Report:

State of Government Recordkeeping and Public Records Act 2005 Audits 2014/15

Te Rua Mahara o te Kāwanatanga

aRCHIVES
NEW ZEALAND

New Zealand Government

Report: State of Government Recordkeeping and Public Records Act 2005 Audits 2014/15

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Foreword

The Public Records Act 2005 (the Act) is now 10 years old and the auditing of public offices in the first Audit Programme under the Act has been completed for the 2010-2015 period.

It is disappointing to see that, although the Act came into force 10 years ago, barely half of the public offices audited in 2014/15 have recordkeeping maturity at or above the level of a managed approach to records management. My strongest concerns are about the absence or ineffectiveness of reporting on recordkeeping to leadership within public offices and the ongoing low levels of appropriate records disposal.

Public offices need to be aware of their responsibilities under the Act and to fulfil them. Low levels of recordkeeping maturity indicate that some public offices are not effectively managing business risks or ensuring that records are created and maintained to enable government accountability. I therefore do not hesitate to make recommendations for action when I issue audit reports to public offices, and follow up with public offices of particular concern.

The conclusion of the first Audit Programme is therefore an opportune time for Archives New Zealand (Archives) to consider its role as the government recordkeeping regulator. During 2015/16, Archives will be critically examining its regulatory role to ensure that the outcomes sought for the public recordkeeping system are clear and attainable and continue to support the purposes of the Act. This will take place in the context of the Government's strong emphasis on the effective use of information and on better regulatory stewardship. This context reinforces the foundational importance of good recordkeeping.

Marilyn Little

Chief Archivist

9 December 2015

Introduction

This report is issued by the Chief Archivist under sections 32 and 35 of the Act. The report provides an overview of the key issues and opportunities for government recordkeeping and presents the results of the recordkeeping audits completed during the 2014/15 financial year.

The purposes of the Act include enabling the Government to be held accountable through creating and maintaining full and accurate records of its affairs, and enhancing public confidence in the integrity of public records. The auditing of recordkeeping practices and reporting of findings to Parliament directly contribute to those objectives.

Recordkeeping as normal prudent business practice

Good recordkeeping is fundamental to maintaining and improving the efficiency and accountability of government. Effective business decision-making relies on timely access to reliable information. Well-integrated recordkeeping reduces the time spent finding information and supports the reliability and authenticity of the information. Significant administrative and storage costs are reduced by ensuring records are kept only as long as they are required for normal prudent business practice.

Benefits of managing records

Public offices cannot function without trustworthy evidence of business activity. Credible records are required to:

- design and deliver services

- make good decisions and develop good policy

- earn public confidence

- understand, manage, report on and account for business activities

- track progress against objectives

- demonstrate compliance with legislative and regulatory requirements

- prepare effectively for litigation

- protect contractual and other interests

- achieve business continuity

- maintain corporate memory

- protect the rights and entitlements of New Zealanders.

A systematic approach to creating, maintaining and disposing of records enables public offices to achieve the benefits described above, and to do so effectively and efficiently. It allows them to:

- create the records they really need

- realise the true value of their records as information assets

- find and access all of the right records at the right time and use them with confidence

- preserve records for as long as required and then dispose of them appropriately

- assess the relative importance of different kinds of records

- identify and protect records containing sensitive, confidential or private information

- control costs associated with finding, accessing and preserving records.

Risks of not managing records

Public sector organisations that do not systematically manage the creation and maintenance of their records are more likely to:

- create records that are not fit for purpose

- leave important activities undocumented

- misunderstand the information in records

- lose track of, misplace or accidentally damage or destroy records, including those with long-term value to the New Zealand public

- lose the ability to access records when required

- lose trust in the records that can be found and accessed

- allow inappropriate access to records containing sensitive, confidential or private information

- incur unnecessary operational and remediation costs.

Ineffective and inefficient records management thus exposes public sector organisations to the risk of not attaining the benefits outlined above.

Archives New Zealand's work to support government recordkeeping

The Act establishes a framework for supporting, monitoring and improving recordkeeping across public offices. Archives operates a programme of work that enables public offices to ensure the objectives and requirements of the Act can be met.

Core elements of this framework include:

- the requirement for public offices to create and maintain full and accurate records in the course of normal prudent business practice

- the requirement for public offices to gain authorisation for the disposal of records from the Chief Archivist

- the Chief Archivist's authority to set standards to support the Act

- the requirement for the Chief Archivist to conduct independent audits of recordkeeping practices and report the result of these audits

- the requirement for the Chief Archivist to independently report on the state of government recordkeeping.

Archives works to provide New Zealanders with assurance that:

- specified recordkeeping practices of public offices are identified and reported to public office chief executives

- recordkeeping areas that would merit further consideration are identified and reported to public office chief executives

- recordkeeping practices found to be unfit for purpose are brought to the attention of public offices, chief executives and relevant governance bodies, together with recommendations for corrective or remedial action

- evidence suggesting improper or unlawful activity or systematic management failure is followed up to ensure plans to address problems are put in place.

Archives' core activities continue to be to support good recordkeeping across government. The initiatives outlined in this report on born-digital records and on optimising our regulatory role will enhance our effectiveness in improving recordkeeping.

Structure of the report

This report is in two parts:

- Section 1: State of government recordkeeping

- Section 2: Audit Programme findings.

The state of government recordkeeping

Section 1 is issued under section 32 of the Act. It identifies key trends and issues for recordkeeping in the public sector. This year this section focuses on Archives' initiatives to support good recordkeeping in public offices.

The information for this section is sourced from Archives' operational work with and feedback from public offices, including:

- interacting with records and information managers across the public sector to provide advice and support

- our training programme and sector events

- consultation and research undertaken as part of specific work programmes.

Archives received 184 recordkeeping advice queries in 2014/15 from organisations subject to the Act. Using content provided by Archives, professional training providers delivered 16 training courses Archives in Wellington, Auckland, Hamilton, Christchurch and Rotorua.

Archives also received 19 complaints from individuals who believed that a public office was not fulfilling its obligations under the Act. Where appropriate, Archives provided advice and guidance. This engagement is discussed in the report.

Audit Programme findings

Section 2 of the report is issued under section 35 of the Act. The findings presented in this report are from audits undertaken across 33 public offices in 2014/15. This section does not identify the individual audit findings of any specific public office.

The section presents a short analysis of each functional area audited. Each public office is audited using the same methodology to ensure consistency of findings. Audit compliance is measured from a continuous improvement perspective rather than using a pass/fail approach. The Audit Programme findings section of the report provides a more detailed overview of the audit methodology.

Public offices audited this year were from a mix of entity types, although a less broad sample than in previous years. The findings are presented in a format consistent with previous reports.

Section 1: State of government recordkeeping

Optimising Archives New Zealand's regulatory role

The improvement of New Zealand's regulatory systems has been a consistent government goal over several administrations. Recently, the *Regulatory institutions and practices* report[1] provided advice on the design and operation of more effective regulatory regimes. This report has highlighted challenges for regulators. They include the difficulty of effective enforcement, fragmented approaches across regulatory regimes, low levels of expertise, lack of tools and an under-developed workforce. The Government has agreed with most of the report's recommendations.[2]

Legislative change is also driving regulatory stewardship. Since 2013, the State Sector Act 1988 has required the chief executive of a department to be responsible for the stewardship of the legislation administered by the department[3] and for the regulatory regimes it administers.[4]

In this context, Archives needs to have a broader and deeper view of recordkeeping across government to enable more effective regulation. We also need to ensure that our regulatory role is optimised and our regulatory tools are effective in supporting the Act's purposes.

Archives' regulatory role was established by the Act in 2005. A considerable body of work has been completed to establish and implement standards, guidance and advice for the management of public records. In addition to this, our regulatory actions and the development of regulatory tools have been continuous. Given 10 years of incremental development, the current focus on regulatory stewardship and the completion of the first audit cycle, Archives is critically examining its role as a regulator and will be implementing operational improvements during 2015/16.

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[1] Regulatory institutions and practices
    http://www.productivity.govt.nz/sites/default/files/regulatory-institutions-and-practices-final-report.pdf
[2] http://www.treasury.govt.nz/regulation/nzpcresponse/response-nzpc-jul15.pdf
[3] State Sector Act 1988, sections 32 (d)(i) and (ii)
[4] http://www.treasury.govt.nz/regulation/stewardship

We have identified three broad challenges for the regulator and for public offices:

- **Strategic** - public records management systems vary widely and are fragmented. This reflects historic fragmentation of the public sector, which is in the process of re-integration. The era of fragmentation is further complicated by the growth of born-digital records. The recordkeeping legislative regulatory framework is flexible and format neutral, but detailed work needs to be done to manage born-digital records and archives effectively.

- **Operational** - the complex nature of information management demands a more active, coordinated and deliberate use of regulatory tools, interventions and practices to give greater demonstrable impact on public recordkeeping practices.

- **Tactical** - specific regulatory interventions need to be rigorously assessed so that they support the public office concerned and the wider system.

Addressing these challenges requires a well-articulated approach for how compliance is to be attained by public offices and what constitutes an achievable state of good recordkeeping. These challenges will be addressed through the capture of better baseline information for evaluating the performance of public offices. From this, effective tools and processes can be created to assist public offices to meet their obligations under the Act and to build a public records system that enables government accountability.

This baseline information will come from analysis of audits, advice, compliance actions and transfer of physical and born-digital records/archives. These will be rich sources of information, although gaps could be identified. The information will inform a useful picture of the state of government recordkeeping and the maturity of practice and systems.

Archives intends to further strengthen cooperation with other regulators and information management roles within the Department of Internal Affairs. This will inform the development of effective regulatory practice. It will also increase the effectiveness of the Department's varied information management roles and initiatives. Ultimately, optimising our regulatory performance under the Act will provide greater assurance that good records are providing a foundation for government accountability and that the public can be confident that the records of government have integrity.

The challenges of managing born-digital records

Born-digital records are records that are only ever created and maintained electronically. Examples include photographs, documents, maps, harvested web content, manuscripts, publications, datasets and art.

The variety of solutions, convenience and low costs associated with creating, editing and sharing digital records often makes them difficult to manage systematically. The challenges include ensuring ongoing public access to born-digital records and managing a huge volume of records. Even when a foundation of meaningful metadata is created, ensuring future access to digital records in their original format requires constant monitoring and digital preservation efforts as systems and formats change continuously.

Equally challenging is the need to protect the authenticity and integrity of born-digital records. These records require the same level of protection as physical records to ensure they are not changed, accessed inappropriately or destroyed without authority. However, traditional methods of protection are not applicable to born-digital records. Methods tailored for born-digital records are needed to protect them from alteration and corruption.

Public offices must also manage retention and disposal of their born-digital and digitised records to ensure that records of long-term value are retained and low-value records are removed. The Audit Programme shows that committing resources to dispose of physical records is still a challenge for most public offices. These challenges would also apply to born-digital and digitised records.

The effective management of born-digital records has been hindered by a generation of fragmented approaches across public offices to records management. The legacy of this era is a complex environment in which to develop processes for disposal, transfer and the future management of born-digital records.

Dealing with this fragmentation across government requires Archives to have a consistent and coherent approach for managing access, preservation and storage processes for born-digital records. Ultimately, there should be a comprehensive process for government-wide management of born-digital records and a government digital archive system for storage of records for access and preservation.

As a short to medium term solution, Archives is developing an interim operational model for the transfer, preservation and provision of access to selected born-digital records. This work will not initially produce a comprehensive solution, but will be the basis for the ongoing development of longer-term solutions for an increasing range of record types and formats. The model will apply existing Archives resources and knowledge gained from earlier work on developing a process for managing born-digital records.

The model will be based in part on the results of the survey undertaken in 2014/15 on advice, guidance and tools needed by public offices for born-digital records. The results showed that the management of digital records is a priority for public offices but is hampered by an absence of resources and capability. The survey also showed that public offices require clear and comprehensive guidance from Archives.

Development work in 2014/15 and early 2015/16 has included the successful completion of five e-accessions[5], which have been ingested into the Government Digital Archive and are publicly available. These e-accessions involved born-digital records already held by Archives. Transfers of records from public offices to Archives will be undertaken during 2015/16 to test end-to-end processes and the requirements public offices need to meet.

Lessons learned

Key lessons learned from the e-accessions and other work to date include:

- e-accessions have a level of complexity that requires Archives and public office staff to be specifically trained to manage them

- standard records management and archival disciplines are a valuable foundation but are not sufficient

- core principles for the management of physical records need to be adapted to meet the needs of the digital environment

- Archway, Archives' public archival database, can display basic information about born-digital records but cannot show more complex information that would improve the searching capability. For example, item-to-item relationships cannot be displayed between records. This is less important for physical records as they can exist independently, however, information created digitally may rely on other records to give context

- there is a risk that the migration of records between systems will affect records' authenticity, accuracy, and reliability, and these need to be actively managed

- each e-accession is unique, and customised processes and ongoing training will be required to manage this variability

- each e-accession will increase the body of knowledge that will be used to manage future e-accessions

- public offices will be required to meet detailed standards of description and condition for records to be ready for transfer to Archives.

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5   An e-accession is a group of digital records or archives from the same source taken into archival custody at the same time.

Archives will implement an operational model for transferring born-digital archives in late 2015/16. While this may not provide a comprehensive solution to the management of all born-digital records, it will allow some public offices to commence the transfer process when their records are ready. Further work required by Archives and public offices to expand the range of born-digital records that can be transferred will then be scoped.

Increase in requests for intervention

Requests for intervention from the Chief Archivist by individuals about public offices and local authorities increased in number during 2014/15 to 19, compared to only two in 2013/14.

The reason for the increased requests for intervention is unclear. Offices such as the Ombudsman, the Banking Ombudsman and the Health and Disability Commissioner have also recently reported higher numbers of requests for interventions with government agencies.

The Act may be seen as part of a wider framework that includes the Official Information Act 1982, the New Zealand Bill of Rights Act 1990, the Privacy Act 1993, the Human Rights Act 1993 and the Protected Disclosures Act 2000. Taken together, these statutes support people in questioning the treatment of public information by government.

The increase in requests to Archives could reflect growing public attention on the importance of good information management by government. It may also be a result of a public desire to have public records accessible and safe for future generations. High profile events involving recordkeeping may have reinforced the public's expectations that there should be effective systems, with individuals seeking to express dissatisfaction when this is not the case. Recent high-profile events may have increased awareness of the Act, for example, the Recordkeeping Review.[6]

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[6] *Managing text messages under the Public Records Act 2005: A Review by the Chief Archivist*
   http://archives.govt.nz/advice/public-records-act-2005/managing-text-messages-under-public-records-act-2005

Types of intervention sought

Requests for intervention tend to be received from individuals (or their advocates) who have been unsuccessful in obtaining public records in their dealings with government. This may be due a public office's alleged inability to locate a record through poor or inconsistent recordkeeping processes that result in loss or destruction. Alleged failure to create a full and accurate record has also been identified as an issue. The records in question mostly relate to employment, health or immigration matters. Complainants tend to be seeking to highlight a public office's alleged poor recordkeeping practices and in some cases may seek action from the Chief Archivist to improve recordkeeping in the public office.

Powers available

Although the Chief Archivist considers and responds to requests for intervention, the Act does not specifically establish a regime for investigating or resolving individual grievances about recordkeeping. This is in contrast to other statutes, for example the Ombudsmen Act 1975, which explicitly establishes an investigatory function for the Office of the Ombudsman.

The Chief Archivist's powers do, however, allow responses to requests for intervention. Under the Act, the Chief Archivist is mandated to exercise a leadership role in public recordkeeping, authorises disposal of records, and issues standards and guidelines for public offices. The Chief Archivist is also responsible for monitoring and auditing public office recordkeeping. The two key provisions in responding to requests for intervention include the direction to a public office to report on any specified aspect of its recordkeeping and the power to inspect a public office's records.

Approach taken in responding to requests

Requests are considered by Archives in light of the intervention powers available and the nature of the alleged failing. Recent requests have shown that intervention by Archives is unlikely to materially affect the outcome of a particular case or application. Requests can, however, be indicators of general recordkeeping problems in a public office or the wider system, which can be a useful focus for work with the public office concerned. Actions can include:

- advice and guidance

- a direction to report issued to the public office concerned

- subsequent steps for remediation identified and monitored.

Archives will continue to consider and monitor requests for intervention. These are an important source of information about public office performance and the wider system. The Chief Archivist has specific powers under the Act. It is important that expectations of the ability to intervene align with the Act. As the regulator of public records, Archives is likely to achieve the greatest benefits by taking lessons from individual requests for intervention and deriving system-wide benefits. The response to requests for intervention will continue to be part of Archives' regulatory processes.

Section 2: Audit Programme findings

Audit Programme background

The Act sets the statutory framework for recordkeeping across government. Some recordkeeping requirements are set out in the Act, while more detailed obligations are put in place through standard setting under the Act.

Archives worked with public offices to develop an audit methodology to achieve the objectives of the legislation. The auditing of public offices in the Audit Programme has been completed for the 2010-2015 period. Over the five year programme there have been 201 public office audits.

The design of the audit methodology reflected an assessment of the current recordkeeping environment within public offices, based on survey and operational information. Recordkeeping audits were a new intervention under the Act. They were designed to positively support effective and efficient recordkeeping, and contribute to the Act's objective of public confidence in the integrity of public records.

The audit approach aimed to limit demand on resources in the audited public offices, and to support business planning, risk management and internal audit reporting activity. The approach was based on a self-assessment, which was subjected to a desk-top review and validated through a follow-up onsite audit. The methodology was reported on in more detail in the Chief Archivist's report for 2010/11.[7]

Audit methodology

The Audit Programme assessed public offices' recordkeeping practices against the requirements of the mandatory *Records Management Standard for the New Zealand Public Sector* issued by Archives New Zealand.[8]

The requirements of the Act and mandatory standard are broken down into the following eight functional areas:

- Management:
    - o Planning

- o Resourcing

- o Training

- o Reporting

- Operational:

  - o Creation and capture

  - o Retrievability and security

  - o Maintenance and storage

  - o Disposal and transfer.

Each public office was audited using the same process to ensure consistency of findings. Audit compliance was measured from a continuous improvement perspective. The audit was designed to assess the maturity of a public office's recordkeeping capability for each functional area.

Detailed audit reports were provided to each public office upon completion of the audit. The individual reports provided to public offices contain detailed information and include practical recommendations for implementation.

Scope of the audits

In accordance with section 33(2) of the Act, the criteria for the focus of the audits for the financial year 2014/15 in the aspects of recordkeeping practices were as follows:

- core requirements of the Act

- the mandatory standard

- direction and planned outcomes

- recommendations for capability development

- awareness of business risks.

It is important to note that the audits were designed to assess overall recordkeeping maturity. In many public offices this was found embedded in business processes, procedures and systems, as opposed to specific recordkeeping programmes.

This report analyses and presents findings across the entire cohort of the 33 entities audited for the 2014/15 year but does not contain information which may identify the individual audit findings of any specific public office.

Key audit findings for 2014/15

This section of the report presents a summary of the key findings from the fifth year of the Audit Programme. This year, 33 public offices, across a range of entity types were audited. A breakdown of the entity types audited is at Appendix A. The list of public offices audited is at Appendix B. These included all the Courts in one year rather than these being spread across the programme. The sample is therefore somewhat less broad-based than in previous years.

The chart in Figure One summarises the overall maturity rating for the public offices audited during 2014/15. A maturity rating for each functional area is given to the audited public office. Each of the eight functional areas contains three stages of development. They have been added together to give an overall picture of progress. A definition of the functional areas is at Appendix C. The maturity ratings are defined as follows:

- **Absent** - no systematic approach to requirements

- **Aware** - awareness of requirements and basic implementation is evident

- **Actioned** - evidence of managed approach to the requirements for recordkeeping

- **Embedded** - effective management of records is fully integrated and continuous improvement is evident.

The overall maturity rating shows barely half the public offices audited have recordkeeping maturity at or above the level of a managed approach in each of the eight functional areas. The maturity ratings for previous years are summarised in Figures Two, Three, Four and Five.

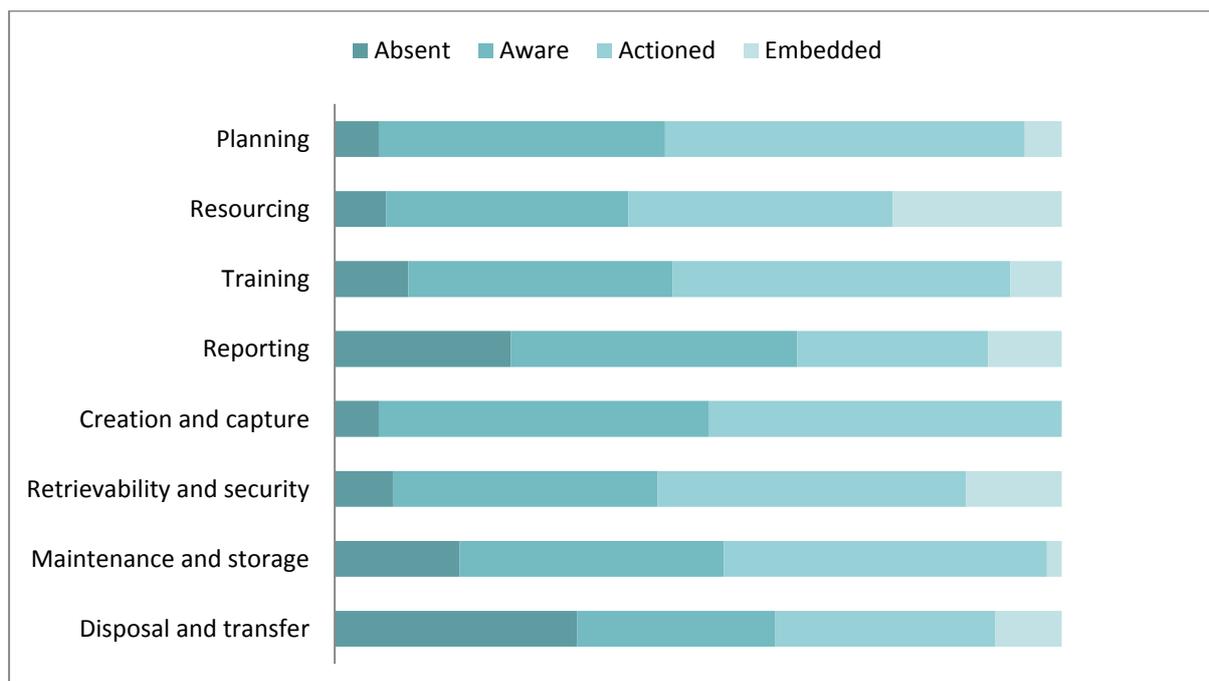## Figure One: Overview of 2014/15 maturity ratings

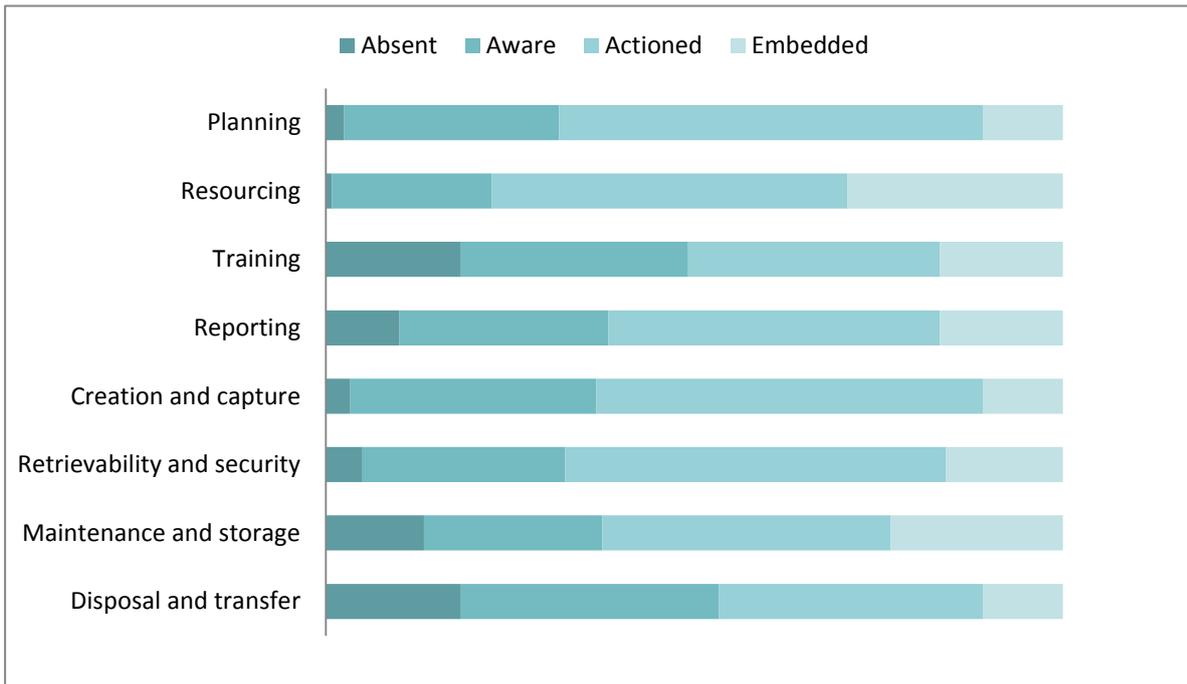## Figure Two: Overview of 2013/14 maturity ratings

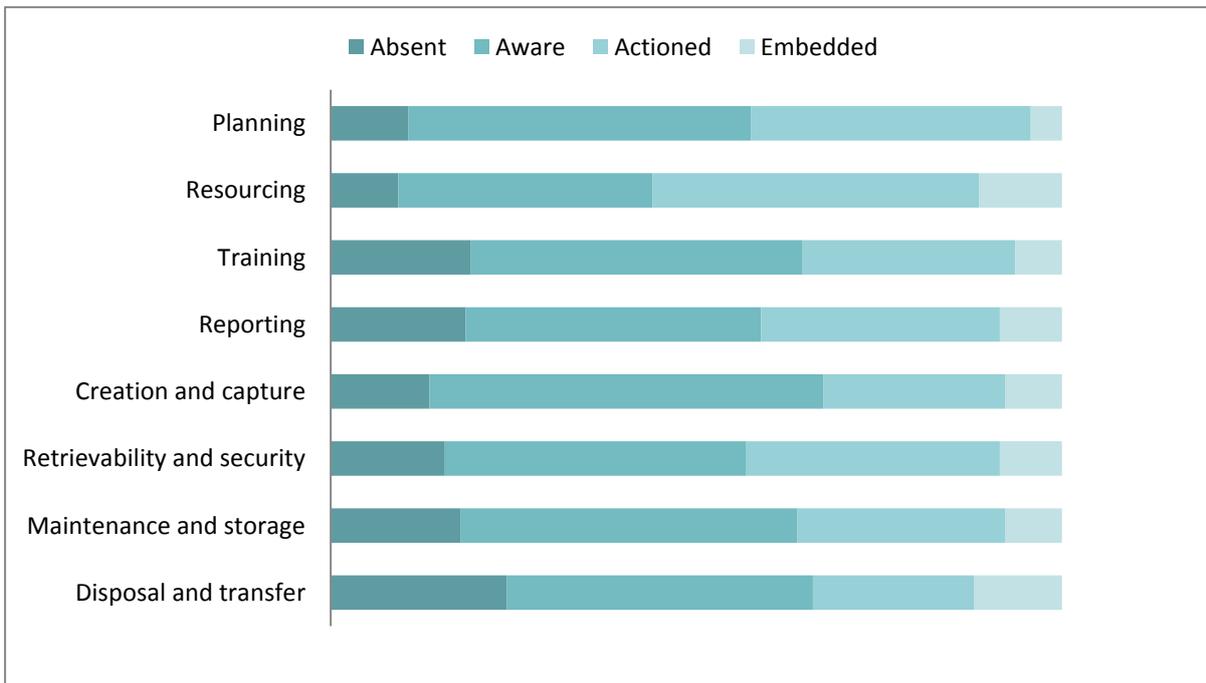## Figure Three: Overview of 2012/13 maturity ratings

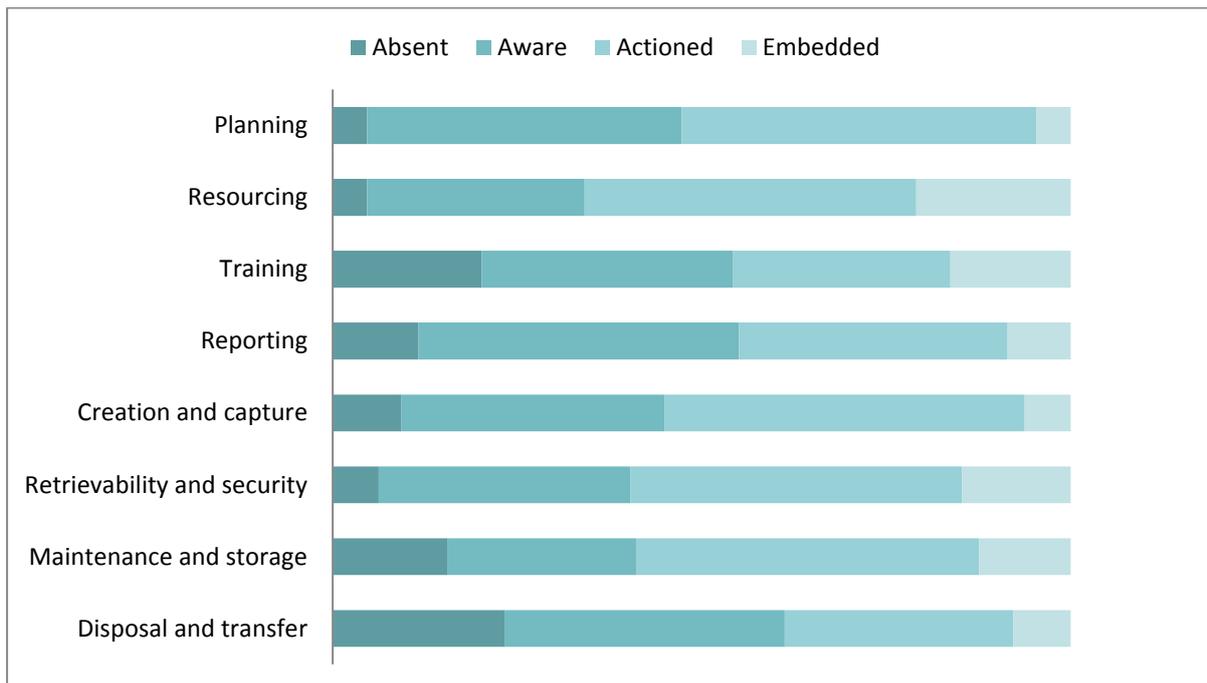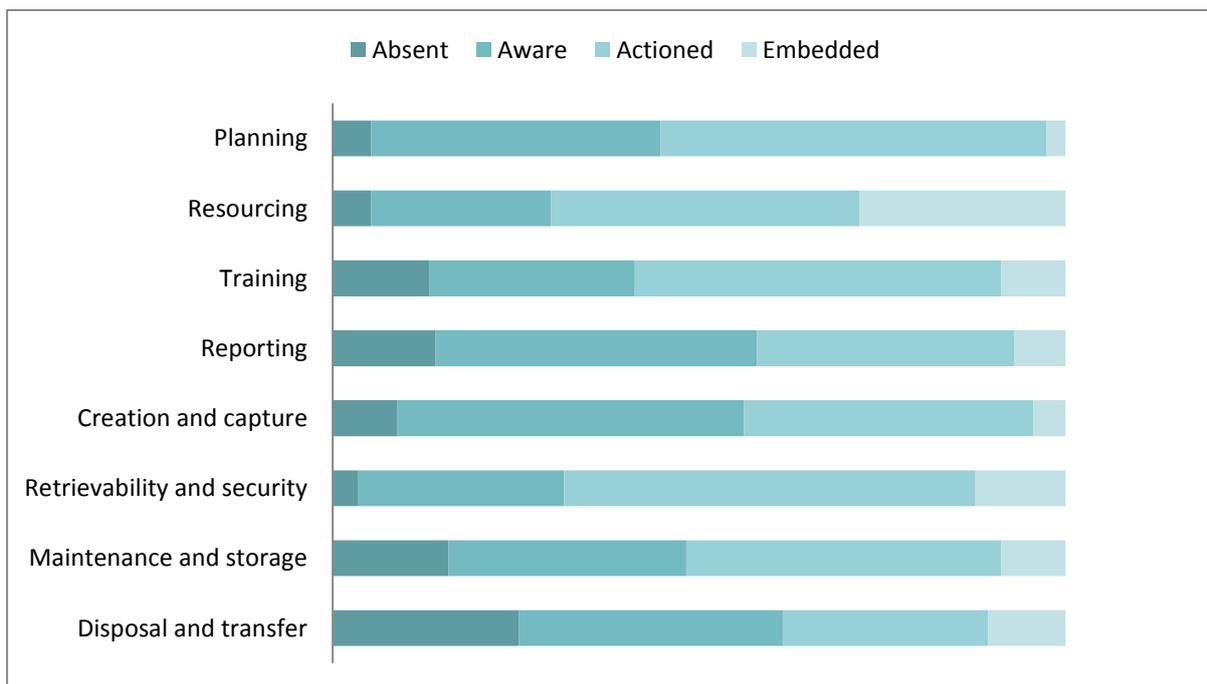## Figure Four: Overview of 2011/12 maturity ratings

Figure Five: Overview of 2010/11 maturity ratings

Planning

Over half of the public offices audited this year have documented policies that are approved by their chief executives. Policies and procedures are the key to prescribing which records are created and maintained by public offices. The most significant area of concern is that public offices are not regularly reviewing and/or revising records management policies, procedures and directives. Ideally this should occur annually or biennially. Maintaining updated policies and procedures is essential to ensure that they reflect changes in public offices' direction or business needs and include new technologies and records management guidance from Archives.

Public office strategic plans sighted included records management objectives and risks, however, the monitoring and regular review of these plans needs to be completed in conjunction with other strategic plans and review cycles to ensure they align. A risk of non-compliance with the Act should be added to all risk registers and these should be regularly reviewed by public offices.

Public offices need to establish well-defined and meaningful performance goals and performance measures for their records management activities based on regulatory requirements and best practices. Performance measures should help a public office to assess its progress towards achieving its performance goals and objectives. In 2014/15, there were fewer public offices monitoring and reviewing performance goals and objectives than in previous audit years. Most public offices' self-assessments indicated that more work is required in this area.

Resourcing

Well over half of public offices audited this year had assigned roles and responsibilities and appropriate resourcing. Resourcing has had a relatively high level of maturity in each year of the five year programme. Assigning overall responsibility for records management to the appropriate leadership or management level ensures that the importance of records management is recognised. Some public offices have provided records management training to operational records staff, but again the lack of monitoring and regular review of training plans was a cause for concern. Budgets for future training and improvements in records management were found in most public offices.

Training

Public offices audited in 2014/15 showed a slight improvement over the 2013/14 cohort in developing specific records management training within their organisational development programme. However, many public offices are still developing training plans for staff. The public offices without a formal induction package in place tended to rely on including training on recordkeeping practices in a buddy system. This training should be for all staff, including contractors and senior management, and can be tailored to meet the needs of specific roles.

Reporting

The finding that more than half of the public offices audited did not have regular monitoring or reporting on policies, procedures and processes was of serious concern this year. Public offices should be conducting routine evaluations, inspections, or audits of how records management policies and procedures are being implemented and whether this has been done consistently.

Monitoring and review of recordkeeping practices should be undertaken on a regular basis to ensure the effectiveness and efficiency of systems and processes. Current practice within the public offices audited in 2014/15 showed that legislative compliance surveys were completed on an annual basis but no other reporting measures were in place.

Creation and capture

Overall, a high proportion of public offices were aware of the need to put plans in place to identify records management requirements within core business processes and systems. Many public offices had plans to replace aging document management systems with enterprise content management systems offered as part of the all-of-government solution. Some public offices have put on hold the review of business classifications or taxonomies, metadata and the implementation of disposal authorities so that these can form part of the wider implementation plan of their new systems.

Some public offices are storing records in various semi-structured network drives and physical storage areas without comprehensive business rules, policies, or procedures. This haphazard approach exposes records to significant risks of loss and inaccessibility. A lack of capability is a substantial constraint on improving access to information. A re-design of internal processes to include recordkeeping in storage management will improve the day-to-day conduct of business by simplifying process and increasing consistency. Requirements for the management of all records should be integrated into processes and systems. Public offices need to involve records management staff in the design, development, and implementation of new or improved systems.

Retrievability and security

Consistent with previous audit years, most public offices had evidence of access rules and restrictions for records. This can be seen in defined network security policies and controlled access to physical records and records storage areas. The area of concern this year was the identification of sensitive and restricted records and the controls and rules for those records.

Information security is important for public trust and confidence. Public offices need to ensure guidance on handling sensitive information is provided to all staff. The New Zealand Information Security Manual is consistent with good recordkeeping practice and should be used by all public offices.

Regular monitoring and reporting identifies the timeliness, quantity and frequency of records retrieval. Public offices audited do not regularly assess their ability to locate records within recordkeeping systems. When information is requested under the Official Information Act 1982 or the Privacy Act 1993, any retrieval problems obstructing the provision of information should be documented and should be addressed.

Public offices need to ensure the access status of records is documented and this needs to include the rationale for access decisions. Most public offices this year had plans to document this as part of their development of disposal authorities.

Maintenance and storage

As in 2012/13 and 2013/14, many storage facilities were managed on an ad hoc basis with few controls in place. Some public offices were aware of the need to undertake an assessment of records storage areas and to put controls in place to manage the access and security requirements of records. However, many were at the initial stage of planning these requirements. Public offices need to ensure that a documented assessment of onsite storage facilities for records is included within these plans, as well as regular audits of storage locations and conditions.

Under half of the public offices audited in 2014/15 have disaster recovery plans for digital records that incorporate roles and responsibilities. Focus is required on formal disaster management for physical records and the implementation and testing of both physical and digital plans.

Disposal and transfer

As in previous years, disposal and transfer was the area with the lowest maturity. This is disappointing. The Act has now been in force for 10 years and most public offices are still not disposing of records appropriately.

Disposal and transfer processes are under-developed in nearly all the public offices audited. Disposal by systematic transfer of archival records to Archives is inconsistent. Well over half the public offices audited have yet to develop plans to create and implement policies, procedures or business rules for the disposal of records.

Over-retention of records can lead to higher storage, conversion and migration costs. Records of long-term value are at risk of being accidentally destroyed or lost in systems cluttered with lower-value records. To enable successful disposal, public offices must develop and actually implement disposal procedures. In the absence of a disposal authority, public offices cannot legally destroy records or transfer them to Archives.

Summary

The 2014/15 audits showed that awareness of requirements and responsibilities under the Act and mandatory standard was still developing. Of the eight capability areas, our strongest concerns are about reporting as well as disposal and transfer capabilities.

Of those audited, three public offices had low recordkeeping capability. Recommendations made to those public offices included:

- understanding the purposes of the Act and how its requirements relate to the public office's business

- inclusion of records management objectives and risks within strategic business plans

- developing policies and procedures that include the management and control of records

- training their staff in recordkeeping practices

- developing criteria to assist with assessing and reporting the performance of records management activities and practices

- developing and implementing disposal procedures and a disposal authority that covers their core business records

- establishing a clear mandate for these changes from the chief executive to ensure action is taken.

Each of the three public offices was requested to advise Archives of how they intended to address these recommendations and implement improvements. Archives will provide ongoing monitoring and, if required, assistance to all three public offices.

The 2014/15 audits indicated that more emphasis is required by public offices in assessing and reporting on the effectiveness of their recordkeeping practices. It appears that public office managers are not generally being informed of their organisations' performance against records management requirements. They often have insufficient awareness of the extent to which key records management initiatives and strategies are being achieved and the standard of recordkeeping.

The infrequent implementation of disposal authorities and the lack of developed disposal procedures is a concern. Archives will need to address this as a regulator. Expanding coverage of disposal authorities is a potentially useful step, but this alone will not be effective in driving public offices to actually implement disposal.

The concern is that, although the Act came into force nearly 10 years ago, only half of the public offices audited in 2014/15 have recordkeeping maturity at or above the level of a managed approach. There has been no clear and sustained improvement over the five years of the audit programme. Public offices need to be aware of their requirements and responsibilities under the Act and take positive steps to build their recordkeeping capability. Good recordkeeping practices assist public offices to better manage business risks and ensure records are maintained to uphold government accountability and transparency.

Archives will be considering the most effective use of our regulatory tools during 2015/16, as described in Section 1 of this report. The audit findings will inform how we use these tools.

Appendix A: Entity types audited

Entity type	Number
Crown Agents	2
Crown Entities – Tertiary Education Institutes – Polytechnics	2
Crown Entities – Tertiary Education Institutes – University/Wānanga	3
Non-Public Service Departments	1
Public Service Departments - includes 15 audits of Courts, tribunals and other authorities that are not Public Service departments but are provided with recordkeeping services by Ministry of Justice	21
Crown Entities Companies	2
State-Owned Enterprises	2
Total	**33**

Refer to Appendix B for a full list of public offices audited for the 2014/15 financial year.

Appendix B: Public offices audited

Client	Entity type
Accident Compensation Corporation	Crown Agent
Airways New Zealand	State Owned Enterprise
Antarctica New Zealand	Crown Agent
Canterbury Earthquake Recovery Authority	Public Service Department
Christchurch Polytechnic Institute of Technology	Crown Entities – Tertiary Education Institutes – Polytechnics
Crown Irrigation Investments Limited	Crown Entity Companies
Department of Corrections	Public Service Department
Department of Internal Affairs	Public Service Department
Government Communications Security Bureau	Public Service Department
Ministry of Business, Innovation and Employment	Public Service Department
Ministry of Justice	Public Service Department
Ministry of Justice - Coroners Court	Public Service Department
Ministry of Justice - Court of Appeal	Public Service Department
Ministry of Justice - Disputes Tribunal	Public Service Department
Ministry of Justice - District Court	Public Service Department
Ministry of Justice - Employment Court	Public Service Department
Ministry of Justice - Environment Court	Public Service Department
Ministry of Justice - Family Court	Public Service Department
Ministry of Justice - High Court	Public Service Department
Ministry of Justice - Judicial Authorities	Public Service Department
Ministry of Justice - Māori Land Court	Public Service Department
Ministry of Justice - Supreme Court	Public Service Department
Ministry of Justice - Tenancy Tribunal	Public Service Department
Ministry of Justice - Waitangi Tribunal	Public Service Department
Ministry of Justice - Youth Court	Public Service Department
Ministry of Justice and all non-judicial authorities	Public Service Department
New Zealand Security Intelligence Service	Non-Public Service Department
Solid Energy New Zealand Limited	State Owned Enterprise
Tai Poutini Polytechnic	Crown Entities – Tertiary Education Institutes – Polytechnics
Te Wānanga o Raukawa	Crown Entities – Tertiary Education Institutes – University / Wānanga
Television New Zealand	Crown Entities Companies
University of Canterbury	Crown Entities – Tertiary Education Institutes – University / Wānanga
University of Otago	Crown Entities – Tertiary Education Institutes – University / Wānanga

Appendix C: Definition of functional areas

Planning

The planning functional area covers the requirements in the mandatory standards to have recordkeeping functions and activities well defined.

The planning area requires that:

- organisational strategy includes recordkeeping objectives

- recordkeeping risks are included in risk management planning

- systems used to create and manage records are identified and documented

- policies and procedures are documented, implemented and regularly reviewed, including procedures for capturing recordkeeping data (metadata)

- business critical records are identified and managed

- a disaster recovery plan or business continuity plan includes the management of both physical and digital records and the plan is regularly tested and reviewed.

Resourcing

The resourcing functional area covers the requirements in the mandatory standards for the management of records to be assigned to a position(s) within an organisation and appropriately resourced.

The resourcing area requires that:

- management of records is assigned to a position(s) within the organisation

- staff assigned to recordkeeping have been given the appropriate training

- all staff understand the recordkeeping requirements for the organisation

- annual budget planning includes resourcing and improvements for recordkeeping within the organisation.

Training

The training functional area covers the requirements in the mandatory standards for staff to be trained to achieve recordkeeping requirements.

The training area requires that:

- an analysis is conducted of training needs and skills for staff with recordkeeping responsibilities

- a training plan is implemented and maintained

- training is provided by appropriate trainers and skills are regularly reviewed

- staff training includes clear guidance on policies, procedures, specific tools and systems, relevant legislation and standards

- staff are trained to protect and salvage records in an emergency.

Reporting

The reporting functional area covers the requirements in the mandatory standards for recordkeeping to be included in an internal monitoring and compliance programme.

The reporting area requires that:

- the creation and capture of records is routinely monitored

- corrective actions are taken where required

- an assessment of recordkeeping capability is undertaken.

Creation and capture

The creation and capture functional area covers the requirements in the mandatory standards for recordkeeping requirements being identified in business processes and functions.

The creation and capture area requires that:

- all physical and digital records, including recordkeeping data (metadata), are captured routinely, documented and organised according to the public office's business requirements

- business critical systems/applications are identified and documented

- business classification structures are routinely reviewed for relevance

- disposal authorities are linked to business classification structures to enable record sentencing at time of creation.

Retrievability and security

The retrievability and security functional area covers the requirements in the mandatory standards for records to be secure and accessible where required.

The retrievability and security area requires that:

- records are accessible, retrievable and managed within appropriate systems

- storage facilities and systems that manage physical records include the appropriate security and controls of access

- sensitive and restricted records are identified, documented, controlled and accessible in accordance with legislation or guidance (for example, the Official Information Act 1982, the Privacy Act 1993 and the *Security in the Government Sector* manual)

- records 25 years of age or older have access authorities in place

- records locations are monitored and routinely audited.

Maintenance and storage

The maintenance and storage functional area covers the requirements in the mandatory standards for all records and recordkeeping data to be managed so they cannot be altered, deleted or disposed of without permission.

The maintenance and storage area requires that:

- a risk-based assessment of the storage of physical records must be completed to ensure records are stored appropriately, and reviewed/appraised and stored in accordance with their value and security needs

- a plan has been developed for the storage of physical archival-value records that meets the requirements of the storage standard.

Disposal and transfer

The disposal and transfer functional area covers the requirements in the mandatory standards for all core functions to be appraised and disposed of appropriately.

The disposal and transfer area requires that:

- all core functional records are appraised

- retention and disposal authorities are approved and applied

- disposal, which includes transfer or destruction, must be managed in line with procedures to ensure records are managed according to public office business requirements

- public offices must plan and document regular efficient disposal of records, this includes ensuring that all necessary and practical steps have been taken to ensure the disposal of records is complete

- records of 25 years of age and over which are still required by the public office must have a deferral of transfer agreement approved by the Chief Archivist.