Recordkeeping in Large Commonwealth Organisations

Canberra   ACT
24 September 2003

Dear Mr President
Dear Mr Speaker

The Australian National Audit Office has undertaken a business support process audit across agencies in accordance with the authority contained in the *Auditor-General Act 1997*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit and the accompanying brochure. The report is titled *Recordkeeping in Large Commonwealth Organisations.*

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

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Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
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Abbreviations/Glossary

AFDA	Administrative Functions Disposal Authority—regulates the retention and disposal of records of common administrative activities that are undertaken by most Commonwealth organisations.
ANAO	Australian National Audit Office
AS	Australian Standard—promulgated by Standards Australia including those on records management (AS15489:2002).
BSP Audit	Business Support Process Audit
CEO	Chief Executive Officer—this audit uses the acronym to represent Departmental Secretaries as well as CEOs.
CIO	Chief Information Officer
DIRKS	DIRKS: A Strategic Approach to Managing Business Information—a manual as promulgated for use by Commonwealth organisations amongst others.
disposal	A range of actions that can change a record or remove it from its usual setting. Disposal can include destruction, damage, deletion, migration or transfer of custody or ownership.
EDMS	Electronic Document Management System. An EDMS in itself may not have recordkeeping functionality. In implementing such systems, consideration must be given to establishing full recordkeeping functionality.
e-permanence	Logo referring to the set of policies, standards, and guidelines published on the internet by National Archives from March 2000 to help guide recordkeeping in Commonwealth organisations.
ISO	International Organisation for Standardisation—promulgates international standards including a records management standard, ISO15489 in 2001. This standard was then adopted by Standards Australia and re-titled *AS ISO 15489*. The ISO standard was largely based on the earlier Australian Standard (AS4390:1996).
IT	Information Technology
Metadata	Data describing the context, content and structure of records and their management through time.

Outsourcing arrangement	Contracts or arrangements where a person or organisation, external to the participating Commonwealth organisation, performed tasks or provided services that could have been done by Commonwealth employees, regardless as to whether the external provider had undertaken the whole of the function or part thereof.
National Archives	National Archives of Australia
Recordkeeping	Making and maintaining complete, accurate and reliable evidence of business transactions in the form of recorded information.
Recordkeeping system	For the purposes of this audit, the term is defined as a system (electronic or paper) that holds records and contains the mandatory metadata elements as set by National Archives.
Records	Information created, received, and maintained as evidence and information by an organisation or person, in pursuance of legal obligations or in the transaction of business.
Records disposal authority	A document issued by the National Archives in accordance with the *Archives Act 1983* that describes records and how long they should be kept.

Summary and Recommendations

Summary

Background

1.   Recordkeeping is a key component of any organisation's corporate governance and critical to its accountability and performance. A sound appreciation of recordkeeping assists an organisation to satisfy its clients' needs and also helps it to deal positively with legal and other risks. When linked with information management more broadly, sound recordkeeping can assist organisations' business performance by: better informing decisions; appropriately exploiting corporate knowledge; supporting collaborative approaches; and not wasting resources, for example by unnecessary searches for information and/or re-doing work.

2.   In addition to it being good business practice for organisations to have sound recordkeeping practices, the statutory support for accountability within the Commonwealth, places significant responsibility for recordkeeping practices on the heads of organisations.

3.   Modern electronic records and knowledge management techniques have allowed many organisations to identify opportunities for better performance. Some organisations are beginning to move to new approaches to recordkeeping. This transition is being assisted by recent developments in the recordkeeping profession in Australia and internationally. In this respect, the National Archives of Australia (National Archives) has developed, for example, *e-permanence* recordkeeping standards for Commonwealth organisations.

The audit

Audit objectives

4.   The audit objective was, for selected organisations, to:

* assess whether recordkeeping policies, systems and procedures were in accordance with relevant Government policies, legislation, accepted standards and recordkeeping principles, and applicable organisational controls; and

* identify better practices and recommend any improvements.

Audit focus and scope

5. The audit focussed on both electronic and traditional records, using audit criteria that reflected key recordkeeping developments. The assessment was undertaken against recordkeeping aspects of each organisation's internal control framework.

6. The audit scope covered the records continuum from system design, record creation, maintenance and use, to disposal and archiving, as well as consideration of particular issues associated with electronic formats.

7. The audit also included the recordkeeping requirements of outsourced activities and functions of organisations. For the purposes of this audit, the term outsourcing covered any arrangement where a person or organisation, external to the participating Commonwealth organisation, performed tasks or provided services that could have been done by Commonwealth employees, regardless as to whether the external provider had undertaken the whole of the function or part thereof.

Audit coverage

8. This audit is the second in a series of audits on recordkeeping.[1] The audit was conducted in four large and devolved Commonwealth organisations, namely:

- Centrelink;

- Department of Agriculture, Fisheries and Forestry;

- Department of Family and Community Services; and

- Department of Health and Ageing.

Audit conclusion

9. The ANAO concluded that the audited organisations met Government policies, legislation, accepted standards and principles to varying degrees. Although all organisations had taken active steps to improve their recordkeeping frameworks and practices, their recordkeeping policies, systems and procedures were at different stages of development.

10. The ANAO also concluded that there was a significant risk of the non-capture and unauthorised disposal of records because:

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[1] The first audit was reported in ANAO Audit Report No.45 2001–02, Assurance and Control Assessment Audit, *Recordkeeping*, Canberra.

- organisations had not placed sufficient attention on the risks associated with recordkeeping, including those related to outsourced functions;

- formal recordkeeping systems, which are intended to provide for the appropriate maintenance of records, were not being used to their full potential as not all records were being entered into the recordkeeping system;

- limited controls were in place over electronic records, especially for those saved to shared network drives or personal workspaces;

- formal, long-term sentencing programs for the disposal of records were not in place, and instances of non-compliances with existing Records Disposal Authorities were identified;

- physical records were not being stored in compliance with National Archives' standards;

- contracts with outsourced providers did not include all of the recordkeeping elements recommended by National Archives, and minimal monitoring and review activities were being conducted to determine whether outsourced providers were meeting the recordkeeping requirements; and

- Business Continuity Plans did not identify organisations' vital records.

Sound and better practices

11. The audit identified examples of sound and better practices in organisations' recordkeeping frameworks. Good practices observed in at least one of the organisations were as follows:

- the records needed to be retained on-file for transactional services were specified in organisation policies;

- Chief Executive Officers provided visible support to, and endorsement of, better recordkeeping practices;

- the central records management unit reported to the Chief Information Officer, who was responsible for both recordkeeping and related information technology functions;

- references to better practice recordkeeping were included in performance agreements for senior and middle management;

- a 'file note sheet' was used to record telephone conversations;

- regional areas provided on-the-job induction training, which included the organisational-wide recordkeeping requirements;

- bulletins on recordkeeping issues were circulated to appropriate staff;

- reviews of recordkeeping projects were reported to senior management; and

- half yearly reviews of files for compliance purposes were conducted.

12.   Sound and better practices identified in this and the previous ANAO audit of recordkeeping[2] have been listed at Appendix 3.

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[2]   ibid, p. 15.

Recommendations

*The summary of recommendations below are based on the findings made in the organisations reviewed but **may** have relevance to other Commonwealth organisations. Recommendations from the previous ANAO Audit Report on Recordkeeping have been included in Appendix 2. These recommendations should be read in conjunction with the recommendations from this report.*

Risk assessment

Recommendation No. 1 Para 2.16

The ANAO recommends that organisations undertake a systematic, risk-based analysis of their recordkeeping requirements, including those relating to their web-based activity. The risk assessments should also review recordkeeping from an operational perspective so that organisations' recordkeeping practices do not pose any legislative or business risk to the organisation.

Recommendation No. 2 Para 2.19

The ANAO recommends that organisations' Business Continuity Plans should identify vital records in both paper and electronic formats, and the action to be taken in the event of a disaster so that these records are available to enable business operations to continue effectively.

Control environment

Recommendation No. 3 Para 3.9

The ANAO recommends that organisations develop a corporate recordkeeping policy in line with *National Archives' Advice 57 How to develop a recordkeeping policy*.

Recommendation No. 4 Para 3.25

The ANAO recommends that organisations provide staff with an appropriate level of access to, and training in, the software used to control paper-based records and Electronic Document Management Systems (EDMS) so that these systems are used to their full potential and any duplication of effort is reduced.

Control activities

Recommendation No. 5 Para 4.27

The ANAO recommends that organisations promote effective creation, capture, retrieval and management of records by:

- extending procedural guidance to include all appropriate National Archives' policy documents[3];

- mandating the capture of corporate electronic records into an electronic document management system with full recordkeeping system functionality;

- sufficiently specifying and classifying records to allow efficient search and retrieval;

- making classification tools, such as a thesaurus, relevant to the organisation and available to staff; and

- creating and maintaining essential contextual and records management information (metadata).

Recommendation No. 6 Para 4.53

The ANAO recommends that organisations:

- officially authorise an appropriate position to approve the disposal of Commonwealth records in accordance with Records Disposal Authorities;

- develop regular disposal and sentencing programs, as part of the records management framework, that includes operational records and meets National Archives' requirements;

- assess the occurrence of electronic records not being captured into formal recordkeeping systems so that records are not disposed of without appropriate authorisation; and

- implement National Archives physical storage guidelines for the long-term preservation of paper records.

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[3] Policy documents can be accessed at <www.naa.gov.au/recordkeeping>.

Communication of information

Recommendation No. 7 Para 5.7

The ANAO recommends that organisations develop and distribute induction packages that incorporate full recordkeeping requirements and responsibilities for all staff. In addition, general training on recordkeeping systems should be available to all staff.

Recommendation No. 8 Para 5.9

The ANAO recommends that organisations improve their staff's awareness of the organisation's recordkeeping requirements, including those for records of web-based activity.

Monitoring and review

Recommendation No. 9 Para 6.8

The ANAO recommends that organisations develop formal recordkeeping monitoring and review procedures. Possible procedures include:

- team leaders/supervisors to conduct regular checks of files and file content to confirm that appropriate records are being created and captured into a formal recordkeeping system;

- staff performance agreements to include references to better practice recordkeeping;

- regular file censuses and/or similar review activities to be conducted; and

- internal audit program to include regular reviews of records management and/or to incorporate records management considerations in individual audit reviews.

Outsourcing

Recommendation No. 10 Para 7.10

The ANAO recommends that prior to outsourcing any function, organisations incorporate the risks to recordkeeping in their risk assessments.

Recommendation No. 11 Para 7.17

The ANAO recommends that agreements with outsourced providers be extended to include the complete recordkeeping framework, as detailed in the National Archives' *Records Issues for Outsourcing including General Disposal Authority 25*.

Recommendation No. 12 Para 7.22

The ANAO recommends that organisations capture those records, which are created by outsourced providers but owned by the organisation, into formal recordkeeping systems in a timely manner.

Recommendation No. 13 Para 7.27

The ANAO recommends that organisations develop formal monitoring and review procedures, in relation to recordkeeping, for their outsourced arrangements.

Audit Findings and Conclusions

1. Introduction

Background

1.1   Recordkeeping is a key component of good corporate governance and business practice. A sound appreciation of recordkeeping assists the organisation to satisfy its clients' needs and also helps the organisation to deal positively with legal and other risks. When linked with information management more broadly, sound recordkeeping can assist an organisations' business performance by: better informing decisions; exploiting corporate knowledge; supporting collaborative approaches; and not wasting resources, for example, by unnecessary searches for information and/or re-doing work.

Management of Recordkeeping

1.2   Recordkeeping should be managed systematically by an organisation and not allowed to 'just happen'. A continuum approach to recordkeeping covers the whole extent of a records existence and refers to a consistent and coherent regime of management processes from the time of the creation of records (and before creation, in the design of systems), through to preservation and use of records as archives.

1.3   Modern electronic records and knowledge management techniques have allowed many organisations to identify opportunities for better performance. As a consequence, some organisations are beginning to move to a new approach to recordkeeping. This transition is being assisted by recent developments in the recordkeeping profession in Australia and internationally.

1.4   Recordkeeping framework issues are a key development in organisational responses to this changing environment. The *Australian Standard—Records Management* (AS4390:1996) was used as the basis for development of an international standard on records management that was then adopted by Standards Australia and re-titled *AS ISO 15489*. The records management standards are seen as enabling improved risk management and greater stakeholder assurance, as well as resulting in cost savings for users.

1.5   In the Commonwealth, the National Archives of Australia (National Archives) has progressively provided recordkeeping guidance to Commonwealth organisations over the years, including, in 1997, endorsing AS4390:1996[4] as 'best practice'. The guidance culminated in March 2000 with

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4   Now titled *AS ISO 15489*.

the release of an extensive range of recordkeeping standards, policies, tools and guidelines on their web-site under its *e-permanence* logo.

1.6   The *e-permanence* guidelines form the basis for a coherent framework for Commonwealth recordkeeping. Some of the guidelines are formal requirements —for example:

- requirement from *Better Services, Better Government, the Federal Government's E-government strategy*[5] to comply with e-permanence standards and guidelines;

- records relating to common administrative functions can only be disposed of under the *Administrative Functions Disposal Authority–February 2000* (AFDA); and

- requirement to complete Steps A–C of the manual for *Designing and Implementing Recordkeeping Systems* (DIRKS) to obtain a Records Disposal Authority for business records relating to core business functions.

1.7   National Archives also released a series of guidance and advice dealing with the risks and issues involved in outsourcing functions[6].

Legislation

1.8   In addition to it being good business practice for organisations to have sound recordkeeping practices, the statutory support for accountability within the Commonwealth, places significant responsibility for recordkeeping practices on the heads of organisations.

1.9   The legislation that has an impact on the recordkeeping practices of Commonwealth organisations is listed below and discussed at Appendix 1:

- *Archives Act 1983*;

- *Financial Management and Accountability Act 1997, Commonwealth Authorities and Companies Act 1997* and *Auditor-General Act 1997*;

- *Public Service Act 1999*;

- *Freedom of Information Act 1982*;

- *Privacy Act 1988*; and

- *Electronic Transactions Act 1999*.

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[5]   The National Office of the Information Economy, *Better Services, Better Government The Federal Government's E-government Strategy*, Canberra, November 2002, p. 18.

[6]   National Archives of Australia, *Records Issues for Outsourcing including General Disposal Authority 25*, June 1998, *Archives Advice 12 Outsourcing, accountability and recordkeeping*, February 2001, and *Archives Advice 14 Contracting out your Records Management*, Canberra, February 2001.

1.10 CEOs are supported by their own accountability and assurance mechanisms, such as audit committees and boards of management, to meet their legislated accountability obligations. However, they must also gain the support and commitment of all their staff who are, in turn, responsible for recordkeeping in respect of their own assigned activities and public duties.

ANAO audit activity

1.11 The ANAO commenced a series of audits of recordkeeping in Commonwealth organisations in 2001–2002. The audits were instigated for a number of reasons including that:

• there have been significant changes to public sector management over the past 15 years that have affected recordkeeping in Commonwealth organisations including downsizing, restructuring and outsourcing;

• the standard of recordkeeping has been a recurring issue in ANAO audits in Commonwealth organisations over recent years;

• there have been rapid advances and significant developments in information and communications technology, particularly in the area of electronic transactions, and significant growth in the pace of change to electronic business processes; and

• concerns had been raised by both the Australian Law Reform Commission[7] and the Commonwealth Ombudsman[8] over the standard of recordkeeping in the Commonwealth.

Previous audit coverage

1.12 The ANAO conducted an audit of recordkeeping in 2001–2002[9] in four small Commonwealth organisations. The previous audit's recommendations, conclusions and key findings are at Appendix 2.

1.13 The major findings of the previous audit are summarised as follows.

• Organisations were not able to be assured that all significant records, particularly electronically-sourced records, were being captured and maintained in accordance with Commonwealth records disposal requirements under the *Archives Act 1983*.

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[7] Australian Law Reform Commission, Report No.85 *Australia's Federal Record—A Review of Archives Act 1983*, AGPS, 1998.

[8] Commonwealth Ombudsman, *'Needs to Know'—Own motion investigation into the administration of the Freedom of Information Act 1982 in Commonwealth agencies*, June 1999.

[9] Australian National Audit Office, Audit Report No.45 2001–02, op. cit., pp. 18–20.

- Most of the audited organisations had commenced systematically analysing and specifying their recordkeeping needs and business information strategies using the standard, risk-based approach promulgated by the National Archives in the Commonwealth as *DIRKS: A Strategic Approach to Managing Business Information*.

- Most of the organisations included in the audit had business records that were managed through systems that were not recognised and developed as recordkeeping systems.

- The audited organisations had not sufficiently assessed the risks to their records over time and developed appropriate strategies. Physical storage of inactive paper files in leased warehouses and basements did not meet applicable standards in relation to aspects such as climate control, fire control and security.

- The risk of technological obsolescence of important electronic records (such as data in information systems) needed greater consideration. Loss of access to these records, in effect represents disposal for the purposes of the *Archives Act 1983*.

- The audited organisations also needed to develop policies, procedures, and strategic approaches to disposal and sentencing. The audit identified the vulnerability of electronic and other records, which were not being captured in the formal recordkeeping system, to unauthorised disposal. There was also scope in organisations to update and upgrade controls and procedures for disposal of their paper-based files.

- There was also a need for attention, at a corporate level, to be paid to training all personnel to help them meet the recordkeeping responsibilities of their regular business activity. In addition, regular communication was needed to keep staff advised about emerging recordkeeping issues.

- Most of the audited organisations had been undertaking reviews of their recordkeeping through the DIRKS recordkeeping needs analysis and also through internal audits. These reviews were proving useful in prompting necessary changes, although the coverage and scope of internal audits could have been developed to provide improved assurance in relation to emerging areas, such as electronic records. To supplement periodic internal audit assurance on recordkeeping, there was a need for central recordkeeping units to be given responsibility for regular monitoring and review in support of corporate recordkeeping development and performance.

1.14   A comparison of the major findings from the previous audit and this audit is shown at Appendix 4.

Audit objectives, scope and criteria

Audit objectives

1.15   The objectives of this audit were, in selected organisations, to:

- assess whether recordkeeping policies, systems and processes were in accordance with relevant Government policies, legislation, accepted standards and recordkeeping principles, and applicable organisational controls; and

- identify better practices and recommend any improvements.

Audit scope

1.16   The audit was concerned with information created, received, and maintained as evidence and information by an organisation or person, in pursuance of legal obligations or in the transaction of business. This definition of 'records' is consistent with that provided by Standards Australia[10].

1.17   Records of interest included not only those in organisations' formal registry files, but also those outside the recognised recordkeeping systems (such as in mainstream business processing and information systems, database applications, personal folders and shared drives). The ANAO also considered recording of web-based activities[11] in terms of requirements under the *Better Services Better Government*[12] strategy.

1.18   All records as described, regardless of their format, carry evidence and, therefore, need to be considered and managed by organisations. The audit scope covered the records continuum from system design, record creation, maintenance and use, to disposal and archiving, and included consideration of particular issues associated with electronic formats.

1.19   The audit also covered recordkeeping requirements of outsourced arrangements. For the purposes of this audit, the term outsourcing covered any arrangements where a person or organisation, external to the participating Commonwealth organisation, performed tasks or provided services that could be done by Commonwealth employees regardless of whether the external provider had undertaken the whole of the function or part thereof. Therefore,

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[10]   Standards Australia, *AS ISO 15489 Australian Standard Records Management*, Sydney, 2002.

[11]   Transactions enacted through websites were not included in this audit. The ANAO intends to include these types of records in the scope of future recordkeeping audits.

[12]   The National Office of the Information Economy, loc. cit.

the ANAO reviewed the recordkeeping elements of contracts that included both the partial and full transfer of responsibility for the performance of a service.

1.20 This audit focused on four large organisations with devolved activity, rather than the small and centrally administered ones reviewed in the previous audit.

Audit criteria

1.21 In line with usual ANAO practice in Business Support Process (BSP) audits, the recordkeeping arrangements in the organisations were assessed on the basis of audit criteria that addressed standard elements of the internal control structure (refer ANAO's *Better Practice Guide to Effective Control*)[13] in a way that is appropriate to the function under audit (that is, recordkeeping). The five standard elements are:

- control environment;

- risk assessment;

- control activities;

- communication of information; and

- monitoring and review.

1.22 The criteria involved mapping the control framework to the recordkeeping framework as reflected in the professional standards, Government requirements including under the *Archives Act 1983*, and National Archives guidelines (referred to earlier). The ANAO used similar audit criteria to those in Audit Report No.45 2001–02 *Recordkeeping*.

1.23 The audit criteria for each element of the control framework are shown at the start of the relevant sections of the report and are summarised at Table 1. A body of specific standards, guidelines and best practice models was used to support each of the audit criteria—for example, a *Recordkeeping Metadata Standard for Commonwealth Organisations*, published in May 1999, underpins audit testing.

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[13] Australian National Audit Office, *Controlling Performance and Outcomes, Better Practice Guide to Effective Control*, Canberra, 1997.

Table 1

Summary of audit criteria

CONTROL FRAMEWORK	AUDIT CRITERIA
Risk assessment There is an effective assessment of risk in relation to recordkeeping.	**Recordkeeping assessment** The organisation has conducted a systematic risk-based assessment of its recordkeeping needs based on business, accountability, regulatory and stakeholder needs. **Managerial risks** The organisation has conducted an assessment of operational risks to recordkeeping. **Outsourcing** There is an effective assessment of risk in relation to recordkeeping of outsourced functions.
Control environment The organisation fosters an overall environment conducive to good recordkeeping practice.	**Policy framework** Organisations have a sound corporate policy to support consistent and appropriate recordkeeping standards and practices throughout all business functions and activities. **Infrastructure** The organisation's recordkeeping framework includes appropriate allocation of responsibilities, inter-relationships and reporting, and records management infrastructure. **Outsourcing** The organisation includes recordkeeping issues in its contract arrangements for outsourced functions.
Control activities The organisation develops and applies systems and procedures for maintaining full and accurate records.	**Record creation/capture/business classification** The organisation's systems and procedures create and capture records as needed. The organisation records adequate information on the context, content, structure and management of the records so that they serve their purpose for as long as they are needed. **Record tracking/maintenance/use[14]** The organisation maintains and monitors records so that they are accessible and reliable, and access to the records is controlled as appropriate to their sensitivity. **Disposal/preservation** Organisational records are only altered or disposed of as authorised under the *Archives Act 1983*. Records are stored and preserved in the most appropriate manner (that is for their format, useability, and retention period) and consistent with risk assessments. **Outsourcing** The organisation applies systems and procedures for maintaining full and accurate records of the management of the outsourced function. The organisation applies systems and procedures for maintaining records, which are owned by the organisation but are created by the outsourced provider.

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[14] The audit did not systematically test aspects such as tracking of records to ensure their integrity and accessibility, and controlling access as appropriate to the sensitivity of the records. The key test included in this audit was whether organisation system/s have the capacity and contain the information to control and manage records over time.

CONTROL FRAMEWORK	AUDIT CRITERIA
Communication of information The organisation communicates effectively on its recordkeeping framework.	**Training and awareness raising** The organisation makes people aware of and helps meet recordkeeping responsibilities, policies, standards and practices. The organisation's people have adequate recordkeeping competencies.
Monitoring and review The organisation effectively monitors and reviews its recordkeeping practices and framework.	**Review** The organisation monitors and reviews the adequacy of recordkeeping responsibilities, policies, standards, systems and practices. There is appropriate action taken on the outcomes of monitoring and review. **Outsourcing** The organisation effectively monitors and reviews recordkeeping of the outsourced function.

Selected organisations

1.24   The organisations included in this audit were:

• Centrelink;

• Department of Agriculture, Fisheries and Forestry;

• Department of Family and Community Services; and

• Department of Health and Ageing.

Methodology and performance information

1.25   The audit process involved interviews with selected officers, the examination of files and systems supporting the recordkeeping framework and general observation and inspection.

1.26   A National Archives officer was seconded to the audit team as a technical advisor, and the ANAO also sought advice from senior staff of the National Archives and the Head of the School of Information Management and Systems at Monash University.

1.27   The audit was conducted in accordance with ANAO Auditing Standards at an approximate cost of $417 000.

Agency comments

1.28   All the audited organisations agreed to the recommendations. The comments provided by each of the audited organisations in response to the audit report are shown at Appendix 5.

National Archives' response

1.29 The National Archives was also asked to comment on the report and provided the following:

> The National Archives of Australia welcomes the continuing commitment by the ANAO to the auditing of recordkeeping in Commonwealth organisations. The Archives supports the audit recommendations and commits to continuing to work closely with Commonwealth organisations to guide them in managing the difficult but critically important transition to good recordkeeping in the digital age. With the increased speed and volume of decision making and information exchange in today's public administration, the challenge of designing and implementing user-friendly recordkeeping systems is one that requires significant ongoing resources and high-level organisational support. In particular, change management activities associated with the digital recordkeeping transition require very close attention if organisations are going to be able to deliver accountable and efficient public sector governance into the 21st Century.

> While the Archives agrees with the ANAO that Commonwealth organisations are only in the early stages of this transition, we are nevertheless pleased to note the instances of sound and better practices identified by this audit. In particular we are encouraged to see the level of CEO commitment to supporting good recordkeeping that the audit noted in two of the audited organisations. We are also pleased to note that some of the audited organisations have adopted an integrated approach to the management of recordkeeping and related information technology and information management activities and would strongly commend this approach to all Commonwealth organisations.

2. Risk Assessment

Background

2.1　It is generally accepted that recordkeeping in an organisation should be based on a systematic assessment of the business needs of an organisation and its stakeholders' interests in records, and a risk-based analysis of the likelihood and consequences relating to meeting those needs. Systematic appraisal should be done at both an organisational and a process level to underpin the specific determination of what records are needed and for how long.

Organisational-level risk assessment

2.2　The organisational-level risk assessment is the assessment of risks facing the organisation, in terms of their relative impact on the organisation's ability to achieve its outcomes and outputs efficiently and effectively. Organisations that use organisational-level risk assessment, analyse and assess their overall risk profile and then decide which risks require the allocation of additional organisational resources in order to provide management with confidence that the risks are adequately managed.

Process level risk assessment

2.3　Process-level risk assessment refers to the risks related to an organisation's day-to-day operations, including recordkeeping. There are two types of process-level risk assessments for recordkeeping. The first is a strategic approach to managing business information by undertaking a systematic, risk-based assessment of recordkeeping needs and designing appropriate recordkeeping strategies. The second is an assessment, by individual work units, of the risks that they face in achieving their objectives including recordkeeping.

2.4　As part of the risk assessment, organisations should develop business continuity plans and contingency measures and '…ensure that records that are vital to the continued functioning of the organisation are identified as part of risk analysis, protected and recoverable when needed'.[15]

Audit findings and comments

2.5　The following table summarises the criteria that were used to assess an organisation's risk assessment practices.

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[15]　Standards Australia, op. cit., Part 1, 7.1, p. 6.

Table 2
Audit criteria: risk assessment

Audit criteria	The organisation has conducted a systematic risk-based assessment of its recordkeeping needs based on business, accountability, regulatory and stakeholder needs.
	The organisation has conducted an assessment of operational risks to recordkeeping.
Detailed evaluation criteria	Is there a systematic and full assessment of recordkeeping risks to adequately determine the design of recordkeeping strategies and systems?
	Are there systematic and full assessments to determine specific requirements for record creation and disposal, that is, appraisal?

Organisational and process level risk assessments

2.6   Three organisations had conducted risk assessments at the organisational and process levels. These assessments did not include the identification or analysis of recordkeeping risks.

2.7   The fourth organisation was in the process of developing a formal organisational-level risk assessment. However, the CEO had recognised the risk of not maintaining appropriate records and had written to all Senior Executive Service Officers reminding them that one of the fundamental elements of accountability to Government, the Parliament and the community was the creation and retention of appropriate records.

2.8   Two of the organisations that had conducted organisational-level risk assessments had included their records management area in the assessment. One organisation's assessment resulted in the start of a number of projects from which a recordkeeping framework was being developed. The other organisation's assessment of its records management area had not considered the risks of general recordkeeping practices within the organisation.

Recordkeeping specific risk assessments

2.9   The National Archives and State Records New South Wales jointly developed a manual to guide design and implementation of recordkeeping systems. For the Commonwealth, the manual is titled *DIRKS: A Strategic Approach to Managing Business Information*.[16] DIRKS is an eight step method for undertaking a systematic, risk-based assessment of recordkeeping needs and designing appropriate recordkeeping strategies and systems (see Table 3 below). The DIRKS method is in line with professional recordkeeping standards and can help in managing all of an organisation's business information.

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[16] National Archives of Australia, *DIRKS: A Strategic Approach to Managing Business Information*, Canberra, 2000.

2.10 The first steps of the DIRKS process involve analysing an organisation's functions and activities, investigating the requirements for making and keeping records, and preparing recommendations about the disposal of records based on this research and analysis. These steps (A to C) assist the development of useful records management tools such as business classification schemes, titling thesauri and disposal authorities.

2.11 An organisation's documentation, produced for Steps A to C, is reviewed by National Archives to make sure that analysis for the DIRKS methodology is supported, in particular, for business activities and related recordkeeping requirements. National Archives' assessment, however, relates to compliance with the DIRKS methodology, not to the implementation of recordkeeping within the organisation. National Archives then issues the organisation, whose documentation has been reviewed, with a new Records Disposal Authority[17].

Table 3
Steps in the DIRKS methodology

Step	Description
A	Preliminary investigation
B	Analysis of business activity
C	Identification of recordkeeping requirements
D	Assessment of existing systems
E	Strategies for recordkeeping
F	Design of a recordkeeping system
G	Implementation of a recordkeeping system
H	Post-implementation review

2.12 Three of the four audited organisations had undertaken DIRKS Steps A to C. These organisations had approval for the results of Step A and were awaiting approval from National Archives for Steps B and C and issuance of new Records Disposal Authorities.

2.13 In one of these organisations, the ANAO considered that the DIRKS analysis lacked rigour and that the content of the steps was incomplete, because all risks identified were assessed as low risk even though the ANAO found during the audit that there was a lack of control over records. None of the three organisations had decided whether to undertake further DIRKS activity beyond that required to develop an organisation-specific Records Disposal Authority (Steps A–C).

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[17] Commonwealth organisations are required to complete steps A to C to develop a Records Disposal Authority for their unique functions. The documentation produced forms the basis of the Records Disposal Authority that is authorised under section 24 of the *Archives Act 1983*. Destruction can still occur under a pre-existing Records Disposal Authority but records designated 'permanent' under these older authorities need to be reviewed.

2.14 The ANAO also found that none of the DIRKS analysis included assessments of the recordkeeping requirements associated with their web-based activity. The Government's e-business strategy[18] requires organisations to comply with the National Archives' *e-permanence* standard, which in turn refers to policy and guidelines for keeping records of web-based activity.[19]

2.15 The other organisation had not yet started the DIRKS process. This increased the risk that future implementations of new recordkeeping systems may not take into account all of the organisation's recordkeeping requirements.

Recommendation No.1

2.16 The ANAO recommends that organisations undertake a systematic, risk-based analysis of their recordkeeping requirements, including those relating to their web-based activity. The risk assessments should also review recordkeeping from an operational perspective so that organisations' recordkeeping practices do not pose any legislative or business risk to the organisation.

Implementation of the recommendation

2.17 In implementing this recommendation, the ANAO considers that the central records management area, should review these risk assessments to assess whether current recordkeeping frameworks are sufficient to assist in addressing the identified risks.

Business Continuity Plans

2.18 One organisation had not developed a Business Continuity Plan whilst the other three organisations' Plans failed to identify vital records.[20] The Plans concentrated on the regular performance of Information Technology (IT) back-ups and gave little attention to the protection or retrieval of paper records or electronic records saved/archived on portable physical media such as floppy and compact disks.

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[18] The National Office for the Information Economy, op. cit., p. 18.

[19] National Archives of Australia, *Archiving Web Resources: Policy and Guidelines for Keeping Records of Web-based Activity in the Commonwealth Government*, Canberra, 2001.

[20] Vital records are those records without which the business of an organisation cannot continue. This can include daily invoices through to the Minutes of meetings of Executive bodies.

Recommendation No.2

2.19 The ANAO recommends that organisations' Business Continuity Plans should identify vital records in both paper and electronic formats, and the action to be taken in the event of a disaster so that these records are available to enable business operations to continue effectively.

Conclusion

2.20 Three of the organisations had begun a systematic risk-based assessment of recordkeeping needs of core functions by using the DIRKS methodology. One organisation had not conducted any sort of assessment of its recordkeeping needs.

2.21 Generally, insufficient attention had been placed on the risks associated with recordkeeping at both the organisational and process level, even when DIRKS had been performed. In addition, Business Continuity Plans, which, amongst other things, provide for business records to be available in the event of a disaster, had not been developed.

3. Control Environment

Corporate policy frameworks for recordkeeping

3.1   The professional recordkeeping standard *AS ISO 15489* indicates that the leadership of an organisation should define broad recordkeeping parameters and standards to be applied in the organisation through a formal recordkeeping policy statement. The first ANAO audit of Recordkeeping echoed this need so that recordkeeping would be seen as an integral part of the way organisations do business rather than as something extra at the end of various processes.[21]

3.2   In the ANAO's view, recordkeeping policy settings provide part of the foundations for successful recordkeeping strategies, systems and communications. An organisation's recordkeeping policy needs to take account of the recordkeeping analysis conducted by organisations through organisational and process-level risk assessments and DIRKS, as well as being regularly reviewed as needs change. National Archives has recently released guidance to organisations on the content and structure of a better practice policy.[22]

Audit findings and comments

3.3   The following table summarises the criteria that were used to assess an organisation's policy framework.

Table 4

Audit criteria: policy framework

Audit criteria	Organisations have a sound corporate policy to support consistent and appropriate recordkeeping standards and practices throughout all business functions and activities.
Detailed evaluation criteria	Is the recordkeeping policy authorised and up-to-date, and available in a form where an organisation's personnel are able to access it?
	Is the policy inclusive of all record formats and across all of the organisation's business activities?
	Does the recordkeeping policy reflect all Commonwealth recordkeeping requirements, relevant standards and best practice guidelines (with justifiable modifications)?

3.4   The ANAO found that two of the audited organisations had developed draft corporate-wide records management policies. The third organisation had a number of corporate policies available without guidance on which one took

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[21] Australian National Audit Office, Audit Report No. 45 2001–02, op. cit., p. 18.

[22] National Archives of Australia, *Archives Advice 57 How to develop a recordkeeping policy,* op. cit., p. 2.

priority. The fourth organisation had developed a *Standard for Recordkeeping* and was in the process of drafting a suitable policy document.

3.5   The ANAO assessed the policies against National Archives guidance[23] and found that only one of the draft recordkeeping policies met the guidelines. The ANAO considered that the various recordkeeping policies reviewed could generally be improved by including the following items identified in National Archives guidance:

- instructions that cover the general creation and capture of records as well as management of files and other issues relating to recordkeeping;

- instructions for all record formats, including electronic and records of web-based activity;

- identification of all recordkeeping systems used within the organisation;

- the authorisation and date of the policy;

- the specific responsibilities of all staff;

- up-to-date references to recordkeeping standards and legislation;

- completed glossaries where the definitions are consistent with the terminology used within the text;

- references to other relevant policies in the organisations including information and knowledge management policies; and

- monitoring and review requirements.

3.6   The ANAO found that, of the two organisations that had developed draft records management policies, one had not considered records of web-based activities and the other had referred to the need to retain records of documents posted on the internet and had referred users to another document which specified the requirements.

3.7   One organisation was found to have issued a document on e-mail use that stated 'e-mails are working documents and therefore do not comprise an official record'. The document advised staff to only retain the e-mail containing the actual decision, which is contrary to the requirement for Commonwealth officers to keep evidence of business activities which not only show the final decision but also provide evidence of the facts and reasons on which the final decision was made.[24]

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23   ibid.

24   National Archives of Australia, *Managing Electronic Messages as Records* and *Archives Advice 20— E-mail is a reco*rd, Canberra, March 2002.

3.8 The *Standard for Recordkeeping* issued by one organisation dealt with generic recordkeeping issues, such as what to record and when, rather than detailing specific recordkeeping requirements of the organisation and what was required of individual staff members.

Recommendation No.3

3.9 The ANAO recommends that organisations develop a corporate recordkeeping policy in line with *National Archives' Advice 57 How to develop a recordkeeping policy.*

Corporate recordkeeping infrastructure

3.10 Organisational-wide infrastructure that would support good recordkeeping includes the following.

- Responsibilities for recordkeeping being specified in recordkeeping policies for managers, staff and central records management areas.

- Organisational structures that foster appropriate linkages with functions such as corporate governance and information management. As modern recordkeeping involves IT as a tool to create, capture and manage records, a link between central records management areas with IT staff is essential to make certain that the technology used meets recordkeeping requirements as well as being compatible with the existing technology in the organisation.

- Corporate support for good recordkeeping through the appropriate systems and records management services.

- Visible commitment by senior management to maintaining the importance of recordkeeping throughout the organisation.

Audit findings and comments

3.11 The following table summarises the criteria that were used to assess an organisation's recordkeeping infrastructure.

Table 5

Audit criteria: infrastructure

Audit criteria	The organisation's recordkeeping framework includes appropriate allocation of responsibilities, inter-relationships and reporting, and records management infrastructure.
Detailed evaluation criteria	Is there clear allocation of recordkeeping responsibilities (i) applying to personnel generally and (ii) for strategic oversight and coordination?
	Is recordkeeping appropriately integrated with corporate governance, reporting structures, corporate strategy, and associated information management functions?
	Is there appropriate infrastructure in terms of skills, and formal recordkeeping systems?

Allocation of responsibilities and organisational structure

3.12   The ANAO found that one organisation had clearly allocated responsibility to management and staff within its recordkeeping policies. The remaining three organisations had only provided brief and general descriptions of staff and managerial recordkeeping responsibilities within their policy/guidance documents.

3.13   All the audited organisations had employed staff with practical skills in traditional records management. Staff in three of the organisations attended training courses and other recordkeeping sessions provided by the National Archives and attended forums organised by professional recordkeeping bodies. The ANAO considered that, generally, the levels of experience and skill within these units for the performance of recordkeeping duties were appropriate.

3.14   The ANAO found one instance, however, where the substantive position of the Records Manager was not sufficiently senior in the organisation when compared to the requirements included in the Australian National Training Authority's *Archives and Records Competency Standards*[25] and National Archive's *Advice 15–Qualifications for Records Managers*.[26]

3.15   All of the organisations supplemented their staff and their skills, from both internal and external sources, to assist in risk management, infrastructure and system development and implementation tasks. In most cases, contractors and consultants were hired to sentence existing files or to complete the DIRKS steps. Organisations did so that existing staff were free to continue with daily operational tasks, and to strengthen their staff recordkeeping skills and the organisation's recordkeeping infrastructure by using specialist expertise in relevant areas.

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[25]   Australian National Training Authority, *Archives and Records Competency Standard*, 2001.

[26]   National Archives of Australia, *Archives Advice 15 Qualifications for Records Managers*, Canberra, November 1998.

3.16   The sourcing of internal expertise was assisted by all of the organisations having organisational structures that promoted appropriate linkages with functions that related to recordkeeping. In all cases, the IT functions were linked with the records management functions. The linkages provided a structure whereby appropriate managers within the audited organisations were responsible for the coordination of recordkeeping projects.

Corporate support of recordkeeping

3.17   In two of the audited organisations, corporate support for recordkeeping was clear and evident. In one of these organisations, a Minute reinforcing the importance of good recordkeeping practice had been sent from the CEO of the organisation to all senior managers. The Minute also asked that senior managers work with staff to develop an organisational-wide understanding of recordkeeping, and that they help raise staff awareness of their recordkeeping responsibilities.

3.18   In the other organisation, the CEO and senior management of the organisation conducted checks on recordkeeping practices across the organisation. This had the effect of focussing management and staff attention on current recordkeeping practices and reinforced the importance of good recordkeeping practice. The support of the CEO for recordkeeping projects, such as DIRKS, was evident in both organisations.

3.19   In the other two organisations, corporate support for recordkeeping was not as clear and evident. In one of these organisations, although formal recordkeeping systems had been purchased, the DIRKS process had not yet commenced.

Formal recordkeeping systems

3.20   All the audited organisations used software for controlling paper-based records. The ANAO found that the use of this software in one organisation was low. The reasons for the low usage included:

- the majority of staff were unaware of the existence of the software used to control paper records or that they had access to it. The organisation's records management policy did not refer to the existence of the software, or the requirement for staff to use it; and

- training in the software used to control paper records was provided only to Executive Assistants and junior administrative staff. Other staff members were not trained in the use of the system and, therefore, did not use it, even though current work practices made individual staff members at all levels responsible for creating and capturing their own records.

3.21 One organisation had implemented an Electronic Document Management System (EDMS). This organisation and two of the other organisations had commenced projects to identify a new or replacement EDMS best suited to their organisation.

3.22 The ANAO found, however, that the use of the EDMS was low because there was some cultural resistance to using it. The ANAO noted that, as a general rule, staff were often reluctant to embrace the new working practices that an EDMS required. This emphasises the need for strong change management processes to support the introduction of new work practices such as the implementation of an EDMS.

3.23 The ANAO found that all the audited organisations' branches/units were maintaining their own ad hoc recording systems, in spreadsheets and databases, for paper files, regardless of whether or not they were registered in the software used to control paper records. The ANAO also found that one organisation had not kept these ad hoc systems up-to-date.

3.24 The maintenance of spreadsheets and databases used for the tracking and location of records held within branches/units, in addition to the information already registered in the software used to control paper-based records and the existing EDMS, constitutes a duplication of effort. The ANAO considers that organisations should examine the feasibility of allowing staff 'inquiry-only access'; or of educating staff to the functionality of the software used to control paper records and the existing EDMS, for the purpose of tracking and locating records. This would enable staff to identify, track and retrieve files without the need to continually update and maintain spreadsheets and databases. This would assist in staff using the software to its full potential.

Recommendation No.4

3.25 The ANAO recommends that organisations provide staff with an appropriate level of access to, and training in, the software used to control paper-based records and Electronic Document Management Systems so that these systems are used to their full potential and any duplication of effort is reduced.

Conclusion

3.26 Generally, organisations had appropriate organisational structures in place for the support of good recordkeeping practices. Some CEOs were visibly and actively supportive of better practice recordkeeping.

3.27 The ANAO concluded that the development of policy documents was at different stages in each of the audited organisations with only one policy

satisfying the criteria set by National Archives[27]. Only one of the audited organisations' policies had covered records of web-based activities in any depth. Also, organisations had not provided adequate descriptions of staff and managerial recordkeeping responsibilities within corporate policy documents.

3.28 Although all organisations had software to control paper-based records and one organisation had an EDMS, they were not being used to their full potential.

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[27] National Archives of Australia, *Archives Advice 57 How to develop a recordkeeping policy,* op. cit., p. 2.

4. Control Activities

Background

4.1   The general features of systems and procedures that make certain records have the necessary characteristics of authenticity, reliability, integrity and useability are specified in the professional recordkeeping standard, *AS ISO 15489*. In addition, detailed guidelines on minimum Commonwealth recordkeeping requirements are available from National Archives.

4.2   While the above documents are technical in content, the National Archives has also developed a guide for Australian Public Service staff on record creation and capture titled *Keep the Knowledge—Make a Record!*[28]

4.3   This chapter deals with creation, capture and classification, tracking, maintenance and accessibility, and disposal and preservation of records.

Audit findings and comments

Creation, capture and classification of records

4.4   Organisations are expected to have systems and procedures that enable managers and staff to create and capture appropriate records. Once captured, the record must be classified and identified in a meaningful way so that it can be used and managed by the organisation. Essential elements in these systems and procedures are procedural guidelines, metadata[29] and a titling thesaurus.

4.5   The following table summarises the criteria that were used to assess an organisation's ability to create, capture and classify records.

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[28]   National Archives of Australia, *Keep the Knowledge—Make a Record!*, <www.naa.gov.au/recordkeeping /training/keep/package.html>. This package superseded *Tips for Commonwealth Officers, Creating Records.*

[29]   Data describing the context, content and structure of records and their management through time.

Table 6

Audit criteria: record creation/capture/business classification

Audit criteria	The organisation's systems and procedures create and capture records as needed.
	The organisation records adequate information on the context, content, structure and management of the records so that they serve their purpose for as long as they are needed.
Detailed evaluation criteria	How comprehensive are procedures and guidelines in respect of making and keeping records?
	Do staff apply rigorous/correct processes in saving/managing records? For example, how does the organisation capture business records from personal work spaces?
	Do the organisation's (i) systems and (ii) practices provide sufficient descriptive and contextual information on the records?
	Is there an appropriate use of functional classifications and vocabulary controls across the spread of an organisation's business records?
	Can the organisation successfully perform precise and broad recall searches from different angles and encompassing all its business records? Can the organisation retrieve records in the future for example, if software and/or hardware becomes obsolete?

Procedural controls and guidance

4.6   The status of records management procedures varied across the audited organisations. All the organisations had some form of procedures, with two being complete, authorised and issued, one in draft and the fourth still being completed. The ANAO considers that of the four sets of procedures, only those that were in draft covered electronic records and records of web-based activities adequately.

4.7   The ANAO found that staff in the two organisations with complete, authorised and issued procedural documents, were mostly unaware of the existence of these procedures. One of these procedural documents was focussed purely on central office records management requirements and was of limited use to staff in regions and operational areas.

4.8   The other organisation had seven documents that made up its recordkeeping guidance, which, the ANAO found, contributed to staff having difficulties in identifying what they were required to do.

Capture of paper records

4.9   All of the organisations audited had the capacity to register corporate paper records[30] on recordkeeping software but the extent to which the software was used, varied. The ANAO's findings follow.

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[30]   For the purposes of this audit, corporate paper records were defined as paper records of administrative and corporate activities as opposed to paper records of operational activities.

- One organisation was storing corporate records in manila folders and other informal files that were not placed in registered files until they were ready for storage. This often constituted around three years worth of official records.

- One organisation registered its central office corporate records on the software and was working towards registering regional corporate files on the same software.

- The remaining two organisations registered their corporate documents in the software used to control paper-based records.

- Two organisations used a separate system for the tracking and registering of Ministerial and Parliamentary documents. One of these organisations also had a separate system for personnel files.

4.10 The storage of corporate records in non-registered files exposes organisations to the risk of being unable to locate official records and that official records may never be captured in the formal recordkeeping systems.

Capture of electronic records

4.11 Electronic records encompass word processing and spreadsheet type documents, e-mails, databases, and any other record created within an electronic system or stored on electronic media. Electronic records constitute a significant portion of any organisation's records.

4.12 As stated earlier, one organisation had an EDMS but its use by staff was limited. Instead, most staff chose to save corporate documents in shared network drives or to apply the 'print to paper'[31] rule. These practices were similar to those used in the three remaining organisations which had not implemented EDMSs.

4.13 The ANAO found that many operational electronic records were also not being captured into formal recordkeeping systems. Databases and systems had been developed or purchased by organisations that were able to allocate file numbers for particular operational activities. However, these databases were not recordkeeping systems as they did not record all of the mandatory metadata.[32]

4.14 In relation to electronic mail, the majority of organisations audited applied the 'print to paper' rule. In the organisation that had an EDMS, a small number

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[31] 'Print to paper' rule means that the official record of the organisation is the physical record or file rather than the electronic copy. In practice this requires staff to print and file any items to create the official record.

[32] National Archives of Australia, *Recordkeeping Metadata Standard for Commonwealth Agencies*, Canberra, May 1999.

of officers were found to be in the good practice of regularly saving corporate e-mails to the EDMS.

4.15 Another organisation had implemented a 'prompt' question as part of the body of the email. It asked users 'Is this email part of the decision-making process?' However, the ANAO found confusion existed in staff as to what was meant by 'the decision-making process', and additional procedures had been put into place so that emails could be saved to a database as an interim measure until the EDMS was fully implemented.

4.16 The most common approach, however, to the long-term storage of e-mail was to retain business related e-mails within staff's e-mail accounts. The ANAO considers that this practice increases the risk of unauthorised disposal of records as it is common practice for organisations to broadcast network requests to delete documents including e-mails from the servers due to limited storage space without reference to recordkeeping requirements.

4.17 Generally, the ANAO found that there was a significant risk that electronic records would not be captured in the formal recordkeeping systems. There was a lack of formal controls in place to manage the capture of electronic records, which meant that the extent of capture of records was dependent upon the recordkeeping rigour applied by individual staff members. The impact of this is that electronic records may not be able to be retrieved when required; may be disposed of without authorisation; and not preserved for the required retention period.

Web-based capture

4.18 A Commonwealth organisation's web-site has the purpose of providing information, including advice and instructions to client groups, and facilitating the provision of products and services. National Archives considers web resources to be records and, as such, are subject to the disposal provisions of the *Archives Act 1983*.[33]

4.19 The ANAO found that three organisations had commenced retaining records of web-based activity, but further work was still required to complete capture of all web-based records. The ANAO found that the fourth organisation was not retaining any records of web-based activity.

Contextual information on records (metadata)

4.20 The ANAO assessed each of the organisation's formal recordkeeping systems against the mandatory elements of the National Archives' *Recordkeeping*

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[33] National Archives of Australia, *Archiving Web Resources: A Policy for Keeping Records of Web-based Activity in the Commonwealth Government*, op. cit., p. 11.

Metadata Standard for Commonwealth Agencies.[34] Metadata plays a key role in the authenticity, integrity and usability of records so that they can be managed and disposed of in an accountable and efficient manner.

4.21 In all organisations, registered paper file covers had been designed to capture all mandatory metadata elements. However, whether these elements were recorded was at the discretion of the individual staff member.

4.22 Electronic systems reviewed by the ANAO included the formal recordkeeping systems and EDMS as well as other systems used to retain records. These other systems included Lotus Notes, Microsoft products and databases and systems designed for operational purposes. All organisations recorded the mandatory metadata elements for the records captured in their formal recordkeeping systems. However, none of the other electronic systems reviewed captured all of the mandatory metadata elements.

Classification

4.23 The National Archives and the professional recordkeeping standard on records management recommends that organisations classify records by using a 'functions-based' business classification scheme:

> to establish and document the relationships between business activities and the records that are created as a by-product, enabler and evidence of those activities; to establish links between individual records which cumulate to provide a continuous record of organisational activity; to enable the consistent identification of records over time, thus assisting in the location and retrieval of records from within a recordkeeping system; and to help determine and implement appropriate records retention and disposal decisions[35].

4.24 For the functional business classification scheme to be effective, it must reflect the business activities of the organisation. Staff must have access to the business classification scheme, usually by using a functional thesaurus, as well as understand how to use it.

4.25 Two organisations used *Keyword AAA*[36] and an agency specific functional thesaurus to title records at the first levels within the software used to control paper records. The third organisation used a *Keyword AAA* based thesaurus that

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[34] National Archives of Australia, *Recordkeeping Metadata Standard for Commonwealth Agencies*, op. cit., p. 21.

[35] <www.naa.gov.au/recordkeeping/control/functions_thesaur/chpt1.html>.

[36] National Archives of Australia's website describes *Keyword AAA* as 'a thesaurus of general terms designed for use in classifying, titling and indexing most types of records in most technological environments…. *Keyword AAA* covers terminology common to business functions and activities in most organisations. It should be used in conjunction with a thesaurus of functional terms, relating to the organisation's specific or core business functions, to provide comprehensive, controlled vocabulary coverage.'

was inherited from another Commonwealth organisation. The fourth organisation indexed files using key words from the categories in the Administrative Functions Disposal Authority (AFDA). All organisations allowed free text to be used for the file title. The ANAO identified the following issues with the thesauri used by the organisations.

- The thesaurus inherited from another Commonwealth organisation, did not align with the inheriting organisation's functions and was considered by the majority of the organisation's staff to be inadequate for titling files. The ANAO noted that this organisation planned to use the results of their DIRKS analysis as the basis of its functional thesaurus.

- Staff of one organisation that used the *Keyword AAA* thesaurus were concerned that the central records management area changed their file titles and classifications to titles that the staff did not consider appropriate. The ANAO found that staff also had little access to the functional thesaurus as it was too large to be printed and distributed, and electronic file creation request forms did not offer lists of accepted titles from *Keyword AAA* and the functional thesaurus.

4.26   As discussed earlier, numerous records, especially electronic records, were kept outside formal recordkeeping systems. In instances where electronic records were not saved to an EDMS, organisations had no control over titling. This made it difficult for organisations to perform searches and retrieve information on specific themes, subjects or records.

Recommendation No.5

4.27   The ANAO recommends that organisations promote effective creation, capture, retrieval and management of records by:

- extending procedural guidance to include all appropriate National Archives' policy documents[37];

- mandating the capture of corporate electronic records into an electronic document management system with full recordkeeping system functionality;

- sufficiently specifying and classifying records to allow efficient search and retrieval;

- making classification tools, such as a thesaurus, relevant to the organisation and available to staff; and

- creating and maintaining essential contextual and records management information (metadata).

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37   Policy documents can be accessed at <www.naa.gov.au/recordkeeping>.

Conclusion—creation, capture and classification of records

4.28   All organisations had or were in the process of developing procedures to create, capture and classify records. However, all organisations had both paper and electronic records that were not captured in formal recordkeeping systems. The majority of organisations did not have formal systems to capture or manage their electronic records, including email. Only two organisations had commenced capturing records of web-based activities. Mandatory metadata on electronic records held outside the formal recordkeeping system was also not being recorded.

4.29   Generally, recordkeeping procedures did not identify the formal recordkeeping systems of the organisations or the specific requirements for all record formats including records of web-based activities.

4.30   Also, the majority of organisations did not have adequate control over the titling of electronic documents as well as the methods used by some organisations to title records being inadequate to meet the organisations' needs.

Tracking, maintenance and accessibility of records

4.31   Organisations are expected to track and maintain their records so that they are accessible and reliable. Organisations are also expected to apply appropriate security controls to records as dictated by the sensitivity of the records. The ANAO considered whether organisational systems had information on key recordkeeping events such as the creation, classification, appropriate access and disposal of records.

4.32   The following table summarises the criteria that were used to assess an organisation's ability to track, maintain and use records.

Table 7
Audit criteria: record tracking/maintenance/use

Audit criteria	The organisation maintains and monitors records so that they are accessible and reliable, and access to the records is controlled as appropriate to their sensitivity.
Detailed evaluation criteria	Do the processes for controlling access and use, adequately protect the integrity and availability of the organisation's records?
	Do the recordkeeping systems track and record information on key recordkeeping events such as creation, classification, appropriate access and disposal (for example by who, when)?
	Are procedures for monitoring and restricting access sufficient to detect attempts and prevent violations?

Tracking and maintenance

4.33 The ANAO found that the software used to control paper records and the EDMS used by the audited organisations had the ability to track and record information on key recordkeeping events such as creation, classification, access and disposal of records. In all organisations, registered paper records movements were generally only tracked by manually updating the software used to control them.

4.34 The file covers used for registered files in all organisations were found to have the capacity to maintain an auditable trail of recordkeeping transactions. However, the ANAO often found that file covers were generally not updated as required.

4.35 As discussed earlier, the low use of the formal recordkeeping systems in two organisations negated the ability of the system to track and maintain records as the system did not contain all the organisations' records.

Accessibility and security

4.36 Generally, the ANAO found that, where records were captured in software for controlling paper-based records and EDMSs, they were readily accessible.

4.37 In relation to paper files, the ANAO found that security over physical access was generally achieved by locking files away when not in use. However, the ANAO noted instances in all organisations where In-Confidence files were stored in unlocked cabinets.

4.38 Access to electronic records was generally restricted by hierarchical access network controls. Some sensitive records were further restricted by password controls being enacted on the electronic document itself. However, instances were identified by the ANAO in two organisations where the network access controls allowed electronic in-confidence documents to be viewed by unauthorised staff.

Conclusion—tracking, maintenance, accessibility and security of records

4.39 All the organisations audited had the ability to track key recordkeeping events within formal recordkeeping systems. However, the low usage of their formal recordkeeping systems in two organisations negated the benefits. Also, not all appropriate security measures were being taken to prevent inappropriate access to records.

Disposal, storage and preservation of records

4.40   Section 24 of the *Archives Act 1983* generally prohibits the disposal of Commonwealth records other than as authorised by the National Archives. This is also supported by the professional recordkeeping standard *AS ISO 15489*. In addition to guidelines included in *AS ISO 15489*, National Archives has also issued guidance[38] on the preservation of records.

4.41   The following table summarises the criteria that were used to assess an organisation's ability to dispose of and preserve records.

Table 8
Audit criteria: disposal/preservation

Audit criteria	Organisational records are only altered or disposed of as authorised under the *Archives Act 1983*.
	Records are stored and preserved in the most appropriate manner (that is for their format, useability, and retention period) and consistent with risk assessments.
Detailed evaluation criteria	What safeguards exist in the organisation to control that only legally compliant disposals under its disposal authorities are made (for example, documentation and quality assurance on sentencing, controls over losses from shared drives/Email, etc)?
	What transfers of records have been authorised or have occurred (for example recordkeeping arrangements for reorganisations such as outsourced functions, privatisations etc)?
	Does physical storage meet applicable standards and take into account the operational hazards (identified in the risk assessment)?

Authorisation of approval to dispose of records

4.42   National Archives considers it to be better practice for CEOs to authorise an appropriate position to approve the disposal of Commonwealth records, within their organisation, in accordance with Records Disposal Authorities. The ANAO found that three of the organisations audited had done this and the other had not.

Sentencing and disposal of paper records

4.43   All the audited organisations had processes in place for the sentencing and authorised disposal of records. Each of the organisations had contracted out their sentencing and disposal function either to information management companies or to a contractor from one of these companies to work on-site.

4.44   Where sentencing programs existed, they were 'stop-gap' arrangements rather than an integral part of the recordkeeping process. Importantly, these

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[38]   National Archives of Australia, *Standard for the Physical Storage of Commonwealth Records*, Canberra, March 2002.

programs were only able to incorporate those records maintained in the formal recordkeeping systems; as previously stated, many records of the organisations were maintained outside these systems.

4.45   The ANAO identified the following issues in relation to sentencing and disposal:

- One organisation had disposed of records that, according to the organisation's existing Records Disposal Authority, were to be retained permanently. This organisation had also not retained a list of these records, which contravenes the AFDA.

- Another organisation's central records management area had advised an operational unit of the wrong Records Disposal Authority for disposal of their records.

4.46   Commonwealth organisations are required to maintain a list[39] of records that have been disposed of, and Regulation 7 of the Archives Act requires that organisations submit a NAS45 form to National Archives on disposing of Commonwealth records. The ANAO found that all organisations kept a list of records that had been disposed of and the majority of organisations were submitting NAS45 forms in accordance with the Regulation. However, the ANAO also found that the regional areas of two organisations had not submitted the NAS45 form when they had disposed of records.

4.47   National Archives advised the ANAO that although it was important for Commonwealth organisations to document when and what records were disposed of, National Archives did not actively monitor the NAS 45. The ANAO considers that, as the rationale for organisations advising National Archives when records are disposed of is unclear, National Archives should review the purpose of the NAS45 form.

Sentencing and disposal/preservation of electronic records (including email)

4.48   The ANAO found that generally there were no disposal/preservation procedures in place to monitor and control electronic records that were not printed to paper and placed on registry files, or saved to an EDMS. In most cases, organisations relied on IT back-up strategies so that, in the event of a system failure, electronic information saved to the network drives, would be recoverable. However, IT back-ups do not constitute appropriate recordkeeping preservation or migration strategies.

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[39]   Inferred requirement from the *Administrative Functions Disposal Authority 1490*.

4.49   The ANAO also found that there was a general lack of control over the culling of corporate electronic documents from personal work spaces and shared drives. Uncontrolled culling of records from over-capacity folders makes electronic records vulnerable to unauthorised disposal.

4.50   The ANAO found that organisations generally had not considered migration and preservation strategies for the accessibility of records in the long-term, or the preservation of records stored on portable physical media, such as floppy and compact disks.

Physical storage

4.51   The audited organisations' physical storage facilities were assessed against the National Archives of Australia *Standard for the Physical Storage of Commonwealth Records*.[40] Three organisations contracted the long-term storage of records to information management companies.

4.52   Non-compliances were detected in all but one of the organisations' storage facilities. The non-compliances identified with the facilities included:

•   uncontrolled temperature and humidity levels;

•   poor lighting;

•   the loading dock not being separate to the storage area; and

•   inappropriate storage mechanisms, for example chipboard shelves, uncoated metal racks and pallets.

Recommendation No.6

4.53   The ANAO recommends that organisations:

•   officially authorise an appropriate position to approve the disposal of Commonwealth records in accordance with Records Disposal Authorities;

•   develop regular disposal and sentencing programs, as part of the records management framework, that includes operational records and meets National Archives' requirements;

•   assess the occurrence of electronic records not being captured into formal recordkeeping systems so that records are not disposed of without appropriate authorisation; and

•   implement National Archives physical storage guidelines for the long-term preservation of paper records.

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[40]   National Archives of Australia, *Standard for the Physical Storage of Commonwealth Records*, op. cit.

Conclusion—disposal, storage and preservation of records

4.54   Three organisations had authorised an appropriate position to approve the disposal of Commonwealth records, in accordance with Records Disposal Authorities. All four organisations had processes in place for the sentencing and authorised disposal of records. However, the majority of organisations were not storing their physical records in accordance with National Archives' standards, nor did they have formal, long-term sentencing and disposal programs in place. Two instances of non-compliance with existing Records Disposal Authorities were identified.

4.55   In relation to electronic records, none of the organisations had formal disposal/preservation procedures in place to monitor or control electronic corporate records saved to personal workspaces and shared network drives.

5. Communication of Information

Background

5.1   This element of the recordkeeping control framework is about training and awareness to address the important people factors affecting recordkeeping. Professional recordkeeping standards[41] require regular attention to be given to these aspects. The desired outcome is that all personnel maintain the understanding needed to meet their recordkeeping responsibilities. Attention should also be given to the competencies of line staff with records management responsibilities. To enable effective development of modern recordkeeping systems, there is now greater reliance on archival and recordkeeping professional disciplines. There are established standards[42] for recordkeeping and competencies that apply both to staff in line positions, and those with coordination responsibility for records management.

Audit findings and comments

5.2   The following table summarises the criteria that were used to assess an organisation's training and awareness raising activities.

Table 9
Audit criteria: training and awareness raising

Audit criteria	The organisation makes people aware of and helps meet recordkeeping responsibilities, policies, standards and practices.
	The organisation's people have adequate recordkeeping competencies.
Detailed evaluation criteria	How does the organisation increase staff awareness of the recordkeeping system and issues?
	Is there training in the recordkeeping system available for staff?
	Is specialist training available for operational records management staff?
	Are competencies in recordkeeping assessed?

Training

5.3   The ANAO found that only two of the audited organisations had incorporated recordkeeping as a topic in their induction training programs. However, one organisation's training program did not cover records of web-based activity and the other's was only for operational staff. An operational area of one of the organisations that did not include recordkeeping in its induction

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[41] Standards Australia, op. cit., clause 11.

[42] Australian National Training Authority, op. cit.

training, had developed a training program for new staff. This program incorporated all recordkeeping requirements for their positions including organisational-wide requirements. This operational area was an exception as most branches and units within the other three organisations relied on on-the-job training to inform staff of their recordkeeping responsibilities.

Awareness raising

5.4   Organisations need to develop communication strategies to maintain staff knowledge of recordkeeping. Only two of the organisations were found to have performed any awareness raising activities. These activities included:

- making recordkeeping information available on the Intranet and advising staff of its existence by email and printed circulars;

- conducting information sessions by the records management team;

- placing notices on bulletin boards;

- training in records management systems being conducted by outsourced providers;

- including recordkeeping articles in the internal magazines and regular bulletins; and

- organising team meetings on recordkeeping within business groups.

5.5   The ANAO found that although these techniques were particularly effective for most aspects of recordkeeping within one organisation, its staff still had a low awareness of their responsibilities in relation to web-based records. The other organisation considered that its staff's awareness of recordkeeping issues was improving, but recognised that more awareness raising activities of recordkeeping was required.

5.6   The ANAO found that in the two organisations that had not carried out any staff awareness training, staff were generally not familiar with the organisation's recordkeeping requirements or their own recordkeeping responsibilities. In one organisation, this lack of awareness had resulted in staff not using the software for controlling paper-based records.

Recommendation No.7

5.7   The ANAO recommends that organisations develop and distribute induction packages that incorporate full recordkeeping requirements and responsibilities for all staff. In addition, general training on recordkeeping systems should be available to all staff.

National Archives' guidance

5.8   The implementation of Recommendation No.7 will be assisted by the National Archives' '*Keep the Knowledge—Make a Record!*'[43] package for trainers to help them teach public servants about their recordkeeping responsibilities. The package consists of material for agency trainers to use when hosting a training session, and material for Commonwealth employees to keep for future reference. The training package is available to all Commonwealth organisations and can be customised by organisations to suit their specific needs.

Recommendation No.8

5.9   The ANAO recommends that organisations improve their staff's awareness of the organisation's recordkeeping requirements, including those for records of web-based activity.

Conclusion

5.10   Two organisations had begun to perform recordkeeping awareness raising activities but realised more activities were required. The other two organisations did not perform any awareness raising activities at all with the result that staff in these organisations were generally unaware of their recordkeeping responsibilities.

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[43]   <www.naa.gov.au/recordkeeping/training/keep/package.html>.

6. Monitoring and Review

Evaluation and quality assurance

6.1 Regular monitoring and periodic evaluation of recordkeeping are essential elements of the control framework. The professional recordkeeping standard *AS ISO 15489* indicates that organisations should monitor and review recordkeeping systems, and audit compliance with required practices.

6.2 As recordkeeping has governance and accountability dimensions, senior management, through audit committees and similar forums, should be provided with the necessary information on the monitoring, reviews and follow-through action of the organisation's recordkeeping practices.

Audit findings and comments

6.3 The following table summarises the criteria that were used to assess an organisation's monitoring and review activities.

Table 10
Audit criteria: monitoring/review

Audit criteria	The organisation monitors and reviews the adequacy of recordkeeping responsibilities, policies, standards, systems and practices. There is appropriate action taken on the outcomes of monitoring and review.
Detailed evaluation criteria	Are there procedures/tools used in the organisation to monitor the performance and adequacy of recordkeeping responsibilities, policies, standards, system training and practices? Is there appropriate action on the outcome of monitoring and review?

Audit and review

6.4 In relation to monitoring and review of recordkeeping, the ANAO found that:

- two organisations had completed reviews of the security of records. The findings and recommendations made were reviewed by management committees and corrective action taken;

- one organisation's CEO had instigated a series of reviews to determine the current standard of recordkeeping practices in the organisation. This organisation had also begun a number of internal audits directed at records management;

- another organisation had been conducting an internal review of recordkeeping for more than two years. It had resulted in the development of policies, implementation of recordkeeping systems and undertaking of DIRKS; and

- an operational area of one organisation conducted half-yearly reviews of their paper files to determine whether all records had been captured, and corrective action taken where necessary.

6.5 Although the audited organisations had performed some recordkeeping monitoring and review activities, the ANAO considered that further management attention was required to provide assurance that recordkeeping practices and frameworks were operating as expected. Reviews should consider:

- the broader recordkeeping aspects (such as in respect of electronic records) as well as the usual paper-based registry files;

- areas of higher risk, for example, recordkeeping of web-based activities; and

- follow-up mechanisms that ensure appropriate response action on any review findings.[44]

Monitoring and review

6.6 Although central records management areas are in a good position to systematically monitor the standard of recordkeeping in work units, the ANAO found that none of the areas in the organisations audited were doing so. The ANAO identified that two organisations had conducted file censuses when requested by work units. One of these organisations also had an automated system for quality checks of recordkeeping on transactional types of records.

6.7 The ANAO considers that central records management areas and work units should establish regular monitoring and reviews of recordkeeping, which could incorporate file censuses and an assessment of the compliance with policies. As discussed in the previous Recordkeeping audit, such reviews can provide assurance over corporate recordkeeping standards and policies that could assist with policy implementation; change management; continuous improvement through face-to-face coaching of staff; and identification of recordkeeping areas in need of development.[45]

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[44] Australian National Audit Office, Audit Report No.45 2001–02, op. cit., p. 59.

[45] ibid.

Recommendation No.9

6.8   The ANAO recommends that organisations develop formal recordkeeping monitoring and review procedures. Possible procedures include:

- team leaders/supervisors to conduct regular checks of files and file content to confirm that appropriate records are being created and captured into a formal recordkeeping system;

- staff performance agreements to include references to better practice recordkeeping;

- regular file censuses and/or similar review activities to be conducted; and

- internal audit program to include regular reviews of records management and/or to incorporate records management considerations into individual audit reviews.

Conclusion

6.9   All of the audited organisations had performed some form of review of recordkeeping practices. However, there was scope for additional monitoring and review activities to be incorporated into the recordkeeping framework.

7. Outsourcing

Background

7.1   Many Commonwealth organisations have made the decision to outsource functions and services—both those provided on behalf of the Commonwealth and to the Commonwealth. For the purposes of this audit, the term outsourcing covered any arrangement where a person or organisation, external to the participating Commonwealth organisation, performed tasks or provided services that could have been done by Commonwealth employees regardless of whether the external provider had undertaken the whole of the function or part thereof.

7.2   As outsourcing does not extinguish an organisation's accountability obligations, proper recordkeeping controls and practices must be maintained. The National Archives' *Records Issues for Outsourcing including General Disposal Authority 25*[46] states:

> Proper recordkeeping is a crucial part of all government administration and accountability. It is the basis for establishing and maintaining documentary evidence of government activities and decisions supporting good business practice. The need for proper recordkeeping is equally applicable if the activities are outsourced.

> To ensure that the accountability and efficiency of government administration is not diminished as a result of outsourcing, agencies contracting out the provision of services to other parties must ensure that these arrangements include recordkeeping practices, which meet Commonwealth standards and requirements.

7.3   In this audit, all the organisations outsourced various functions, for example, internal audit, records management and human resources. One of the organisations was the outsourced provider to other Commonwealth organisations in delivering Government programs. The ANAO reviewed contracts that included both the partial and full transfer of responsibility for the performance of a service.

7.4   The ANAO expected a similar recordkeeping framework to be in place for outsourced arrangements as for recordkeeping of internally performed functions. The ANAO's audit criteria, as shown at Table 1 in Chapter 1, reflect this framework. The audit criteria focussed on the controls and processes that each organisation had in place to provide for proper recordkeeping. The ANAO did not audit the work of the outsourced provider.

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[46] National Archives of Australia, *Records Issues for Outsourcing including General Disposal Authority 25*, op. cit., p. 5.

Risk assessment

7.5   Outsourced functions should be subject to a systematic analysis of the recordkeeping needs and a risk-based assessment of the likelihood and consequences of meeting those needs within the outsourced environment. This appraisal will provide greater confidence that the specific legislative and general recordkeeping accountabilities of the outsourced function are achieved.

Audit findings and comments

7.6   The following table summarises the criteria, which were used to assess an organisation's recordkeeping risks of an outsourced function.

Table 11
Audit criteria: outsourcing risk assessment

Audit criteria	There is an effective assessment of risk in relation to recordkeeping of outsourced functions.
Detailed evaluation criteria	Was a sound and thorough risk assessment conducted of the recordkeeping needs of the outsourced function?

7.7   Only two organisations had conducted any form of a risk assessment of their outsourced functions. This had only occurred when a large function was being outsourced. The risk assessments conducted did not incorporate recordkeeping risks.

7.8   One of these organisations had issued draft procedures that required relevant managers to consider recordkeeping as part of a number of matters they should take into account before agreeing to a particular outsourcing arrangement. The central records management area had also requested managers of these proposed outsourced arrangements to calculate possible records management costs. However, the managers were not provided with detailed guidance on how to determine the possible recordkeeping risks or costs.

7.9   The other two organisations had outsourced elements of their business, but risk assessments, including those of recordkeeping requirements, had not been performed.

Recommendation No.10

7.10   The ANAO recommends that prior to outsourcing any function, organisations incorporate the risk to recordkeeping in their risk assessments.

Implementation of the recommendation

7.11 Central records management areas should be involved in the development and negotiation of major outsourcing arrangements to make certain that the risk assessment is complete and appropriate for the organisation.

Control environment

7.12 A policy framework for outsourced functions, covering recordkeeping requirements such as transfer of records, ownership, destruction, use, access, security and compliance, should be developed[47] so that the Commonwealth and the organisation's interests will be identified and protected.

Audit findings and comments

7.13 The following table summarises the criteria, which were used to assess an organisation's outsourcing control environment.

Table 12
Audit criteria: outsourcing control environment

Audit criteria	The organisation includes recordkeeping issues in its contract arrangements for outsourced functions.
Detailed evaluation criteria	Was a contract/service agreement developed that details the recordkeeping responsibilities of both parties sufficiently for the organisation to discharge their responsibilities?

7.14 One organisation did not have current contracts/agreements in place to cover the outsourcing arrangements reviewed by the ANAO. These arrangements included three major outsourced functions.

7.15 The ANAO reviewed a sample of contracts/agreements against the criteria identified in the National Archives' *Records Issues for Outsourcing including General Disposal Authority 25*. One of the contracts met all of the criteria identified.

7.16 The ANAO found the main elements omitted from contracts/agreements were as follows:

- the minimum standards of recordkeeping that must be met;

- the legislation applicable to the recordkeeping of the outsourced function;

- who owned the records;

- what control systems were to be used;

- the requirements for the transfers of records;

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[47]   ibid, p. 21.

- the requirement to notify the organisation when Commonwealth records are lost, damaged or inadvertently destroyed;

- the format for maintaining the records, such as, paper or electronic;

- performance measures and reporting requirements on recordkeeping undertaken by the outsourced provider;

- the sentencing and disposal requirements; and

- the storage requirements.

Recommendation No.11

7.17 The ANAO recommends that agreements with outsourced providers be extended to include the complete recordkeeping framework, as detailed in the National Archives' *Records Issues for Outsourcing including General Disposal Authority 25*.

Control activities

7.18 The general features of the organisation's standard recordkeeping systems should be applied to managing the outsourced contract/agreement to provide for the authenticity, reliability, integrity and useability of records.[48]

Audit findings and comments

7.19 The following table summarises the criteria, which were used to assess an organisation's outsourcing control activities.

Table 13

Audit criteria: outsourcing control activities

Audit criteria	The organisation applies systems and procedures for maintaining full and accurate records of the management of the outsourced function.
	The organisation applies systems and procedures for maintaining records, which are owned by the organisation but are created by the outsourced provider.
Detailed evaluation criteria	Is the organisation creating, capturing, maintaining, retrieving and disposing of their own records of the management of the outsourced function in accordance with recordkeeping policies and standards?

7.20 The ANAO found that the organisations were generally maintaining records of the management of the outsourced functions. Such records included

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48 Standards Australia, op. cit., Part 1, clauses 7 to 8.2 & 9 to 9.5.

correspondence, negotiations with the outsourced provider, and tender documents.

7.21 The ANAO noted that two organisations had not captured records, which were owned by the organisation but created by the outsourced provider, in their formal recordkeeping systems. As a result, these records were not part of the official records of the organisation.

Recommendation No.12

7.22 The ANAO recommends that organisations capture those records, which are created by outsourced providers but owned by the organisation, into formal recordkeeping systems in a timely manner.

Monitoring and review

7.23 The professional recordkeeping standard *AS ISO 15489* Part 1.10 and Part 2.5, indicate that organisations should monitor and review their internal recordkeeping systems. This standard should also be applied to arrangements with outsourced providers and contractors to make certain that legislative, accountability and contractual requirements are met.

Audit findings and comments

7.24 The following table summarises the criteria, which were used to assess an organisation's monitoring and review activities of recordkeeping in outsourced arrangements.

Table 14
Audit criteria: outsourcing monitoring and review

Audit criteria	The organisation effectively monitors and reviews recordkeeping of the outsourced function.
Detailed evaluation criteria	Are there procedures/tools used in the organisation to monitor the performance and adequacy of the contractor in relation to the recordkeeping requirements of the contract?

7.25 Only one organisation had formal performance measures for recordkeeping. These measures were included in the contract with the outsourced provider. The remaining organisations, did not have any performance measures, formal or informal, for determining if outsourced providers were meeting recordkeeping requirements.

7.26 Where the outsourced provider formally reported the results of their work to organisational management, the ANAO found that the organisations would

review the relevant supporting records. However, the ANAO noted that these reviews did not include an assessment of whether the recordkeeping requirements had been met.

Recommendation No.13

7.27   The ANAO recommends that organisations develop formal monitoring and review procedures, in relation to recordkeeping, for their outsourced arrangements.

Conclusion

7.28   All the organisations were responsible for managing some outsourced functions, which are subject to the same recordkeeping principles as internally performed functions.

7.29   The ANAO concluded that organisations had:

- not performed sufficient formal risk analysis of the recordkeeping requirements in outsourced arrangements;

- contracts with outsourced providers that did not include all of the recordkeeping elements as recommended by National Archives;

- generally created and captured records of the management of the outsourced function; and

- only minimal monitoring and review activities in place to determine whether outsourced providers were meeting the recordkeeping requirements.

Canberra ACT
24 September 2003

P.J. Barrett
Auditor-General

Appendices

Appendix 1

Legislation relating to recordkeeping

Archives Act 1983

The National Archives is responsible for administering the *Archives Act 1983*. This Act:

- makes it illegal to destroy a record of the Commonwealth without the approval of National Archives or the express direction from another law to do so;

- makes the National Archives responsible for those records designated as 'National Archives' and requires them to provide access to records that are more than 30 years old; and

- requires National Archives to 'promote, by providing advice and other assistance to Commonwealth institutions, the keeping of Commonwealth records in an efficient and economical manner'.[49]

National Archives meets the requirement to assist organisations by issuing legal Records Disposal Authorities, advices and other guidelines on recordkeeping and related issues.

Financial Management and Accountability Act 1997, Commonwealth Authorities and Companies Act 1997 and Auditor-General Act 1997

The *Financial Management and Accountability Act 1997*, *Commonwealth Authorities and Companies Act 1997* and *Auditor-General Act 1997* provide the statutory framework for Commonwealth organisations. These Acts have a number of references to records including the requirements to retain accounts and records, and to record all approvals of proposals to spend public money.

Public Service Act 1999

The *Public Service Act 1999* gives legislative backing to the Australian Public Service (APS) Values which require the APS to be 'openly accountable for its actions, within the framework of Ministerial responsibility to the Government, the Parliament and the Australian public' and 'responsive to the Government in providing frank, honest, comprehensive, accurate and timely advice and in implementing the Government's policies and programs'.[50]

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[49] *Archives Act 1983*, Part II, section 5(2c).

[50] *Public Service Act 1999*, section 10.

Both of these values have recordkeeping implications for APS employees. Directions 2.6 and 2.7 provide specific detail on how to achieve these values, including indicators that can be used.[51]

Freedom of Information Act (FOI Act) 1982

The FOI Act provides a right of access to Commonwealth records in the possession of Ministers and organisations. The Act has the following objectives:[52]

a.   making available to the public information about the operations of departments and public authorities and, in particular, ensuring that rules and practices affecting members of the public in their dealings with departments and public authorities are readily available to persons affected by those rules and practices; and

b.   creating a general right of access to information in documentary form in the possession of Ministers, departments and public authorities, limited only by exceptions and exemptions necessary for the protection of essential public interests and the private and business affairs of persons in respect of whom information is collected and held by departments and public authorities; and

c.   creating a right to bring about the amendment of records containing personal information that is incomplete, incorrect, out of date or misleading.

A report conducted by the Commonwealth Ombudsman in 1999 was critical of organisations' records management and the impact this had on their ability to meet the requirements of the FOI Act. Some of the Ombudsman's concerns are shown below:

> A common concern expressed by Freedom of Information practitioners is the difficulty in identifying and obtaining organisation records. It appears that few agencies have a central record of documentary or electronic records and in larger agencies recordkeeping has become so fragmented that it would be an extremely difficult task to identify all organisation records. This is more so in the case of restructured departments where the record audit trail is becoming increasingly faint.[53]

> There is concern that if the issue of Commonwealth recordkeeping is not addressed in the near future with a view to establishing uniform guidelines and practices, then the existing inadequate practices are likely to have a sustained adverse impact

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51   Australian Public Service Commission, *Values in the APS*, <www.apsc.gov.au/publications02/values.htm>.

52   *Freedom of Information Act 1982*, Act No. 3 of 1982 as amended, Part 1 Section 3.

53   Commonwealth Ombudsman, *'Needs to Know'—Own motion investigation into the administration of the Freedom of Information Act 1982 in Commonwealth agencies*, op. cit., paragraph 3.85.

upon the operation of both the FOI and Archives Acts. It also raises questions about the efficiency of an organisation's current archives, if its recordkeeping activities are such that the organisation is unable itself to fully draw on the repository of relevant knowledge it holds.

These issues will become increasingly important as Government services continue to be outsourced to Government Business Enterprises or contracted to the private sector. While the Government has undertaken to extend the provisions of the Privacy and Freedom of Information Acts where government services are delivered by the private sector, it will be equally important to ensure compliance by these bodies with accepted standards of recordkeeping.[54]

Privacy Act 1988

Commonwealth organisations are required to comply with the *Privacy Act 1988*. The Act contains eleven *Information Privacy Principles*, which govern the collection of personal information, its storage and security, access and amendment, and use and disclosure of personal information. The Act also provides protection in relation to Tax File Numbers and data matching by organisations.

Electronic Transactions Act 1999 (ETA)

The ETA was passed as a means of establishing a regulatory framework that enables electronic commerce. The Act results in businesses being able to deal with the Commonwealth electronically as any of the following functions are equal by law if done in paper or electronically:

- giving information in writing;

- providing a signature;

- producing a document in material form; and

- recording or retaining information.

Section 12 of the Act deals specifically with the retention of documents and states that if a person is legally required to record information in writing, that requirement is met if it is recorded in electronic form. Section 12(2) goes on to state that a document that must be kept in writing may be retained in electronic form, subject to the requirements of integrity, accessibility and storage.

National Archives has recognised that this section may give the impression that Archives' permission to dispose of existing, paper-based Commonwealth records is not required if the document is retained electronically. National Archives sought advice from the Australian Government Solicitor on the matter. It was concluded:

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[54] ibid, paragraphs 3.94 and 3.95.

To avoid committing an offence under the Archives Act, agencies need to ensure that they do not destroy or dispose of records except in accordance with section 24 of the Archives Act. In most cases, this means having Archives' permission.

While agencies retain Commonwealth records in the form of paper or other material, these documents are subject to the Archives Act. Agencies cannot simply produce electronic forms of the documents to the Archives for transfer, inspection or access purposes. Any changes to the form of existing records required to be produced to the Archives must be agreed with the Archives in advance.[55]

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[55] National Archives of Australia, *Archives Advice 61 The Electronic Transactions Act and the disposal of Commonwealth records*, Canberra, March 2003.

Appendix 2

Audit Report No.45 2001–02, *Recordkeeping*

Background

In 2001–02, the ANAO undertook an Assurance and Control Assessment audit of recordkeeping[56], across a number of Commonwealth organisations.

The report tabled in Parliament on 1 May 2002, concluded that:

- The four audited organisations were at different stages of development of their corporate recordkeeping. Most of the audited organisations had just started to systematically assess their recordkeeping needs across the organisation and its various functions. All were starting to appreciate the need to develop their recordkeeping and, increasingly, the potential for this to be part of business process re-engineering and of a strategy for improved information management more broadly.

- None of the organisations reviewed in the audit fully satisfied the criteria under the recordkeeping model applied on the audit. Each organisation had several recordkeeping environments that met the criteria to varying degrees, as the following indicate:

  - In all cases, the central records management area coordinated a paper-based filing system as the formal recordkeeping system. Such areas used the software used to control paper records to help control the files and collect recordkeeping information. System design included basic recordkeeping controls, though in practice they are not always applied as carefully and as effectively as they should be.

  - In most audited bodies, business systems were operating that were not covered by the formal corporate recordkeeping system. The records being managed in these systems were often very significant. In two organisations, the volume and number of paper-based project/case records outweighed those in the corporate registry system. While organisations had processes in place to provide assurance that the paper in these business systems is held as an evidential trail for business use, the design of these systems was not based on a full consideration of recordkeeping needs and principles. As well, organisations had not fully considered informational and recordkeeping risks relating to the management of these business records over time.

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56 Australian National Audit Office, Audit Report No.45 2001–02, op. cit., p.13.

- The electronic recordkeeping environment is composed of diverse applications such as email, databases and information systems, websites, and other electronic documents in various versions and workspace locations (for example, word processing documents). Organisational approaches to the capture of records from this environment had not been fully developed. Organisations generally advocate a simplistic 'print-to-paper' approach to staff capturing records from the electronic environment. However, this approach to recordkeeping has not been fully developed and consistently implemented by organisations. Increasingly, the approach is also not meeting recordkeeping requirements across the full range of their electronic applications.

A critical factor identified in organisations' management of the transition to better recordkeeping was for the organisation to view recordkeeping strategically, as part of information management more broadly, and develop its recordkeeping accordingly. This would desirably be achieved as part of a corporate-level approach to development of recordkeeping across all business units and recordkeeping environments. All the organisations included in the audit had started to recognise the need to upgrade their approach to recordkeeping. Three organisations had commenced not only a change program for their recordkeeping arrangements but also a systematic assessment of recordkeeping needs.

Recognising that recordkeeping is an integral part of doing business, and that it contributes to sound business, are crucial steps in the transition from viewing records as an administrative overhead to viewing them as a corporate asset. Under this more strategic approach, development of recordkeeping systems can be an essential part of business process re-engineering. In addition, while technology exists to build better recordkeeping into business processes and electronic document management systems, technology will not be effective without the necessary in-depth needs analysis, policy settings, and understanding and ownership of the recordkeeping changes in the organisation. A staged, planned approach allows time for laying these necessary foundations for effective change.

Key findings

Assessing recordkeeping needs

Most of the audited organisations had commenced systematically analysing and specifying their recordkeeping needs and business information strategies using the standard, risk-based approach promulgated by the National Archives in the Commonwealth as DIRKS (Designing and Implementing Recordkeeping

Systems)[57]. However, most had not yet committed to the full DIRKS process, particularly those parts of the approach that enable effective systems development and implementation strategies. Organisations should also undertake analysis of recordkeeping needs in specific areas. An example is in relation to their web-site activity where there is a formal requirement under the *Government Online* strategy.[58]

Control environment

As part of their corporate governance responsibilities, senior management in Commonwealth organisations should issue a consolidated statement of corporate policy on recordkeeping, both for purposes of accountability and for information of their staff. The policy would define responsibilities for recordkeeping and set broad recordkeeping standards. Recordkeeping needs to be seen as an integral part of the way organisations do business rather than as something extra at the end of various processes.

Several of the organisations audited had recognised that they could do more to provide adequate organisational support for recordkeeping and to develop its linkages to strategic information management more broadly. They had commenced closer consideration of their electronically-sourced records and the information management opportunities that these provided. However, in some organisations, the mandate and skills of the central records management areas were restricted more to a traditional registry function and controlling paper-based filing systems. This meant that a significant amount of corporate information could be outside corporate control, with consequent information risk for the organisation.

Control activities

Capture of records

The audited organisations could not be sure they were capturing in their corporate recordkeeping systems all the electronically-sourced records that they should, both for legislative and for management requirements. Organisations were relying on a 'print-to-paper' approach to capturing electronic records. However, they had not developed procedural and other controls to provide effective support to this approach. In practice, there were significant risks relating to capture of email and electronic documents from personal workspace. Increasingly, recordkeeping in corporate applications, such as databases, could not be managed using a paper-based approach. Some organisations had started

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[57] Now titled DIRKS: A Strategic Approach to Managing Business Information.

[58] Superseded by *Better Services, Better Government*, November 2002.

to save electronic snapshots of their web-sites. However, they needed to periodically incorporate the snapshots into the formal recordkeeping system. As web-sites develop into mechanisms for conducting an organisation's business online, more attention will need to be given as to how records of the organisation's web-based transactions are captured and managed for greater effectiveness.

Most of the organisations included in this audit had business records that were managed through systems that were not recognised and developed as recordkeeping systems. Records affected included significant case and project files, and essential core business data. In the further development of the business information systems, organisations need to give consideration to building in the recordkeeping functionality and records management and control information (metadata) for these core business records. Gaps in collection of recordkeeping information compromise an organisation's ability to prove the authenticity, accuracy and integrity of their records efficiently and to provide appropriate protection for these records.

Disposal/preservation

The audited organisations had not sufficiently assessed the risks to their records over time and developed appropriate strategies. Physical storage of inactive paper files in leased warehouses and basements did not meet applicable standards in relation to aspects such as climate control, fire control and security. The risk of technological obsolescence of important electronic records (such as data in information systems) also needs greater consideration. Loss of access to these records, in effect represents disposal for the purposes of the Archives Act. Accordingly, it would be advisable for organisations to give the issue advance consideration and decide on appropriate guiding principles and strategies to adequately manage this risk.

The audited organisations should also develop their policies, procedures and strategic approaches to disposal and sentencing. The audit identified the vulnerability of electronic and other records that are not currently being captured in the formal recordkeeping system, to unauthorised disposal. There is also scope in organisations to update and upgrade controls and procedures for disposal of their paper-based files. Issues include quality assurance over sentencing processes and the need to actively manage the disposal program rather than simply reacting to storage factors. Modern approaches to recordkeeping, such as aligning business classifications of records with disposal authorities and automated records management information systems, can produce management efficiencies (for example, sentencing on creation).

Communication of information

The organisations audited should give greater attention to improving their recordkeeping procedural guidance. Guidance needs to be up-to-date and more closely targeted for use by various audiences, such as records managers and line staff, with their creation/capture responsibilities.

There is also a need for attention at a corporate level to training all personnel to help them meet the recordkeeping responsibilities of their regular business activity. In addition, ongoing communication is needed to keep staff advised about emerging recordkeeping issues.

Monitoring and review

Most of the audited organisations had been undertaking reviews of their recordkeeping through the DIRKS recordkeeping needs analysis and also through internal audits. These are proving very useful in prompting necessary changes, although the coverage and scope of internal audits can be developed to provide improved assurance in relation to emerging areas, such as electronic records. To supplement periodic internal audit assurance on recordkeeping, there is a need for central records management areas to be given responsibility for ongoing monitoring and review in support of corporate recordkeeping development and performance. In developing terms of reference for recordkeeping reviews, attention should be given to National Archives' *e-permanence* guidelines to organisations and to the Australian and international standards on records management. The records management standards are seen as enabling improved risk management and greater stakeholder assurance, as well as resulting in cost savings for users.

Recommendations

The following recommendations should be read in conjunction with the recommendations made in this report.

Risk assessment

Recommendation No. 1 The ANAO recommends that organisations undertake systematic, risk-based assessment of recordkeeping needs at a level which enables them to design systems to capture and maintain records in accordance with business and stakeholder needs, legal requirements (including those relating to privacy and security issues), and relevant government policies and records management standards.

Control environment

Recommendation No. 2

The ANAO recommends that organisations:

a) develop and implement a corporate-wide recordkeeping policy to define responsibilities and apply standards, and that encompasses all record formats including electronic;

b) access specialist skills and professional records competencies in the development of their organisational recordkeeping;

c) assign responsibility for coordinating recordkeeping development as part of broader information management responsibilities; and

d) implement information systems that have sufficient capability to support records management—both in respect of dedicated recordkeeping systems and of the recordkeeping functionality of business systems that have a recordkeeping role.

Records capture and classification

Recommendation No. 3

The ANAO recommends that organisations promote effective capture, retrieval and management of records by:

a) promulgating guidance to staff on recordkeeping procedures, including simple aids for staff outlining approved practices for capturing essential business records;

b) developing procedural and other controls to ensure capture of electronic records such as from web-sites, management information systems, email correspondence, and documents in personal and shared workspaces;

c) ensuring that records are sufficiently specified and classified to allow efficient search and retrieval; and

d) creating and maintaining essential contextual, and records management, information (i.e. metadata).

Records disposal/preservation

Recommendation No. 4

The ANAO recommends that organisations assess and manage the risks in disposal and preservation of their records, by:

a) evaluating their standards of physical storage in terms of the longevity and sensitivity of the records;

b) developing strategies to actively manage the disposal of their paper-based files, as well as strategies for preservation/migration of records held in electronic form; and

c) assessing the occurrence of electronic and paper records that are not currently captured into the formal recordkeeping systems, to ensure that they are not disposed of except as properly authorised.

Records skills and awareness

Recommendation No. 5

The ANAO recommends that organisations enhance recordkeeping skills and awareness by:

a) providing corporate training to line staff on their recordkeeping responsibilities, including record creators, supervisors and new staff; and

b) developing an ongoing communication program on recordkeeping to maintain awareness and knowledge.

Monitoring and review

Recommendation No. 6

The ANAO recommends that organisations promote continuous improvement in recordkeeping by implementing suitable mechanisms to manage the quality of their recordkeeping performance and processes—for example, further developing the effectiveness of internal audit coverage and ongoing monitoring by records management coordinators.

Appendix 3

Sound and better practices identified in ANAO audits of Recordkeeping

This, and the previous, ANAO audit of recordkeeping identified examples of sound and better practices in the assessment of organisations' recordkeeping frameworks. Good practices that were observed in at least one of the organisations audited, in either or both audits, are listed below.

Control framework	Sound and better practices
Risk assessment	√ Systematic assessment of recordkeeping needs leading to development of recordkeeping tools for the organisation that are of use in recordkeeping systems development, such as a business classification based on functions and an updated disposal authority coverage.
Control environment	√ The records needed to be retained on-file for transactional services were specified in organisation policies.
	√ CEOs provided visible support to, and endorsement of, better recordkeeping practices.
	√ The central records management unit reported to the Chief Information Officer, who was responsible for both recordkeeping and related information technology functions.
	√ References to better practice recordkeeping were included in performance agreements for senior and middle management.
	√ Establishment of an information services/knowledge management unit reporting directly to top management and headed by a 'Chief Information Officer' responsible for both recordkeeping and related information functions.
	√ Establishment of a high-level recordkeeping analysis and strategy unit to undertake systematic analysis of recordkeeping and information needs, to help design new recordkeeping systems, develop corporate recordkeeping policy, and to assist implementation through training and review.
Control activities	√ 'File note sheets' were used to capture telephone conversations.
	√ Integrating implementation of electronic document management and recordkeeping systems.
	√ An integrated quality assurance package encompassing recordkeeping and other business processes, and that consists of a procedural framework, training, quality review, and corrective action mechanisms.
	√ Maintaining the quality of sentencing and disposal practices through a central archives unit responsible for disposal/ preservation strategy.

Control framework	Sound and better practices
Communication of information	√ Regional areas provided on-the-job induction training, which included the organisational-wide recordkeeping requirements.
	√ Bulletins on recordkeeping issues were circulated to appropriate staff.
	√ Reviews of recordkeeping projects were reported to senior management.
	√ On-line system prompting on recordkeeping responsibilities to accompany excess capacity warnings over personal workspace.
	√ A structured program for induction of new staff, including sign-off on a one-on-one briefing by the records manager and close supervision until performance is demonstrated.
Monitoring and review	√ Half yearly reviews of files for compliance purposes were conducted.
	√ Internal audits and follow-up audits of recordkeeping practice and independent scrutiny of specific recordkeeping issues, such as legal compliance risk and privacy of information.
	√ Quality assurance audit teams include the senior corporate records manager and corrective action is taken on quality assurance audit findings.

Appendix 4

Current audit findings compared to those of the previous ANAO audit report on Recordkeeping

Element	2001–2002 No. of organisations (out of 4)	2002–2003 No. of organisations (out of 4)
Risk assessment		
Number of organisations utilising DIRKS methodology	3	3
Number of organisations with recordkeeping incorporated into operational risk assessments	0	0
Number of organisations with recordkeeping incorporated into Business Continuity Plans	3	0
Control environment		
Number of organisations with complete recordkeeping policies as assessed against National Archives requirements	0	1 (in draft form)
Number of organisations with recordkeeping policies that incorporate records of web-based activity in adequate detail	1	1
Number of organisations that were providing adequate corporate support	0	2
Control activities		
Number of organisations with recordkeeping procedures for the whole of the organisation covering both paper and electronic records (excluding records of web-based activity)	0	1 (in draft form)
Number of organisations with recordkeeping procedures that incorporate records of web-based activity	0	1
Number of organisations with an EDMS implemented	0	1
Number of organisations with plans to implement an EDMS	1	2
Number of organisations recording web-based activity in accordance with National Archives' requirements	0	0
Number of organisations recording mandatory metadata requirements in line with *Recordkeeping Metadata Standard for Commonwealth Agencies* for all systems that retain records	0	0

Element	2001–2002 No. of organisations (out of 4)	2002–2003 No. of organisations (out of 4)
Number of organisations with some form of a formal classification schemes such as a functional thesaurus	0	4
Number of organisations that comply with *Standard for the Physical Storage of Commonwealth Records*	0	1
Number of organisations with controls over destruction of records not saved to a formal recordkeeping system	0	0
Communication of information		
Number of organisations with recordkeeping included in formal induction programs	4	1
Monitoring and review		
Number of organisations that have performed some form of review of recordkeeping	4	4
Number of organisations that needed to expand their monitoring and review procedures	4	4

Appendix 5

Agency comments

The comments provided by each of the audited organisations in response to the audit report are shown below.

Centrelink

Centrelink advised that:

- the report reflects issues all agencies are facing in the transition from paper to electronic document keeping;

- it is currently implementing recommended practices in paper and electronic recordkeeping nationally; and

- if all agencies implement the audit recommendations, the integrity of record keeping in the APS will improve significantly.

Department of Agriculture, Fisheries and Forestry

The Department of Agriculture, Fisheries and Forestry advised that:

- the report provides a timely reminder of the importance of maintaining recordkeeping policies and systems in accordance with relevant Government policies and standards in a changing environment;

- the Department has commenced planning improvements and enhancements to some current practices to ensure the applicable recommendations are implemented as soon as practicable; and

- it is, of course, conscious of the need to ensure that the management of recordkeeping applies a risk management approach to ensure that the benefits of recommended action exceeded the costs. In this respect, the Department noted that some recommended actions would be quite onerous without necessarily achieving greater efficiency and hence the Department will apply a common-sense approach to their adoption.

The Department agreed with all of the recommendations.

Department of Family and Community Services

The Department of Family and Community Services (FaCS) advised that, in line with the recommendations of this report, it is seeking to improve its recordkeeping policies, systems and procedures. The Department is in the process of acquiring and implementing an electronic document management system.

As part of the change management process associated with this initiative, the Department will address a number of the concerns raised in the report for both paper and electronic records. The Department fully agrees with the recommendations of the report and is committed to developing strategies for better recordkeeping in the Department.

In relation to paragraph 4.50, FaCS advised that it has undertaken a project to preserve historical copies of a publication that is only available in electronic form. The publication is in reference to the Guide to Social Security Law, which is available on the FaCs internet web site. The publication is also being captured by the National Library for inclusion in its PANDORA site. PANDORA is an archive of online publications copied with the publisher's permission, and preserved and made available for the future.

Department of Health and Ageing

The Department of Health and Ageing (DoHA) advised that, in general, it agreed with the direction of the proposed report.

Recommendation 1

Agree. This recommendation will be undertaken in DoHA through a number of strategic projects being conducted across the Department, as outlined below:

- Risk Management Framework;
- Recordkeeping Framework; and
- DIRKS (A–C).

Recommendation 2

Agree. This recommendation will be implemented in DoHA as part of the Risk Management Framework.

Recommendation 3

Agree. This recommendation will be implemented in DoHA as part of the strategic Recordkeeping Project. DoHA currently has endorsed Chief Executive Instructions and Procedural Rules governing recordkeeping that are accessible to all staff via the Intranet.

Recommendation 4

Agree. All staff in DoHA have access to the Department's Electronic Document Management System (EDMS). Regular training courses in the EDMS are available to all staff. Appropriate staff have access to the system used to manage paper based records. Access is provided on an as requested basis.

Recommendation 5

Agree. This recommendation will be implemented in DoHA through a number of strategic projects being conducted across the Department, as outlined below:

- Recordkeeping Framework;

- Enterprise Architecture Project;

- Risk Management Framework; and

- DIRKS (A–C).

Recommendation 6

Agree. This recommendation is partially implemented in DoHA through the following:

- the disposal of Commonwealth records is approved by a nominated Officer within each Business Unit;

- ongoing and regular sentencing programs are in place, and are part of the standard service delivery undertaken by the Records Management Service Provider;

- the storage facility used for long term corporate records was formally evaluated as part of the tender submission for records management services at DoHA, and was noted as being adequate; and

- the archival processes for electronic records not stored in recordkeeping systems is being addressed through the strategic Recordkeeping Project.

Recommendation 7

Agree. This recommendation is being implemented in DoHA through the following activities:

- DoHA currently has a series of best practice guidelines and procedures for recordkeeping that are available to all staff via the Intranet;

- recordkeeping advice is provided to all new staff as part of their induction training;

- an internal records management training course is currently being developed;

- the Department conducts weekly courses in the EDMS and training in the paper based recordkeeping system is available on request; and

- areas for continuous improvement will be identified through the strategic Recordkeeping Project.

Recommendation 8

Agree. This recommendation will be addressed through the strategic Recordkeeping Project and the completion of DIRKS (A–C).

Recommendation 9

Agree. This recommendation will be implemented by building assurance and review processes into future recordkeeping arrangements. DoHA has implemented a Control Self Assessment Framework that includes a component on compliance with recordkeeping standards. All Senior Managers are required to report against this compliance model on a quarterly basis.

Recommendation 10

Agree. This recommendation will be implemented in the form of policy guidance resulting from the strategic Recordkeeping Project and the Risk Management Framework.

Recommendation 11

Agree. This recommendation will be implemented as far as practicable.

Recommendation 12

Agree. This recommendation will be implemented in the form of policy guidance resulting from the strategic Recordkeeping Project.

Recommendation 13

Agree. This recommendation will be implemented for significant contracts, and is already part of normal contractor performance management.

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