

The Auditor-General  
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Performance Audit

# **Records Management in the Australian Public Service**

Australian National Audit Office

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of Australia 2012

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Canberra ACT  
27 June 2012

Dear Mr President  
Dear Mr Speaker

The Australian National Audit Office has undertaken an independent performance audit across agencies 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 *Records Management in the Australian Public Service*.

Following its presentation and receipt, 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', is positioned above the printed name.

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

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# Abbreviations

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AFDA	Administrative Functions Disposal Authority
ANAO	Australian National Audit Office
Archives	National Archives of Australia
AS	Australian Standards
BCP	Business continuity plan
CMAL	Central Movement Alert List
Customs	Australian Customs and Border Protection Service
DIAC	Department of Immigration and Citizenship
DIRKS	<i>Designing and Implementing Recordkeeping Systems—A Strategic Approach to Managing Business Information</i>
DRP	Disaster recovery plan
EDMS	Electronic Document Management System
EDRMS	Electronic Document and Records Management System
eVisa	Electronic visa
GVP	Generic Visa Portal
IAT	Integrated Analysis Tool
ICT	Information and communications technology
ICSE	Integrated Client Services Environment
ISM	Information Security Manual
ISO	International Organization for Standardization

IT	Information technology
MAC	Management Advisory Committee
MAC Report No.8	Management Advisory Committee, Report No.8, <i>Note for File—A Report on Recordkeeping in the Australian Public Service, August 2007.</i>
NAP	Normal administrative practice
OAIC	Office of the Australian Information Commissioner
PACE	Passenger Analysis Clearance and Evaluation
PIP	Passengers Integration Platform
PSPF	Protective Security Policy Framework
SRS	Security Referral Service
Treasury	Department of the Treasury
TRIPS	Traveller Immigration Processing Systems

# Glossary

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<i>Check-up</i>	<i>Check-up 2.0</i> is a secure, web-based application developed by the Archives for Australian Government agencies to assess their records and information management practices. Questions in <i>Check-up 2.0</i> are derived from: the Archives' policies, standards and guidelines; Australian and international standards for information and records management; and guidance and policies from other Australian Government agencies.
<i>Designing and Implementing Recordkeeping Systems (DIRKS)</i>	DIRKS is an eight-step methodology for undertaking a systematic, risk-based assessment of records management needs and designing appropriate records management strategies and systems.
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 business systems	Electronic systems include: shared folder systems; email; ministerial correspondence systems; the core records management system; and other electronic 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).
Information and records management	The efficient and systematic control of the creation, capture, maintenance, use and disposal of information and records.
Metadata	Structured information that describes and/or allows users to find, manage, control, understand or preserve other information over time.

Normal administrative practice (NAP)	NAP provides the authority for staff to routinely destroy records that are not needed as evidence of their agency's business and that do not need to form part of its corporate records. Subsection 24(2)(c) of the <i>Archives Act 1983</i> provides for disposal of records as a NAP.
Records management system	A system (electronic or paper) that holds records and contains the key metadata elements as recommended by the Archives.
Records	The Australian and International 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'.
Records authority	A formal instrument issued by the Archives 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

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## Introduction

1. A key element of sound public administration and accountability is adequate recording or documentation of the business of government.<sup>1</sup> To achieve this, agencies<sup>2</sup> need to develop records management frameworks and systems designed to ensure that records are appropriately managed.<sup>3</sup> This commences with the creation and subsequent capture of records in records management systems, through to their maintenance and use, and ultimately their transfer to the National Archives of Australia (the Archives) or destruction. Records management needs to be seen as important within the governance, resourcing and information management arrangements of an agency for it to effectively support the management of business activities and risks, and to satisfy records management requirements.
2. The requirements that Australian Government agencies need to meet in relation to records management derive from multiple sources. Access to, preservation and destruction of information created and received when undertaking Australian Government business is governed by the *Archives Act 1983* (*Archives Act*). A key focus of the *Archives Act* is authorisation of the disposal or destruction of records by the Archives approving records authorities.<sup>4</sup> Records management obligations are also contained in other Acts

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<sup>1</sup> Under the *Public Service Act 1999*, subsection 10(e), the Australian Public Service's (APS's) values include that the APS is openly accountable for its actions, within the framework of Ministerial responsibility to the Government, the Parliament and the Australian public.

<sup>2</sup> The term 'agencies' is used throughout the report to refer to Australian Government agencies subject to the *Financial Management and Accountability Act 1997* (*FMA Act*). It is important to note that most of the information and records management requirements discussed in this report also apply to Australian Government bodies subject to the *Commonwealth Authorities and Companies Act 1997*.

<sup>3</sup> 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'. Standards Australia, *Australian and International Standard—Records Management AS ISO 15489.1*, p. 3. The *Archives Act 1983* definition of a record is consistent with the Australian and International Standard (*Archives Act 1983*, as amended 25 July 2011, p. 5).

<sup>4</sup> A records authority is a formal instrument that defines the retention periods and consequent disposal actions authorised for classes of records described in the authority. Following a period of time, disposal action includes destruction or transfer to the Archives. Records authorities typically apply to the core business records of a single agency or body, while general records authorities, such as the Administrative Functions Disposal Authority, normally apply to Australian Government agencies and bodies. Source: <<http://naa.gov.au/records-management/agency/keep-destroy-transfer/index.aspx>> [accessed 21 November 2011].

including the *Freedom of Information Act 1982* and the *Financial Management and Accountability Act 1997 (FMA Act)*.<sup>5</sup>

3. The Archives also has a key role in establishing standards, and providing guidance and assistance to agencies in managing their records management responsibilities. An important piece of guidance issued by the Archives is *Check-up 2.0*, which establishes the minimum requirements for information and records management. These requirements cover agencies' information and records management arrangements and practices, including frameworks, records' creation, capture and destruction, and business systems. A number of other Australian Government agencies have issued policies, standards and guidelines relevant to the management of records, including electronic records.<sup>6</sup> For example, the Attorney-General's Department has established the Protective Security Policy Framework (PSPF), which outlines mandatory minimum security requirements for all agencies, and has implications for records management.

## **Records management systems and guidance**

4. To support agency business, and meet legal and policy requirements, systems that manage information need to operate so that records can be proven to be genuine; are accurate and can be trusted; are complete and unaltered; are secure from unauthorised access, alteration and deletion; are findable and readable; and are related to other relevant records.<sup>7</sup> In this respect, a key aspect of an agency's approach to records management is to determine those electronic business systems that need to be managed as records management systems; and how other electronic business systems should be managed and used to meet records management requirements. Before a decision is made to acquire, develop or upgrade an electronic business system, the records management capability of the system should be considered in the context of the function to be performed by the system.

5. Another important aspect of an agency's approach to records management is the development of relevant policy and guidance for staff.

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<sup>5</sup> Legislation relating to the functions and responsibilities of particular agencies may also contain specific records management requirements for the relevant agencies.

<sup>6</sup> These requirements are discussed in Chapter 1 at paragraphs 1.4 and 1.5, and Appendix 2: Australian Government Records Management Requirements.

<sup>7</sup> The Archives' website, available at: <<http://naa.gov.au/records-management/agency/digital/digitalsystems/index.aspx>>.

Policy and guidance gives direction to staff and supports their application of consistent records management approaches. Key elements of policy and guidance are: identification of information that needs to be created, received and maintained as a record for major business activities of the agency; identification of electronic business systems that are records management systems; and how all electronic business systems that contain records should be managed from a records management perspective.

## Current trends in the records management environment

6. In 2008–09, the estimated annual cost of onsite paper storage of records for 138 Australian Government agencies and bodies was \$208 million.<sup>8</sup> The increased use of information technology (IT) by agencies has placed pressure on the adequacy of paper-based records management systems to adequately support the capture, maintenance, access, retention and disposal of records. Australian Government agencies create a substantial amount of electronic information and records as part of their normal operations. However, in 2009 less than 30 per cent of these agencies and bodies managed the majority of their records digitally, even though more than half reported having an Electronic Document and Records Management System (EDRMS) and using other electronic business systems to manage records.<sup>9</sup> Establishing effective records management, particularly digital records management<sup>10</sup>, represents a significant business issue for many agencies.

7. To provide impetus and direction for digital records management, in July 2011 the Australian Government announced a policy for agencies to move to electronic records management for efficiency purposes. This policy is referred to as the *Digital Transition Policy*.<sup>11</sup> It involves agencies' senior management driving a change to digital records management through an increased focus on resource requirements and records management

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<sup>8</sup> Figures are based on responses to the Archives' most recent records management survey of Australian Government agencies and bodies, which occurred in 2010. The Archives also estimated that they would receive 12 kilometres of physical records to manage as National Archives in 2010 alone.

<sup>9</sup> Estimates are based on these agencies' and bodies' responses to the Archives' 2010 Recordkeeping Survey.

<sup>10</sup> Digital records management involves the majority of an agency's records being created, stored and managed digitally, where possible, and scanning incoming paper records.

<sup>11</sup> Available at: <<http://naa.gov.au/records-management/strategic-information/transition/index.aspx>> [accessed 21 November 2011].

functionality when purchasing new electronic business systems, and reducing paper stockpiles.

## **Audit objective, criteria and scope**

8. The objective of the audit was to assess the extent to which agencies create, manage and dispose of records in accordance with key business, legal and policy requirements.

9. Three high-level criteria were used to assess the performance of the agencies' records management arrangements and practices. The criteria examined whether selected agencies had:

- formally analysed their records management needs;
- developed and implemented frameworks and systems that adequately supported records management; and
- applied sound records management practices.

10. For the selected agencies, the audit assessed records management arrangements at an agency-wide level and for certain business areas. The audit also assessed the agencies' progress in transitioning towards digital records management. This included examining the agencies' implementation and/or use of an EDRMS and other electronic business systems for records management purposes.

11. The audit examined the records management arrangements and practices in the: Australian Customs and Border Protection Service (Customs); Department of Immigration and Citizenship (DIAC); and Department of the Treasury (Treasury). These agencies were chosen on the basis that they: held significant records from an archival perspective; had records management approaches at varying levels of maturity with respect to the comprehensiveness of records authorities in relation to core business, and the development of a digital records management environment; and had not been included in previous Australian National Audit Office (ANAO) records management audits.

12. The audit also considered the Archives' response to Recommendation No.1 from ANAO Audit Report No.6 2006–07 *Recordkeeping including the Management of Electronic Records*. The recommendation sought the Archives' clarification of Australian Government records management requirements and provision of further guidance to agencies on addressing these requirements.

## Overall conclusion

13. Management of records by Australian Government agencies is integral to the effective administration of programs and services; and should be undertaken in accordance with a broad range of legal, policy and other requirements. At an agency level, records management arrangements include records management systems to support creation, capture, management, and destruction or transfer of records, and policies and procedures to be applied by staff. In this respect, the records management environments within the audited agencies were complex. Creating, capturing and/or using agency records is a widespread and daily responsibility of all staff in the agencies. To support staff to undertake these roles each agency maintained a core records management system and more than 130 other electronic business systems.<sup>12</sup> These systems were generally used to create, capture and/or manage records of business activities. Records management systems and other electronic business systems used to manage records need to be able to support retention, destruction and transfer requirements in accordance with the *Archives Act*. This was complicated by different types of records needing to be managed for varying periods of time under approved records authorities.

14. There is an increasing amount of legislation, policies, standards and guidance issued by a number of Australian Government agencies that has implications for information and records management. Having multiple sources of requirements makes it difficult for agencies to be aware of and to apply these requirements. Further, these multiple sources do not always clearly indicate whether requirements reflect legislative obligations, policy requirements or good practice, making it difficult for agencies to understand the relative importance of requirements and prioritise action to address them. While the Archives has sought to determine the minimum requirements for information and records management since the ANAO's 2006–07 records management audit, further work remains to clarify the different nature of requirements, and to provide practical guidance in areas such as digital records management.<sup>13</sup>

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<sup>12</sup> While Treasury reported having 177 electronic business systems, many of these systems were applications that did not hold information or records.

<sup>13</sup> The Archives advised that it has recently released a Digital Continuity Plan to guide agencies in their ongoing management of digital records.

15. The agencies created a substantial volume of records on an annual basis in undertaking business activities. At an agency-wide level, the agencies had developed generic records management policy and guidance to assist with determining the records that needed to be created, received or collected. However, at a business activity level there was often little guidance on the records to create and which records management system should be used to capture the records to support business, while meeting legal and policy requirements.

16. The large majority of the agencies' records were created, captured and/or managed in the agencies' records management and other systems. This included paper and electronic systems. Each agency maintained a core records management system which supported the management and destruction or transfer of records captured in the system, although there was scope to improve the use and performance of these systems. Many other electronic business systems that were not identified and functioning as 'records management systems' were also used by the agencies to create, capture and manage records. These systems did not generally meet legal requirements relating to the management, and destruction or transfer of records. The use of such systems also created a risk that inaccurate or incomplete information could be accessed and used when making decisions, and acquitting legal and policy requirements, such as responding to freedom of information requests.

17. The agencies had all experienced delays in transitioning to a digital records management environment that adequately supports business, meets legal and policy requirements, and is easy to use. Implementing digital records management systems and practices is complex, resource intensive and requires significant cultural change. Nevertheless, the need to have robust digital records management is becoming more pressing, particularly given the cost of managing paper records, application of new and changing technologies to improve programs and service delivery, and the release of the Australian Government's *Digital Transition Policy* in July 2011.

18. The audit has highlighted the challenges for agencies in achieving robust records management arrangements in today's digital environment, particularly for those where there are complex business requirements and a large number of electronic business systems in use. Being successful requires a coherent strategy, and the sustained investment of time and resources, to strengthen systems and refine practices. Further, transitioning effectively to digital records management arrangements requires a strong commitment to the strategy adopted, and to addressing records management needs when

selecting, developing or upgrading electronic business systems that contain records. This will position agencies to meet their records management obligations, support efficient operations and provide for timely access to information and records. The ANAO has made three recommendations directed towards agencies: addressing records management needs when selecting, developing and upgrading electronic business systems; appropriately managing and using electronic business systems to meet records management requirements; and developing records management guidance that assists staff to determine the records that need to be created and managed for major business activities, and where these records should be maintained.

## Key findings

### Assessing records management needs and risks

19. Assessing records management needs and risks is an important step in developing an appropriate and effective records management approach. A key action that agencies should take is to develop records authorities to determine the retention, destruction and transfer requirements in accordance with the *Archives Act*. The three agencies had established, or were in the process of establishing, records authorities for their core business to guide proper disposal of records. The agencies had also completed reviews which identified significant issues and business risks in relation to information and records management or, at the very least, acceptance of records management systems and the application of relevant policy and guidance. These reviews identified a range of treatments to address risks presented by the agency arrangements. However, each agency has experienced delays in progressing effective treatments to information and records management risks, reflecting the relative priority of these issues to other business issues, and the complexity of their treatment.

20. A key records management need relates to the development of a digital records management environment. Each of the agencies had identified a need to move to digital records management by implementing an EDRMS and incorporating records management functionality in electronic business systems that contain records. However, despite identifying a need for an EDRMS in 1999, and in subsequent years, Customs' records management remains paper based. In 2000 and 2004 respectively, DIAC and Treasury had implemented an EDRMS to manage a significant proportion of their records. However, these

agencies had further work to do to improve the use, acceptance and/or performance of their EDRMS.

21. Other electronic business systems may also be used to create, use, maintain and dispose of records for particular business activities if appropriately managed. To provide for sound management of electronic records in business systems, agencies should consider records management needs during the planning, acquisition, development and implementation of electronic business systems. The agencies generally did not consider the need for records management functionality during these phases, although DIAC had recently changed its IT management arrangements to address this issue.<sup>14</sup> As a result, some agency systems were being used to maintain records even though 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.

22. It is important for agencies to identify vital electronic and paper records and develop contingency arrangements to enable their timely recovery in the event of a disaster, as part of business continuity planning. Treasury's records management area had a vital records register which it updated on an ad hoc basis. However, none of the agencies had identified vital records in the context of their business continuity planning processes. Instead, these processes focused on disaster recovery arrangements for electronic systems, thereby providing the agency with the ability to recover information held in an electronic system within specified timeframes. Such approaches do not address the recovery of vital paper records in the event of a disaster. The need to have in place contingency arrangements for paper records was demonstrated following the 2011 Queensland floods, when some Australian Government agencies needed to destroy paper records affected by flood waters.

## **Support for records management**

23. Records management policies and guidance outline an agency's expectations in relation to information and records management for all staff, including the appropriate creation, capture and storage of records in approved records management systems when undertaking their work. Agencies must

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<sup>14</sup> Treasury had developed records management functional requirements for electronic business systems, but did not require their application when selecting, developing or upgrading electronic business systems.

first determine the information that needs to be created and received in the context of each of their major business activities. In this respect, Customs and DIAC needed to further develop their guidance on records to create for each major business activity, and Treasury needed to promote the use of its existing guidance.

24. Agencies should then identify electronic business systems that are records management systems and specify how all electronic business systems that contain records should be used to manage the records that have been created or received. DIAC and Treasury had adopted a policy to manage a significant proportion of their records electronically by implementing an EDRMS. While this has led to an increase in the volume of records held electronically in the core records management system, further significant changes were required to better support the digital management of records. In particular, the agencies need to discourage unnecessary use of paper files<sup>15</sup> and remove electronic systems, such as shared folders, that provide an alternative place to create, edit and keep records. Customs had a 'print to paper' policy that recognised a number of electronic systems were used to create records but required information from those systems to be printed and placed on a paper file. Customs intended to move to an EDRMS as it was recognised that existing arrangements for capturing electronic records were inadequate and inconsistent, and that paper records did not capture all business decisions. More generally, the agencies often had not developed sufficient guidance on the use of other electronic business systems that contain records to help ensure that records are appropriately created or captured, and then transferred to or maintained in approved records management systems, including copying records where appropriate to the core records management system.<sup>16</sup>

25. To efficiently manage their records and comply with approved records authorities, agencies need to implement sentencing and disposal programs.<sup>17</sup>

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<sup>15</sup> Under the Archives' General Records Authority (GRA) 31—*Source (including original) records after they have been copied, converted or migrated*, agencies can scan a paper record to a records management system and then destroy the paper record. There are some exceptions to the permission to destroy under GRA 31, including where there is a security or legislative requirement to maintain a record in paper format.

<sup>16</sup> This includes business areas consulting with the records management unit, and determining whether an electronic business system could support records management requirements, and be classified as a records management system (see also paragraph 21).

<sup>17</sup> Sentencing is the process of using a records authority or general records authority to decide whether to retain, destroy or transfer a record.

Of the three agencies, Treasury had established an annual sentencing program and Customs had commenced development of a sentencing program in July 2011. DIAC had undertaken limited sentencing and disposal work because of a Moratorium on the Destruction of Department Files for several types of records, including client records.<sup>18</sup>

## **Records management practices and systems**

26. Systems used to manage records need to be able to preserve the integrity of information, including through quality control procedures to ensure the completeness and trustworthiness of records; and system controls over access and security. However, as indicated in paragraph 16, many electronic systems that were not records management systems, such as shared folders, email, and certain electronic business systems, were being used to store and manage records even though they did not have suitable records management functionality. In some of these systems there were insufficient controls in place to ensure the authenticity and integrity of the records they contained. Delays in filing information from shared folders to the core records management system also exposed records to alteration and deletion, ultimately impacting on the integrity and authenticity of the record.

27. It is important to minimise data quality issues in information and records holdings so that the information and records can be considered accurate and reliable. DIAC is aware of data quality issues affecting significant migration processing systems, for example, the creation of multiple records where it cannot be reliably determined that the client records relate to the same person. In June 2011 a review of potential duplicate records in relation to one of the migration processing systems identified there were 653 861 multiple records.<sup>19</sup> These data quality issues have the potential to increase the risks associated with identity resolution, border operations and departmental reputation. From a policy and guidance perspective DIAC is reviewing the nature and source of data quality issues, and has plans, as part of its information management framework, to implement new data management arrangements to address these issues.

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<sup>18</sup> DIAC advised in April 2012 that the Moratorium had ceased in 2011.

<sup>19</sup> The information in this system is shared with some of Customs' electronic business systems.

28. A significant risk to Australian Government agencies in relation to records management is their ability to access complete and comprehensive information when it is required for business or legal purposes, including responding to freedom of information (FOI) requests in a timely manner. For the three agencies, information and records access was impeded by existing information and records management arrangements. For example, information and records for a business activity were often held in a variety of locations and electronic business systems. Staff did not have access to all locations and systems, and generally had limited understanding of information holdings that fell outside of their day-to-day responsibilities. Staff often stored information in a variety of places, but did not have consistent rules about the records that needed to be created and where they would be captured. This means information is captured, managed and accessible on a silo basis. The agencies did not have a widespread culture of consistently using approved records management systems, including the EDRMS and electronic business systems, to support efficient and comprehensive searches for information.<sup>20</sup>

29. Where electronic business systems are used to manage records, the retention and destruction of information should be undertaken in accordance with relevant records authorities. With the exception of designated records management systems, none of the electronic business systems examined by ANAO sufficiently provided for sentencing, destruction and transfer in accordance with records authorities. For most of the systems, fields could be overwritten. If this occurred, available audit trails would indicate an edit had occurred but generally did not identify the changes.

## Summary of agency responses

30. The audited agencies' and the Archives' summary responses to the audit are provided below. These agencies' responses to the recommendations are contained in the body of the report following the relevant recommendation. The Archives also provided other formal comments and these are at Appendix 1: Additional Formal Comments from the Archives.

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<sup>20</sup> In this respect, the agencies did not apply consistent record, information and data titling conventions making it more difficult to locate relevant information.

## **Australian Customs and Border Protection Service**

31. Customs and Border Protection welcomes the opportunity to contribute to the ANAO's audit on Records Management in the Australian Public Service and believes it will provide useful guidance for agencies in their implementation of the Government's *Digital Transition Policy*. Customs and Border Protection agrees with all three of the recommendations arising from the audit.

## **Department of Immigration and Citizenship**

32. DIAC agrees with the three recommendations of the ANAO report to strengthen records management for systems development, records management guidance and the identification of recordkeeping requirements within electronic business systems. Building on previous cross-agency audits of records management, the latest cross-agency audit in this area has highlighted digitisation of records as an emerging priority area for attention.

33. DIAC will use the audit's findings, observations and recommendations to ensure the management processes continue to improve records management. Our Information and Communications Technology (ICT) Strategic Plan 2011–15 includes improving information management practices as a priority. Our recordkeeping maturity self assessment focuses senior managers' attention on records management. We are reviewing our electronic systems to ensure conformance with better-practice electronic records management. Consideration of digitisation of paper records is an integral part of our systems development life cycle methodology and as outlined in the report, DIAC has a number of digitisation projects underway.

## **Department of the Treasury**

34. The Treasury agrees with the recommendations of the report and will develop strategies for:

- continued support for good recordkeeping practices;
- enhancing its recordkeeping framework;
- implementing strategic business and technology projects to strengthen its management of electronic records; and
- analysing and reporting on the maturity of its recordkeeping environment through the *Check-up 2.0* framework.

35. The Strategic Review of the Treasury outlines its commitment to supporting good recordkeeping practices. The review work program recognises the need to modernise the ICT approach to recordkeeping as well as sustained changes to business practices.

### **National Archives of Australia**

36. The National Archives welcomes the timing of this report and its findings. Information and records are a key agency asset and their management is integral to agency governance and accountability. This is a three-pronged approach involving people, processes and technology. Overall responsibility for the management of an agency's records must rest with the most senior staff in order to drive a culture that recognises and values the importance of records. Records management in today's digital world requires appropriately skilled staff and close liaison with, and cooperation of, the Chief Information Officer and ICT areas to ensure proper long term management and accessibility. In a practical sense, responsibility for the creation and capture of appropriate records has to rest with every member of an agency's staff, all of whom must be trained to understand and meet their obligations. In addition, technologies need to be appropriate for the ongoing support and maintenance of agency information and records to mitigate business risk. In the digital environment in which we work, records are more complex than just documents to be captured into an EDRMS. They are created by, and held in, a variety of business systems. Their context and relationship to other records can be as important as the information they individually contain. Systems that hold records must either have records management functionality appropriate to the value of the records they hold or have the facility to capture records into an EDRMS. The information architecture and taxonomies need to ensure consistency in approach so that all relevant information in an agency can be found when it is required.

# Recommendations

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*The recommendations are based on findings from fieldwork at the audited agencies and are likely to be relevant to other Australian Government agencies. Therefore, all Australian Government agencies are encouraged to assess the benefits of implementing these recommendations in light of their own circumstances, including the extent to which each recommendation, or part thereof, is addressed by practices already in place.*

## **Recommendation No.1**

### **Paragraph 2.39**

To better meet records management requirements, the ANAO recommends that the agencies address records management needs and functionality when selecting, developing or upgrading electronic business systems, where these contain, or will contain, records.

*Agency responses: Agreed.*

## **Recommendation No.2**

### **Paragraph 3.31**

To consistently meet business and legal requirements, the ANAO recommends that the agencies develop records management guidance that assists staff to determine for each major business activity: the information that needs to be created, received and maintained as a record; and in which of the agency's records management systems these records should be maintained.

*Agency responses: Agreed.*

**Recommendation  
No.3**

**Paragraph 3.37**

To appropriately manage electronic records, the ANAO recommends that the agencies' records management policy and guidance:

- (a) identify electronic business systems which contain records and that need to be managed as records management systems; and
- (b) address the use of individual electronic business systems to meet records management requirements, including their relationship with the agency's core records management system.

*Agency responses: Agreed.*



## **Audit Findings**



# 1. Introduction

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*This chapter provides an outline of records management requirements in the Australian Public Service and the challenges of managing electronic records. It also describes the audit approach.*

## Background

**1.1** A key element of sound public administration and accountability is adequate recording or documentation of the business of government. To achieve this, agencies<sup>21</sup> need to develop records management frameworks and systems designed to ensure that records are appropriately managed.<sup>22</sup> This commences with the creation and subsequent capture of records in records management systems, through to their maintenance and use, and ultimately their transfer to the National Archives of Australia (the Archives) or destruction. Records management needs to be seen as important within the governance, resourcing and information management arrangements of an agency for it to effectively support the management of business activities and risks, and to satisfy records management requirements.

**1.2** The need for effective records management was emphasised in the 2007 Management Advisory Committee (MAC) Report No.8 *Note for File—A Report on Recordkeeping in the Australian Public Service*. The MAC considered that records management was an essential part of every APS employee's job and stated that APS employees have an obligation to ensure that key decisions and actions are recorded in a way that captures the important features of a discussion or decision, presents a faithful and accurate account of the key things that have occurred and can easily be retrieved when needed.<sup>23</sup>

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<sup>21</sup> The term 'agencies' is used throughout the report to refer to Australian Government agencies subject to the *Financial Management and Accountability Act 1997 (FMA Act)*. It is important to note that most of the information and records management requirements discussed in this report also apply to Australian Government bodies subject to the *Commonwealth Authorities and Companies Act 1997*.

<sup>22</sup> 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'. Standards Australia, *Australian and International Standard—Records Management AS ISO 15489.1*, p. 3. The *Archives Act 1983* definition of a record is consistent with the Australian and International Standard (*Archives Act 1983*, as amended 25 July 2011, p. 5).

<sup>23</sup> Management Advisory Committee, Report No.8 *Note for File—A Report on Recordkeeping in the Australian Public Service*, August 2007, Preface.

## Legislative and policy framework

**1.3** The requirements that Australian Government agencies need to meet in relation to records management derive from multiple sources. Access to, preservation and destruction of information created and received when undertaking Australian Government business is governed by the *Archives Act 1983* (*Archives Act*). Records management obligations are also contained in other Acts. These include the *Electronic Transactions Act 1999*, the *Evidence Act 1995*, the *Freedom of Information Act 1982* (*FOI Act*), the *Privacy Act 1998*, the *Public Service Act 1999*, the *Financial Management and Accountability Act 1997* (*FMA Act*) and the *Commonwealth Authorities and Companies Act 1997* (*CAC Act*).<sup>24</sup>

**1.4** The Archives also has a key role in establishing standards, and providing guidance and assistance to agencies in managing their records management responsibilities. An important piece of guidance issued by the Archives is *Check-up 2.0*, which establishes the minimum requirements for information and records management. These requirements cover agencies' information and records management arrangements and practices, including frameworks, records' creation, capture and destruction, and business systems.

**1.5** In addition to the Archives, a number of other Australian Government agencies have issued policies, standards and guidelines relevant to the management of records, including electronic records:

- the Attorney-General's Department has established the Protective Security Policy Framework (PSPF), which outlines mandatory minimum security requirements for all agencies, and has implications for records management<sup>25</sup>;
- the Office of the Australian Information Commissioner (OAIC) is responsible for information policy, including reports that set out principles on open public sector information and discuss the value of public sector information in Australia;

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<sup>24</sup> Legislation relating to the functions and responsibilities of particular agencies may also contain specific records management requirements for the relevant agencies. For example, the *Migration Act 1958* addresses the collection, use, access/disclosure and retention/destruction of a range of information related to migration to Australia.

<sup>25</sup> The *Protective Security Manual 2007* was in place at the time of the audit. It was replaced by the new Protective Security Policy Framework (PSPF), version 1.2, in July 2011. It was expected that agencies would transition to the new arrangements by 31 July 2012 (with a further 12 month grandfathering period supporting both frameworks).

- the Australian Government Information Management Office (AGIMO) provides guidance and advice on a range of issues associated with information and communications technology (ICT) that impact on agencies' records management systems and responsibilities; and
- the Defence Signals Directorate is responsible for producing ICT security policy and standards for government and publishes these in the Australian Government Information Security Manual (ISM).<sup>26</sup>

## Legislative requirements relating to creation and disposal

**1.6** There is no single clear and explicit requirement for the Australian Government to create records of all of its key business activities and decisions.<sup>27</sup> Instead, requirements to create records are addressed in relation to specific matters, such as financial records in the *FMA Act*.<sup>28</sup> A more general need to create records can be inferred from the *Public Service Act 1999*. That is, records are necessary for employees to model APS values such as an open and accountable public service that provides frank, honest, comprehensive, accurate and timely advice.<sup>29</sup>

**1.7** One of the Archives' key legislative powers under the *Archives Act* is to authorise the disposal or destruction of Australian Government records.<sup>30</sup> The Archives fulfils this role by approving generic and specific disposal authorities, as well as issuing advice on the disposal of records in accordance with normal administrative practice (NAP).<sup>31</sup> This means Australian Government agencies

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<sup>26</sup> The ISM is the standard which governs the security of Australian Government ICT systems. The ISM compliance requirements enable agencies to make informed, risk-based decisions in protecting their information and systems, including for electronic storage and transmittal of information.

<sup>27</sup> The Archives noted that while there is no recent, clear and explicit statement of the requirement to create records, the *Public Service Commissioner's Direction 2.6*, issued prior to 2003 under the *Public Service Act 1999*, made clear the responsibility to ensure the existence and maintenance of good records.

<sup>28</sup> For example, the *FMA Act* (Section 19 and Section 48) establishes a responsibility for Chief Executives of agencies, in accordance with the Finance Minister's Orders, to keep proper accounts and records in relation to the receipt and expenditure of public money.

<sup>29</sup> *Public Service Act 1999*, Section 10, Subsection 1(e and f).

<sup>30</sup> *Archives Act 1983*, Section 6, Subsection 1(h).

<sup>31</sup> *Archives Act 1983*, Section 24, Subsection 2.

can only dispose of records in accordance with records authorities<sup>32</sup>, or the Archives' guidance on disposal of records in accordance with NAP. General records authorities (such as the Administrative Functions Disposal Authority [AFDA])<sup>33</sup> and agency-specific records authorities also provide some direction to agencies on the records to create and keep.

## Records management systems and guidance

**1.8** To support agency business, and meet legal and policy requirements, systems that manage information need to operate so that records can be proven to be genuine; are accurate and can be trusted; are complete and unaltered; are secure from unauthorised access, alteration and deletion; are findable and readable; and are related to other relevant records.<sup>34</sup> In this respect, a key aspect of an agency's approach to records management is to determine those electronic business systems that need to be managed as records management systems; and how other electronic business systems should be managed and used to meet records management requirements. Before a decision is made to acquire, develop or upgrade an electronic business system, the records management capability of the system should be considered in the context of the function to be performed by the system.

**1.9** Another important aspect of an agency's approach to records management is the development of relevant policy and guidance for staff. Policy and guidance gives direction to staff and supports their application of consistent records management approaches. Key elements of policy and guidance are: identification of information that needs to be created, received and maintained as a record for major business activities of the agency; identification of electronic business systems that are records management systems; and how all electronic business systems that contain records should be managed from a records management perspective.

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<sup>32</sup> A records authority is a formal instrument that defines the retention periods and consequent disposal actions authorised for classes of records described in the authority. Following a period of time, disposal action includes destruction or transfer to the Archives. Records authorities typically apply to the core business records of a single agency or body, while general records authorities, such as the Administrative Functions Disposal Authority, normally apply to Australian Government agencies and bodies. Source: <<http://naa.gov.au/records-management/agency/keep-destroy-transfer/index.aspx>> [accessed 21 November 2011].

<sup>33</sup> The Administrative Functions Disposal Authority (AFDA) covers 18 administrative functions common to Australian Government agencies such as procurement and property management.

<sup>34</sup> The Archives' website, available at: <<http://naa.gov.au/records-management/agency/digital/digitalsystems/index.aspx>>.

## Current trends in the records management environment

**1.10** The Archives' 2010 Recordkeeping Survey of 138 Australian Government agencies and bodies indicated that less than 30 per cent managed the majority of their records electronically. This was despite the fact that a majority of these agencies and bodies had substantial electronic record holdings, maintained an Electronic Document and Records Management System (EDRMS) and used a number of other electronic business systems to manage electronic records. The 2010 Survey also assisted the Archives to estimate:

- the cost of paper stockpiles, with agencies' and bodies' onsite paper storage costs reported to be in the order of \$208 million per annum (many agencies and bodies would also incur costs associated with offsite paper storage); and
- that agencies and bodies would transfer almost 12.5 kilometres in shelving of physical records to the Archives in 2010 alone.<sup>35</sup>

**1.11** To provide impetus and direction for digital records management, in July 2011 the Australian Government announced a policy for agencies to move to electronic records management for efficiency purposes. This policy is referred to as the *Digital Transition Policy*. The Government required the Archives to lead the implementation of the policy in consultation with AGIMO and OAIC. Key requirements of the policy are outlined in Table 1.1.

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<sup>35</sup> Figures are based on responses to the Archives' most recent records management survey of Australian Government agencies and bodies.

**Table 1.1****Key requirements of the Digital Transition Policy**

Responsible agency	Policy requirement
All agencies	Complete <i>Check-up 2.0</i> , annually for three years <sup>36</sup> , with the first submission due in September 2011. <sup>37</sup> Secure senior management support to drive a change to digital information and records management, which includes a focus on determining resourcing requirements, considering records management functionality when purchasing new business information systems and reducing paper stockpiles.
The Archives	Produce a 'digital continuity plan' by December 2011—which was published on the Archives' website in December 2011. Provide a whole-of-government report on the implementation of this policy annually for three years to the responsible Minister, commencing in March 2012. <sup>38</sup> These reports were to recommend strategies for further improvement to the Minister.
AGIMO	Collect information on current records management systems including proposed upgrades or replacement of those systems on an annual basis as part of the Government Solutions Register (GSR) annual refresh. <sup>39</sup>

Source: *Digital Transition Policy*.

**1.12** The new policy gives additional authority to the Archives.<sup>40</sup> It also provides the Archives with pertinent information to inform: the development of guidance and advice on digital records management; and reporting to the responsible Minister on the extent to which Australian Government agencies are managing, or are adequately positioning themselves to manage, their records digitally.

**1.13** Digital records management means that the majority of an agency's records will be created, stored and managed digitally and, where possible, incoming paper records will be scanned so that new paper files are not created. The need to move to digital records management has been foreshadowed for

<sup>36</sup> Agency Chief Executives must sign-off on *Check-up 2.0* submissions to the Archives. The intent is that, by addressing gaps identified through *Check-up 2.0*, agencies will be better positioned in transitioning to digital information and records management.

<sup>37</sup> Most agencies submitted *Check-up 2.0* results in September 2011.

<sup>38</sup> The Archives is to produce the whole-of-government report in consultation with AGIMO and OAIC.

<sup>39</sup> The information gathered will allow AGIMO to advise on opportunities for improved efficiency, consistency and collaboration in government.

<sup>40</sup> Prior to approval of the *Digital Transition Policy*, Australian Government agencies were not required to use *Check-up*.

some time. To address the challenge of a rising proportion of records being created electronically, ANAO Audit Report No. 6 2006–07 *Recordkeeping including the Management of Electronic Records* suggested that for the majority of agencies the adoption of a medium to long-term strategy of managing records electronically is likely to be the most appropriate.<sup>41</sup> This would include implementing an EDRMS<sup>42</sup> as well as implementing records management functionality in selected electronic systems.

## Previous audits

**1.14** This is the fourth records management audit undertaken by ANAO since 2001–02. The previous audit reports broadly concluded that agencies' records management frameworks, policies and practices were at different stages of development, and there was a significant risk of non-capture and unauthorised disposal of records.<sup>43</sup> Agencies needed to give ongoing, and in some cases increased, commitment to meeting their records management responsibilities. This was particularly the case for those records that were created electronically, including records held in electronic business systems (as the majority of electronic business systems used to hold records did not meet records management requirements).<sup>44</sup>

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<sup>41</sup> ANAO, Audit Report No.6 2006–2007, *Recordkeeping including the Management of Electronic Records*, p. 38, paragraph 2.3.

<sup>42</sup> An EDRMS combines the functionality of: Electronic Records Management Systems (which are specifically designed to meet records management requirements including maintaining metadata and supporting records management processes such as classification, registration, search, retrieval, preservation and disposal); and Electronic Document Management Systems (which are designed to store and index documents for easy search and retrieval, integrate with office software packages and messaging systems, enable collaborative work, and provide access and version control over documents).

<sup>43</sup> Previous ANAO records management audit reports include: Report No.45, 2001–02 *Recordkeeping*; Report No.7, 2003–04 *Recordkeeping in Large Commonwealth Organisations*; and Report No.6, 2006–07 *Recordkeeping including the Management of Electronic Records*.

<sup>44</sup> Other performance audits undertaken by ANAO regularly identify records management issues, particularly in relation to incomplete, inaccurate and inaccessible records of key decisions and actions. ANAO audit reports also identify issues of duplication of effort, and a lack of integration of records management solutions used by different business areas which makes the retrieval of information difficult and time-consuming.

## Audit approach

### Audit objective, criteria and scope

**1.15** The objective of the audit was to assess the extent to which agencies create, manage and dispose of records in accordance with key business, legal and policy requirements.

**1.16** Three high-level criteria were used to assess the performance of the agencies' records management arrangements and practices. The criteria examined whether selected agencies had:

- formally analysed their records management needs;
- developed and implemented frameworks and systems that adequately supported records management; and
- applied sound records management practices.

**1.17** For the selected agencies, the audit assessed records management arrangements at an agency-wide level and for certain business areas. The audit also assessed the agencies' progress in transitioning towards digital records management. This included examining the agencies' implementation and/or use of an EDRMS and other electronic systems for records management purposes.

**1.18** The audit examined records management arrangements and practices in the: Australian Customs and Border Protection Service (Customs); Department of Immigration and Citizenship (DIAC); and Department of the Treasury (Treasury). These agencies were chosen on the basis that they: held significant records from an archival perspective; had records management approaches at varying levels of maturity with respect to the comprehensiveness of records authorities in relation to core business, and the development of a digital records management environment; and had not been included in previous ANAO records management audits.<sup>45</sup> Table 1.2 provides background information on the staff, locations, files listed on the Internet in accordance with the Senate's Procedural Order of Continuing Effect, EDRMS (in use or planned) and electronic business systems at each of the agencies.

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<sup>45</sup> Selection of these agencies also provided the opportunity to observe how Customs and DIAC shared and managed passenger arrival information, where their business processes were interrelated.

**Table 1.2****Key records management-related characteristics of audited agencies**

Agency	Number of staff in 2010–11	Number of locations in 2010–11	Number of files listed on the Internet in accordance with the Senate's Procedural Order of Continuing Effect in 2010–11	EDRMS to manage records	Number of electronic business systems
Customs	5674 (A)	48 (C)	1150	No	175 (G)
DIAC	8879 (B)	81 (D)	708	Yes	137
Treasury	1053	8 (E)	1305 (F)	Yes	177 (H)

Source: ANAO, compiled from each agency's: annual report for 2010–11; list of files published on the Internet in accordance with the Senate's Procedural Order of Continuing Effect No.10—*Indexed list of departmental and agency files*; and list of electronic business systems accessed during audit fieldwork.

- Notes:
- (A) The number of staff includes overseas staff.
  - (B) The number of staff includes locally engaged staff.
  - (C) This includes 40 locations nationally and 8 overseas posts.
  - (D) This includes 13 locations nationally and 68 overseas posts.
  - (E) This includes 1 location nationally and 7 officers deployed offshore.
  - (F) While 1305 files were listed by Treasury in accordance with the Senate's Procedural Order of Continuing Effect No.10—*Indexed lists of departmental and agency files* for 2010–11, during the period 1 July 2010 to 30 June 2011 a total of 9230 paper files and electronic containers were created in Treasury's EDRMS.
  - (G) The number of electronic business systems is limited to those on Customs' systems register, where it is the lead agency.
  - (H) This list of electronic business systems primarily includes applications in use, servers and limited electronic business systems that contain information.

**1.19** The audit also considered the Archives' response to Recommendation No.1 from ANAO Audit Report No.6 2006–07 *Recordkeeping including the Management of Electronic Records*. The recommendation sought the Archives' clarification of Australian Government records management requirements and provision of further guidance to agencies on addressing these requirements.

## Audit methodology

**1.20** Audit fieldwork at each of the audited agencies involved:

- examining records management (and relevant information management) strategies, policies, guidance, systems and training material;

- interviewing key information management, records management, risk management, business continuity, freedom of information, and ICT staff;
- interviewing staff representatives across at least nine different business areas regarding records management arrangements and practices, and reviewing a sample of these representatives' records; and
- examining from a records management perspective, a sample of electronic business systems, including the core records management system, ministerial correspondence systems, and several business information systems that supported a key line of business in Customs and DIAC.<sup>46</sup>

**1.21** The audit was undertaken in accordance with the ANAO's Auditing Standards at a cost of approximately \$644 000.

## Report structure

**1.22** Further to this introductory chapter there are three other chapters in the audit report as shown in Table 1.3.

**Table 1.3**

### Report structure

Chapter	Description
<b>Chapter 2</b> Assessing Records Management Needs and Risks	Examines the agencies' assessment of records management needs and risks, including when planning, acquiring, designing and implementing electronic systems. It also outlines audit findings in relation to records management issues associated with business continuity planning.
<b>Chapter 3</b> Support for Records Management	Examines the arrangements put in place by the agencies to support effective records management, including records management strategies, policy and guidance. It also examines work undertaken by the records management unit in each agency in relation to provision of records management services.
<b>Chapter 4</b> Records Management Practices and Systems	Examines the agencies' records management practices for both paper and electronic records. It also examines the management of selected electronic business systems that contain records.

<sup>46</sup> In Treasury a business information system was not selected for audit as there were no substantial systems in existence that were not linked to the core records management system.

## 2. Assessing Records Management Needs and Risks

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*This chapter examines the agencies' assessment of records management needs and risks, including when planning, acquiring, designing and implementing electronic systems. It also outlines audit findings in relation to records management issues associated with business continuity planning.*

### Introduction

**2.1** Assessing records management needs and risks is an important step in developing an appropriate and effective records management approach. When assessing records management needs and risks an initial consideration is the range of legislative, policy and other requirements pertaining to records management. An agency should also consider its size, business and use of technology, and the significance of its records. The analysis, identification and documentation of records management needs and risks should underpin the development of appropriate records management frameworks and systems, and the provision of associated services.

**2.2** Another important aspect of records management is business continuity planning. The Australian and International Standard on Records Management includes that business continuity planning and contingency measures should ensure that records which are vital to the continued functioning of an organisation are identified as part of risk analysis, protected and recoverable when needed.<sup>47</sup>

**2.3** This chapter commences with a brief discussion of Australian Government records management requirements, and the Archives' efforts to clarify these requirements. The chapter then examines whether the agencies had:

- assessed their records management needs and risks arising from key business, legal and policy requirements;

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<sup>47</sup> Standards Australia, op.cit., AS ISO 15489, 7.1 *Principles of records management programmes*, p. 6.

- identified digital records management needs and pursued actions to address them; and
- established business continuity and disaster recovery arrangements which adequately addressed records management needs.

## Australian Government records management requirements

**2.4** To identify records management needs and risks, agencies should first understand records management requirements. In this respect, there is an increasing amount of legislation, policies, standards and guidance issued by a number of Australian Government agencies, which has implications for information and records management.<sup>48</sup>

**2.5** Previously, ANAO Audit Report No.6 2006–07, *Recordkeeping including the Management of Electronic Records* identified that:

- (a) the majority of specific records management requirements derive from better practice advice and guidance material issued by the Archives; and
- (b) there is no central repository or database that brings together this material and classifies it in terms of whether it is a legislative, mandatory or policy requirement, or a recommended good practice.

**2.6** To address these gaps, the ANAO recommended that the Archives, in consultation with other agencies, define minimum records management requirements that agencies should comply with to meet legal and business requirements; and coordinate, and periodically publish, details of the legislation, policies, standards, advice and guidance that impacts on agencies' records management responsibilities.

**2.7** The Archives has sought to determine minimum requirements for information and records management through the release of *Check-up 2.0* in March 2011.<sup>49</sup> There are 33 minimum requirements established in *Check-up 2.0*.

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<sup>48</sup> Appendix 2: Australian Government Records Management Requirements on page 101 summarises this material.

<sup>49</sup> *Check-up* was initially released in August 2007; its release coincided with MAC Report No.8 *Note for File—A Report on Recordkeeping in the Australian Public Service*.

Of these requirements: four are legislative requirements<sup>50</sup>; five are government policy requirements<sup>51</sup>; and twenty-four are the Archives' good practice requirements. However, *Check-up 2.0* does not differentiate between these minimum requirements to indicate whether they reflect legislative obligations, policy requirements or good practice, making it difficult for agencies to understand the relative importance of the requirements and prioritise action to address them.

**2.8** To coordinate and publish details of legislation, policies, standards, advice and guidance that impacts on agencies' records management responsibilities, the Archives has adopted an approach of providing relevant links to other agencies' websites throughout its own website. Such an approach directs agency staff towards the latest advice, and there is no risk of alteration or incorrect interpretation through paraphrasing by the Archives. For example, *Check-up 2.0* provides links to relevant websites and pages within those websites. However, providing links to other agencies' websites does not mean there is a single complete listing of legislation, policies, standards, advice and guidance that impacts on records management. Such a listing would be valuable to agencies.

**2.9** It is also important that other agencies consult the Archives prior to issuing new or changed legislation, policy and guidance that has implications for records management. This will help ensure that new requirements and guidance are not inconsistent with existing requirements of the *Archives Act* and other relevant policy. It will also assist the Archives to maintain a complete and current listing of records management responsibilities.

## Records management needs and risks

### Assessing records management needs

**2.10** The Archives has endorsed a number of tools that can be used by agencies to assess records management needs. The two most common needs assessments made by agencies are:

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<sup>50</sup> The source of authority is the *Archives Act*; these requirements relate to preservation and keeping, destroying or transferring records.

<sup>51</sup> The sources of authority are the PSM, PSPF and ISM, a Senate Procedural Order and the Department of Prime Minister and Cabinet's Cabinet Handbook. The PSM, PSPF and ISM requirements relate to the destruction and security of records.

- determining retention, destruction and transfer requirements for records by developing a records authority in accordance with the *Archives Act*; and
- completing *Check-up* on an annual basis to identify the aspects of information and records management arrangements and practices that need to be improved (as outlined in Chapter 1, agencies were required to commence annual assessments in September 2011 in accordance with the *Digital Transition Policy*).

**2.11** Records authorities enable agency staff to determine how long records need to be retained and when records are due to be destroyed or transferred to the Archives. A records authority can be at an agency-wide level or business function level. When developing agency-specific records authorities, agencies negotiate with the Archives which records must be kept and those that can be destroyed, prior to final approval by the Archives. The records appraisal process and retention requirements are based on: legislative or regulatory requirements; business needs; and community interests.

**2.12** The three agencies had assessed certain records management needs as part of developing agency-specific records authorities. Customs was the first of the agencies to have an approved records authority. This authority, first issued in December 2001, contained some inconsistencies and gaps, which Customs is seeking to address through the development of a new records authority. This process commenced in June 2011.

**2.13** The Archives advised that records should be sentenced using contemporary records authorities, that is those issued during or after the year 2000. Since 2000, DIAC's first significant records authority covering two core business functions, Detention Management and Migration Management, was approved and issued in 2010. In June 2011, DIAC submitted a proposed Citizenship Management records authority to the Archives for approval. DIAC is also planning to develop records authorities for a further five core business functions.<sup>52</sup> As such, DIAC does not have in place contemporary records authorities to cover all of its core business activities. In June 2012, DIAC advised that it continues to use Records Disposal Authorities 1032 and 902,

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<sup>52</sup> These functions were: Border Control, Enforcement and Compliance; Multicultural Affairs; Refugee and Humanitarian Programs; Settlement Programs; and Immigration Intelligence.

which were initially approved by the Archives in 1984, to manage the disposal of certain business records.<sup>53</sup>

**2.14** Treasury had a comprehensive records authority issued by the Archives in 2004. In 2010, Treasury sought the Archives' approval of changes to one of the classes of records in the 2004 records authority, as part of seeking the Archives' approval of two new authorities for new core business functions, and functions not explicitly covered by the existing records authority.<sup>54</sup>

**2.15** DIAC's and Treasury's recent records authority processes generally took between 12 and 18 months to complete, from the initial meeting with the Archives to obtaining a records authority. The Archives acted to reduce the time needed for agencies to obtain a records authority by introducing a one-step process in August 2007. The experience of DIAC and Treasury indicates that the process still requires a substantial investment of time and resources by the relevant agency and the Archives, which is not inconsistent with the importance of the assessment being made. The Archives advised it is refining a project management and tracking process to improve efficiencies for both agencies and the Archives.

**2.16** The three agencies also completed *Check-up 2.0* in September 2011 and self-assessed themselves against the minimum requirements for basic information and records management.<sup>55</sup> Based on this self-assessment, Customs and DIAC need to improve their information and records management arrangements and practices considerably to meet the minimum requirements. All agencies considered that they needed to improve their digital records management.

## Assessing records management risks

**2.17** Assessing records management risks should assist an agency to make informed decisions about its records management requirements, and the most appropriate systems and related practices to satisfy these requirements. *Check-up 2.0* establishes a minimum requirement of an agency

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<sup>53</sup> The Archives advised that if an agency's business activities are not covered by a contemporary records authority, but are covered by an earlier one, the agency should seek advice from the Archives on the appropriateness of this treatment. The Archives also recommends that the relevant agency commence work to replace or update their records authority.

<sup>54</sup> The new functions not covered by the existing records authority were the Standard Business Reporting Group, Board of Taxation, and Inspector-General of Taxation.

<sup>55</sup> Customs had also used *Check-up* as the basis for a records management review in 2009.

comprehensively managing the information and records of its high risk business.<sup>56</sup> Further, in August 2011, the Archives issued guidance advising agencies to consider both records needed for mitigating business risk, and business risks associated with managing records. Agencies may assess records management risks as part of risk management planning at an agency-wide level, or at the level of the records management unit.

**2.18** Each of the agencies had identified information, records and/or data management risks as part of their agency-wide risk management plan or risk register. The respective records management units had also undertaken risk assessments in support of the broader agency level analysis. Common risks identified across the agencies included: data quality, record accuracy and information access affecting decision-making; and system interruption affecting access and the ability to undertake work. The risks identified were generally not considered a key threat to the agency.

**2.19** Customs was the only agency to explicitly identify information management risks as a key threat at an agency-wide level, which has influenced priority action and projects to address these risks. For example, Customs' risk management plan for 2011–12 identifies that a key threat to knowledge and systems is the fragmentation of information holdings. More specifically, Customs' ability to respond quickly and effectively to border risks and threats will be undermined if it is unable to effectively identify, integrate or link information holdings across the agency and across the Australian Government. To help mitigate this risk, Customs intends to strengthen its information management capability and enterprise information architecture.

**2.20** The agencies had also undertaken a range of reviews and planning activities which more comprehensively identified agency-wide records management issues and risks, and necessary treatments from both a strategic and operational perspective. Reviews in Customs and DIAC identified significant issues with electronic records management arrangements and practices in these agencies. For example:

- In 2009 Customs identified a range of issues, including: the processes for capturing electronic records across the agency were inadequate and inconsistent; the use of the paper records management system did not

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<sup>56</sup> The Archives, *Check-up 2.0*, Question 4.1.

capture all business decisions; and business systems had not been certified as records management compliant.

- In 2006, in response to concerns raised following investigations into detained migration incidents, DIAC invited the Archives to review its records management arrangements. This review identified a range of issues relating to the use, acceptance and performance of the core records management system (the EDRMS—discussed in the following section), the use of hybrid paper and electronic files, and the use of multiple electronic business systems that contained records.<sup>57</sup> In 2009, a further review of records management at DIAC was conducted. This review made similar observations to the 2006 review, including that: staff did not know where to store information and documents; there was duplication of client records, and managing and resolving duplicate client records consumed a significant amount of time across a wide range of business processes in DIAC; and there were significant data quality issues that directly impacted on decision-making and locating clients' records.

**2.21** In 2007 Treasury's *2007–2009 Information and Knowledge Management Strategic Plan* acknowledged that good records management practices were not always supported by managers in Treasury, and that records management practices varied. The plan stated that many staff were uncertain about the information that should be recorded and which systems should be used to save records. The plan also raised related issues covering the management of data, documents, electronic content, email and information silos. Treasury completed a *Strategic Review of the Treasury* in December 2011, which identified records management problems associated with the use and performance of core records management system (the EDRMS—discussed in the following section), including that records management processes involving the EDRMS were not considered user friendly, were not efficient in the capture of written documents and impeded knowledge transfer.

**2.22** Despite the broad range of issues and risks identified by these reviews and plans, each agency had experienced delays in progressing effective treatments. This reflected the relative priority given to these issues by responsible senior management, and the complexity of their treatment. It is

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<sup>57</sup> This meant, for example, that an individual client's record was located across a number of systems which created problems in locating the complete client record.

recognised that more permanent solutions involve long-term projects and significant investment. While such projects have been established by each of the agencies to deal with these risks, they have not always delivered the expected outcomes within planned timeframes.

## Digital records management needs

**2.23** A key records management need relates to the development of a digital records management environment. As mentioned in paragraph 1.13, digital records management means that the majority of an agency's records will be created, stored and managed digitally and, where possible, incoming paper records will be scanned so that new paper files are not created.<sup>58</sup> The ANAO examined whether the agencies had identified their digital records management needs and pursued actions to address them. This included their implementation and effective use of an EDRMS; scanning of paper records; and treatment of other electronic business systems that manage records.

### Implementation and effective use of an EDRMS

**2.24** A well-functioning EDRMS assists an agency to meet its records management needs. An EDRMS can support records management processes such as classification, registration, storage, search, retrieval, preservation and disposal; and may be integrated with office software packages and messaging systems, enabling collaborative work, and providing access and version control over documents. Once an EDRMS is implemented an agency needs to ensure that its organisational environment supports and drives use of the system. This can include actions such as senior management requiring the use of the system; and elimination of non-critical electronic business systems that do not support records management, and may be seen by staff as an easier place to create, edit and keep records. Robust system performance is also critical to facilitate full use of the EDRMS.

**2.25** Customs has made several attempts to implement an EDRMS, with projects commencing in 1999, 2003 and 2005. In all cases a key reason for discontinuing the document management component of the records

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<sup>58</sup> Under the Archives' General Records Authority (GRA) 31—*Source (including original) records after they have been copied, converted or migrated*, agencies can scan a paper record to a records management system and then destroy the paper record. There are some exceptions to the permission to destroy under GRA 31, including where there is a security or legislative requirement to maintain a record in paper format.

management system was resourcing constraints and the relative priority of the EDRMS compared with other ICT and business priorities.<sup>59</sup> In February 2012, Customs finalised a procurement process to purchase a new EDRMS. The system will be progressively implemented commencing in 2013.

**2.26** In 2000 and 2004 respectively, DIAC and Treasury implemented an EDRMS to manage a significant proportion of their records. These agencies have also integrated their EDRMS with some other electronic business systems, and captured records from some other electronic business systems in their EDRMS. However, DIAC and Treasury did not prevent staff from continuing to use other available electronic business systems to manage records even though they were not records management systems, such as shared folders. These agencies also did not encourage the management of records electronically, wherever practical, by discouraging the creation of unnecessary paper records.

**2.27** Records management reviews at DIAC and Treasury have identified a range of issues in relation to the effective use of the EDRMS. For example, DIAC's 2006 review noted the limited reliability and availability of the EDRMS; the need to regularly upgrade the EDRMS and better link it to electronic business systems in DIAC; that staff were generally not competent in using the EDRMS; and staff training had been ad hoc and poor quality.

**2.28** In January 2006, Treasury's internal audit completed a post implementation review of the EDRMS. The review noted a lack of guidance, and inconsistent procedures and practices relating to document security, file naming conventions, as well as electronic storage and maintenance procedures. In 2007 Treasury's *2007–2009 Information and Knowledge Management Strategic Plan* acknowledged use of the EDRMS remained low due to issues such as search functionality, system reliability, insufficient training and confusion about the EDRMS's use for document management. As previously mentioned, the *Strategic Review of the Treasury* in December 2011 observed that records management processes involving the EDRMS were

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<sup>59</sup> The most recent decision in 2008 to discontinue the document management component of the implementation could also be attributed to: the Chief Information Officer and the ICT area not being a partner to the implementation; the emergence of new technologies such as Sharepoint; and the need to update project documentation and undertake more rigorous analysis to support the remainder of the project, including some concerns about the extent to which pilot arrangements appropriately reflected the full spectrum of Customs' work.

considered not user friendly, not efficient in the capture of written documents and impeded knowledge transfer.<sup>60</sup>

## Scanning paper records

**2.29** In addition to capturing records created electronically in an EDRMS, agencies should also scan incoming paper records or paper records where actions and decisions have been noted, wherever possible, to avoid a hybrid approach which introduces uncertainty, risk and an inability to find records when they are required. In this respect, many DIAC and Treasury staff scanned records to the EDRMS, although some records that could have been scanned to the EDRMS were maintained in paper files.

**2.30** Customs and DIAC have reported that their paper record holdings total 15 kilometres and 85 kilometres of shelving, respectively. At the time of the audit, DIAC was considering the relative costs and benefits of a scanning (digitisation) project for visa and citizenship applications, and had commenced a pilot for digitisation of some of these paper stockpiles. DIAC also advised that a \$1.2 million project was approved by the Executive Committee in 2012 to digitise archived paper records, starting with human resource files.<sup>61</sup>

**2.31** The Archives advised that it encourages digitisation for business efficiency so long as original records are retained where needed. Original records can only be destroyed in accordance with the Archives' General Records Authority (GRA) 31—*Source (including original) records after they have been copied, converted or migrated*. For example, under GRA 31 consideration needs to be given to records likely to be needed for a current or pending judicial process, for which there is a legal hold or freeze, or which have been identified as of national archival value.

## Treatment of other electronic business systems that manage records

**2.32** The Australian and International Standard on Records Management states that records management systems should have the functionality that

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<sup>60</sup> Concerns with the user acceptance and the useability of the EDRMS have also been identified in successive IT satisfaction surveys since 2008 and in discussion papers presented to Treasury's Information and Knowledge Management Advisory Board.

<sup>61</sup> DIAC further advised that a discrete project within the citizenship program is underway digitising specific citizenship microfiche and microfilm.

enables the system to carry out and support records management processes.<sup>62</sup> Where an agency intends to keep records in an electronic business system it should treat the system as a records management system. To enable the incorporation of records management functionality into electronic business systems, agencies should consider records management needs when planning, acquiring or designing business systems, as well as throughout the implementation and management of these systems.

*Deciding when an electronic business system should be treated as a records management system*

**2.33** Deciding whether an electronic business system should be treated as a records management system requires consideration of a variety of factors, including whether: the system holds unique records that are not captured elsewhere by an agency; these unique records are best captured in the electronic business system or copied to another system with records management functionality<sup>63</sup>; and the electronic business system has appropriate records management functionality for the information that it holds.

**2.34** As indicated in Table 1.2, the agencies had between 137 and 177 electronic business systems, including the core records management system. These systems ranged from simple applications and databases, to more complex systems such as those supporting border processing for all passengers arriving to and departing from Australia. The systems spanned the breadth of the agencies' core business activities, as well as supporting common business processes, such as managing finances and human resources. In Customs, none of the other electronic business systems were deemed to be records management systems. DIAC considered that some other electronic business systems were records management systems, including finance, human resources and immigration processing systems; however, there was no definitive list of DIAC's records management systems. In Treasury three other electronic business systems were identified as having records management

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<sup>62</sup> Standards Australia, op.cit., AS ISO 15489, *Design and implementation of a records system*, pp. 8 to 10. The functionality of records management systems should support a range of characteristics including reliability, integrity, compliance and comprehensiveness. The Australian and International Standard also identifies that electronic business systems of an agency can be modified to support records management requirements.

<sup>63</sup> This involves consideration of the practicalities of the business process and the ability to efficiently capture information into official records management systems.

functionality, but these systems were not necessarily records management systems.

**2.35** Each agency had formed an opinion on whether electronic business systems were, or were not, records management systems. However, these opinions were not based on an analysis of whether the system was the only location that a record was held, or of each system's functionality relative to the records held. As a result, the agencies were not well placed to develop appropriate records management functionality in key electronic business systems that manage records.

### *Records management requirements for electronic business systems*

**2.36** *Check-up 2.0* establishes records management requirements for electronic business systems. These include having functionality that manages the retention and destruction of information through the electronic business system.<sup>64</sup> Prior to the commencement of the audit, only Treasury had established records management functional requirements for electronic business systems. DIAC developed similar functional requirements during the audit.<sup>65</sup> Customs identified the need for these requirements in 2009 but has yet to develop a timetable to implement appropriate actions.

**2.37** There was no evidence of Treasury or DIAC applying their functional requirements to electronic business systems to assess whether the systems had adequate records management functionality, or developing a plan to improve records management functionality in systems. Nonetheless, some of these agencies' electronic business systems examined by ANAO met a number of records management requirements.

**2.38** The ANAO considers that all agencies should address their records management requirements as an integral part of the development or upgrade

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<sup>64</sup> The Archives, *Check-up 2.0*, 2011, Question 15.8.

<sup>65</sup> For example, DIAC had developed: a recordkeeping questionnaire which was required to be completed for systems development work from August 2011; minimum metadata requirements for systems; the basis for deciding when to treat a system as a records management system; and general requirements for records management systems such as the need for these systems to ensure the integrity, accessibility and longevity of records, and have appropriate security controls and data administration processes.

of existing systems, and the implementation of new systems that are likely to be used to manage records.<sup>66</sup>

## Recommendation No.1

**2.39** To better meet records management requirements, the ANAO recommends that the agencies address records management needs and functionality when selecting, developing or upgrading electronic business systems, where these contain, or will contain, records.

### Agency responses

#### *Australian Customs and Border Protection Service*

**2.40** Agreed. Customs and Border Protection is moving to address this issue with the development of an Enterprise Information Management Strategy and an enterprise approach to electronic business system acquisition and upgrades.

#### *Department of Immigration and Citizenship*

**2.41** Agreed. As noted in the report DIAC has recently implemented new processes within the departmental systems development life cycle to include active participation by the records management section. This active participation is designed to address the record management functionality during the planning, acquisition, development and implementation of electronic business systems. As this process matures it is expected that records management needs and functionality will be integrated into our IT systems.

#### *Department of the Treasury*

**2.42** Agree.

#### *National Archives of Australia*

**2.43** The National Archives supports this recommendation. The International Standard, ISO 16175 Parts 1 to 3, *Principles and functional requirements for records in electronic office environments* sets out a practical approach to assist agencies assess records management functionality in systems that contain records. This Standard is endorsed by the National Archives of Australia and its counterparts in many other countries.

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<sup>66</sup> Where managing records encompasses one or more of the following actions in relation to agency records: creating, capturing and describing; securing and storing; preserving; and keeping, destroying or transferring.

## Business continuity planning

**2.44** As indicated in paragraph 2.2, the Australian and International Standard on Records Management states:

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.<sup>67</sup>

**2.45** The ANAO assessed whether agencies 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 are available to enable business operations to resume within specified timeframes.

### Identification of vital records

**2.46** Treasury and DIAC had both developed an agency-wide business continuity plan. Customs had business continuity plans for its specific business areas and physical locations, and was developing its first agency-wide plan at the time of the audit. Business continuity frameworks did not mention the need to identify vital records; instead, these frameworks required vital processes to be identified.<sup>68</sup> None of the agencies had identified vital records as part of their business continuity plans, although, Treasury's records management area had a vital records register which it updated on an occasional basis.

**2.47** There is an opportunity for records management units to become more involved in business continuity planning.<sup>69</sup> This would assist other business

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<sup>67</sup> Standards Australia, op.cit., AS ISO 15489, 7.1 *Principles of records management programmes*, p. 6. Similarly, the ANAO Better Practice Guide for Business Continuity Management states: 'As part of the business impact analysis, vital records supporting the critical business processes are identified. Restoring vital records requires that a suitable records management program is in place. This includes the management of hardcopy and electronic records data and archiving policies for both forms of records'. ANAO, *Business Continuity Management—Building resilience in public sector entities*, Better Practice Guide June 2009, p. 40.

<sup>68</sup> The need to identify vital records, in all formats, as part of business continuity and disaster recovery planning processes had previously been recommended for DIAC by the Archives in 2006, and for Customs as part of an internal review in 2009.

<sup>69</sup> Only Treasury had identified and formalised a role for the records management unit in assisting work groups to identify vital records. At the time of the audit, Treasury's records management unit had commenced a process of contacting business areas to identify vital records, and review the status of records that were listed on the vital records register.

areas to 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. This is particularly important for paper records which are not duplicated by systems that have appropriate disaster recovery arrangements. The need to have in place contingency arrangements for paper records was demonstrated following the 2011 Queensland floods, when some Australian Government agencies needed to destroy paper records affected by flood waters.

## IT disaster recovery planning

**2.48** The agencies had also generally undertaken business continuity planning for the electronic business systems examined by ANAO during the audit. All three agencies had IT disaster recovery arrangements in place that were designed to provide for the recovery of electronic information and records. The agencies had also recently tested disaster recovery plan arrangements for all systems selected for audit, with the exception of one Customs' system.<sup>70</sup>

**2.49** As a result of these BCP and disaster recovery arrangements the agencies were managing the risk of being able to access electronic systems, records and information to enable business operations to resume within specified timeframes in the event of a disaster.

## Conclusion

**2.50** Assessing records management needs and risks is an important step in developing an appropriate and effective records management approach. A key action that agencies should take is to develop records authorities to determine retention, destruction and transfer requirements in accordance with the *Archives Act*. The three agencies had established, or were in the process of establishing, records authorities for their core business to guide proper disposal of records. The agencies had also completed reviews that had identified significant issues and business risks in relation to information and records management or, at the very least, acceptance of records management

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<sup>70</sup> Testing of Customs' Integrated Analysis Tool (IAT) system was planned to be undertaken following completion of a related project. This system is an analytical data warehouse tool providing access to eight years of movement data.

systems and the application of relevant policy and guidance. These reviews identified a range of treatments to address risks presented by agency arrangements. However, each agency has experienced delays in progressing effective treatments to their information and records management risks, reflecting the relative priority of these issues to other business issues, and the complexity of their treatment.

**2.51** A key records management need relates to the development of a digital records management environment. Each of the agencies had identified a need to move to digital records management by implementing an EDRMS and incorporating records management functionality in electronic business systems that contain records. However, despite identifying a need for an EDRMS in 1999, and in subsequent years, Customs' records management remains paper based. In 2000 and 2004 respectively, DIAC and Treasury had implemented an EDRMS to manage a significant proportion of their records. However, these agencies had further work to do to improve the use, acceptance and/or performance of their EDRMS.

**2.52** Other electronic business systems may also be used to create, use, maintain and dispose of records for particular business activities if appropriately managed. To provide for sound management of electronic records in business systems, agencies should consider their records management needs during the planning, acquisition, development and implementation of electronic business systems. The agencies generally did not consider the need for records management functionality during these phases, although DIAC had recently changed its IT management arrangements to address this issue. As a result, some agency systems were being used to maintain records even though 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.

**2.53** It is important for agencies to identify vital electronic and paper records and develop contingency arrangements to enable their timely recovery in the event of a disaster, as part of business continuity planning. Treasury's records management area had a vital records register which it updated on an ad hoc basis. However, none of the agencies had identified vital records in the context of their business continuity planning processes. Instead, these processes focused on disaster recovery arrangements for electronic systems, thereby providing the agency with the ability to recover information held in an electronic system within specified timeframes. Such approaches do not address the recovery of vital paper records in the event of a disaster. The need to have

in place contingency arrangements for paper records was demonstrated following the 2011 Queensland floods, when some Australian Government agencies needed to destroy paper records affected by flood waters.

## 3. Support for Records Management

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*This chapter examines the arrangements put in place by the agencies to support effective records management, including records management strategies, policy and guidance. It also examines work undertaken by the records management unit in each agency in relation to provision of records management services.*

### Introduction

**3.1** An agency's records management responsibilities should be seen as an integral part of its broader information and knowledge management responsibilities as records represent the capture and maintenance of information used by the agency. Agencies could therefore be expected to have incorporated their records management within broader knowledge and information management frameworks. To support effective records management, agencies would also be expected to have developed specific records management strategies; a comprehensive information architecture; records management policies and guidance; and the provision of services by a dedicated and appropriately skilled records management unit.

**3.2** This chapter examines whether the agencies had:

- addressed records management as an integral part of a comprehensive information management framework;
- developed and implemented information and records management strategies;
- developed an information architecture and a register of information holdings;
- established sound records management policies and guidance; and
- effectively provided key records management services for the agency, such as training and support.

## Integration of records management into information management approaches

**3.3** The Australian and International Standard on Records Management defines records as:

Information created, received, and maintained as evidence and information by an organization or person, in pursuance of legal obligations or in the transaction of business.<sup>71</sup>

**3.4** As a result, much of the information created and received when undertaking a business activity will represent a record. As such information is a record this means that access to, preservation and destruction of the information created and received when undertaking business is governed by the *Archives Act*.<sup>72</sup> Information and records management are therefore closely linked and there are benefits for effective records management when it is managed as part of a broader approach to managing information.

**3.5** The three agencies had all established some form of broader information and knowledge framework. The composition and status of these information and records management frameworks differed significantly, and all agencies were developing elements of their frameworks at the time of the audit. In all cases, a strategy or plan for information or records management had been developed, as well as records management policy, guidance, training and support arrangements. The frameworks also made appropriate reference to legislative requirements and instruments such as records authorities. In general, in each agency the records management components were the most developed elements of the information frameworks.

**3.6** Treasury's information and records management framework was the most mature, and included a clear vision and principles. Treasury's framework considered knowledge, information, records and data management issues. Customs and DIAC recognised the need to develop their frameworks further as these were largely in their early stages, except for the records management components. DIAC had explicitly identified the links between knowledge, information, records and data management, and was developing these links at the time of the audit. However, Customs had not identified a strong link

<sup>71</sup> Standards Australia, op.cit., AS ISO 15489, 3 *Terms and Definitions*, p. 3.

<sup>72</sup> Information access and disclosure is also governed by the *FOI Act* and the *Privacy Act 1988*.

between records management and the management of information and data as part of its framework and would benefit from giving this a stronger focus.

**3.7** Organisational reporting lines are an important influence on the extent to which records management is integrated into broader information management. In Treasury and DIAC, the records management unit reported to the Chief Information Officer. The Chief Information Officer was also responsible for ICT, information and/or knowledge management and library services.<sup>73</sup> This supported integration of information and records management.

**3.8** In contrast, at Customs there was no direct relationship between information and records management, or ICT and records management until March 2012. Instead, responsibility for various aspects of records management and related functions was spread across different work areas. The ANAO considers that this situation had contributed to the agency experiencing difficulties in records management and progressing key projects. In a positive move, in March 2012, Customs aligned information and records management responsibilities within its ICT Division, which should assist with a more integrated approach.

## Information and records management strategy

**3.9** An information and records management strategy is a high-level statement outlining an agency's systematic approach to the management of information and records.<sup>74</sup> Such a strategy should outline the status of an agency's information and records management, and where the agency would like to be in the medium term in relation to its records management approach and systems, taking into account relevant government policy considerations. The strategy should also outline key projects and activities that are necessary to achieve its vision or goal, and timeframes for undertaking them.

**3.10** Customs and DIAC had developed records management plans and projects that sought to implement the recommendations of previous reviews relating to records management in these agencies. However, they did not have an overarching information and records management strategy to give comprehensive guidance to this work. Treasury had developed an information

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<sup>73</sup> In DIAC the Chief Information Officer was also responsible for the intranet and Internet; whereas Treasury had moved this responsibility from the Chief Information Officer to another corporate area.

<sup>74</sup> The Archives, *Check-up 2.0*, 2011, p. 4.

and knowledge management strategy which incorporated some records management issues. The strategy identified the current state of knowledge, information, records and data management, the associated risks, and a vision for a future state of information sharing and collaboration. Beneath this, Treasury had not developed a specific records management strategy. In 2012 Treasury began to develop a records management project to address findings and gaps it identified in its 2011 self-assessment of information and records management using *Check-up 2.0*.

## Information architecture and register

**3.11** Sound information governance involves the development of an information architecture to assist with describing and organising information. An information architecture outlines how whole-of-agency information and records can be used, described and organised. It supports an agency's ability to access information held in more than one system for decision-making and to meet legislative requirements. Information governance should also be supported by information asset management, including the maintenance of a register detailing the agency's information.<sup>75</sup>

**3.12** None of the agencies had implemented an agency-wide information architecture. As a result, the electronic business systems examined by ANAO as part of the audit used different data models. However, the three agencies had identified this gap and were working towards developing and/or implementing a single information architecture for electronic business systems. The task of establishing a single architecture is complicated where information is shared across agencies for specific business purposes. In this respect, Customs and DIAC would benefit from consistent description and organisation of information where they share information as part of interrelated business processes.<sup>76</sup>

**3.13** Many of DIAC's systems had individual data models and shared information with other systems which had different data models. As a result, in comparing enterprise-wide data conventions for recording biometric and related data in some of the DIAC systems, the audit identified a variety of

<sup>75</sup> The Archives, *Check-up 2.0*, 2011, p. 7; and OAIC, *Information policy—Principles on open public sector information*, May 2011, p. 2.

<sup>76</sup> Some of the Customs and DIAC systems selected for audit share information about people crossing Australian Borders.

different approaches across the systems based on the individual data models.<sup>77</sup> For example, DIAC's Integrated Client Services Environment (ICSE)<sup>78</sup> and eVisa<sup>79</sup> systems capture a person's name using different fields which do not match. DIAC has developed some manual processes to overcome differences in the information captured across its immigration processing systems. However, differences in the data that various systems capture, and inconsistent application of manual processes to address these issues, contribute to potential duplicate records in DIAC's systems (this issue is discussed further in Chapter 4 in relation to the authenticity and integrity of records).

**3.14** Agencies would also benefit from the use of a register of electronic business systems to understand where information is held, and how it should be managed in these locations.<sup>80</sup> This can be achieved by documenting: the information held in each system; how long the information is to be retained; and relevant security considerations for the information.

**3.15** The three agencies maintained an electronic business systems register, however, the contents, completeness, accuracy and currency of these registers differed considerably. DIAC's register documented the types of information held in many of the identified systems<sup>81</sup>; whereas Customs' and Treasury's registers did not document types of information held. Both DIAC's and Customs' registers include data retention periods and security classifications for a number of the identified systems. The development of more comprehensive and consistent registers of electronic business systems and information holdings by the agencies would help inform their records management and information access approaches.

## Records management policy and guidance

**3.16** Policy and guidance are important to foster a good understanding of an agency's records management responsibilities, and to facilitate the consistent

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<sup>77</sup> The biometric and related data examined included: name; address; date of birth; passport number; gender; and citizenship.

<sup>78</sup> ISCE is used by DIAC to maintain information regarding client requests for citizenship and onshore visa grants.

<sup>79</sup> eVisa enables visa applicants for a range of visa classes to apply for a visa on the Internet.

<sup>80</sup> A register can also assist an agency to prepare a response to the Information Commissioner regarding Personal Information Digest requirements on an annual basis.

<sup>81</sup> DIAC's register captured this information to assist with preparing its Personal Information Digest for the Information Commissioner.

application of good practices throughout the agency. These mechanisms influence the location, completeness, reliability, integrity, accuracy and accessibility of an agency's records.

**3.17** The agencies had developed a range of policy and guidance material to direct and support records management approaches in the agency. This included a policy statement, articulation of records management responsibilities in the agency, advice on the core records management system and guidance on disposal.<sup>82</sup> The policy and guidance generally addressed the minimum requirements for records management policies and procedures established in *Check-up 2.0*.<sup>83</sup> All of the agencies had placed their policy and guidance materials on their intranet so that they were readily accessible to staff. Based on interviews with staff from a sample of business areas, agency staff were also aware that corporate policy and guidance was available on the intranet.<sup>84</sup>

**3.18** The ANAO considered three key matters to be addressed by agencies' records management policy and guidance. These were: guidance on the records to create and keep to apply business and legal requirements; where these records should be maintained to meet records management requirements; and records disposal responsibilities, including the circumstances under which records can be disposed of.

## Records to create and keep

**3.19** The three agencies' corporate records management policy and guidance provided some general assistance on records creation and capture.<sup>85</sup> However, other than establishing records authorities, Customs and DIAC generally had not developed guidance at a corporate level that addressed the records that

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<sup>82</sup> There was significant variation in the nature, scope and contents of the agencies' records management policy and guidance. For example, DIAC was the only agency to have a recordkeeping Chief Executive Instruction; and Treasury was the only agency to issue guidance on records that need to be kept and document management.

<sup>83</sup> *Check-up 2.0* establishes minimum requirements for agencies to have comprehensive: information and records management policies and procedures; and normal administrative practice (NAP) policy and procedures. The Archives, *Check-up 2.0*, 2011, Questions 2.1 and 10.2.

<sup>84</sup> Almost all of Customs' staff interviewed indicated that they used corporate records management policy and guidance, whereas less than half of the staff interviewed at DIAC and Treasury used the corporate policy and guidance.

<sup>85</sup> For example: generic definitions of a record; examples of records and examples of information that is not a record; and guidance on file creation, file titling, version control and filing email.

need to be created for specific business activities, or how to manage those records.

**3.20** Treasury's records management unit had developed a *What to File Checklist*. The checklist identified documents to be filed for 38 business activities, such as policy formulation, analysis, economic modelling, tendering, media relations and meetings. The checklist was designed to assist staff to create useful or important records of a decision-making process or business transaction, and was based on general and agency-specific records authorities. The checklist related to Treasury's core business functions and generally did not cover records related to administrative functions.<sup>86</sup> For these administrative functions, the Administrative Functions Disposal Authority (AFDA) was located on Treasury's intranet alongside the *What to File Checklist* for staff to determine minimum expectations for information to be filed.

**3.21** Treasury's checklist was supported by its *Document Management Guidelines*. These guidelines covered document management responsibilities; document naming conventions; retention of scanned documents; and recommended practices and procedures for shared folders. However, in the sample of business areas interviewed by ANAO, Treasury staff were generally not using available corporate guidance on records management (the *What to File Checklist* and *Document Management Guidelines*).

**3.22** Records management guidance that is prepared by individual work areas can provide more detailed and tailored guidance for the area than agency-wide records management guidance. This material can play a useful role in assisting staff to meet their specific records management responsibilities, and some business areas in each of the agencies had created guidance on records to create and keep.<sup>87</sup> Although, the records management content and focus of the guidance varied considerably, it is important that local

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<sup>86</sup> Administrative functions are those that are common to many agencies such as personnel, property and financial management, and responding to requests for information.

<sup>87</sup> For example, business areas that supported common business processes such as those responsible for coordinating responses to ministerials and freedom of information requests, generally created guidance on the records that were needed to support the business process. However, this guidance did not comprehensively address the records that needed to be created. Treasury's business areas were instructed to develop additional shared folder and document management guidelines to support local area document management, including the documents to create, keep and maintain on the shared folders, and practices that should not be used. However, only some of Treasury's business areas had developed their own guidelines. These area-specific document management guidelines provided advice on how to manage documents and records in shared folders until the business areas decided which documents were records and should be moved to the core records management system.

level guidance, where there is a need to develop it, remains consistent with the agency-wide guidance. In the sample of business areas examined in the three agencies, Customs' business areas more regularly developed guidance that addressed records management considerations than business areas in the other two agencies. However, Customs' business area guidance was not always developed in consultation with the records management unit, resulting in some advice contrary to the corporate records management policy, particularly in relation to where a record should be maintained.

## **Where records should be maintained**

**3.23** Each of the agencies had identified a core records management system in their records management policy. These systems were the paper file system at Customs, and the EDRMS at DIAC and Treasury. Customs had a 'print to paper' policy that recognised a number of electronic business systems were used to create records but required information from those systems to be printed and placed on a paper file. DIAC and Treasury had adopted a policy to manage a significant proportion of their records electronically by implementing an EDRMS.<sup>88</sup>

**3.24** The three agencies noted in policy and guidance that electronic storage facilities such as shared folders, personal drives and email should not be used to maintain records, as they do not contain appropriate records management functionality. However, this was not supported by other actions that could have been taken by the agencies. In particular, the agencies could have removed other electronic business systems, such as shared folders, that provide an alternative place to create, edit and keep records. Further, Treasury's document management guidelines encouraged the use of shared folders to create, edit and keep documents until business areas decided which documents were records and should be moved to the core records management system. In practice, staff in all of the agencies used shared folders to create, edit and keep documents that were records. While some filing to the records management system was timely, ANAO also observed instances where records were filed annually or only when a project was completed, and many shared folder documents and emails had yet to be moved to the records management system.

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<sup>88</sup> In Treasury and DIAC the EDRMS was to be used to manage unstructured records such as emails, word and excel documents.

**3.25** When implementing an EDRMS an agency's policy would generally seek to minimise or eliminate unnecessary holdings of paper records.<sup>89</sup> However, the corporate records management policies and guidance of Treasury and DIAC provide staff with the opportunity to choose between creating electronic and paper files (Treasury's policy encourages but does not require the use of electronic files). Further, more than half of the staff interviewed at both DIAC and Treasury maintained some paper files. At Treasury, most areas interviewed were likely to create electronic files except when the security classification of the material to be kept in the file prevented the use of electronic business systems for maintaining official records. ANAO considers that records management policy and procedures should require the creation of electronic files wherever possible to realise the benefits to be derived from the implementation of an EDRMS.

**3.26** As mentioned in paragraph 3.23, Customs acknowledged that there are other electronic business systems that create records, and its policy requires the capture of these records in its paper records management system. In practice, many records from these systems were not captured in the paper file system. In Customs, business area guidance frequently addressed the use of other electronic business systems to create and capture records. In some cases, the guidance required duplication of records between electronic business systems and paper files, which is consistent with the corporate records management policy. In other cases the guidance required that a more comprehensive record reside in the electronic business system, which was not consistent with the corporate records management policy. Business areas at Customs need to consult the records management unit about their use of electronic business systems which contain records, and develop guidance that supports the efficient capture of records into a records management system. This should involve the records management unit evaluating whether the business system could adequately support records management requirements, and therefore manage the records.<sup>90</sup>

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<sup>89</sup> Under the Archives' General Records Authority (GRA) 31—*Source (including original) records after they have been copied, converted or migrated*, agencies can scan a paper record to a records management system and then destroy the paper record. There are some exceptions to the permission to destroy under GRA 31, including where there is a security or legislative requirement to maintain a record in paper format.

<sup>90</sup> See Recommendation No.1, at paragraph 2.39.

**3.27** DIAC and Treasury acknowledged that records could be maintained in other electronic business systems, however, their corporate policy and guidance did not provide a definitive list of electronic business systems that were records management systems, or details of the records managed by these systems. For example, DIAC's policy suggests that many of its 137 electronic business systems are records management systems that can be used to manage records.<sup>91</sup> The policy requires Business System Owners and Administrators to ensure appropriate and adequate records management functionality is built into the business systems. Although, as outlined at paragraphs 2.36 and 2.37, DIAC had only developed records management functional requirements during the audit, and there was no evidence of their application to assess the adequacy of records management functionality in the systems selected for audit. In practice, many of DIAC's systems selected for audit contained unique information (which was not captured in other systems, including the EDRMS or paper files) and duplicate information (which was also captured in the EDRMS, paper files and/or other electronic business systems). However, DIAC's records management guidance generally did not address the use of individual business systems, and how they should be used to create or capture, and then keep or transfer records.

**3.28** Treasury's policy identified three other electronic business systems that have records management functionality.<sup>92</sup> The policy requires records to be created and maintained within the EDRMS unless captured into an approved electronic business system that meets the requirements of a records management system. However, Treasury's policy may be misinterpreted by staff, as staff could interpret the policy to mean that a system with records management functionality is a records management system. At least one of the three electronic business systems identified by Treasury as having records management functionality did not meet the requirements of a records management system. In practice, the business system contained a relatively complete record of the business activity, and the majority of the records

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<sup>91</sup> DIAC's policy identified a number of other business systems, such as human resources, financial management and travel and immigration processing systems, which function as records management systems. Although these operate outside the core records management system, they are dedicated to capturing full and accurate records and are subject to the same records management requirements as the department's core records management system.

<sup>92</sup> Treasury's policy stated that the department uses business applications with records management functionality. These include: The Ministerial System; Aurion for personnel records; and SAP for corporate financial records.

captured in the system were unique records which were not captured elsewhere. More generally, Treasury's guidance on records management needed to be developed or updated to address the use of individual business systems and how they should be used to create or capture, and then keep or transfer records.

**3.29** The ANAO considers that all three agencies should more comprehensively address the management of electronic records in policy and guidance by identifying electronic business systems that should be managed as records management systems. Agencies should also outline how electronic business systems, including those not deemed as records management systems which contain records, should be used to support records management requirements. This includes situations where all or some of the records of an electronic business system should be copied to the core records management system.

## **Records disposal responsibilities and processes**

**3.30** The three agencies had developed guidance on disposal of records under the *Archives Act*, including disposal in accordance with records authorities and as a normal administrative practice (NAP).<sup>93</sup> Customs and DIAC identify disposal of records under a records authority to be the role of the records management unit, and instruct employees and contractors to not destroy records, paper or electronic, that are evidence of business activities.<sup>94</sup> In comparison Treasury identified that the role of all employees was to destroy records only in accordance with an authorised disposal authority or through the application of NAP. While the records management team do not have an exclusive right within an agency to manage disposal in accordance with records authorities, it is expected that some records management expertise and

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<sup>93</sup> DIAC had not developed its own guidance on disposal as a NAP; instead it provided links to relevant pages of the Archives' website.

<sup>94</sup> Customs also identified roles for the Chief Information Officer and Business System Owners in relation to destruction of records. These roles were respectively to: manage the disposal of electronic records not captured into the records management system in accordance with approved records authorities in consultation with records management (which would appear to condone non-compliance with the records management policy); and identify the disposal requirements of records held in electronic business systems in accordance with approved records authorities.

specific guidance would be of use in the sentencing<sup>95</sup> and disposal process.<sup>96</sup>

## Recommendation No.2

**3.31** To consistently meet business and legal requirements, the ANAO recommends that the agencies develop records management guidance that assists staff to determine for each major business activity: the information that needs to be created, received and maintained as a record; and in which of the agency's records management systems these records should be maintained.

### Agency responses

#### *Australian Customs and Border Protection Service*

**3.32** Agreed. As part of its overall records and information management strategy, Customs and Border Protection is planning the development of guidance to assist staff in determining the types of records that are required to be created, captured and maintained for each major business activity. This will be addressed through the broader Enterprise Information Management Strategy.

**3.33** Customs and Border Protection has commenced deployment of an Commercial Off The Shelf (COTS) Electronic Document and Records Management System (EDRMS). The business analysis required to implement this solution will provide the opportunity to integrate more closely with business activity and the records required to be created and captured.

#### *Department of Immigration and Citizenship*

**3.34** Agreed. The report acknowledges that DIAC had in place a recordkeeping policy and guidelines. This recommendation is addressed in two parts using the DIAC's Chief Executive Instruction on Recordkeeping which defines records and outlines the mandatory responsibility of staff for the creation and management of records, recordkeeping training and the overall responsibility for recordkeeping practices. The second component is the annual recordkeeping self assessment which is designed to address key recordkeeping performance indicators one of which is the assessment of record management

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<sup>95</sup> Sentencing is the process of using a records authority or general records authority to decide whether to retain, destroy or transfer a record.

<sup>96</sup> DIAC's and Treasury's core records management systems (EDRMS) also assist with disposal of records in accordance with approved records authorities.

guidelines associated with key business functions. DIAC is able to measure the organisation's recordkeeping maturity and target business functions that need improvement.

*Department of the Treasury*

3.35 Agree.

*National Archives of Australia*

3.36 The Archives supports this recommendation.

## **Recommendation No.3**

3.37 To appropriately manage electronic records, the ANAO recommends that the agencies' records management policy and guidance:

- (a) identify electronic business systems which contain records and that need to be managed as records management systems; and
- (b) address the use of individual electronic business systems to meet records management requirements, including their relationship with the agency's core records management system.

## **Agency responses**

*Australian Customs and Border Protection Service*

3.38 Agreed. Customs and Border Protection's records management policy and guidance are reviewed annually. As the Electronic Document and Records Management System (EDRMS) and the *Digital Transition Policy* are gradually implemented future revisions of these documents will include the identification of business systems that contain records and the relationship of these systems with the EDRMS.

*Department of Immigration and Citizenship*

3.39 Agreed. As indicated in the report DIAC has a broad information management framework which requires further refinement to address the overall recommendation. DIAC's records management unit's active participation in system development life cycle will address the requirements of the first part of the recommendation. In 2012–13 DIAC's data management unit will update the systems register to identify systems that manage business records and the enterprise metadata repository will be used to map record/data relationship between core records management systems.

## *Department of the Treasury*

### **3.40** Agree.

## *National Archives of Australia*

**3.41** The Archives supports this recommendation. Management of agency records to meet business and legal requirements is fundamental to good governance, and the need for agencies to focus on this is strongly supported by the Government's *Digital Transition Policy*. Consideration of creation and management of records should be integrated within the overall information management framework of an agency. It is vital that information/records management and ICT are jointly captured within the overall governance framework to ensure consistency of purpose.

**3.42** The Archives acknowledges that, particularly for small agencies, the range of different governance documents recommended to support records management can seem overwhelming. The Archives is developing clarifying advice to address this.

## **Records management services**

**3.43** The provision of records management services by a records management unit will generally involve activities such as developing policy and guidance, implementing and managing records management systems, providing training, records storage and retrieval services, and developing and implementing a sentencing and disposal program for records. It also includes effective planning, management and review of records management services, projects and practices.

**3.44** All three agencies had a centrally located records management unit which provided a range of records management services. Customs previously had multiple records management units and had recently centralised the management of records management. As a result of the centralisation, Customs was moving functions such as records creation, storage and destruction to the central records management unit. A key benefit of the centralisation was that it offered Customs the opportunity to have an agency-wide approach to records management. In this context, DIAC allows implementation of local records management arrangements in overseas locations, which increases the risk of inconsistent practices in terms of the creation and capture of records, and potentially affects access and retrieval of records. This in large part reflects the difficulties associated with operating in certain overseas locations and the performance of DIAC's EDRMS.

## Planning and monitoring of records management activities

**3.45** As part of the business planning process, agencies should develop work plans covering the services and projects provided by the corporate records management unit. These work plans should include a clear description of the objectives of records management projects and tasks, an estimate of the resources required, timeframes and key milestones, and relative priorities. Achievement of the plans should also be regularly monitored and the status of activities reported to management.

**3.46** All the agencies had developed annual records management unit work plans. The agencies had also developed plans in support of major records management or information management projects, such as the *Adequacy of Recordkeeping Project* at Customs.<sup>97</sup> Customs and DIAC identified objectives of all tasks and projects, specified timeframes and key milestones, and established priorities. Treasury's records management unit work plan was not as formal or as clearly linked to the business planning process.

**3.47** While all the agencies had made a substantial investment in meeting their records management responsibilities, they experienced delays in the completion of elements of their information and records management frameworks, including developing records management strategies, information architectures and tailored practical guidance. Table 3.1 summarises the agencies' recent investments in their information and records management projects.

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<sup>97</sup> As part of the *Adequacy of Recordkeeping Project* Customs' was conducting a fitout of a repository that could provide storage for 20 kilometres of paper files in 2011. The repository also provides an onsite destruction facility to support future sentencing and disposal. Customs also had many other projects underway to improve records management and practice, such as the procurement of an EDRMS.

**Table 3.1****Agencies' investment in information and records management improvement projects**

Agency	Investment
Customs	Customs' ICT and records management areas have recently commenced major projects to improve information and records management arrangements in the agency. These projects allocate \$220 million and \$8.4 million respectively to these tasks (over 5 and 4 years, respectively).
DIAC	<p>In the May 2006 Budget the then Australian Government allocated \$495 million over four years to the <i>Systems for People</i> project which would respond to reviews of DIAC's information needs, records management and information technology systems (such as the 2006 review by the Archives). <i>Systems for People</i> sought to introduce new, globally consistent business processes through a series of portals which are based on the key roles performed by staff in the department (for example, visa services, case management, compliance and detention services). <i>Systems for People</i> is expected to cost in excess of \$600 million.</p> <p>As at April 2012, DIAC had allocated \$7.9 million over 4 years to records management projects under its forward work program in response to its 2009 records management review. A number of projects remain unfunded, including high priority activities.</p> <p>As mentioned in paragraph 2.30 and footnote 61, DIAC also advised that: a \$1.2 million project was approved by the Executive Committee in 2012 to digitise archived paper records starting with human resource files; and a discrete project within the citizenship program is underway digitising specific citizenship microfiche and microfilm.</p>
Treasury	<p>In 2007 Treasury estimated that \$17 million over 5 years would be needed to implement knowledge and information management improvements across the department. However, Treasury did not proceed with this knowledge and information management program in its entirety.</p> <p>Treasury invested almost \$1.3 million in 2010–11 for its <i>Collaboration and Information Sharing Project</i>, which sought to use Sharepoint as a portal to the EDRMS. In August 2011, Treasury closed this project with the intention of segmenting the project into a number of smaller projects, including recordkeeping and collaboration projects. Each of these smaller projects would need to be separately scoped, planned and managed according to business needs.</p>

Source: ANAO summary of the agencies' project documentation.

**3.48** All of the agencies undertook regular reporting of records management activities to the responsible senior manager, although the reporting was not specifically a report against annual work plans as part of their respective business planning processes. These reports therefore did not include details of all projects and tasks, or performance measures. The agencies advised ANAO that they monitored the progress of major information and records management projects separately.

## Records management training and support

**3.49** To assist with the implementation of a records management framework, it is important for an agency to provide appropriate training to staff. This should include formal training and awareness raising activities which alert and remind staff of their records management responsibilities.<sup>98</sup> Records management training should address the management of both paper and electronic records, IT security awareness, and assessing and assigning appropriate security classifications to sensitive information.

**3.50** There was significant variation in the extent and nature of records management training and/or awareness activities provided by each of the agencies. Of particular note, Customs and DIAC required staff to complete an online records management module, and Treasury provided online tutorials and training material to staff.

**3.51** Based on feedback received during staff interviews across a sample of business areas in each agency, many staff had not undertaken records management training for several years, and training was not tailored to meet staff needs. This contributed to many staff not being aware of how to implement key aspects of records management policy and guidance, or how to effectively use the EDRMS. The ANAO considered that staff would benefit from both general awareness training and tailored training. Tailored training could cover: understanding records in the business area's context; when and where records should be managed as a corporate record; and records titling and searching.

**3.52** The records management units of the three agencies also supported the core records management system, and provided advice and assistance on records management to agency staff. Based on interviews with staff from a sample of business areas, staff were generally satisfied with the assistance offered by the records management unit.

## Sentencing and disposal programs

**3.53** As mentioned previously, retention and disposal of records is governed by the *Archives Act*. Agencies can only dispose of records in accordance with a

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<sup>98</sup> For example, there are mechanisms in place to ensure staff are aware of policies and guidance, as well as mechanisms to remind staff of particular records management practices and responsibilities.

records authority or NAP. *Check-up 2.0* outlines the minimum requirements in relation to sentencing and disposal.<sup>99</sup>

**3.54** As mentioned in paragraphs 2.12 and 2.13, Customs and DIAC were undertaking records authority projects at the time of the audit. The completion of these projects will further guide sentencing and disposal in the future. In addition:

- in July 2011, Customs commenced developing a sentencing and disposal program that would be undertaken at its repository; and
- DIAC had undertaken limited sentencing and destruction work because of a Moratorium on the Destruction of Departmental Files for client related, personnel, building, current contract and procurement files. DIAC advised that the moratorium had been lifted in 2011, which increases the need for an annual sentencing and disposal program.

**3.55** Treasury's records authorities were up to date at the time of the audit. Using these authorities, Treasury's records management unit undertook an annual sentencing and destruction program, examining records that were at least ten years old. In 2012, this program would, for the first time, sentence and destroy electronic records contained in the EDRMS.

## Performance measures and reporting

**3.56** To assist with assessing the performance of records management activities, agencies should develop and monitor appropriate performance measures. The agencies had developed one or a small number of performance measures relating to their records management activities. Customs had a single performance measure of creating new files within 24 hours of a new file request. DIAC and Treasury had developed performance measures that focused on the use of the EDRMS.

**3.57** From July 2011, DIAC reported monthly to the senior manager responsible for records management on a range of key performance measures for the EDRMS, including threshold response times, number of records held, number of users attending training and EDRMS Help Desk statistics. This reporting identified problems with response times for a range of measures

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<sup>99</sup> The Archives, *Check-up 2.0*, Questions 10.1, 10.2 and 10.3. Sentencing is the process of using a records authority or general records authority to decide whether to retain, destroy or transfer a record.

including searching for records both on and off shore. In this respect, the ANAO audit team also experienced significant delays and EDRMS crashes when searching for records. Half of the interviewees from DIAC business areas indicated that they had experienced slow response times from the EDRMS.

**3.58** Treasury also conducted an annual IT client satisfaction survey which has found since 2008 that around 20 per cent of staff, or less, were satisfied with the EDRMS. EDRMS utilisation statistics for 2010 identify significant problems across the department. For example, on average 74 per cent of staff retrieve documents from the EDRMS, 45 per cent capture documents in EDRMS and only 20 per cent of staff edit documents in the EDRMS. The EDRMS is Treasury's only records management system, and therefore the low utilisation of the EDRMS indicates there is a significant risk that records are not being captured in Treasury's records management system.

**3.59** The agencies' performance measures for records management could be supplemented to strengthen oversight. For example, by periodic reporting on the results of a sample check of transactions and files, identifying any non-compliance with records management policy, including potential duplicates, poor titling which affects accessibility, and insufficient version control which affects authenticity and integrity of records.

## **Quality assurance and review**

**3.60** The management of records management services, projects and practices should include the conduct of a regular quality assurance program and records management reviews. *Check-up 2.0* establishes a minimum information and records management requirement that supports regular quality assurance and review activities.<sup>100</sup>

**3.61** All of the agencies records management units undertook some quality assurance activities to check practices, such as reviews of file titling. In addition:

- Treasury undertook regular quality checks, such as identifying electronic files that contain no records; and

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<sup>100</sup> The Archives, *Check-up 2.0*, Question 3.1.

- in July 2011, DIAC commenced an annual whole-of-agency self-assessment process for records management.<sup>101</sup> The self-assessment questions focus on the records management processes of creation, capture, management and retrieval. By 31 August 2011, 67 per cent of branch heads responded to the compulsory records management self-assessment.

**3.62** The ANAO considers DIAC's records management self-assessment should assist with raising awareness of records management responsibilities and help identify areas that may need additional guidance, training or support. More broadly, there is scope for the three agencies to improve their quality assurance activities by developing a more comprehensive quality assurance program that periodically reviews records management practices and the level of compliance with records management policies and guidance.

## Conclusion

**3.63** Records management policies and guidance outline an agency's expectations in relation to information and records management for all staff, including the appropriate creation, capture and storage of records in approved records management systems when undertaking their work. Agencies must first determine the information that needs to be created and received in the context of each of their major business activities. However, Customs and DIAC needed to further develop their guidance on records to create for each major business activity, and Treasury needed to promote the use of its existing guidance.

**3.64** Agencies should then identify electronic business systems that are records management systems and specify how all electronic business systems that contain records should be used to manage the records that have been created or received. DIAC and Treasury had adopted a policy to manage a significant proportion of their records electronically by implementing an EDRMS. While this has led to an increase in the volume of records held electronically in the core records management system, further significant changes were required to better support the digital management of records. In

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<sup>101</sup> The methodology is based on the Australian Standards—*Recordkeeping Compliance Handbook*, HB278–2009. The review uses self-assessment.

particular, the agencies need to discourage unnecessary use of paper files<sup>102</sup> and remove electronic systems, such as shared folders, that provide an alternative place to create, edit and keep records. Customs had a 'print to paper' policy that recognised a number of electronic systems were used to create records but required information from those systems to be printed and placed on a paper file. Customs intended to move to an EDRMS as it was recognised that the existing arrangements for capturing electronic records were inadequate and inconsistent, and that paper records did not capture all business decisions. More generally, the agencies often had not developed sufficient guidance on the use of other electronic business systems that contain records to help ensure that records are appropriately created or captured, and then transferred to or maintained in approved recordkeeping systems, including copying records where appropriate to the core records management system.<sup>103</sup>

**3.65** To efficiently manage their records and comply with approved records authorities, agencies need to implement sentencing and disposal programs. Of the three agencies, Treasury had established an annual sentencing program and Customs had commenced development of a sentencing program in July 2011. DIAC had undertaken limited sentencing and disposal work because of a Moratorium on the Destruction of Department Files for several types of records, including client records.

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<sup>102</sup> Under the Archives' General Records Authority (GRA) 31—*Source (including original) records after they have been copied, converted or migrated*, agencies can scan a paper record to a records management system and then destroy the paper record. There are some exceptions to the permission to destroy under GRA 31, including where there is a security or legislative requirement to maintain a record in paper format.

<sup>103</sup> This includes business areas consulting with the records management unit, and determining whether an electronic business system could support records management requirements, and be classified as a records management system (see also paragraphs 21 and 2.32 to 2.38).

## 4. Records Management Practices and Systems

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*This chapter examines the agencies' records management practices for both paper and electronic records. It also examines the management of selected electronic business systems that contain records.*

### Introduction

**4.1** The records management practices of an agency should result in the creation and management of complete and accurate records of its activities and decisions using records management systems. This supports an agency in the conduct of its business activities and in meeting legal and other records management requirements, including providing evidence of business conducted.

**4.2** The effective management of electronic business systems that contain records requires that: the systems are maintained and upgraded; information security requirements are met; and access and change controls are in place. It also requires application of specific records management requirements relating to metadata, and preservation, retention and destruction of information.

**4.3** This chapter examines the agencies':

- records management practices, including whether they support the integrity, authenticity, reliability and accessibility of records; and
- management of selected electronic business systems that contain records.

### Records management practices

**4.4** Important qualities of records include integrity, authenticity, reliability and accessibility. These qualities support an agency's decision-making and acquittal of legal requirements, such as when responding to freedom of information (FOI) requests.

**4.5** All of the agencies captured and maintained a substantial number of records in the core records management system; that is, in the paper based system at Customs, and the EDRMS at DIAC and Treasury. However, use of

these systems was not as widespread as envisaged by the agencies' records management policies, particularly use of the EDRMS at DIAC and Treasury.<sup>104</sup> Further, a number of other electronic business systems such as shared folders and email were being used within the agencies to store and manage records that were not captured in the core records management system. In all cases, the use of shared folders and email was contrary to the agency's records management policy. In addition to creating and storing records in shared folders and email, each of the agencies used different electronic business systems to create or capture, and then manage, records. These electronic business systems often contained records that were duplicated in the records management system, but also contained unique records which were not captured and managed elsewhere.

**4.6** The ANAO considered the agencies' records management practices with regard to the integrity, authenticity and reliability of records; and the ability to effectively search for and retrieve records.

### **Integrity, authenticity and reliability of records**

**4.7** Systems used to manage records need to be able to preserve the integrity of information, including through quality control procedures to help ensure the completeness and trustworthiness of records; and system controls over access and security.<sup>105</sup> System managers have a responsibility for the integrity, authenticity and reliability of the information captured within the system.<sup>106</sup>

**4.8** With the exception of the core records management system, the electronic business systems used by the agencies to store and manage records were generally not designed or managed to support records management requirements. This meant that, in a number of the systems, particularly email and shared folders, sufficient controls were not in place to help ensure the authenticity and integrity of the records they contained.

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<sup>104</sup> Agency analysis at both DIAC and Treasury indicated that many staff do not access the EDRMS, less staff create records in the EDRMS; and even less staff edit documents within the EDRMS. Staff also do not declare records as final in the EDRMS when using formats that can be altered (for example, Microsoft Word).

<sup>105</sup> *Check-up 2.0* establishes a requirement for business information systems to preserve the integrity of the information they manage. Question 15.7.

<sup>106</sup> The Archives, *Check-up 2.0*, Question 15.9.

**4.9** Staff at the three agencies generally used shared folders and email as temporary records management systems. In a number of cases there were significant delays before filing in the approved records management system for the agency.<sup>107</sup> Significant delays in filing information to the official records management system expose records to alteration and deletion, ultimately impacting on the integrity and authenticity of the record. Shared folders and email generally contained more information on a topic than the official records management system, with staff making judgements about whether to transfer finals, significant drafts, drafts and reference material to the records management system. Staff judgement varied in these decisions, with the most consistent approach being that the records management system would eventually hold the final record and may contain no drafts or reference material or some combination of this other documentation. Staff judgement was generally not informed by an understanding of the relevant record authority, which led to situations where records were not kept in accordance with records authorities.<sup>108</sup>

**4.10** Some areas in Customs reported that they rarely, if ever, used paper files, with their records being held electronically. During record user interviews, Customs' staff indicated that they used more than 14 electronic business systems to create and/or manage records in addition to shared folders, email and the paper file system. Many of these staff indicated that some records were duplicated between electronic business systems and paper files. This creates a risk that the 'official' record will not be accessed or used.

**4.11** A number of Customs' and DIAC's electronic business systems were identified as holding unique records that were not captured elsewhere. The complete record of an activity was often held across a number of systems in an agency. This meant it was difficult to locate and compile the complete record when making decisions. It also created a need to share information between systems which is complex, reliant on integration of systems, requires broad

<sup>107</sup> For example, some staff waited until the end of a project to file and projects could run for over a year; and some staff filed at the end of the financial or calendar year, or when they had time.

<sup>108</sup> Other instances were observed where records that should be retained and managed in accordance with the agency's records authority were maintained in and then deleted from shared folders based on storage capacity. For example, Customs' x-ray and closed-circuit television (CCTV) footage of sea cargo activities was stored on shared folders. While some of these records may have been appropriately copied and stored on paper files, most were destroyed after three months of the date of capture. Customs' records authority contains a number of record classes that require these records to be kept for longer than three months. As these records are covered by Customs' records authority, their sentencing and disposal should be undertaken in consultation with the records management team.

user access arrangements and with the existing information architecture can lead to data quality issues.

#### *Example—ministerial records management*

**4.12** Ministerial records management provides a good example of some of the current records management issues the agencies face. In accordance with the Administrative Functions Disposal Authority (AFDA), a complete master control record (register) of incoming and outgoing ministerial correspondence is to be maintained as a permanent record (class 1490). In each of the agencies, the ministerial correspondence system was the only source of a complete register of incoming and outgoing ministerial correspondence. However, these systems were not records management systems. None of the systems sufficiently assisted with identifying the importance of the items of ministerial correspondence to aid with sentencing routine and non-routine/contentious items in accordance with AFDA requirements.<sup>109</sup>

**4.13** The ANAO identified various sources of documentation relating to items of ministerial correspondence at the agencies (particularly at Customs and DIAC).<sup>110</sup> These included paper files, electronic documents captured in the EDRMS, copies and drafts of documents captured on the shared folders, and information and documents captured in the ministerial correspondence system. There is a risk that it may not be clear to agency staff which location contains the official or final record, or where they can access a complete record. Being able to access the authentic record is important when similar requests are made or a minister seeks to revisit their position on a matter.

**4.14** Treasury's ministerial correspondence system was the only source of a complete record of ministerials for the agency even though it was not a records management system. It captured full documentation in relation to the request and responses (including drafts) to each ministerial request. The system also identified duplicates and linked related requests, thereby addressing some important records management considerations. In comparison, Treasury's

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<sup>109</sup> See AFDA record class 1398—non-routine/contentious items of ministerial correspondence are to be retained as national archives and record class 1399—routine items are to be retained for two years.

<sup>110</sup> Customs' and Treasury's ministerial correspondence areas scanned records to shared folders or another electronic business system which was not a records management system. This scanning was undertaken because ministerial records were not efficiently or comprehensively supported or available through the paper file system or EDRMS in the agency.

EDRMS contained relatively few ministerial records, although paper box files containing most ministerial requests were registered in the EDRMS.

**4.15** Further, the agencies' ministerial correspondence systems could not ensure the authenticity of initial requests and response records, as information could be edited or amended. Although, DIAC's and Treasury's systems had a number of controls in place, including audit trails, that could assist with identifying whether records have been altered. These controls may provide the agencies with sufficient assurance in relation to the authenticity of the record.

*Example—DIAC client data issues*

**4.16** Another factor which affects the reliability of records is data quality. DIAC is aware of data quality issues affecting records contained in significant migration processing systems. For example, DIAC's largest holding of person records is its Travel and Immigration Processing Systems (TRIPS) business system which holds records for about 65 million people and uses a person identifier (PID) as a unique number to identify a person in its database.

**4.17** A number of scenarios can lead to the creation of multiple records for the same person in TRIPS. For example, when there is not enough information to reliably determine that the two records do relate to the same person, and it is considered safer to create separate records and merge them later when more information is known. However, multiple PIDs for the same person can cause a variety of problems for DIAC processes and for clients. These data quality issues have the potential to increase the risks associated with identity resolution, border operations and departmental reputation.

**4.18** DIAC identified in its March 2011 system risk management plan for TRIPS that the *Multiple PID Project* under *Systems for People* would resolve this issue. However, this project has not yet started.<sup>111</sup> The ANAO analysed potential duplicate records in relation to TRIPS and as at 24 June 2011 there were 653 861 multiple PIDs. Duplicate records arise, in part, because DIAC's systems share data and use different data models, which means that other systems also contain duplicate records.<sup>112</sup>

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<sup>111</sup> During the audit ANAO observed that DIAC was taking some other steps to address the issue of multiple PIDs, including ongoing work into biometrics for identity management.

<sup>112</sup> As previously mentioned, TRIPS shares information with Customs' systems, which means that these issues have implications for Customs.

**4.19** From a policy and guidance perspective, DIAC is reviewing the nature and source of these data quality issues. DIAC also has plans to implement new data management arrangements to address these issues, as part of its information management framework.

## **Searching for and retrieving records**

**4.20** A records management solution should support access to the agency's records through easy search and retrieval. In a paper file environment, access, search and retrieval is: limited to the file level; dependent on strong and consistent titling conventions; and generally aided through an understanding of which business areas might have responsibility for particular records.<sup>113</sup>

**4.21** In an electronic records management environment an EDRMS can be configured to support search and retrieval based on a range of factors, including file or document titles, staff responsible for file or document creation/registration, timing of creation or registration, or the electronic format of the document or file. In some cases these systems can also be configured to support searching the content of documents, notes or comments associated with documents.

**4.22** Searching for and retrieval of relevant records presented difficulties in all three agencies. For example, the ANAO used the core records management system in each agency to assist with identification of relevant records to examine in the audit. Often a variety of terms needed to be searched before relevant information was produced. After using a variety of search terms, the records identified generally did not represent comprehensive, authentic or reliable information. This was in large part due to records being held in other electronic business systems, such as shared folders and email, and inconsistent record titling practices.

**4.23** Staff interviews in the agencies indicated many staff did not use the core records management system to access records, or used the core records management system infrequently to access records. Where the core records management system was used to access information many staff indicated that they experienced difficulty in locating information. This was often caused by poor titling practices in the agencies (for example, emails were saved to the

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<sup>113</sup> While it is recommended practice to folio and index the contents of paper files, indexes are generally not available for electronic search and therefore location of individual documents is the subject of manual search through files that might contain relevant information.

EDRMS with their original title, or titles did not adequately reflect the contents of the file or electronic document). Many of the areas from which staff were interviewed maintained a separate list of files for their area to assist with finding information. A number of staff also indicated that they accessed records in other electronic business systems. However, staff did not have access to all locations and systems, and generally had limited understanding of information holdings that fell outside of their day-to-day responsibilities.<sup>114</sup>

*Example—responding to freedom of information requests*

**4.24** Freedom of information (FOI) requests provide a good example of the ability of the agencies to access relevant records. The three agencies had an FOI coordination area which identified a relevant business area in their agency to take the lead role in searching for and retrieving documents that fell within the scope of an FOI request. If the nature of the FOI request meant that information would be held by more than one business area, the DIAC and Treasury FOI coordination areas would also send the request to other areas to identify relevant information. However, at Customs it was the responsibility of the lead business area to identify other business areas that may hold relevant information, which meant that any additional areas contacted had less time to respond to the request.<sup>115</sup>

**4.25** The agencies' approaches for responding to FOI requests generally did not involve the records management unit or the ICT area in searches undertaken.<sup>116</sup> Given difficulties experienced with locating information by many staff, it would seem advisable to involve the records management unit and the ICT area in responding to FOI requests. The approaches also did not involve an agency-wide search for information, instead relying on the FOI and business area/s having a robust understanding of the nature of the information sought and the location of their agency's information holdings. This creates a risk that relevant information will not be identified and considered in response to an FOI request, resulting in the agency not meeting its responsibilities under the *FOI Act*.

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<sup>114</sup> This is not surprising given that the agencies generally did not have a complete listing of information holdings (see paragraph 3.15).

<sup>115</sup> Under the *FOI Act* (Section 15 subsection 5(b)) agencies have 30 days from the date they receive an FOI request to notify the applicant of a decision on the request.

<sup>116</sup> In some of the FOI cases examined at DIAC there was evidence of the records management unit being involved in searching for information.

**4.26** A majority of the agency staff interviewed by ANAO had been involved in an FOI request. Staff sought to locate relevant documents in shared folders, and then to varying degrees may also have searched the core records management system, email and other electronic business systems.

**4.27** The approaches adopted by the agencies to respond to FOI requests were symptomatic of records management issues more broadly.<sup>117</sup> In particular, because of a lack of proper use of the EDRMS and knowledge of where records are held in business systems, the agencies relied on working through silos to access information which creates a risk that relevant information will not be located. A culture of using approved records management systems, including the EDRMS and business systems with appropriate functionality, would create information search efficiencies. Further, through the application of an enterprise-wide information architecture, and consistent record, information and data titling conventions, agencies' searches would be more effective at identifying relevant information.

## **Management of selected electronic business systems that contain records**

**4.28** Effectively managing an electronic business system that fulfils a records management function requires agencies to ensure that: the system supports the achievement of business objectives; and that the records in the system can be relied upon to be authentic, accurate, complete, unaltered, secure, accessible, and related to other relevant records. A risk associated with managing records in a system that is not designed and used as a records management system is that the records may not be recognised or treated as records by the agency, and the records may not be able to be relied upon as evidence of business. As a result, records may not be appropriately managed to meet the agency's records management requirements.

**4.29** The ANAO selected a sample of the agencies' electronic business systems that contain records to assess whether they were being appropriately managed by the agency. The systems selected included: each agency's core records management system and ministerial correspondence system; and

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<sup>117</sup> In 2008, DIAC's FOI Area alerted its Executive to poor records management practices being a major impediment to meeting its statutory requirement to provide access to information within 30 days. Issues related to the lack of single file for clients, poor paper file management resulting in missing files or missing pages within files, and the diffusion of data across numerous electronic and hardcopy files which added to time taken to handle a request.

several other electronic business systems that supported a key line of business in Customs and DIAC (see Table 4.1).

**Table 4.1**

**Systems selected for audit, by agency**

Agency	Records Management System	Ministerial Correspondence System	Electronic Business Systems
Customs	RIMS	Ministerial Tracking System	A selection of related business systems involved in passenger processing: 1. Passenger Analysis Clearance and Evaluation (PACE); 2. Passengers Integration Platform (PIP); and 3. Integrated Analysis Tool (IAT). (A)
DIAC	TRIM (EDRMS)	ExecCorro (PCMS)	A selection of related visa/migration processing systems: 1. Electronic Visas (eVisas); 2. Integrated Client Services Environment (ICSE); 3. ISCE Offspring; 4. Central Movement Alert List (CMAL); 5. eHealth; 6. Security Referral Service (SRS); 7. Travel and Immigration Processing Systems (TRIPS); and 8. Generic Visa Portal (GVP). (B)
Treasury	TRIM (EDRMS)	Ministerial System	None identified in discussions with Treasury.

Source: ANAO, compiled from agencies' system documentation 2011.

Notes: (A) Systems selected for audit at Customs included: PACE which facilitates the legitimate movement of sea and air travellers across Australian borders. It provides four main business functions: flight management, alert management, traveller clearance and research; PIP which provides message brokering capability to facilitate movement of data between applications; and IAT which is an analytical data warehouse tool providing access to eight years of passenger movement data.

(B) Systems selected for audit at DIAC included: eVisa which enables visa applicants for a range of visa classes to apply for a visa on the Internet; ICSE which is used to maintain information regarding client requests for citizenship and onshore visa grants; ICSE Offspring which provides a centralised database of offshore visa processing information; CMAL which holds intelligence data about persons and documents of concern to Australia; eHealth which supports the following business processes in DIAC: managing health risks; creating and managing health requirements for visa applicants; providing a means of recording medical test results; reviewing and revising health assessments; and making decisions on health assessments; The SRS system which provides support for referral processes directly concerned with the assessment of visa applicants; TRIPS which supports border processing of all passengers arriving and departing from Australia. TRIPS holds the database of record of Australian visas, traveller movements, Australian and New Zealand passports and the Migration Alert List; and the Generic Visa Portal (GVP) which is a visa processing system for certain classes of visas.

**4.30** For the selected electronic business systems, ANAO examined the extent to which the agencies:

- planned for system maintenance and upgrade;
- addressed information security requirements;
- established access and change controls;
- established and applied metadata standards; and
- ensured that records were preserved, retained and destroyed in accordance with legislative requirements.<sup>118</sup>

### **System maintenance and upgrade**

**4.31** The development of plans to maintain and upgrade electronic systems provides a mechanism for agencies to allocate resources. Planning also helps establish when system upgrades and changes to system functionality should occur.

**4.32** At an overall level, the agencies generally managed the costs associated with the maintenance and upgrade of electronic business systems on an annual basis as part of their corporate budgeting processes. The agencies had also introduced broad capital management plans to assist with forward planning for systems and their maintenance. In addition, Customs and DIAC used agency-wide ICT roadmaps to assist with planning, including by detailing the timing and purpose of system upgrades.<sup>119</sup> Similarly, Treasury planned for the development of systems through its *Information and Knowledge Management Programme Plan*.

**4.33** DIAC had application development or upgrade plans that considered future business needs for most of the systems examined. However, Customs

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<sup>118</sup> 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 records management systems. Agencies 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 and International Standard on Records Management AS ISO 15489.1; and
- International Standard ISO 16175–2: 2011 *Information and Documentation—Principles and functional requirements for records in electronic office environments*.

<sup>119</sup> To support the implementation of its enterprise architecture Customs had developed a five-year roadmap which covered all systems. DIAC had developed roadmaps for systems' development by domain, for example, the Client and Identity Domain Roadmap and the Information Management Roadmap.

and Treasury had not developed specific management plans for the individual electronic business systems selected for review.<sup>120</sup> As a result, there is a risk that individual system performance will not be properly assessed. In this regard, the EDRMS at DIAC experienced performance issues which had not been addressed in a timely manner through upgrade plans.<sup>121</sup>

## Information security requirements

**4.34** When agencies use electronic business systems to manage sensitive information they must comply with the Australian Government Information Security Manual (ISM). The ISM requires the development of information security documentation, including an agency information security policy, security risk management plans and system security plans. The ISM also recommends the development of standard operating procedures for systems.<sup>122</sup>

**4.35** The agencies had developed a significant proportion of the information security documentation required by the ISM:

- all three agencies had developed an Information Security Policy. DIAC and Treasury had updated their policies in 2010, whereas Customs' policy was last officially endorsed in 2007<sup>123</sup>;
- Customs had developed draft security risk management plans and system security plans for PACE and IAT, however, did not have system security plans for RIMS and ministerials;
- DIAC had security risk management plans and system security plans in place for all but two systems (ExecCorro and eHealth). DIAC had also developed local work area or standard operating procedures; and

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<sup>120</sup> Additionally, in some cases the systems had been in place for a significant period of time, and it was considered they adequately met operational requirements. There were also projects in place to replace or change existing systems. For example, Customs planned to replace PIP, PACE, RIMS and the Ministerial System; DIAC planned to replace eHealth with cHealth; and Treasury planned to use Sharepoint as a portal to TRIM.

<sup>121</sup> The need to upgrade the EDRMS and general EDRMS performance issues are discussed in paragraphs 2.27 and 3.57.

<sup>122</sup> DSD, ISM, *Controls Manual*, pp. 22 to 34, Control: 0039, 0040, 0041, 0042 and 0043. The ISM also requires incident response plans and emergency procedures to be documented, see Control: 0043. The Archives advised in relation to the security requirements that it works with DSD to help ensure that the archival and security needs of the Australian Government are met.

<sup>123</sup> Customs' policy was under review at the time of the audit, and was also reviewed in 2009.

- Treasury had an enterprise-wide system risk management plan and system security plan.

## System access and change controls

**4.36** System access controls are designed to restrict access to electronic business systems, and the information and records contained in those systems, to individuals authorised to have such access. These controls assist with enforcing the ‘need to know’ principle.<sup>124</sup> Further, appropriate change controls should be in place for the management of changes to electronic business systems and their data. If changes are not documented, the integrity of information and records in electronic business systems could be compromised. Inadequate documentation also increases the risk of change control processes being circumvented.

**4.37** In relation to access controls, Customs’ systems operated on a ‘need to know’ basis, whereas DIAC’s and Treasury’s systems relied on a single sign-on and permissions providing broader access to systems and the information they contained.<sup>125</sup> DIAC did not have processes to review user access rights for CMAL. The ANAO’s assessment of change controls for the electronic business systems identified that, for the most part, they were adequate. Customs generated reports that logged changes to data in systems. However, these reports were not reviewed by responsible staff, limiting the effectiveness of the controls.

## Metadata standards

**4.38** The Australian and International Standard on Records Management requires that metadata<sup>126</sup> requirements are incorporated into the procedures governing all business processes for which there is a requirement for evidence of activity.<sup>127</sup> This has implications for the appropriate management of

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<sup>124</sup> DSD, ISM, *Enforcing authorisations on systems*, Control: 0856, p. 169. Agencies must have system users’ authorisations enforced by access controls. *Check-up 2.0* establishes minimum requirements relating to the prevention of unauthorised access to records, and controls to log or track staff access to electronic and paper files. The Archives, *Check-up 2.0*, Question 14.1 and 11.2.

<sup>125</sup> For the EDRMS at DIAC and Treasury, staff are able to assign access restrictions which means that files and/or their contents are not visible or accessible to all staff.

<sup>126</sup> Metadata is structured information that describes and/or allows users to find, manage, control, understand or preserve other information over time.

<sup>127</sup> Standards Australia, op.cit., AS ISO 15489, *Design and implementation of a records system*, p. 6.

electronic business systems that contain records. Among other things, metadata supports the integrity, authenticity and accessibility of records.

**4.39** The agencies' core records management systems had generally been configured to capture the key metadata elements recommended by the *Australian Government Recordkeeping Metadata Standard Version 2.0*. Agencies had also configured their core records management systems to capture additional metadata elements.

**4.40** The audit found that Customs had not established minimum metadata requirements for other electronic business systems as part of its IT management framework. As a consequence, Customs' electronic business systems examined by ANAO did not consistently capture key metadata elements.

**4.41** DIAC had developed a draft metadata management framework as part of its data management strategy. The framework identified a need to understand metadata requirements, define a metadata architecture, and develop and maintain a metadata standard. While there was evidence that the framework had been used as guidance for some of the individual systems selected for audit, there was no evidence that a minimum metadata set had been established for managing records, and adopted across DIAC. DIAC recently developed a process to help ensure new and upgraded electronic business systems which are determined to have a records management role, meet minimum metadata requirements.<sup>128</sup>

**4.42** Treasury maintained a policy that required automatic capture of nine types of metadata for electronic business systems to be used as records management systems. However, Treasury had not applied these metadata requirements to any electronic business systems, as the department did not consider any electronic business systems to be records management systems. In November 2010, Treasury assessed metadata captured by its Sharepoint pilot sites and found that there was limited use and capture of metadata, and that metadata did not support searching or other requirements.<sup>129</sup> Subsequently, in July 2011, Treasury approved a proposal to implement an information architecture which would be applied to its Sharepoint solution

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<sup>128</sup> See also paragraph 2.36 and footnote 65.

<sup>129</sup> Treasury plans to use Sharepoint as a portal to the core records management system (the EDRMS), as part of its *Collaboration and Information Sharing Project*.

and will be designed to meet the International Council on Archives' *Electronic Record Keeping Guidelines*. These guidelines are similar to guidance issued by the Archives, and Australian and international standards endorsed by the Archives (see Appendix 2), and should support capture of the right metadata.

**4.43** There is merit in the agencies developing a minimum set of metadata requirements for electronic business systems that contain records, where they have not already done so. Agencies may also consider enhancing systems so that they capture the agency's minimum metadata set.<sup>130</sup> Metadata describes the nature of information and without capturing appropriate metadata there is a risk the agencies will not find relevant information, and the reliance that can be placed on that information will be reduced. For example, metadata enables an agency to understand the content of the record, and when it was created, modified and by whom, which all assists in establishing the authenticity of the information.

## **Preservation, retention and destruction of electronic records**

**4.44** A minimum requirement established by *Check-up 2.0* for preservation of records is that an agency has a strategy to manage electronic records for as long as they are required.<sup>131</sup> *Check-up 2.0* also establishes a requirement for business information systems to manage the retention and destruction of information. This could be achieved by indicating which records authority or authorities are applicable to its information; applying minimum retention periods to particular information; and retaining information for as long as necessary.<sup>132</sup>

**4.45** The agencies relied on routine IT processes to ensure that records in electronic business systems were migrated and preserved, for example, through the back-up of information in IT systems, archiving electronic records and data management arrangements. However, the agencies did not address record retention and preservation requirements from a records management

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<sup>130</sup> Minimum metadata sets should have regard to key requirements of the *Australian Government Recordkeeping Metadata Standard Version 2.0*.

<sup>131</sup> The Archives, *Check-up 2.0*, Question 13.1. A further requirement is that paper and other non-electronic records are preserved as long as they are needed, Question 13.2.

<sup>132</sup> The Archives, *Check-up 2.0*, Question 15.8. The Archives advised that the preservation of digital records for as long as they are required is also supported by the Archives' Digital Continuity Plan, developed as a part of the Australian Government's *Digital Transition Policy*.

perspective for the electronic business systems examined.<sup>133</sup> There was therefore a risk that the agencies would not be able to preserve and retrieve records to meet future business and archival requirements, including in accordance with applicable records authorities. To help ensure that records are available for as long as they are needed, there is merit in the agencies developing a formal preservation strategy. Such a strategy could be targeted towards ensuring access, integrity and functionality of both paper and electronic records, particularly those records that need to be retained for long periods of time.

**4.46** With the exception of records management systems, none of the electronic business systems examined by ANAO sufficiently provided for sentencing, destruction and transfer in accordance with records authorities. For most of the systems, fields could be overwritten. If this occurred, available audit trails would indicate an edit had occurred but generally did not identify changes. These arrangements create a risk that there will be unauthorised destruction of electronic records.

## Conclusion

**4.47** Systems used to manage records need to be able to preserve the integrity of information, including through quality control procedures to ensure the completeness and trustworthiness of records; and system controls over access and security. Many electronic systems that were not records management systems, such as shared folders, email, and certain electronic business systems, were being used by the agencies to store and manage records even though they did not have suitable records management functionality. In some of these systems there were insufficient controls in place to ensure the authenticity and integrity of the records they contained. Delays in filing information to the core records management system also exposed records to alteration and deletion, ultimately impacting on the integrity and authenticity of the record.

**4.48** It is important to minimise data quality issues in information and records holdings so that the information and records can be considered accurate and reliable. DIAC is aware of data quality issues affecting significant migration processing systems, for example, the creation of multiple records

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<sup>133</sup> Although, both Customs and DIAC acknowledged retention periods for some systems in their register of electronic systems.

where it cannot be reliably determined that the client records relate to the same person. In June 2011 a review of potential duplicate records in relation to one of the migration processing systems identified there were 653 861 multiple records.<sup>134</sup> These data quality issues have the potential to increase the risks associated with identity resolution, border operations and departmental reputation. From a policy and guidance perspective DIAC is reviewing the nature and source of data quality issues, and has plans, as part of its information management framework, to implement new data management arrangements to address these issues.

**4.49** A significant risk to Australian Government agencies in relation to records management is their ability to access complete and comprehensive information when it is required for business or legal purposes, including responding to Freedom of Information requests in a timely manner. For the three agencies, information and record access was impeded by existing information and records management arrangements. For example, information and records for a business activity were often held in a variety of locations and electronic business systems. Staff did not have access to all locations and systems, and generally had limited understanding of information holdings that fell outside of their day-to-day responsibilities. Staff often stored information in a variety of places, but did not have consistent rules about the records that needed to be created and where they would be captured. This means information is captured, managed and accessible on a silo basis. The agencies did not have a widespread culture of consistently using approved records management systems, including the EDRMS and electronic business systems, to support efficient and comprehensive searches for information.<sup>135</sup>

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<sup>134</sup> The information in this system is shared with some of Customs' electronic business systems.

<sup>135</sup> In this respect, the agencies did not apply consistent record, information and data titling conventions making it more difficult to locate relevant information.

**4.50** Where electronic business systems are used to manage records, the retention and destruction of information should be undertaken in accordance with relevant records authorities. With the exception of designated records management systems, none of the electronic business systems examined by ANAO sufficiently provided for sentencing, destruction and transfer in accordance with records authorities. For most of the systems, fields could be overwritten. If this occurred, available audit trails would indicate an edit had occurred but generally did not identify the changes.

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Ian McPhee  
Auditor-General

Canberra ACT  
27 June 2012



# Appendices



## Appendix 1: Additional Formal Comments from the Archives

In addition to providing summary comments and responding to the individual recommendations, the Archives also provided the following formal comments.

### National Archives of Australia

The National Archives welcomes the findings of this report. Creation and management of information and records is integral to agency governance and accountability. The report highlights the need to consider where records are held in an agency and whether the systems have appropriate capability to manage those records according to their value. It highlights also the need to consider appropriate interoperability of systems. These are necessary to ensure that records are managed accountably. Also necessary is agency recognition of the importance of properly maintaining information and records as a core strategic asset. This requires senior agency staff taking responsibility for improving information and records management practices and ensuring a culture which values this. High-level support, appropriately skilled records staff, good frameworks and policies, and systems with appropriate capability underpin a sound approach to management of information and records.

The Archives is pleased to see references by the ANAO to *Check-up 2.0*. *Check-up 2.0* is a self-assessment questionnaire that allows agencies to assess the status of their information and records management, to identify areas of weakness and make plans for improvement.

Since the audit was begun, the Archives has released a digital continuity plan to guide agencies in the long term management of their digital records. This is a part of a suite of guidance available to agencies through the Archives website.

The Archives agrees with the suggestion that it would be valuable for agencies to have a single complete listing of legislation, policies, standards, advice and guidance that impacts on records management. The sources that generate these requirements are disparate and the records and information management implications are not always recognised.

The Archives agrees with the suggestion that agencies consult the Archives prior to finalising new or changed legislation or whole-of-government policy and guidance that has implications for information and records. Agencies do not always recognise the potential implications for information and records

management which can lead to unintended or conflicting impacts. We urge agencies to discuss with the Archives at the earliest opportunity, legislative or whole-of-government proposals that may have the potential to impact on any aspect of information or records or on the *Archives Act*, including disposal, access, ownership or custody.

The Archives notes the continuing use of hybrid systems, i.e. keeping records in multiple systems, particular where digital records are duplicated in paper format. This practice presents a multiplicity of problems and increased risk, including loss of context, increased costs and reduced efficiencies because of difficulty in locating and retrieving records when needed, and inability to identify the authoritative record. Benefits from a single, easy to find, authoritative source of information are compromised in these cases.

## Appendix 2: Australian Government Records Management Requirements

There is a vast array of legislation, policies, standards, advice and guidance issued by a number of Australian Government agencies that have records management implications for the public sector.<sup>136</sup> This material includes:

- the *Archives Act 1983* and other pieces of legislation<sup>137</sup>;
- the Government's *Digital Transition Policy*;
- the Archives products and guidance material available at the Archives' website <<http://naa.gov.au/records-management/>>, including *Check-up 2.0* which outlines the Archives' minimum requirements for records management;
- the Australian and International Standard, *Records Management* AS ISO 15489, that has been endorsed by the Archives as 'better practice' and related Australian and International Standards<sup>138</sup>;
- the Attorney-General's Department's Protective Security Policy Framework (PSPF)<sup>139</sup>;

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<sup>136</sup> Identification of agency-specific legislation and records management requirements is the responsibility of individual agencies.

<sup>137</sup> These include the *Electronic Transactions Act 1999*, the *Evidence Act 1995*, the *Freedom of Information Act 1982*, the *Privacy Act 1998*, the *Public Service Act 1999* and the *Financial Management and Accountability Act 1997*.

<sup>138</sup> The Archives also endorses the following Standards: AS 5090: *Work process analysis for recordkeeping*, is a complementary standard to AS ISO 15489—it helps organisations understand their work processes so that they can identify their recordkeeping requirements; AS 5044: The AGLS (*Australian Government Locator Service*) *Metadata Standard* is the national standard for describing online resources to improve their accessibility—it is mandated for use on all Australian Government websites; and ISO 16175: *Information and documentation—Principles and functional requirements for records in electronic office environments* covers requirements for software used to create digital information in office environments. The Archives also issues its own standards and guidance including: *Standard for the Physical Storage of Commonwealth Records*; *Storing to the Standard: Guidelines for Implementing the Standard for the Physical Storage of Commonwealth Records*; *Australian Government Recordkeeping Metadata Standard*; *Guidelines for mobile shelving*; *Archival Quality trademark*; and *Archival quality paper products*.

<sup>139</sup> The *Protective Security Manual 2007* was in place at the time of the audit, it was replaced by the new Protective Security Policy Framework (PSPF), version 1.2, in July 2011. It was expected that agencies would transition to the new arrangements by the end of 2011. The PSPF establishes mandatory minimum security requirements for all agencies. Compliance with mandatory requirements provides assurance needed for the secure sharing of information across government. Elements of the PSPF have been successively released in 2009 and 2010 including: the *Protective Security Policy Framework*, version 1.1, was released in September 2010; and the *Information Security Manual* December 2010 was first released in September 2009. The latest version of the PSPF was released in January 2011, as Version 1.2.

- the Defence Signals Directorate's Australian Government Information Security Manual (ISM, formerly ACSI 33)<sup>140</sup>;
- the Australian Government Information Management Office (AGIMO) requirements, guidance and better practice checklists for ICT issues that impact on agencies' records management systems and responsibilities, such as online resources, cloud computing, the Australian Government Architecture (AGA) framework<sup>141</sup>, Government 2.0 (also referred to as Gov 2.0)<sup>142</sup>, software development policies such as ICT customisation and bespoke development policy, and security and authentication<sup>143</sup>;
- the Department of the Prime Minister and Cabinet's *Cabinet Handbook* and the *Federal Executive Council Handbook*;

<sup>140</sup> <<http://www.dsd.gov.au/infosec/index.htm#>> [accessed 21 November 2011]. The ISM is the standard which governs the security of government ICT systems. It complements the Protective Security Policy Framework. The ISM comprises three documents—an Executive Companion (PDF), Principles document (PDF) and Controls manual (PDF)—targeting different levels within organisations. This makes the ISM accessible to more users and promotes information security awareness across government. The compliance requirements enable entities to make informed, risk-based decisions in protecting their information and systems, including electronic storage and transmittal of information.

<sup>141</sup> The AGA aims to assist in the delivery of more consistent and cohesive service to citizens and support the more cost-effective delivery of ICT services by government, providing a framework that: provides a common language for agencies involved in the delivery of cross-agency services; supports the identification of duplicate, re-usable and sharable services; provides a basis for the objective review of ICT investment by government; and enables more cost-effective and timely delivery of ICT services through a repository of standards, principles and templates that assist in the design and delivery of ICT capability and, in turn, business services to citizens. Available at: <<http://www.finance.gov.au/e-government/strategy-and-governance/australian-government-architecture.html>> [accessed 3 January 2011].

<sup>142</sup> Government 2.0 is about the use of technology to encourage a more open and transparent form of government, where the public has a greater role in forming policy and has improved access to government information. More information is available about Government 2.0 at: <<http://finance.gov.au/e-government/strategy-and-governance/gov2.html>> [accessed 16 January 2012].

<sup>143</sup> Available at <<http://agimo.govspace.gov.au/about/>> [accessed 3 January 2011].

- the Australian Public Service Commission's publications, including Management Advisory Committee reports<sup>144</sup> and Foundations of Governance<sup>145</sup>;
- the Office of the Australian Information Commissioner's (OAIC's) information policy reports<sup>146</sup>; and
- the Senate's Procedural Order of Continuing Effect No.10—*Indexed list of departmental and agency files*. Available at: <[http://www.aph.gov.au/About\\_Parliament/Senate/Powers\\_practice\\_n\\_procedures/standingorders/d05](http://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/standingorders/d05)> [accessed 11 June 2012].

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<sup>144</sup> Relevant Management Advisory Committee reports include:

- *Empowering Change: Fostering Innovation in the Australian Public Service*, Report No. 9, 2010, pp. 56 and 57—which states that effective management of information is important as a basis for innovation within agencies and the public sector as a whole. Information management can illustrate trends and developments and highlight innovation gaps and opportunities. The report also argues in the context of Government 2.0 reforms that information collected by or for the public sector is a national resource that should be managed for public purposes. That means that we should presume that it should be freely available for anyone to use and transform, unless there are compelling privacy, confidentiality or security considerations;
- *Note for file: A Report on Recordkeeping in the Australian Public Service*, Report No. 8, 2007; and
- *Connecting Government: Whole of government responses to Australia's priority challenges*, Report No. 4, 2004—which emphasises the concept of information sharing and cooperative knowledge management.

<sup>145</sup> *Foundations of Governance* includes a section on management and use of government information. This section emphasises that the way government information is used, communicated and stored is critical to the operations of the Australian Government and has implications for privacy, copyright, knowledge management, security, history and accountability. It also emphasises the information and records management framework places responsibilities on agency heads to ensure their agencies create full and accurate records, and that information is managed and communicated in a way that supports the role of the government and the interests of the community. Available at <<http://apsc.gov.au/foundations/managinginformation.htm>> [accessed 3 January 2011].

<sup>146</sup> Available at: <[http://www.oaic.gov.au/infopolicy-portal/reports\\_infopolicy.html](http://www.oaic.gov.au/infopolicy-portal/reports_infopolicy.html)> [accessed 5 January 2011].

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