



# Public Records Act 2005 Audit Report for New Zealand Lotteries Commission

**Prepared for Archives  
New Zealand**

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## **Independence**

We are independent of Archives New Zealand in accordance with the independence requirements of the Public Records Act 2005.

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# 1. Executive summary

The New Zealand Lotteries Commission (Lotto NZ) is an autonomous Crown entity promoting, organising, and conducting New Zealand lotteries and creating rules regulating the conduct and operation of these lotteries. Lotto NZ creates high value public records, including game operations, harm minimisation management, marketing records and retailer management records which documents Lotto NZ's relationships with Lotto outlet retailers.

SharePoint within Microsoft Office 365 has been the primary repository of information since 2019. Lotto NZ also maintains a gaming system and a CRM system.

Lotto NZ employs 180 full time staff, and the responsibility for day to day information management is delegated to Lotto NZ's various departments. These departments rely on the expertise of the Information Architect, Head of Architecture, and the Head of Data Analytics to provide advice on information management. We consider these staff members to be Lotto's information management staff. Lotto NZ has physical and digital records, with most physical documents stored offsite with a commercial storage facility. Physical information stored onsite is required for day to day use such as human resources and finance records.

Lotto NZ's information management maturity is summarised below. Further detail on each of the maturity assessments can be found in sections 4 and 5 of this report.

|                    |           |
|--------------------|-----------|
| <b>Beginning</b>   | <b>12</b> |
| <b>Progressing</b> | <b>7</b>  |
| <b>Managing</b>    | <b>1</b>  |
| <b>Maturing</b>    | <b>0</b>  |
| <b>Optimising</b>  | <b>0</b>  |



## 2. Introduction

KPMG was commissioned by Archives New Zealand to undertake an independent audit of New Zealand Lotteries Commission (Lotto NZ) under section 33 of the Public Records Act 2005 (PRA). The audit took place in November 2021.

Lotto NZ's information management practices were audited against the PRA and the requirements in the [Information and records management standard](#) as set out in Archives New Zealand's Information Management Maturity Assessment.

Archives New Zealand provides the framework and specifies the audit plan and areas of focus for auditors. Archives New Zealand also provides administrative support for the auditors as they undertake the independent component of the audit process. The auditors are primarily responsible for the onsite audit, assessing against the standard, and writing the audit report. Archives New Zealand is responsible for following up on the report's recommendations with your organisation.

## 3. This audit

This audit covers all public records held by New Zealand Lotteries Commission including both physical and digital information. Lotto NZ are located in Auckland, and due to alert levels being in place at the time of the audit, the audit was completed remotely.

The audit involved reviews of selected documentation, interviews with selected staff, including the Executive Sponsor, Lotto NZ's Information Architect, Head of Architecture, Head of Data Analytics, Innovation and Technology staff, and a sample of other staff members from various areas of Lotto NZ. Note that the Executive Sponsor is the senior responsible officer for the audit.

The audit reviewed Lotto NZ's information management practices against the PRA and the requirements in the Information and records management standard and provides an assessment of current state maturity. Where recommendations have been made, these are intended to strengthen the current state of maturity or to assist with moving to the next level of maturity.

The summary of maturity ratings can be found at section 4, with detailed findings and recommendations following in section 5. Lotto NZ has reviewed the draft report, and a summary of their comments can be found in section 6.

# 4. Maturity Assessment

This section lists all assessed maturity levels by topic area. For further context about how each maturity level assessment has been made, refer to the relevant topic area in the report in Section 5.

| Category               | No. | Topic   | Maturity  |             |          |          |            |
|------------------------|-----|---|-----------|-------------|----------|----------|------------|
|                        |     |   | Beginning | Progressing | Managing | Maturing | Optimising |
| <b>Governance</b>      |     |   |           |             |          |          |            |
|                        | 1   | IM strategy   |           | ●           |          |          |            |
|                        | 2   | IM policy and processes                             |           | ●           |          |          |            |
|                        | 3   | Governance arrangements & Executive Sponsor         | ●         |             |          |          |            |
|                        | 4   | IM integration into business processes              | ●         |             |          |          |            |
|                        | 5   | Outsourced functions and collaborative arrangements | ●         |             |          |          |            |
|                        | 6   | Te Tiriti o Waitangi                                | ●         |             |          |          |            |
| <b>Self-monitoring</b> |     |   |           |             |          |          |            |
|                        | 7   | Self-monitoring                                     | ●         |             |          |          |            |
| <b>Capability</b>      |     |   |           |             |          |          |            |
|                        | 8   | Capacity and capability                             |           | ●           |          |          |            |
|                        | 9   | IM roles and responsibilities                       | ●         |             |          |          |            |
| <b>Creation</b>        |     |   |           |             |          |          |            |
|                        | 10  | Creation and capture of information                 | ●         |             |          |          |            |
|                        | 11  | High-value / high-risk information                  | ●         |             |          |          |            |
| <b>Management</b>      |     |   |           |             |          |          |            |
|                        | 12  | IM requirements built into technology systems       |           | ●           |          |          |            |
|                        | 13  | Integrity of information                            |           | ●           |          |          |            |
|                        | 14  | Information maintenance and accessibility           |           | ●           |          |          |            |
|                        | 15  | Business continuity and recovery                    |           | ●           |          |          |            |
| <b>Storage</b>         |     |   |           |             |          |          |            |
|                        | 16  | Appropriate storage arrangements                    |           |             | ●        |          |            |
| <b>Access</b>          |     |   |           |             |          |          |            |
|                        | 18  | Information access, use and sharing                 | ●         |             |          |          |            |
| <b>Disposal</b>        |     |   |           |             |          |          |            |
|                        | 20  | Current organisation-specific disposal authorities  | ●         |             |          |          |            |
|                        | 21  | Implementation of disposal decisions                | ●         |             |          |          |            |
|                        | 22  | Transfer to Archives New Zealand                    | ●         |             |          |          |            |

**Note:** Topics 17 and 19 in the Information Management Maturity Assessment are applicable to Local Authorities only and have therefore not been assessed.

# 5. Audit findings by category and topic

## Governance



The management of information is a discipline that needs to be owned from the top down within a public office. The topics covered in the Governance category are those that need senior-level vision and support to ensure that government information is managed to ensure effective business outcomes for the public office, our government and New Zealanders.

### TOPIC 1 – IM strategy

Progressing

#### *Summary of findings*

Lotto NZ does not have an information management strategy to provide strategic direction and support over information management activities. However, while there is no documented strategy, the Executive Sponsor and the ELT support the information management strategic direction, which is a key area of development for the organisation.

This focus is demonstrated by Lotto NZ by currently working with an external consultant to develop an enterprise-wide data strategy that encompasses information management. It has also hired an independent contractor with information management expertise to increase their maturity in information management, particularly in relation to the development of an organisation-specific disposal authority.

#### *Recommendations*

Develop an information management strategy, following Archives New Zealand's guidance, and ensure it is aligned to business needs and any wider digital strategies. The strategy should be communicated to all staff and contractors and reviewed on a periodic basis to ensure it continues to align with Lotto NZ's business activity.

### TOPIC 2 – IM policy and processes

Progressing

#### *Summary of findings*

Lotto NZ has a current and up to date information security policy that references compliance with the Public Records Act (PRA). However, Lotto NZ acknowledges that this is insufficient to be considered an information management policy. Lotto NZ is in the process of drafting the "New Zealand Lotteries Commission Information Management Policy" and is due for review at the December 2021 board meeting. This draft policy is in line with the PRA and highlights the roles and responsibilities of all staff as well as specific positions.

Staff interviewed had some awareness of their roles and responsibilities relating to information management. Information management staff and the Executive Sponsor have a sound understanding of relevant legislation, including the PRA.

Lotto NZ has some information management process documentation in other policies. For example, in their document "Security Standard - Documentation v3.0", required file formats and file names are outlined for documents relating to their Information Security Management System. However, staff interviews identified that teams set their own information management processes, although these are typically undocumented.

### *Recommendations*

Finalise an information management policy and associated process documents that provide formal information management guidance to staff. This should be approved by the ELT.

## **TOPIC 3 – Governance arrangements and Executive Sponsor**

**Beginning**

### *Summary of findings*

Lotto NZ does not currently have a separate information management governance group. However, Lotto NZ does have an existing Data Governance Group that aims to meet monthly, and a Privacy and Security Group that meets three times per year to discuss various topics, of which some relate to information management. With the growing focus on information management throughout the organisation, there is an intent to include information management as a formal agenda item at these meetings once the information management policy is in place.

The Executive Sponsor performs the oversight and monitoring role in relation to information management across Lotto NZ. The Executive Sponsor provides support to information management staff and actively champions information management within Lotto NZ. Examples of this include the Executive Sponsor attending the Data Governance Group and Privacy and Security Group meetings and willingness to contract subject matter experts to improve the maturity of information management in the organisation.

The Executive Sponsor does not receive regular reporting on information management matters from the information management staff. Regular reporting, along with formalising information management in existing governance groups, will support the Executive Sponsor to better champion information management across the organisation.

### *Recommendations*

Design regular reporting that provides useful and actionable information for the Executive Sponsor that can be shared with the wider ELT. The reporting should be designed to provide actionable insights into the management of information within Lotto NZ.

## **TOPIC 4 – IM integration into business processes**

**Beginning**

### *Summary of findings*

Due to the absence of an information management strategy, policy and associated documents, information management responsibilities have not formally been assigned to staff. Staff understand that they have a responsibility to create and store records. However, staff require education on wider information management practices.

During the migration to SharePoint, Lotto NZ used an external vendor to support the transition, which worked with the various departments in the organisation to ensure that SharePoint was set up to support business processes. SharePoint now integrates information management into the day-to-day activities of Lotto NZ.

Another example of Lotto NZ including information management requirements into some business processes and activities is through their Risk and Controls Matrix (RACM), which is completed prior to project approval. The RACM refers to the PRA, displaying a consideration of information management in project work.

### *Recommendations*

Document responsibilities for the creation and management of information in business processes.



***Summary of findings***

Lotto NZ uses a contract template for outsourced functions and collaborative agreements or contracts supplied by the vendor. A sample of contracts was reviewed, and although these contracts contain references to intellectual property, confidential information and security, there is no explicit mention of information management and no reference to the PRA.

Once Lotto NZ has developed the information management policy, it plans to share this information with existing vendors. When the Privacy Act was updated in December 2020, vendors were contacted and provided with a letter outlining vendor obligations and Lotto NZ plan to do the same following the approval of the information management policy.

***Recommendations***

Review all existing major outsourced and collaborative contracts that may produce or contain high-risk or high-value information and identify what information management requirements need to be addressed.

Include information management requirements for all outsourced functions and collaborative agreements for all new contracts going forward.

***Summary of findings***

Lotto NZ does not have any information management processes to locate and identify information of importance to Māori. While it acknowledges that it is important to identify information that is important to Māori, no work has been completed in this space. There is also currently limited capability within Lotto NZ to incorporate and maintain metadata in Te Reo Māori.

In addition, there is minimal clarity within Lotto NZ over what information held would be relevant under Te Tiriti O Waitangi.

***Recommendations***

Undertake an exercise in consultation with external Maori groups and iwi to identify and assess whether there is information held by Lotto NZ that is of importance to Maori. The outcome of this exercise will inform Lotto NZ as to whether further actions are required to address this topic.

## Self-monitoring



Public offices are responsible for measuring and monitoring their information management performance for planning and improvement purposes. This helps to ensure that IM systems and processes are working effectively and efficiently. It also ensures that public offices are meeting the mandatory Information and records management standard as well as their own internal policies and processes.

### TOPIC 7 – Self-monitoring

### Beginning

#### *Summary of findings*

As there are no information management policy and process documents, Lotto NZ does not monitor compliance with internal policies. However, Lotto NZ does have a Data Governance Group and a Privacy and Security Group, both of which meet monthly. While these have some relevance to information management, Lotto NZ expressed its intent to add information management to the agenda of the Data Governance Group, ensuring it is regularly monitored and reported on.

Lotto NZ performs an annual legislative compliance survey and reports the results to the Audit and Risk Committee. The survey seeks to confirm that Lotto NZ complies with various Acts, including the PRA. Following the survey, responsibility for resolving any issues is assigned to appropriate individuals. For example, the August 2021 report noted that Lotto NZ required a Disposal Authority as discussed in Topic 20 – *Current organisation-specific disposal authorities*.

#### *Recommendations*

Establish a periodic review process to monitor whether the information management policy (once it has been developed), Public Records Act requirements, the Archives New Zealand standard and other relevant legislation are adhered to. Monitoring over high-value and high-risk records held by Lotto NZ (Refer Topic 11 - *High-value / high-risk information*) should be prioritised.

## Capability



Information underpins everything our public offices do and impacts all functions and all staff within the public office. Effective management of information requires a breadth of experience and expertise for IM practitioners. Information is a core asset and all staff need to understand how managing information as an asset will make a difference to business outcomes.

### TOPIC 8 – Capacity and capability

### Progressing

#### *Summary of findings*

Lotto NZ has access to the appropriate information management staff capability to support the minimum business requirements. Information management is largely led by Lotto NZ's Information Architect, supported by the Head of Architecture and the Head of Data and Analytics. These information management staff members are well respected within the organisation, are found to be approachable, and staff members rely on their information management knowledge.

Where Lotto NZ has identified that there is a lack of capability or capacity to progress information management practices, they have been proactive in adjusting their resourcing. For example, the development of an organisation-specific disposal authority has started following a contractor being engaged to support this work (Refer Topic 20 – *Current organisation-specific disposal authorities*). It will be important for Lotto NZ to continue to consider capacity requirements once an organisation-specific disposal authority is in place, to ensure they have sufficient resources to regularly carry out disposal decisions.

Professional development opportunities are accessible to the information management staff, for example attendance at conferences and virtual seminars that relate to information management. This is supported by the Executive Sponsor and through Lotto NZ's professional development programme.

### ***Recommendations***

In connection with Topic 1 – *IM Strategy*, once Lotto NZ has established its strategic direction, an assessment should be completed on what information management capability is required to ensure ongoing support of information management activities.

## **TOPIC 9 – IM roles and responsibilities**

**Beginning**

### ***Summary of findings***

Lotto NZ staff have some awareness of their information management responsibilities. However, as information management policies and processes are not yet documented, staff's understanding of information management comes from the need to manage information appropriately for day-to-day activities. Information management roles and responsibilities are not documented in job descriptions or the code of conduct for staff and contractors, so they are not assessed as part of employee performance.

Staff have not been provided with induction or ongoing training relating to information management. Once the information management strategy is in place, Lotto NZ has expressed an intent to undertake extensive training with all staff and make training compulsory for new starters. There will also be opportunities for refresher training and reminders sent to staff.

### ***Recommendations***

As part of the development of the information management policy (Refer Topic 2 – *IM policy and processes*), formally identify and document roles and responsibilities relating to information management. Roles and responsibilities for information management should be communicated to all staff and contractors.

## **Creation**



It is important to take a systematic approach to the management of government information, and this starts with an understanding of what information must be created and captured. It is expected that public offices create and capture complete and accurate documentation of the policies, actions and transactions of government. Knowing what information assets are held by public offices is essential to IM practice.

## **TOPIC 10 – Creation and capture of information**

**Beginning**

### ***Summary of findings***

Lotto NZ staff understand the requirement to create and capture information as part of their day-to-day role and are aware that information should not be deleted.

Focus group discussions outlined that staff across different teams take inconsistent approaches to naming documents, which sometimes makes the documents difficult to find (Refer Topic 18 – *Information access, use and sharing*).

Standard practice across the organisation is that working documents are shared and updated within Microsoft Teams, with final documents being saved in SharePoint. However, staff can store information on their desktop, in USB drives or in emails which are uncontrolled environments. While this behaviour is discouraged in policies and security training, the ability to use uncontrolled environments could result in the risk of loss and lead to inaccessibility of information. Overall, Lotto NZ does not monitor and address information usability, reliability, and trust issues.

Metadata is captured by information systems, such as Office 365 systems. The use of SharePoint means appropriate metadata is captured. However, the use of this is limited. Some teams use tags when capturing information, while others use file structures and naming conventions. Typically, there is limited emphasis on metadata (Refer Topic 18 – *Information access, use and sharing*).

### ***Recommendations***

As part of the development of the information management policy (Refer Topic 2 – *IM policy and processes*), outline guidance on the creation and capture of information for all staff and contracts to increase understanding of requirements across the organisation and to advise them against the use of uncontrolled environments.

Limit and monitor the use of uncontrolled environments.

## **TOPIC 11 – High-value / high-risk information**

**Beginning**

### ***Summary of findings***

There is an understanding of what information may be considered high-value or high-risk within Lotto NZ. However, they have not undertaken the process of formally documenting or developing a management plan for the high-value or high-risk information assets it maintains.

Without an inventory of this information, it is not possible to have a long-term management plan for this type of information. Lotto NZ has expressed an intent to develop an information asset register alongside the organisation-specific disposal authority (Refer Topic 20 - *Current organisation-specific disposal authorities*).

### ***Recommendations***

Create an information asset register that identifies all information that is high-value or high-risk and develop a plan for the long-term management of this information.

## **Management**

Management of information should be designed into systems to ensure its ongoing management and access over time, including following a business disruption event. Information must be reliable, trustworthy and complete and managed to ensure it is easy to find, retrieve and use, as well as protected and secure.



## **TOPIC 12 – IM requirements built into technology systems**

**Progressing**

### ***Summary of findings***

The information management staff are involved in the decisions relating to new and upgraded business systems. In project work, information management staff are involved in completing a solution concept document that reviews the objectives, issues, business processes, data and applications that will be impacted by any business change. They

also complete a RACM to detail any impact in relation to the PRA. For example, Lotto NZ is currently transitioning to a new gaming system where they have completed both documents to assess the information management impacts.

Where Lotto NZ has undertaken decommissioning, information management staff have been involved.

SharePoint automatically captures the minimum metadata requirements set out by Archives New Zealand. However, Lotto NZ's other systems, such as their CRM and gaming system were not designed to capture such metadata.

### ***Recommendations***

Create standardised information management requirements for new and upgraded business systems and ensure formal inclusion of IM staff as part of this process. These should be included in any information management process documents.

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## **TOPIC 13 – Integrity of information**

**Progressing**

### ***Summary of findings***

There are localised information management practices across Lotto NZ. Due to there being no policy and documented information management processes, there is inconsistent application of good practice throughout the organisation. Although staff are aware that the information that they create should be comprehensive and complete, the different practices across teams has led to varying levels of reliability and trustworthiness of information.

Staff shared that they have variable experiences when trying to find and retrieve information within SharePoint, expressing that they are typically able to access what they need but are not always confident that the information is comprehensive and complete. Staff are able to use the search functionality in Microsoft Delve to find documents across Microsoft Office 365. However, search is an area that information management staff have identified as requiring improvement.

### ***Recommendations***

In line with Topic 2 – *IM policy and processes*, formally define and implement standardised information processes across Lotto NZ to ensure consistency.

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## **TOPIC 14 – Information maintenance and accessibility**

**Progressing**

### ***Summary of findings***

Lotto NZ does not have a documented information management strategy. However, the process for the transition to SharePoint ensured all digital data was transferred, and the associated metadata was migrated.

There is some consideration given to the ongoing accessibility required for both physical and digital information. For example, technology obsolescence is considered and mitigated by using Microsoft Office 365 as it is an 'evergreen' product.

Lotto NZ has recognised risks of technology obsolescence in their wider business, leading to their team currently working towards updating their CRM and gaming systems.

### ***Recommendations***

A periodic review of ongoing accessibility risk and preservation needs for physical and digital information should be established. The information management asset register (Refer Topic 11 – *High-value / high-risk information*) should support this review.

**Summary of findings**

Lotto NZ has a business continuity plan (BCP) that was last updated in December 2020. The BCP outlines Lotto NZ’s critical business processes, the systems required and the teams responsible for them. The use of Microsoft Office 365 and SharePoint are listed as risk mitigators, given staff are able to access these systems remotely through the use of a VPN and multi-factor authentication. However, the BCP does not include the restoration of physical business information, which is important due to some physical information stored on-site being required for day-to-day finance operations.

Lotto NZ has various backup systems in place to ensure digital information is able to be restored. Microsoft has a retention policy of 30 days, and Lotto NZ also uses AvePoint to back up their SharePoint and Microsoft Office 365 daily, which currently has the backup set as holding the information for ‘unlimited’ years. We note that SharePoint backups should solely be used for disaster recovery purposes and not as a long-term retention of records strategy.

**Recommendations**

Update the business continuity plan to include actions that support the accessibility of physical information.

**Storage**



Good storage is a very important factor for information protection and security. Appropriate storage arrangements for both physical and digital information ensures information remains accessible and usable for as long as it is required for business and legal purposes and for accountable government.

**Summary of findings**

Lotto NZ has protection and security controls in place for physical information. This includes an offsite commercial storage provider for historical information, as well as some onsite physical information locked in a records room. The records room is protected with swipe and pin access, as well as security cameras, plus a sprinkler system to protect from fire\*.

Digital information is stored in SharePoint and other systems such as Lotto’s CRM and gaming system. This information is secured from unauthorised access by restrictions set by IT. When a new staff member is employed, the IT team go through a structured process with the employee’s manager to identify what SharePoint folders they will require access to in their role. Remote access to SharePoint requires multi-factor authentication.

Information protection and security risks are discussed at the privacy and security group who meet monthly. Any risks that are identified become actionable items and remain on the agenda until a resolution is found. Where concerns around loss, destruction or deletion are identified, these would be reported in Lotto NZ’s risk control system, which is monitored by the Risk and Assurance Team.

Lotto NZ has undertaken irregular internal security tests. For example, they left USBs in shared spaces in the office to identify whether staff would use these despite the risk of unknown material on the USB. Lotto NZ is also regularly audited to assess their existing security controls and processes.

**Recommendations**

Regularly monitor the physical and digital storage environments and the protection and security in place to ensure controls are appropriate and relevant.

*\*Note that KPMG was unable to examine the physical storage sites as Auckland was in alert level 3 during the fieldwork and the audit team was not able to access the building. Therefore, the assessment has been performed based on information obtained during the interviews.*

## Access



Ongoing access to and use of information enables staff to do their work and the public to hold government accountable. To facilitate this, public offices need mechanisms for finding and using this information efficiently. Information and/or data sharing between public offices and with external organisations should be documented in specific information sharing agreements.

## TOPIC 18 – Information access, use and sharing

## Beginning

### *Summary of findings*

At the time of migration to SharePoint, staff were consulted about their required file structures and metadata. A metadata schema is automatically applied through SharePoint, meeting Archives New Zealand's minimum requirements. Some teams make use of the metadata captured using SharePoint's search functionality. However, the focus group identified that most teams rely on the file structures within SharePoint to save and retrieve data.

Staff interviewed were knowledgeable on using SharePoint. They noted that after the migration to SharePoint, training was provided to all staff. However, for new joiners most of the training they now receive is on-the-job or self-taught.

Lotto NZ has a 'Security Standard – Information and Asset Classification v3.0' document that outlines that information must be secured and access limited. However, the access controls in place are not documented. Access controls are determined by the business owner and staff interviewed felt that they had adequate access to SharePoint to find and use information. For example, People and Culture files are accessible only to the Human Resources Staff members. It was noted in the focus group that typically, where access to a restricted folder is requested, permissions would be granted to the required document rather than the folder it is within to minimise the need to regularly review access controls.

Where information is sent to or received from external parties, Lotto NZ typically relies on the third party to set up a secure file sharing site. Alternatively, Lotto NZ has the ability to set up SharePoint sites that they can grant external access to, to minimise uncontrolled environments being used.

### *Recommendations*

Document access controls for digital and physical information and periodically review these to ensure controls remain appropriate.



## Disposal

Disposal activity must be authorised by the Chief Archivist under the Public Records Act. Public offices should have their own specific disposal authority as well as actively use the General Disposal Authorities for disposal of general or more ephemeral information. Disposal should be carried out routinely. Information of archival value, both physical and digital, should be regularly transferred to Archives New Zealand (or have a deferral of transfer) and be determined as either “open access” or “restricted access”.

### TOPIC 20 – Current organisation-specific disposal authorities

Beginning

#### *Summary of findings*

Lotto NZ does not have a current and approved organisation-specific disposal authority. Their last approved organisation-specific disposal authority expired in December 2016.

Lotto NZ has recently hired an external contractor to assist in developing an organisation-specific disposal authority.

#### *Recommendations*

Develop an organisation-specific disposal authority covering all business functions and formats that is approved by Archives New Zealand. Implement a regular review process to ensure the disposal authority does not expire.

### TOPIC 21 – Implementation of disposal decisions

Beginning

#### *Summary of findings*

Lotto NZ does not have a current, approved organisation-specific disposal authority. Therefore, they are only permitted to dispose of records under the General Disposal Authorities (GDAs).

Focus group discussions confirmed that there is some awareness of how long records must be retained under the GDAs. For example, financial records are tagged with their expiry date, ensuring that they are retained and deleted at the appropriate times. However, no disposal actions have taken place since Lotto NZ’s previous organisation-specific disposal authority expired in December 2016.

#### *Recommendations*

Once the organisation-specific disposal authority is approved (Refer Topic 20 – *Current organisation-specific disposal authorities*), Lotto NZ should develop a plan to ensure disposal actions are routinely carried out for both physical and digital information, and there are adequate resources assigned to complete this.

### TOPIC 22 – Transfer to Archives New Zealand

Beginning

#### *Summary of findings*

Currently, Lotto NZ does not believe it is holding any physical or digital information over 25 years which is a requirement for transfer. Lotto NZ has transferred physical information historically, but not routinely, with the last transfer taking place in 2014 when the previous disposal authority was in place.



### ***Recommendations***

Once a disposal authority has been finalised and approved (Refer Topic 20 – *Current organisation-specific disposal authorities*), Lotto NZ should identify any records of archival value that are nearing or over 25 years old. A deferral of transfer agreement should be put in place or the records transferred to Archives New Zealand as required.



## 6. Summary of feedback

### ***Topic 1 - IM Strategy***

The creation of an IM Strategy is being prioritised for the next calendar year. Where appropriate, the recommendations from this PRA audit report will be included in the strategy.

### ***Topic 2 - IM Policy and Processes***

The board has approved the information management policy, and this has been shared with all staff.

### ***Topic 3 – Governance arrangements and Executive Sponsor***

We will work internally to developing a reporting framework with reference to the Archives NZ IM standard. Targeting delivery of regular reporting from 22 / 23 financial year.

### ***Topic 4 – IM Integration into business processes***

Lotto NZ has begun the task of documenting high level business processes within the organisation. The scope of this work will be broadened to include documenting the associated responsibilities for the creation and management of information.

### ***Topic 5 – Outsourced functions and collaborative arrangements***

We will work with our legal team to incorporate these requirements where appropriate.

### ***Topic 6 – Te Tiriti o Waitangi***

This is a planned task under the Disposal Authority project. It is also hoped this will develop relationships with iwi which can inform the Māori Strategy for Lotto NZ

### ***Topic 7 – Self-monitoring***

Lotto NZ will expand the brief of the Data Governance Group to ensure it regularly monitors adherence to the IM policies and legislation.

### ***Topic 8 – Capacity and capability***

To be assessed once the IM strategy has been completed

### ***Topic 9 – IM roles and responsibilities***

IM roles will be identified as part of the IM strategy.

### ***Topic 10 – Creation and capture of information***

Now the IM Policy has been approved an IM standard will be written taking the intent from the policy and the objectives from the strategy. Staff training will then provide IM guidance for staff based on this standard.

An approach for the management of uncontrolled environments will be included in the IM Strategy.

### ***Topic 11 – High value / high-risk information***

In parallel with the current Disposal Authority project a register of high-value or high risk is being created. The current Information Classification Standard will be updated to include the appropriate protections necessary for each classification level. Once completed a long-term management plan will be implemented.

### ***Topic 12 – IM requirements built into technology systems***

The IM Classification Standard will define the requirements necessary based upon classification of the data held within that business system. This will include the definition of metadata necessary for the effective management of this information (including access control, data integrity and ultimately disposal).

### ***Topic 13 – Integrity of Information***

An appropriate technology and supporting processes are to be identified in the IM Strategy.

### ***Topic 14 - Information maintenance and accessibility***

An appropriate technology and supporting processes to be identified in the IM Strategy.

### ***Topic 15 – Business continuity and recovery***

The BCP plan will be updated to re-direct inbound mail/information to alternate locations/sites and to ensure that any retrieval of information via TIMG offsite storage facility can be re-directed to alternate locations.

### ***Topic 16 – Appropriate storage arrangements***

We are in the tender process for a physical storage and will incorporate reporting to address this.

### ***Topic 18 – Information access use and sharing***

Role based access control matrixes already exist for key systems. We will document access to SharePoint content and initiate a regular review and reporting cycle.

### ***Topic 20– Current organisation-specific disposal authorities***

A project to create an organisation specific disposal authority is underway and is scheduled to deliver a disposal authority to the chief archivist for review by the end of May 2022.

### ***Topic 21 – Implementation of disposal authorities***

This will be decided once the disposal schedule has been approved.

### ***Topic 22 – Transfer to Archives New Zealand***

This will be implemented once the disposal schedule has been approved.

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17 March 2022

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Tēnā koe Chris

### **Public Records Act 2005 Audit Recommendations**

This letter contains recommendations related to the recent independent audit of the New Zealand Lotteries Commission (Lotto NZ) by KPMG under section 33 of the Public Records Act 2005 (PRA). Thank you for making your staff and resources available to support the audit process.

#### ***Introduction***

Archives New Zealand (Archives) is mandated by the PRA to regulate public sector information management (IM). The audit programme is a key regulatory tool in our Monitoring Framework.

Monitoring IM practice across the public sector gives assurance that the government is open, transparent and accountable by providing visibility of public sector IM practices. Full, accurate and accessible information improves business efficiency and government decision-making and accountability, which in turn enhances public trust and confidence. Information that is well managed unlocks the value of government information for the benefit of everyone.

We are confident that you and your organisation are committed to delivering high-quality, trusted information to decision-makers, other government organisations, customers and stakeholders. We trust that the audit process will support this commitment. The audit report and this letter recommend changes to support improvement of your organisation's IM practices.

#### ***Audit findings***

In the audit report, the auditor has independently assessed your information maturity against the framework of our IM Maturity Assessment. Prior to the audit, your organisation completed the Maturity Assessment. This provided a self-assessment of IM maturity for your own use and as context for the auditor about your organisation.

*Kia pono ai te rua Mahara – Enabling trusted government information*

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Dunedin Regional Office, 556 George Street, Dunedin

Organisations that are assessed as having a maturity level of 'Managing' across all IM topics are broadly meeting the minimum requirements expected by the PRA and Archives' mandatory Information and records management standard. Lotto NZ is assessed as operating below the 'Managing' level. Section 6 of the audit report contains feedback from Lotto NZ and each topic is addressed. The recommendation for Topic 2: *IM policy and processes* has already been completed and other topics have improvement activity underway or planned. This swift response has affected our prioritisation of recommendations in the Appendix. We congratulate Lotto NZ on giving immediate attention to improving your IM maturity and on its detailed feedback on the audit report.

### ***Prioritised recommendations***

The audit report lists 22 recommendations to improve your organisation's IM maturity.

We endorse all recommendations as appropriate and relevant. To focus your IM improvement programme, we consider that your organisation should prioritise the six recommendations as identified in the Appendix.

### ***What will happen next***

The audit report and this letter will be proactively released on the Archives website shortly. We would be grateful if you would advise of any redactions that your organisation considers are necessary for the release within 10 working days.

As required by the PRA, we will also provide the Minister of Internal Affairs with a report on the results of the audit programme for each financial year, which is tabled in the House of Representatives.

We will follow up this letter with a request to your Executive Sponsor that your organisation provides us with an action plan to address the prioritised recommendations. I anticipate the much of the action plan will already be planned or underway, as in your feedback on the audit report. Our follow up process will track your progress against the action plan.

Thank you again for your support with the audit. We would greatly appreciate further feedback on the audit process and the value it provides to organisations, and we will contact your Executive Sponsor shortly in relation to this.

Nāku noa, nā



Antony Moss

Acting Chief Archivist Kaipupuri Matua

**Archives New Zealand Te Rua Mahara o te Kāwanatanga**

Cc Dan Balasoglou, Chief Financial Officer, [dan.balasoglou@lottonz.co.nz](mailto:dan.balasoglou@lottonz.co.nz) (Executive Sponsor)

## APPENDIX

| Category          | Topic Number                                      | Auditor's Recommendation  | Archives New Zealand's Comments  |
|-------------------|---|---|--|
| <b>Governance</b> | 1: IM strategy                                    | <i>Develop an information management strategy, following Archives New Zealand's guidance, and ensure it is aligned to business needs and any wider digital strategies. The strategy should be communicated to all staff and contractors and reviewed on a periodic basis to ensure it continues to align with Lotto NZ's business activity.</i> | Lotto NZ has made a start on developing a data strategy that includes information management. Development of an accompanying roadmap and required resourcing for IM is also needed.  |
| <b>Capability</b> | 8: Capacity and capability                        | <i>In connection with Topic 1 – IM Strategy, once Lotto NZ has established its strategic direction, an assessment should be completed on what information management capability is required to ensure ongoing support of information management activities.</i>   | To support new strategic IM initiatives and for ongoing IM monitoring and improvement Lotto NZ needs to understand the required level of IM support.   |
| <b>Creation</b>   | 10: Creation and capture of information           | <i>Limit and monitor the use of uncontrolled environments.</i>  | The first recommendation under this topic was to be addressed in the new IM policy documentation which has been completed. Limiting and monitoring of uncontrolled environments is needed to ensure that information is accessible and secure. |
| <b>Creation</b>   | 11: High-value/high-risk information              | <i>Create an information asset register that identifies all information that is high-value or high-risk and develop a plan for the long-term management of this information.</i>  | This will help to prioritise IM activity. Lotto NZ advises that a register is being created in which can be done in tandem with the disposal authority (Topic 20).   |
| <b>Management</b> | 12: IM requirements built into technology systems | <i>Create standardised information management requirements for new and upgraded business systems and ensure formal inclusion of IM staff as part of this proves. These should be included in any information management process documents.</i>  | Lotto NZ are aware of the work that is needed to improve the current situation and it is good to see that disposal will be included.   |



| Category        | Topic Number   | Auditor's Recommendation  | Archives New Zealand's Comments   |
|-----------------|--|---|---|
| <b>Disposal</b> | 20: Current organisation-specific disposal authorities | <i>Develop an organisation-specific disposal authority covering all business functions and formats that is approved by Archives New Zealand. Implement a regular review process to ensure the disposal authority does not expire.</i> | There is a project underway to develop a disposal authority which will enable work to start in other areas of disposal. |