure and quantify, the ANAO considered that this approach had a positive impact on the way the entities were managing their recordkeeping responsibilities.

3.19 By contrast, in the third entity responsibility for various aspects of recordkeeping and other related functions was spread across different work areas. The ANAO considers that this situation had contributed to the entity experiencing significant difficulties in managing its recordkeeping responsibilities.

Recommendation No.2

3.20 The ANAO recommends that, within the context of a broader information or knowledge management framework, entities should:

- (a) develop and implement a recordkeeping strategy that addresses their entity-wide recordkeeping responsibilities. For entities with a print to paper policy for the majority of their records, this should involve an assessment of whether such a policy remains appropriate in the longer term;
- (b) include key timeframes and milestones of each element of the strategy; and
- (c) establish administrative arrangements that facilitate a collaborative approach between records and information management, information and communication technology and other related functions.

Entities' responses

3.21 Each of the audited entities and Archives agreed with the recommendation. Specific comments provided were:

Department of the Prime Minister and Cabinet

The Department recognises that print-to-paper policies are unlikely to suffice in the long-term. However it is also mindful of the significant risk of implementing EDRMS capability prematurely, in particular, the need to have a comprehensive preservation strategy addressing issues of longevity and transferability of electronic formats to ensure records remain accessible over time. NAA should have a prominent role in assisting agencies to address these issues.

The Department is further developing the record management components of its Strategic Information Management framework to define the level of technological and cultural maturity required to support effective electronic recordkeeping and to outline how and by when this will be achieved.

The Attorney-General's Department

The Department has placed recordkeeping in a broader framework of information and knowledge management, through the articulation of its Knowledge and Information Framework. This Framework will continue to be developed, implemented and modified as the information environment evolves and matures.

Recordkeeping policies and guidance

3.22 The Australian Records Management Standard emphasises the importance of developing recordkeeping policies and guidance:

Records management strategies are based on developing and adopting policies, procedures and practices, and designing and implementing systems in ways that meet the operational needs of the organization and that accord with the regulatory environment.³⁵

3.23 Comprehensive, informative and up-to-date policy and associated guidance is important to foster a good understanding of an entity's recordkeeping responsibilities and to facilitate the consistent application of sound practices throughout the entity. The absence of policy and guidance material can indicate a lack of support by senior management, and can lead to inconsistencies in recordkeeping by record creators and users. The absence of recordkeeping guidance is also likely to impact on the completeness, reliability, integrity and accuracy of the entity's records.

3.24 The audit assessed whether recordkeeping policies and guidance, tailored to the entity's recordkeeping environment, were in place including the extent to which they addressed records that were created electronically.

3.25 The audit found that each of the entities had in place recordkeeping policies and guidance that had been developed and issued over the past three years. However, there was significant variation in the nature and scope of this material, as well as the extent to which the policy and guidance was tailored to each entity's circumstances.

³⁵ Standards Australia, op.cit., AS ISO 15489, *Design and implementation of a records system*, p. 8.

The identification of electronic systems as recordkeeping systems

3.26 Each of the entities had recognised in their recordkeeping policies that records could be held in a range of electronic systems as well as corporate recordkeeping systems. However, entities had not sufficiently addressed the use and management of all electronic systems that contained records in their recordkeeping policy and guidance.

3.27 One entity's policy indicated that '...wherever practical and taking into account security requirements, the [entity] will store records in electronic form using the Electronic Document Management System (EDMS)...'. The policy stated that the entity was seeking ways to integrate records that were captured in other electronic systems³⁶ with the EDMS. While the policy named two other electronic systems, it did not identify the full range of electronic systems in use, the extent to which those systems were, or should be, integrated with the EDMS, or if the systems were considered to be recordkeeping systems. The ANAO found that while the entity had integrated a small number of systems with the EDMS, there was no work program to implement the policy objective of integrating electronic systems with the EDMS. The ANAO noted that to achieve this objective would involve significant time and resources, and suggested it may not be practical or appropriate in all cases. In these circumstances, the ANAO considered that the entity should consider whether its policy was achievable, particularly in the short to medium term.

3.28 The other two entities had a 'print to paper' policy. One policy stated that the entity's '...corporate recordkeeping system is paper based and controlled by an electronic system ... that monitors file creation and movements. This recordkeeping system is where corporate administrative records are captured and stored...'. The policy identified specific electronic systems, such as email and shared folders, that did not contain recordkeeping functionality and instructed staff to print records held in these facilities and attach them to the appropriate functional record or file. The policy also recognised that there were a number of databases and software applications that operated outside the paper-based recordkeeping system. The policy identified five electronic systems that were to be treated as recordkeeping systems. However, the audit found there were many more electronic systems in place in the entity but no assessment had been made to determine whether

³⁶ These systems were not recordkeeping systems and were used to meet specific business needs. For example, the human resource management system, the financial management information system and smaller applications.

they were used to manage records or had the functionality to be used as recordkeeping systems.

3.29 The policy of the third entity stated that ‘...the IT systems used in the [entity] for the creation and storage of electronic documents are only intended to facilitate the sharing and transfer of information and therefore where these documents are also corporate records they must be printed and filed on an appropriate [paper] file...’. The policy also stated that where an electronic system contained records, and a complementary paper file was not maintained, then these systems must be managed as recordkeeping systems. The policy and supporting documentation did not, however, identify any electronic systems as recordkeeping systems.

3.30 In each entity, there were more electronic systems in operation that contained records than had been identified in the entity’s recordkeeping policy and guidance. This was, in part, a result of the entities not assessing³⁷ which electronic systems contained records and considering whether or not this was appropriate. As a result, in one or more entities:

- recordkeeping guidance did not address the management of records in electronic systems;
- records management areas were not involved in, or consulted about, the management of electronic systems that contained records; and
- there was uncertainty amongst a number of staff about which electronic or other systems were to be used for managing records.

The creation, receipt, maintenance and management of records

3.31 The *Archives Act 1983* defines a record as³⁸:

...a document (including any written or printed material) or object (including a sound recording, coded storage device, magnetic tape or disc, microform, photograph, film, map, plan or model or a painting or other pictorial or graphic work) that is, or has been, kept by reason of any information or matter that it contains or can be obtained from it or by reason of its connection with any event, person, circumstance or thing.

³⁷ Refer to Chapters 4 and 5 for further discussion on managing records in electronic systems.

³⁸ *Archives Act 1983*, p. 4. The *Archives Amendment Bill 2006* recently introduced to the Senate includes a new definition which is consistent with the Australian Standard, paragraph 3.32 refers.

3.32 The Australian Standard on Records Management defines records as:³⁹

Information created, received, and maintained as evidence and information by an organization or person, in pursuance of legal obligations or in the transaction of business.

3.33 The above definitions mean that in practice much of the information created and received when undertaking a business activity will represent a record. A critical step is for entities to determine, in respect of information held, whether it should be maintained as a record of the business activity in the entity's recordkeeping system and how these records will be managed. This decision will depend on legal and business requirements and an assessment of risk. In this context '...A decision not to require formal capture of records is usually based on the assessment of the risk arising from having incomplete records of the business activity...'.⁴⁰

3.34 Section 24 of the *Archives Act 1983* establishes legal requirements for the disposal and destruction of Commonwealth records, including the following subsections:

(1) Subject to this Part, a person must not engage in conduct that results in:

- (a) the destruction or other disposal of a Commonwealth record; or
- (b) the transfer of the custody or ownership of a Commonwealth record; or
- (c) damage to or alteration of a Commonwealth record...

(2) Subsection (1) does not apply to anything done:...

- (c) in accordance with a normal administrative practice, other than a practice of a Department or authority of the Commonwealth of which the Archives has notified the Department or authority that it disapproves; ...

3.35 These provisions address an important element of recordkeeping practice as they provide legislative authority for situations where it is decided it is not necessary to maintain certain records of business activity in the entity's

³⁹ Standards Australia, op.cit., AS ISO 15489, 3 *Terms and Definitions*, p. 3.

⁴⁰ Standards Australia, op.cit., AS ISO 15489.2, p. 11. The Standard also states '...Risk management decisions will be a result of analysis of the regulatory and compliance environment, as well as perceived business risks, depending on the sector and nature of the business undertaken. The decisions will involve considerations of direct and opportunity costs, other resource allocation, potential for litigation, public relations profile, ethics and space utilization (physical or computer network)...'.

recordkeeping system. These records can be disposed of as a normal administrative practice,⁴¹ in accordance with subsection 24(2)(c) of the *Act*.

3.36 In practice, decisions about the maintenance of records in a recordkeeping system will be made by staff members within each entity who are responsible for, or involved in, a particular programme or business activity. To assist the individual staff members to make these decisions, it is a matter for each entity to determine:

- the policies that guide recordkeeping practices;
- the types of records to be maintained so that legal and business requirements are met;
- the records that can be discarded as a normal administrative practice; and
- the extent to which such requirements are set centrally or by work areas.

3.37 While the definitions of a record referred to above provide record users and creators with a broad understanding of a record, the breadth of the definitions provide significant scope for interpretation and judgement by entities and individual record creators. The Australian Standard also indicates that a comprehensive records management programme includes ‘...determining what records should be created in each business process, and what information needs to be included in the records...’.⁴² By taking such action an entity may narrow the definition of a record for a specific work area, thus reducing the extent of interpretation and judgement to be made by individuals in the work area.

3.38 The entities audited had supplemented, in a variety of ways, broad guidance with their own guidance material that included:

⁴¹ Archives Advice No.18, provides guidance to entities on the Archives Act normal administrative practice (NAP) provision which allows entities to dispose of records without formal authorisation. The Advice states in part that ‘...Destruction as a normal administrative practice usually occurs because the records are duplicated, unimportant or for short-term use only and cover both paper and electronic records. The NAP provision is not intended to replace the records disposal arrangements agreed to in disposal authorities...’. Archives Advice No.20 provides additional guidance to entities on the application of the NAP provision to emails. These Advices can be accessed on Archives website at <<http://www.naa.gov.au/recordkeeping/rkpubs/advices/index.html>>.

⁴² Standards Australia, *op.cit.*, 7 *Records management requirements*, p. 6.

- generic definitions of a record and in a few instances broad guidance on what might be included in a record of a common activity, such as recording details of meetings or the treatment of drafts;
- examples of records; and
- examples of what is not a record.

3.39 However, the entities generally had not developed guidance that addressed what records need to be created for specific business activities, or how to manage those records in terms of developing filing structures in a recordkeeping system.

3.40 One of the few examples where detailed guidance existed was in respect of Cabinet documents. In this case the definition⁴³ and extensive supporting guidance developed addressed the creation, handling and management of Cabinet documents. The guidance addressed a range of recordkeeping issues including:

- the use of electronic systems and the transmittal of Cabinet material, and associated security responsibilities;
- filing and recording access to Cabinet documents;
- classification, copying, custody, handling and destruction of Cabinet documents; and
- responsibility for maintaining Cabinet records and preparation of Cabinet Minutes.

3.41 This guidance is available in the Cabinet Handbook.

3.42 The ANAO generally found where a database or information system had been used to support an entity in undertaking a particular business activity, such as processing an enrolment to vote, the electronic system provided a structured basis for the capture of relevant information. When developing these systems, entities had determined minimum information requirements and supported these requirements by developing mandatory and optional fields for gathering information. The use of these systems resulted in the information held within them being structured and subject to various controls including access controls. As a consequence, the systems were meeting a number of recordkeeping requirements and often captured more

⁴³ The Department of the Prime Minister and Cabinet, *Cabinet Handbook Fifth Edition*, Amended March 2004, p. 27. The Cabinet Handbook is published on the Department of the Prime Minister and Cabinet website. <<http://www.pmc.gov.au/guidelines/index.cfm>>.

information than the corresponding paper or electronic files maintained in the recordkeeping system, including information that could be considered records but were not captured in the recordkeeping system.

3.43 In contrast, paper files, shared folders and email systems were used in undertaking particular business activities, such as developing policy advice and undertaking a range of general administrative activities. By its very nature the collection and management of information created or received in undertaking these activities tend to be unstructured. As a result there was a significant variation in terms of the information and records that were captured and the way that they were managed. In addition, paper files, shared folders and email systems generally relied on record creators and users implementing a number of manual structures and controls to facilitate the capture and management of records.

3.44 The examples at page 57 in respect of two common business activities seek to illustrate the processes involved in record creation, receipt, maintenance and management. These examples are illustrative only and do not address in detail all recordkeeping considerations such as access and security classification requirements. Where entities have not undertaken the steps outlined in these examples for major or core business activities, a realistic timetable for completing them should be set in view of the potential resource implications.

Table 3.1

Examples of how records should be created, received, maintained and managed⁴⁴

Steps	Example 1	Example 2
<p>Step 1 — Define the business activity.</p>	<p>The development of government policy advice.</p>	<p>Purchase and/or lease of property.</p>
<p>Step 2 — Determine the information that needs to be created and received to support the business activity.</p>	<p>Information created and received when undertaking this business activity include:</p> <ul style="list-style-type: none"> • correspondence, minutes and file notes relating to consultation with stakeholders; • minutes of meetings; • internal correspondence, minutes and files notes documenting internal processes, actions and decisions; • reports, analysis, research papers and data maintained in databases relating to research and analysis activities that support the development of the policy; • drafts of the policy; and • the final policy advice and the Government's deliberations and decisions. 	<p>Information created or received will include:</p> <ul style="list-style-type: none"> • internal correspondence; • file notes, minutes, emails and other documentation of the outcomes of staff consultations; • correspondence, minutes and reports documenting specialist advice; • management committee minutes; • ongoing maintenance records; • building plans; • legal documents such as leases and certificates of title; and • lease payment records including those in finance systems.

⁴⁴ More detailed guidance on how records should be created and managed is available in the Australian Standard on Records Management, Part 2 Guidelines, AS ISO 15489.2-2002, Standards Australia, p. 11.

Steps	Example 1	Example 2
<p>Step 3 — Determine what of this information needs to be maintained in the corporate recordkeeping systems. This assessment will depend on the business and accountability requirements, including an assessment of risk.</p>	<p>In this example much of that information should be maintained in the recordkeeping system as it provides evidence supporting the government policy making process.</p>	<p>In this example much of that information should be maintained in the recordkeeping system as it provides evidence of Commonwealth assets and liabilities and supports the accountability requirements related to the expenditure of government money and the management of assets.</p>
<p>Step 4 — Decide how records should be structured and managed within the entity's recordkeeping systems. These decisions should have regard to legal and business requirements, risk and disposal considerations.</p>	<p>From a business perspective, it is likely that most of the information will only be useful during policy development. On the other hand, the final policy proposal and the Government's deliberations and decisions will be required for a longer period of time. As such the way these records are managed from a recordkeeping perspective should be different. Commonly this means that the early drafts of the policy proposal prepared by the entity for internal purposes would not be maintained in a recordkeeping system. The records that do not have long-term use should be filed separately, either in paper or electronic form, from those records that have long-term use. This will facilitate the management and eventual disposal of the records. The principle is to keep like records together so that they have meaningful context and a similar retention period.</p>	<p>Most of these documents, for example, will only be used in the short-term for management and audit purposes. Some of them will be required for longer periods, for instance lease documents will be required at least for the period of the lease. A minority of these documents may need to be retained indefinitely, such as certificates of title. These different categories of records should be managed in a way that enables them to be disposed of efficiently. For example, the documents could be captured in three different files, either in paper or electronic form, based on the category of record within the entity's recordkeeping systems. This will facilitate the management and eventual disposal of the records. Again, the principle is to keep like records together so that they have meaningful context and a similar retention period.</p>

Source: ANAO

Recordkeeping guidance

3.45 Recordkeeping guidance that is prepared by individual work areas provide more detailed and tailored guidance than entity-wide recordkeeping guidance. As such this material can play a useful role in assisting record users to meet their specific recordkeeping responsibilities.

3.46 The audit found instances of guidance that had been developed by work areas that was consistent with and complemented entity-wide guidance. The audit observed that there was a better quality of recordkeeping and greater level of satisfaction with recordkeeping systems by users in these work areas, when compared with work areas where no work area guidance existed.

3.47 Issues that the ANAO considers could usefully be addressed in recordkeeping guidance include:

- a discussion that reinforces that entity records encapsulate information that provides documentary evidence of the substantive business activities of the entity including decisions, actions, consultations, communications, transactions and outputs. This guidance should include practical examples;
- a description of the transactions, documents and other information that are created or received in work areas. This should include an outline of the types of information that needs to be included in a record of an activity, including the types of drafts, correspondence, emails, forms, file notes, minutes, other documents, and information from electronic systems;
- a requirement that decisions about the records should be captured in recordkeeping systems should be made having regard to the entity's recordkeeping needs and be commensurate with the importance of the information and the level of risk associated with not having a record;
- details of the information that entity's have determined can be disposed of as part of a normal administrative practice in the context of the entity's particular business activities; and
- details of the formats of the records and where the records should be maintained, such as on paper files, in an EDMS, and/or in another electronic system.

3.48 The audit found that recordkeeping guidance developed by the entities did not adequately deal with a number of these issues. This contributed to

some staff not treating information, including data⁴⁵ in electronic systems, as records. As a result, some information that the ANAO considered should have been treated as records were not captured in entities' recordkeeping systems.

3.49 To assist entities to improve their recordkeeping guidance, the ANAO considered that Archives should supplement its existing range of guidance, with more practical guidance. Such guidance could usefully address issues relating to the handling and management of email, documents in shared folders and information in electronic systems, as well as the use of scanning in an electronic recordkeeping environment. The guidance may also assist entities to:

- determine for a particular business activity the information that should be created and received, and then determine the information that needs to be maintained as a record of the business activity in entities' recordkeeping systems; and
- how the record of a business activity is best managed in the context of entities' recordkeeping responsibilities.

Other issues relevant to entities' policy and guidance material

3.50 The audit identified the following issues that should be addressed when entities develop or review their policy and guidance material:

- the recordkeeping policy should be up-to-date, approved in a timely manner and be regularly reviewed to reflect current business needs. The audit identified delays of up to three years in policies being approved. Such circumstances can be an indication of a lack of priority being given to an entity's recordkeeping responsibilities;
- the need to adopt a consultative process when developing parts or all of an entity's recordkeeping policy and guidance. This approach is more likely to result in a greater level of acceptance and understanding of the material developed;
- recordkeeping policy and guidance should, where appropriate, refer to relevant legislation, the Australian Standard on Records Management AS ISO 15489, the Commonwealth Protective Security Manual, ACSI 33, material published by the Australian Government Information Management Office and other relevant material issued by

⁴⁵ Data is information captured in a field in an electronic system such as name, date of birth, and address.

government entities. The utility of the guidance material will also be enhanced if it references the Archives' suite of *e-permanence* guidance;

- recordkeeping policy and guidance should recognise and be consistent with related policies of the entity, particularly those that relate to information management, security, information technology and risk management. Not having an integrated suite of policies can contribute to a situation where security and information technology issues, in particular, are not sufficiently addressed in the context of recordkeeping;
- identifying who has primary responsibility for maintaining records relating to particular functions and activities; and
- providing practical examples within guidance material of how the entity's recordkeeping requirements would be implemented under different scenarios.

Recommendation No.3

3.51 The ANAO recommends that entities' recordkeeping policies and guidance:

- (a) identify all systems, particularly electronic systems, that contain records that need to be managed in accordance with recordkeeping requirements; and
- (b) address, where relevant, the management and use of electronic systems to meet recordkeeping requirements, including their relationship with the entity's corporate recordkeeping system.

Entities' responses

3.52 Each of the audited entities and Archives agreed with the recommendation. Specific comments provided were:

Department of the Prime Minister and Cabinet

As part of its Strategic Information Management Framework, the Department is undertaking work to review all its electronic business systems.

National Archives of Australia

The Archives considers that all electronic systems that contain corporate information should have recordkeeping functionality or should have a relationship with the entity's corporate recordkeeping system that will allow records that are generated by such systems to be captured and managed.

The Attorney-General's Department

The Department has focused on developing the corporate recordkeeping system as the repository for all records. AGD will take a broader approach and implement systems to monitor and manage records held in electronic business systems across the Department.

Recommendation No.4

3.53 The ANAO recommends that, to meet legal and business requirements, entities develop recordkeeping guidance that assists record users to determine:

- (a) for each major programme or business activity, the information that needs to be created, received, and maintained as a record of the business activity in entities' recordkeeping systems; and
- (b) how those records should be managed to support each particular business activity.

Entities' responses

3.54 Each of the audited entities and Archives agreed with the recommendation. Specific comments provided were:

The Attorney-General's Department

In 2002 the Department completed a full assessment of its recordkeeping requirements for disposal through an analysis utilising the National Archives endorsed methodology, DIRKS. Since that time a

number of new functions have been added to the Department which require analysis. The work has been scoped and DIRKS projects commenced this year.

The Department has recognised the importance of determining the information that needs to be captured and maintained for all its major business activity and is engaging, on an ongoing basis, a business process analyst to ensure recordkeeping needs are identified and managed as new business areas are added to the Department.

4. Recordkeeping Needs Analysis

This Chapter discusses whether entities analysed their recordkeeping needs and risks, including whether entities assessed recordkeeping needs when planning, acquiring, designing and implementing electronic systems. It also outlines audit findings relating to recordkeeping issues associated with business continuity planning.

Introduction

4.1 Assessing recordkeeping needs is an important step in developing an appropriate and effective recordkeeping regime. When assessing its recordkeeping needs, an entity should consider a wide range of factors including its size,⁴⁶ recordkeeping and information management environment,⁴⁷ dependence on technology,⁴⁸ the significance of its records and information⁴⁹ and its recordkeeping risks.

Assessing recordkeeping requirements

4.2 The analysis, identification and documentation of recordkeeping needs should underpin the development of appropriate recordkeeping frameworks and systems, and the provision of recordkeeping services.

4.3 A recordkeeping needs analysis can be undertaken on a number of levels. For example, a high level needs analysis could be undertaken to identify the key elements of a recordkeeping framework. A more detailed analysis, for example in relation to a particular aspect of recordkeeping, could also be undertaken to assist in the development of detailed and tailored guidance for a particular situation or work area.

⁴⁶ Any considerations of size should include consideration of the number of locations and the degree of dispersion of these locations.

⁴⁷ Considerations of the recordkeeping environment include: legislative and administrative requirements for recordkeeping; the nature of the business, whether it is a policy, regulatory or service delivery entity; and the extent to which ready accessibility and retrievability of the entity's records and information is important in the provision of services by the entity.

⁴⁸ Considerations should include: the form and environment in which records and information are created, and the steps and effort necessary to convert the records from the form they are created in to the form required by the recordkeeping systems; and the extent to which electronic systems can support the recordkeeping requirements of the entity.

⁴⁹ There are three aspects to this consideration: the archival significance of the records and the entity's functions; the sensitivity of entity records from a national perspective; and the range of staff who are dependent on the records and the extent to which the nature of the entity's work requires ready access to its information and records to perform the entity's operations.

4.4 The ANAO assessed whether entities had:

- undertaken and documented a recordkeeping needs analysis that considered relevant legislative and administrative requirements; and
- assessed specific internal recordkeeping requirements, including electronic recordkeeping needs such as identifying the existence of electronic systems that are used to create and store certain records.

DIRKS projects

4.5 *A Strategic Approach to Managing Business Information* (DIRKS)⁵⁰ is an eight step methodology for undertaking a systematic, risk-based assessment of recordkeeping needs and designing appropriate recordkeeping strategies and systems. Importantly, the first three steps of DIRKS include a process that enables an entity to obtain a records disposal authority for certain types of entity records in accordance with the *Archives Act 1983*.

4.6 Since March 2000, Archives has required the development of most records disposal authorities to be undertaken in accordance with the DIRKS methodology. At the time of preparing this report, Archives advised the ANAO that 37 entities were actively undertaking a DIRKS project, in consultation with Archives, for the purposes of obtaining a disposal authority. To date, Archives has issued approximately 50 disposal authorities under DIRKS.⁵¹

4.7 The audit identified that each of the entities audited undertook a limited needs analysis for the purpose of obtaining a records disposal authority and a business classification scheme. Two entities also developed a functional thesaurus as a result of this needs analysis. However, none of the entities utilised the DIRKS methodology more broadly to assist in determining their recordkeeping requirements. For example, the methodology was not used to determine detailed recordkeeping requirements for specific work areas or to determine whether existing recordkeeping systems were adequate to support those requirements.

4.8 In one entity, the DIRKS project took five years to complete, approximately four years longer than the entity's planned timeframe and three

⁵⁰ Archives and State Records New South Wales jointly developed the DIRKS manual to guide entities when *Designing and Implementing Recordkeeping Systems*. <<http://www.naa.gov.au/recordkeeping/dirks/dirksman/dirks.html>>.

⁵¹ In some cases disposal authorities covered the majority of functions of an entity, while others addressed one of many functions of an entity.

years longer than DIRKS projects undertaken by the other two entities. The delay was mainly as a result of project management issues that were caused by significant staff turnover in the recordkeeping work area.⁵²

Other recordkeeping needs analysis

4.9 Two entities had undertaken a needs analysis for particular matters. One entity undertook an analysis of recordkeeping training needs, while another undertook an analysis of recordkeeping needs for ministerial correspondence. These analyses assisted the entities to deliver more targeted recordkeeping services or systems for these matters.

Assessment of recordkeeping technology needs

4.10 As mentioned previously, one entity had a policy to manage its records electronically, wherever practical. This entity had implemented an EDMS to manage a significant proportion of its records. The entity had, however, not assessed whether records held in other electronic systems would be better managed in the individual electronic system, the EDMS or another recordkeeping system, such as a paper based system. The other two entities had a print to paper policy that also recognised electronic systems were used to create, and in some cases, store records.

4.11 The audit found that a number of staff in each of the entities were using a variety of electronic systems to manage records. In some cases, the entity's recordkeeping policy specifically identified electronic systems, such as email and shared folders, and instructed staff not to use these systems to store and manage records. However, in practice the audit found that staff were using these systems to store and manage records.

Assessing recordkeeping risks

4.12 Assessing recordkeeping risks should assist an entity to make informed decisions about its recordkeeping requirements and the most appropriate systems and related practices to satisfy these requirements. Both the Australian Standard on Records Management⁵³ and the DIRKS methodology⁵⁴ state that entities should identify, assess, document and treat recordkeeping risks.

⁵² There were eight changes in the project officer position over the five year period.

⁵³ Standards Australia, op.cit., AS ISO 15489, *7 Records Management Requirements*, p. 6.

⁵⁴ Appendix 11—Risk Analysis in DIRKS, *DIRKS Manual*, National Archives of Australia, September 2001, p. 3.

4.13 The ANAO assessed whether entities had:

- undertaken a recordkeeping risk assessment; and
- used the risk assessment to inform and prioritise recordkeeping tasks and projects.

4.14 One entity had identified and addressed information management risks as part of its strategic risk management approach. Although recordkeeping risks were not specifically addressed, the strategic risk assessment had resulted in the initiation of a number of recordkeeping projects. In another entity, the recordkeeping work area had undertaken a recordkeeping risk assessment. The assessment was not submitted to management for formal approval and, therefore, was not actioned at the time of the audit. No recordkeeping risk assessment had been undertaken by the third entity.

4.15 The ANAO considered that none of the entities had given full consideration to their recordkeeping risks. As a result, recordkeeping strategies, policies and guidance, where prepared, had not been adequately informed by an assessment of risks. The results of the audit indicate that each of the entities had a range of recordkeeping risks that should have been identified and treated in a more formal manner.

Recommendation No.5

4.16 The ANAO recommends that entities periodically undertake an assessment of their recordkeeping needs and risks, and use these assessments to inform the development or review of their recordkeeping strategies, policies and guidance.

Entities' responses

4.17 Each of the audited entities and Archives agreed with the recommendation. Specific comments provided were:

Department of the Prime Minister and Cabinet

The Department is undertaking a recordkeeping risk assessment which will be used to review its existing recordkeeping strategies, policies and guidance.

The Attorney-General's Department

The Department periodically undertakes assessment of the Department's recordkeeping needs and risks and the results of these are used to inform policy, strategy and guidance.

Business continuity planning

4.18 The Australian Standard on Records Management states:⁵⁵

Business continuity planning and contingency measures should ensure that records that are vital to the continued functioning of the organization are identified as part of risk analysis, protected and recoverable when needed.

4.19 The ANAO assessed whether entities had:

- identified vital records in their business continuity plans; and
- put in place contingency arrangements, including IT disaster recovery plans, to ensure that, in the event of a disaster, vital records in both paper and electronic form were available to enable business operations to resume within specified timeframes.

Identification of vital records

4.20 The ANAO found that in two entities business continuity plans⁵⁶ did not identify vital records. A number of work areas in the third entity had identified vital records in their individual work area business continuity plans. However, there was not an entity-wide approach that was consistently applied to the identification of vital records.

4.21 Only one entity had identified a role for the records management area in assisting work groups to identify vital records. The ANAO considers that there is an opportunity for records management areas to become more involved in business continuity planning, by ensuring that work areas across the entity have a consistent understanding of, and approach to identifying, vital records. Adopting a collaborative and coordinated approach to the identification and management of these records should assist in mitigating the risk of vital records not being appropriately identified and protected.

IT disaster recovery planning

4.22 All three entities had general IT disaster recovery arrangements in place that were designed to provide for the recovery of electronic records and information. However, the audit found that in two entities business continuity plans had not been developed for, or did not sufficiently address, a number of

⁵⁵ Standards Australia, op.cit., AS ISO 15489, 7.1 *Principles of records management programmes*, p. 6.

⁵⁶ The ANAO identified that one of the three entities had been developing its business continuity plan for more than 18 months and at the time of the audit the plan was incomplete. The two other entities were revising and testing business continuity plans at the time of the audit.

the electronic systems that held records. For example, in these entities there were no specific business continuity arrangements covering their corporate recordkeeping system and some other electronic systems that contained records. As a result there was a risk that, in the event of a disaster, these entities will not be able to access electronic systems, records and information to enable business operations to resume within specified timeframes.

Recommendation No.6

4.23 The ANAO recommends that entities:

- (a) identify vital records in both paper and electronic formats as part of their business continuity planning; and
- (b) establish contingency arrangements aimed at ensuring that, in the event of a disaster, vital records are available to enable the resumption of business operations within specified timeframes.

Entities' responses

4.24 Each of the audited entities and Archives agreed with the recommendation. Specific comments provided were:

The Attorney-General's Department

A project has been identified to undertake and complete these activities.

Recordkeeping needs analysis for electronic systems

4.25 The Australian Standard on Records Management states that recordkeeping systems should have the functionality that enables them to carry out and support records management processes.⁵⁷

⁵⁷ Standards Australia, op.cit., AS ISO 15489, *Design and implementation of a records system*, pp. 8–10. The functionality of recordkeeping systems should support a range of characteristics including reliability, integrity, compliance and comprehensiveness. The Standard also identifies that electronic systems of an entity can be modified to support recordkeeping requirements.

4.26 The ANAO assessed whether entities had:

- developed an IT management framework that results in recordkeeping needs being considered during system planning, acquisition, design and implementation; and
- developed metadata⁵⁸ requirements for electronic recordkeeping systems that were consistent with relevant standards.

IT management arrangements

4.27 One entity had developed broad requirements for managing electronic systems, including electronic recordkeeping systems. For relevant electronic systems, these requirements established:

- a requirement to register systems on an applications register;
- minimum metadata requirements for systems;
- the basis for deciding when to treat a system as a recordkeeping system; and
- general requirements for recordkeeping systems such as the need for these systems to ensure the integrity, accessibility and longevity of records, have appropriate security controls and data administration processes; and satisfy migration requirements as part of systems upgrades.

4.28 At the time of the audit, the entity indicated it intended to develop more detailed guidance for recordkeeping assessments as part of its IT project management framework.

4.29 The other two entities had not developed any guidance that required recordkeeping needs to be considered during system planning, acquisition, design and implementation.

4.30 The ANAO identified that entities had considered the design and functionality of electronic systems to meet their specific business needs. However, the entities generally did not assess recordkeeping needs as part of the planning, acquisition, design and implementation of these systems although, some electronic systems met a number of recordkeeping requirements.

⁵⁸ Metadata is structured information that describes and/or allows users to find, manage, control, understand or preserve other information over time.

4.31 The ANAO considers that all entities should consider recordkeeping requirements as an integral part of the development or upgrade of existing systems and the implementation of new systems that are likely to be used to store records.

Metadata requirements

4.32 The Australian Standard on Records Management AS ISO 15489.1 states that metadata requirements need to be ‘...incorporated into the procedures governing all business processes for which there is a requirement for evidence of activity...’.⁵⁹

4.33 The corporate recordkeeping systems for each of the entities had been configured to capture the eight mandatory metadata elements as prescribed by the *Recordkeeping Metadata Standard for Commonwealth Agencies*. In addition to these mandatory requirements, entities had configured their recordkeeping systems to capture additional metadata elements. However, one entity did not routinely capture a number of these elements and this affected the reliability and consistency of the recordkeeping system for records retrieval purposes.

4.34 The audit found that two of the entities had not established minimum metadata requirements for electronic systems as part of their IT management framework. The third entity had a policy that required electronic systems to have a minimum of six types of metadata, regardless of the systems’ purpose.

4.35 The ANAO considers entities should develop a set of minimum metadata requirements for electronic systems that contain records, including the corporate recordkeeping system, in accordance with the *Recordkeeping Metadata Standard for Commonwealth Agencies*.

Recommendation No.7

4.36 The ANAO recommends that entities’ IT management arrangements provide for the consideration of recordkeeping needs, including metadata requirements, when developing or upgrading electronic systems.

⁵⁹ Standards Australia, op.cit., AS ISO 15489, *Design and implementation of a records system*, p. 6.

Entities' responses

4.37 Each of the audited entities and Archives agreed with the recommendation. Specific comments provided were:

Department of the Prime Minister and Cabinet

The Department has a current recordkeeping metadata standard and is integrating the review of metadata requirements into its systems development framework.

The Attorney-General's Department

This has been noted and will be undertaken in future development or upgrade to systems.

5. Recordkeeping Management and Practices

This Chapter discusses the management of entities' records management functions and electronic systems, and outlines audit findings in relation to recordkeeping practices for both paper and electronic records.

Introduction

5.1 To support their recordkeeping responsibilities, entities should have in place arrangements designed to ensure:

- the effective management of electronic systems;
- the corporate area with functional responsibility for recordkeeping effectively manages recordkeeping projects and activities, and is appropriately resourced to support the entity in meeting its recordkeeping responsibilities; and
- recordkeeping practices are consistent with the entity's policies and guidance.

Managing electronic systems

5.2 The effective management of electronic systems, including those systems that fulfil a recordkeeping function, requires system risks to be identified and managed, access and change controls to be in place, and recordkeeping requirements to be met. These issues have broader application to all electronic systems and as such they should be considered by entities in this context.

5.3 For a selection of electronic systems, the ANAO assessed whether each entity had effective management arrangements in place.⁶⁰

⁶⁰ These electronic systems included: shared folder systems, email, ministerial correspondence systems, the corporate recordkeeping system and a business system that supported a key line of business in each entity.

System management plans

5.4 The ANAO considers that the development and active implementation of system management plans can assist entities to:

- establish when system upgrades and changes to system functionality, such as recordkeeping functionality, should occur, including scheduling a review of the system's ability to satisfy strategic and operational requirements;
- resource requirements for the ongoing maintenance of electronic systems; and
- periodically review risk assessments and training requirements.

5.5 The audit found that the three entities had not developed management plans for the individual systems selected for review. In addition, there were varying practices in place for budgeting and monitoring the cost of electronic systems. While entities generally managed the costs associated with the development and maintenance of electronic systems on an annual basis as part of their corporate budgeting processes, life cycle costs of systems were rarely considered.

5.6 The ANAO also found that entities generally did not undertake cost benefit analyses prior to implementing electronic systems.

System security plans

5.7 Each electronic system that is used to manage sensitive information is required to comply with the Protective Security Manual and the Australian Government Information and Communications Technology Security Manual, ACSI 33. In particular, ACSI 33 requires the development of a risk management plan and a system security plan for each of these systems and for the plans to be reviewed annually. These requirements are designed to ensure that entities identify security risks to systems and the information contained in them, and to implement appropriate risk treatments.

5.8 The ANAO found that, with one exception, no risk management plans or system security plans had been developed for the systems reviewed. As a consequence, the entities did not comply with the relevant requirements of the Protective Security Manual and ACSI 33.

System access controls

5.9 System access controls are designed to restrict access to electronic systems, and the records and information including data contained in those systems, to those who are authorised to have such access.⁶¹

5.10 Audit testing of user access procedures and their implementation found that although appropriate procedures were in place in two entities, the procedures were not consistently implemented. The audit identified that:

- access approval to the records management system, selected electronic systems and/or the network for some users was not documented;
- for some of the electronic systems reviewed, there was no access security matrix to identify the functions that each user profile could access on the system; and
- not all users had been deactivated from the entities' networks, records management systems and/or other electronic systems when they ceased employment.

5.11 In addition, the ANAO found that one entity reused user ID's and another entity deleted deactivated user accounts for one of its electronic systems. The ANAO considers that these practices compromised the information contained in system audit logs and the ability of the entity to trace the actions of users. It also it meant that there was no record of users whose access had been terminated.

Change control

5.12 Appropriate change controls should be in place for the management of changes to electronic systems and their data. If changes are not documented, the integrity of records and information in electronic systems could be compromised. In addition, inadequate documentation increases the risk of change control processes being circumvented.

5.13 The ANAO found that in each of the three entities audited there were adequate change control procedures in place although instances were observed in two entities of inadequate documentation of system and data changes.

⁶¹ '...The ANAO considers that effective management of access to entities' information or data resources requires clear policy on access to IT systems, supported by processes to uniquely identify and manage all who use them...'. Audit Report No.23 2005–2006, IT Security Management, p. 42.

Post implementation and review activities

5.14 The ANAO considers that conducting post implementation reviews of significant electronic systems should be part of an entity's ICT management arrangements. In addition, periodic reviews and/or a program of internal audits that include a focus on ICT management, including IT security and disaster recovery arrangements, are considered to be good practice.

5.15 Two of the three entities had undertaken timely post implementation reviews of some or all of the electronic systems selected for audit. These entities also had internal audit programs that included the periodic audit of ICT management issues. The third entity had not conducted post implementation reviews of more recently implemented systems. The internal audit program in this entity included audits of selected ICT management issues.

5.16 A better practice observed in one entity was the posting on its intranet of a template for undertaking post implementation reviews.

5.17 To better support entities' recordkeeping strategies and policies, the ANAO considers that in the context of their electronic systems generally entities should:

- (a) develop, and undertake an annual review of, individual IT system risk assessments and security plans;
- (b) develop systems management plans for electronic systems; and
- (c) document electronic system access and change control procedures, and maintain a record of access arrangements and system changes.

Management of electronic systems that contain records

5.18 In addition to the general requirements for the management of electronic systems outlined above, there are a number of specific considerations for systems that contain records:⁶²

- ensuring the authenticity and integrity of the records;
- assigning appropriate security classifications to systems and records; and
- arranging for preservation of, and long term access to, records.

5.19 As a general rule, if electronic systems contain records they should have appropriate recordkeeping functionality. The risk associated with managing records in a system that is not designed and used as a recordkeeping system is that the records may not be recognised or treated as records by the entity. As a result, records may not be appropriately managed to meet the entity's recordkeeping requirements.

Integrity and authenticity of records

5.20 The audit found that a number of electronic systems such as shared folders, email, and certain electronic systems were being used to store and manage records. In some cases, this was contrary to the entity's recordkeeping policy. These systems were not designed or managed to support recordkeeping requirements, which meant that, in a number of the systems examined, particularly email and shared folders, sufficient controls were not in place to ensure the authenticity and integrity of the records they contained.

5.21 The ANAO considers that it is unlikely that shared folders could be configured to provide recordkeeping functionality. As a result, entities should inform staff of the need to transfer records into an electronic recordkeeping system or printed and placed on a paper file.

⁶² There is a wider range of guidance and requirements relating to the management of electronic records that should be considered when designing, implementing and managing electronic recordkeeping systems. Entities that are considering using an electronic system to manage records should consider, and draw upon:

- Section 8 Design and Implementation of a Records System of the Australian Standard on Records Management AS ISO 15489.1;
- Step F Design of a recordkeeping system and Step G Implementation of a recordkeeping system of the National Archives' DIRKS Manual;
- the National Archives' Digital Recordkeeping: Guidelines for Creating, Managing and Preserving Digital Records (exposure draft, May 2004); and
- the National Archives' Functional Specifications for Electronic Records Management Systems Software (exposure draft, February 2006) and Guidelines for Implementing the Functional Specifications for Electronic Records Management Systems Software (exposure draft, February 2006).

Security classification of records

5.22 The ANAO identified, in each of the entities, instances of record users:

- not classifying or marking electronic documents or files containing sensitive information;
- assigning an inappropriate classification to records and information held in electronic form; and
- not clearly marking classified information stored on the network or communicated via email by, for example, indicating the security classification in document titles or titles of folders in shared folders.⁶³

5.23 As a result, the entities were not managing some sensitive material in accordance with the requirements of the Protective Security Manual.

Preservation strategies

5.24 Where entities were storing and managing records electronically, they did not develop appropriate preservation strategies for the records held in electronic systems. The audit identified instances where entities relied on routine IT processes to ensure that records were migrated and preserved, rather than addressing record retention and preservation requirements from a recordkeeping perspective. Entities therefore were at risk of not being able to preserve and retrieve records to meet future business and archival requirements.

Recommendation No.8

5.25 The ANAO recommends that entities:

- (a) review current practices to ensure that they meet the requirements of the Protective Security Manual for classifying sensitive electronic information; and
- (b) develop a formal preservation strategy aimed at ensuring access, integrity and functionality of electronic records, particularly those records that need to be retained for long periods of time.

Entities' responses

5.26 Each of the audited entities and Archives agreed with the recommendation. Specific comments provided were:

⁶³ Entities should only store information on networks where the information has the same or a lower security classification as the security rating of the network.

Department of the Prime Minister and Cabinet

The Department supports the critical leadership role of the NAA in developing electronic preservation strategies.

The Attorney-General's Department

Projects have been identified to undertake and complete these activities.

Managing recordkeeping activities

5.27 Applying sound management practices to the recordkeeping function will facilitate the effective planning, management and review of recordkeeping services, projects and practices.

5.28 The ANAO assessed the planning, management and review of recordkeeping activities including the provision of training programs.

Recordkeeping services

5.29 The provision of recordkeeping services will generally involve activities such as developing policy and guidance, implementing and managing recordkeeping systems, providing training, providing record storage and retrieval services, and developing and implementing a records disposal program.

5.30 The ANAO found that the recordkeeping functional areas in two of the three entities were providing a range of appropriate recordkeeping services. However, the ANAO considered that there were opportunities to further improve services in these entities. For example, the entities could improve or further develop elements of their recordkeeping framework, as well as undertaking specific needs analyses of recordkeeping.

5.31 The ANAO considered the third entity was not providing an appropriate range of recordkeeping services and therefore experienced significant difficulties with the management of its recordkeeping function. This contributed to the entity not having:

- recordkeeping practices that were consistent with the entity's policy;
- a formal and ongoing training program for recordkeeping;
- a systematic program of records disposal; or
- a periodic quality assurance and review program.

Planning and reporting of recordkeeping activities

5.32 As part of the business planning process, entities should develop work plans covering the services and projects provided by the corporate recordkeeping area. These work plans should include a clear description of the objectives of recordkeeping projects and tasks contained in the work plan, an estimate of the resources required, timeframes and key milestones, and relative priorities. Achievement of the plans should also be regularly monitored and status reported to management.

5.33 The ANAO found that two entities developed annual recordkeeping work plans as part of their business planning processes. However, these plans did not adequately describe the objectives of each task or project, specify timeframes and key milestones or establish priorities. In addition, the plans did not adequately address dependencies on other areas within the entity, particularly where a collaborative or coordinated approach was required. The audit also identified instances where key recordkeeping tasks were not included on relevant work plans.

5.34 While both entities had made a substantial investment in meeting their recordkeeping responsibilities, they experienced delays in the completion of elements of their recordkeeping frameworks, including developing recordkeeping strategies, policies and guidance. The ANAO considered that these entities should review their resource requirements in light of required enhancements and improvements to their recordkeeping regimes.

5.35 The third entity did not undertake structured recordkeeping planning, other than budgeting for recordkeeping staff and projects as part of their annual budget and business planning processes. The ANAO considered the entity did not have sufficient recordkeeping resources to maintain recordkeeping services at an adequate level, or undertake strategic or project-based work.

5.36 Two of the three entities reported against work plans as part of their respective business planning processes. However, these reports did not include details of all projects and tasks. The third entity did not undertake regular reporting of recordkeeping activities.

Performance measures

5.37 To assist with assessing the performance of recordkeeping activities entities should develop and monitor performance measures.

5.38 The audit found that each of the entities had developed a small number of performance measures relating to their recordkeeping activities. For example, one entity had developed measures for records management services such as the timeliness of, or customer satisfaction with, the retrieval of files and provision of recordkeeping advice, assistance and training. However, prior to the commencement of the audit this entity had decided to adopt a more qualitative approach to measuring performance and stopped using these performance measures. The other two entities had developed measures relating to the usage levels of the corporate recordkeeping system. The ANAO considered these measures could be enhanced by introducing measures that better assisted the entity to assess the performance of both their recordkeeping functions and recordkeeping practices.⁶⁴

Quality assurance and review

5.39 The management of recordkeeping services, projects and practices should include the conduct of a regular quality assurance program and recordkeeping reviews.

5.40 All of the entities undertook some quality assurance activities, such as reviews of file titling, file census and reviews of paper files returned to central records areas. The ANAO considers that all entities could improve their quality assurance activities by developing a more comprehensive quality assurance program that periodically reviewed recordkeeping practices and the level of compliance with recordkeeping policies and guidance.

5.41 The ANAO found that in each of the entities there had been one or more reviews of recordkeeping in recent years. Two entities had addressed the recommendations of these reviews and management actively monitored progress in their implementation. The third entity had made limited progress in addressing the findings and recommendations of the reviews undertaken.

⁶⁴ For example, an entity could report, in the context of a quality assurance program involving a sample check of transactions and files, on metrics such as:

- the number of paper files in the recordkeeping system, or documents in an EDMS file, with the same title;
- the percentage of files, or emails/other documents in an EDMS, that have not been appropriately titled;
- the percentage of paper files that contain management comment or decisions on post-it-notes;
- the number of files that do not comply with requirements of the Protective Security Manual; and
- the number of records that contain different versions of a document, but the documents do not have markings to indicate the version or draft number.

Training and awareness programs

5.42 To assist with the implementation of a recordkeeping framework it is important for an entity to provide appropriate training to record users. This should include a combination of formal training and awareness raising activities that alerts and reminds staff of their recordkeeping responsibilities.⁶⁵ Recordkeeping training should address the management of both paper and electronic records, IT security awareness, and assessing and assigning appropriate security classifications to sensitive information.

5.43 There was significant variation in the extent and nature of recordkeeping training and/or awareness programs provided by each of the entities. One entity had invested resources in delivering to all staff mandatory, ongoing and targeted training that addressed a number of key elements of its recordkeeping policy and guidance. The other entities provided a mix of formal and informal training to staff that was limited in focus. This contributed to record users not being aware of how to implement key aspects of recordkeeping policy and guidance. Some record users in these entities also treated recordkeeping as discretionary rather than mandatory reflecting a lack of understanding about their responsibilities.

5.44 A number of record users in the three entities considered that they required additional training in certain areas to assist them in meeting their recordkeeping responsibilities. The areas identified by record users included: determining what constitutes a recordkeeping system; what records should be captured in recordkeeping systems; managing electronic records; managing paper files; classifying sensitive information; and IT security requirements. The results of the ANAO review of recordkeeping practices⁶⁶ confirmed that there was a need for further training and awareness in these areas.

5.45 To address gaps in recordkeeping training, one entity had completed a training needs analysis and used it to develop a formal training program that when fully implemented should contribute to improvements in practices. The ANAO considered that the entities should review their training and awareness programs on a periodic basis to ensure that they are adequate. This review should involve assessing recordkeeping training needs and developing an appropriate training program.

⁶⁵ For example, there are mechanisms in place to ensure staff are aware of policies and procedures, as well as mechanisms to remind staff of particular recordkeeping practices and responsibilities.

⁶⁶ Refer also to the next section in this chapter, *Recordkeeping practices*.

5.46 The ANAO observed two instances of a good practice being employed in relation to training for electronic systems. This practice required users to complete training modules prior to being given system access. The training was commensurate with the level of access required.

5.47 The audit identified instances of training material and supporting documentation that was out of date as it had not been reviewed and updated to reflect existing policies, practices and electronic system functionality.

5.48 To better support entities' recordkeeping strategies and policies, the ANAO considers that entities' management of their recordkeeping functions should include:

- (a) the planning of recordkeeping projects and activities;
- (b) developing and reporting against performance measures;
- (c) implementing a program of quality assurance and review; and
- (d) developing a training program based on an assessment of recordkeeping training needs.

Recordkeeping practices

5.49 The recordkeeping practices of an entity should result in the creation and management of complete and accurate records of its activities and decisions in accordance with its recordkeeping requirements. Those practices should cover the creation, capture, storage and preservation, retrieval, security and disposal of records.

Security requirements

5.50 The Australian Government Protective Security Manual outlines requirements and related advice on security matters, including classifying sensitive information. The audit found that entities adequately informed staff about security requirements, and records users were broadly aware of these requirements and of the government's security framework. Generally, entities complied with the Protective Security Manual, although in all entities instances of non-compliance were identified including:

- files were inappropriately classified. For example, some files were marked with a lower classification than some of the documents held on file. Other files were marked with a higher classification than the contents;

- some sensitive documents, including documents in electronic form, had not been appropriately classified;
- some sensitive documents were over classified. For example, entities generally did not apply timeframes when classifying documents and information. In one situation, an entity had decided to release information to the public that had previously been classified, but did not declassify the information held in the entity's recordkeeping system.

Other recordkeeping practices

5.51 The audit also identified instances of:

- significant variations in judgements on the information that should be maintained as a record in entities' recordkeeping systems. For example, in one entity some record users captured in recordkeeping systems records covering consultation, actions, processes and decisions in accordance with the entity's recordkeeping policy and guidance, while others focused on capturing a record of the final action or decision. This resulted in gaps in records in a number of the files examined;
 - significant delays between the time documents were created and when they were placed on file or captured into the entity's recordkeeping system;
 - inconsistent version control practices that resulted in information being used that was incorrect, not up-to-date or incomplete;
 - files being altered without leaving an adequate and accountable trail of actions;
 - decisions being recorded on removable notes, such as sticky notes, that could easily be detached;
 - file titles that made it difficult to locate and retrieve certain records;
 - paper files that were not folioed; and
 - duplication of records within and between electronic systems and the corporate recordkeeping system.
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Ian McPhee
Auditor-General

Canberra ACT
12 October 2006

Appendices

Appendix 1: Entities' responses to the proposed audit report

This Appendix contains general comments received on the audit report that are not shown in the body of the report.

Each of the entities selected for audit and the Archives were provided with the opportunity to comment on the proposed audit report (or extracts of the proposed report, where applicable) in accordance with the provisions of section 19 of the *Auditor-General Act 1997*.

Entities' responses to recommendations have been included in the main body of the report under the subheading 'Entities' responses' directly following each recommendation.

General responses are produced below.

Australian Electoral Commission

The Electoral Commission advised as follows:

Overall, the AEC notes and accepts the recommendations and views this audit as a valuable opportunity for the agency to improve its recordkeeping systems and practices.

The Attorney-General's Department

The Attorney-General's Department advised as follows:

It is good to note the ANAO recognises there is an increase in recordkeeping requirements in the Australian Government arena and government entities are working to the best of their ability to comply with these requirements.

Broadly, the Attorney-General's Department agrees with the findings in the audit, which it considers thorough and comprehensive.

The Attorney-General's Department has welcomed the opportunity to be part of this audit. As in all audits, the Department recognises where it can improve its practices and welcomes the recognition of its achievements in improving electronic recordkeeping in the Commonwealth.

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