Records Management in the Victorian Public Sector

VAGO

Victorian Auditor-General's Office

Auditing in the Public Interest

The Hon. Robert Smith MLC
President
Legislative Council
Parliament House
Melbourne

The Hon. Jenny Lindell MP
Speaker
Legislative Assembly
Parliament House
Melbourne

Dear Presiding Officers

Under the provisions of section 16AB of the *Audit Act 1994*, I transmit my report on *Records Management in the Victorian Public Sector.*

Yours faithfully

DDR PEARSON
Auditor-General

12 March 2008

Foreword

Records and recordkeeping are fundamental to transparent, accountable government. They are indispensable to the efficient and effective functioning of all government agencies and the responsibility of all their staff. This audit examined how effective the Public Record Office Victoria (PROV) has been in facilitating sound records management across the public sector and whether public sector agencies were managing their records in accordance with the *Public Records Act 1973*.

Over the past five years PROV has been implementing an important internal change program designed to assist agencies to manage their records more effectively. For a small agency, PROV can point to considerable achievements; but it has, as this report signals, challenging tasks ahead.

The current records legislation was introduced over 35 years ago and hinders the efforts of PROV and agencies to manage records effectively. The legislation should be reviewed to make it relevant to the modern public sector.

This audit has identified many areas for improvement by PROV. Key to this is the need for PROV to adopt a more strategic approach to the provision of its services and products and to obtain appropriate information on the state of records across government. It also needs to engage more fully with the public sector, and ensure agencies are fully aware of how PROV can assist them.

We found that many agencies had not established effective frameworks to ensure the sound management of their records. Senior management needs to provide greater support and promotion for strategic records management practices in their agencies. Despite the growing use of electronic records, agencies were still requiring their staff to maintain hardcopy records. To manage their electronic records appropriately, agencies need to provide sound, comprehensive guidance and adequate training to ensure all staff are aware of their responsibilities. There are significant risks for government if electronic records are not well managed.

Finally, significant amounts of government business are outsourced to external parties, but government agencies are not ensuring contractors are aware of and comply with the agency's recordkeeping requirements. As a result, agency records may not be captured.

DDR PEARSON
Auditor-General

12 March 2008

Contents

1 Executive summary

1.1　Introduction

The public sector's ability to deliver efficient and effective services depends upon accurate, up-to-date records that can be readily accessed as needed. The management of public records is an integral part of the effective administration and governance of public sector agencies and facilitates:

- sound decision-making
- efficient and effective customer services
- managing business information and resources
- meeting legal, evidential and accountability requirements
- documenting significant events and preserving historically and culturally important records.

The *Public Records Act 1973* assigns primary responsibility for records management to the officer-in-charge of government agencies. Records management is also a core responsibility of all individuals in agencies. The Act establishes the Public Record Office Victoria (PROV) to facilitate sound records management in the public sector by establishing records management standards and assisting agencies to better manage their records.

This audit examined whether:

- public sector agencies are managing records in accordance with the *Public Records Act 1973*
- PROV is operating efficiently and effectively in facilitating sound records management in the public sector.

To assess records management in agencies, a framework comprising seven principles of good practice in records management was used. The principles are consistent with the Australian Standards for Records Management (AS ISO 15489), and standards issued by PROV.

Around 100 agencies undertook a self-assessment of their records management frameworks against the VAGO framework. Eight agencies were selected for more detailed examination.

Establishing an effective records management framework presents a significant business challenge for many agencies. The increasing legislative and other requirements on public administrators and developments in information technology have a direct impact on the way records are managed.

1.2 Findings

Records management in public sector agencies

Agencies do not have in place comprehensive frameworks to manage their records. While some agencies, driven by the critical importance of their service delivery and an acknowledgement of the risks that poor recordkeeping practices bring, had taken action to address their records management, other agencies had not. In these latter cases, their recordkeeping practices conformed with traditional registry approaches and did not reflect today's business environment.

Almost half of the agencies' self-assessments considered that the standard of their records management required improvement. Twelve per cent considered their records management frameworks were unsatisfactory.

Specifically we found:
- more needs to be done by senior management to promote and provide support for records management. There is a lack of understanding by senior management of what good records management looks like and, therefore, what should be done.
- most agencies did not adopt a strategic approach to records management. This is key to advising management of the resources required for them to adequately fulfil their legislative obligations.
- strategic planning for records management is complex and requires specialist skills and experience. These skills are not normally found in the records management function.
- the management of electronic records including email and websites poses a significant challenge for agencies. Most agencies had yet to implement systems that ensured their business records were captured and would be accessible in the long term. Agencies were still leaving it to staff to capture business emails and file them appropriately, mostly using a print-to-paper approach.

While most agencies had procedures and practices to assist their staff in managing records, they acknowledged these procedures were inconsistent with records standards and advice provided by PROV.

Performance of PROV

The *Public Records Act 1973* establishes PROV and a co-regulatory framework for the management of public records. The Act, however, requires review to bring it up-to-date with current conditions. The existing legislation does not cover all the elements of a sound, contemporary, regulatory framework or outline the roles and responsibilities of PROV and agencies relevant to today's world.

PROV, particularly over the past 10 years, has made some significant achievements in facilitating records management to the public sector, albeit with limited resources. This has included the establishment of the digital archive and a range of records management standards and information for public sector agencies, training programs and consultancy services. Primarily, it has assisted departments in their implementation of electronic recordkeeping systems as they seek to comply with the Victorian Electronic Records Strategy and provided the public sector with recordkeeping advice on significant emerging issues.

Agencies were generally satisfied with the quality of the services they received from PROV.

There is, however, a need to adopt a more strategic approach to servicing the public sector. This would involve PROV:

- gaining comprehensive information on the state of records management across the Victorian Government, including key risks and the standard of agencies' records management frameworks. This will enable PROV to target provision of its services and products to priority areas.
- actively engaging with the entire public sector to raise awareness of its recordkeeping obligations and how PROV can assist agencies to improve their recordkeeping
- ensuring the products and services it provides to agencies, such as its records standards and training, remain up-to-date, meet agency needs and are accessible to all agencies
- ensuring core recordkeeping activities such as processing agencies disposal and record transfers are adequately resourced and efficiently conducted.

The information contained in this report about PROV's operations and the state of agencies' records management frameworks, should be a useful starting point for PROV to develop a more strategic operational approach.

1.3   Recommendations

Regulatory framework for managing records (refer Part 3 for further details)

The *Public Records Act 1973* should be comprehensively reviewed to make it relevant and appropriate to the contemporary public sector **(Recommendation 3.1)**.

Records management in the public sector (refer Part 5 for further details)

In collaboration with the central agencies, PROV should assist all public sector agencies to:

- adopt a more strategic approach to the management of their records, which encompasses:
  - gaining an understanding of the business
  - identifying records management needs and risks
  - assessing the adequacy of the existing recordkeeping environment and practices
  - developing a strategic plan to ensure records management objectives and needs are addressed **(Recommendation 5.4)**.
- review their procedures to ensure:
  - they cover all recordkeeping activities, including the management of electronic messaging and web-based information
  - they comply with records standards and advice issued by PROV
  - they are aligned with the agency's records management objectives and policies (**Recommendation 5.5**).
- take a more strategic approach to managing their records management staff. This would involve agencies:
  - having processes to identify staff needed to establish an effective records management function
  - periodically assessing the capability of their staff and comparing this capability with their identified resource requirements, to identify staff training and development needs for existing staff and the need for new staff with specific skills
  - developing a plan to manage and monitor their records management staff (**Recommendation 5.6**).
- assess whether staff understand the importance of sound recordkeeping and their responsibility for managing records under their control. Based on the results of this assessment, agencies should review the mechanisms used to communicate with staff on records management (**Recommendation 5.8**).
- use the results of their assessment of contractor compliance with their own agency's records management requirements to review their communications with contractors **(Recommendation 5.8).**

- ensure regular monitoring and evaluation of recordkeeping activities, which includes:
  - establishing a compliance program that allows systematic monitoring of agency adherence to required recordkeeping procedures, standards, the operation of recordkeeping systems and progress in delivering key records management strategies
  - generation of information on the performance of the records management function
  - ensuring results of performance monitoring are reported to senior management and that appropriate and timely corrective action is taken (**Recommendation 5.9**).

PROV should:

- develop and provide advice and guidance to agencies on formulating records management objectives and policies, in conjunction with relevant agencies and industry groups (**Recommendation 5.1**)
- establish a program to assist senior agency staff to champion records management in agencies (**Recommendation 5.2**)
- assist agencies develop records management strategic plans by establishing guidance material and templates (**Recommendation 5.3**)
- continue to liaise with relevant agencies and the State Government in developing strategies that address skill shortages in the records management field (**Recommendation 5.7**).

Performance of PROV in facilitating sound records management in the public sector (refer Part 4 for further details)

Records management standards

PROV should:

- review the records management standards regularly, at least every five years (**Recommendation 4.1**)
- review its communications approach to better assure agencies are aware of the standards and the legislative requirement for them to comply (**Recommendation 4.2**)
- closely monitor its standards review project, to ensure it is completed in accordance with project timelines (**Recommendation 4.3**)
- incorporate guidance on strategic records management principles and their application into the revised standards (**Recommendation 4.3**).

Assisting agencies

PROV should:

- gather comprehensive information on the critical business functions performed by agencies, their broad recordkeeping needs and the major risks facing the Victorian public sector (**Recommendation 4.4**)

- develop a strategic approach to the provision of its services and products (**Recommendation 4.4**)

- implement its *Building Victorian RecordKeeping Capability Strategy* and introduce its planned competency-based training program (**Recommendation 4.5**)

- introduce additional training courses to address unmet agency training needs (**Recommendation 4.5**)

- review the communication of its training courses and implement strategies to raise agency awareness of them (**Recommendation 4.5**)

- make training courses more accessible to agency staff, particularly in rural and regional areas (**Recommendation 4.5**)

- to ensure continuous improvement, undertake a survey of course participants, after they return to work, to determine the extent to which the training has assisted them improve recordkeeping in agencies (**Recommendation 4.6**)

- in consultation with the VERS Steering Committee:
  - ensure that its revision of the primary capability performance criteria does not compromise the quality of systems developed and implemented by departments
  - establish realistic timelines for future reporting to government on stages 2 and 3 of VERS implementation (**Recommendation 4.7**)

- develop a comprehensive strategy to support agencies to establish VERS compliant systems. In doing so, it should consult with public sector agencies and industry groups to establish realistic and effective strategies and timelines (**Recommendation 4.8**)

- improve its communication with agencies so they are aware of the advice and guidance available (**Recommendation 4.9**)

- establish, for the benefit of its staff, guidance on the provision of advice to agencies (**Recommendation 4.9**)

- in consultation with agencies, develop a comprehensive, coordinated strategic approach to public sector education and awareness encompassing:
  - a clear delineation of PROV and agencies' respective roles and responsibilities
  - identification of target audiences and appropriate communication mechanisms
  - a program of regular activities to promote records management across the public sector (**Recommendation 4.10**)

- establish mechanisms to periodically report on the cost of providing its principal record services to the public sector. This will assist with determining whether it is using its limited resources cost-effectively (**Recommendation 4.11**)
- establish a strategic framework to manage its relationship with agencies that includes:
  - an agency relationship management strategy, together with clear policies and procedures
  - a finalised charter/code of conduct for PROV services
  - mechanisms to ensure PROV is engaging all agencies
  - policies and procedures to manage agency relationships
  - a client management system to document interactions with agencies (**Recommendation 4.12**).

PROV's management of specific recordkeeping activities (refer Part 6 for further details)

Retention and disposal of records

PROV should:

- review the adequacy of resources assigned to the review and approval of agency retention and disposal authorities
- adopt a more proactive approach to assisting agencies in appraising their businesses and establishing appropriate retention and disposal authorities
- assess the extent to which public sector records generated by agencies are covered by its records retention and disposal authorities
- ensure that the procedural guidance, established for its staff, in providing agencies with advice and assistance on managing records retention and disposal, is up-to-date
- monitor agency compliance with the records management standards on retention and disposal of records
- ensure the review of records standards endorses a program of regular records disposal in line with established disposal authorities (**Recommendation 6.1**).

Transfer of records to PROV

PROV should:

- require agencies to nominate a timeframe after which an agency's administrative use for its various permanent records expires and the records are transferred to PROV. This requirement could be included in the agency's RDAs (**Recommendation 6.2**)
- annually gather information on the level, nature and age of permanent records held by agencies to monitor agency compliance and identify future records workflow and storage issues. This information could be obtained by both surveying agencies and reviewing the archival holdings (**Recommendation 6.3**)

- work with agencies holding large volumes of permanent records, to identify and resolve any impediment to the timely transfer to the archives (**Recommendation 6.3**)
- develop comprehensive and up-to-date procedures to guide its staff in managing records transfer and to ensure a consistent approach is adopted in dealing with agencies (**Recommendation 6.3**).

Records provided to agencies

PROV should continue to pursue the recovery of long overdue, permanent records loaned to agencies (**Recommendation 6.4**).

PROV performance measurement and reporting (refer Part 7 for further details)

PROV should:

- develop a suite of relevant and appropriate targets and indicators to measure its performance both in achieving its objectives and in the standards of recordkeeping in public sector agencies
- develop comprehensive performance information that can be compared to the established targets to measure PROV performance
- develop its capacity to report on its own and agency performance (**Recommendation 7.1**).

RESPONSE provided by the Director and Keeper of Public Records, Public Record Office Victoria

In general I agree with the findings and recommendations as presented.

The report identifies an extensive set of objectives that PROV has across the whole of Victorian government. The report acknowledges that to achieve these PROV has to manage its resources and prioritise its activities. PROV recognises that greater strategic planning would support improved outcomes, but we will still have to work within the constraints of our resources. PROV has used market segmentation and prioritisation to deliver outcomes to limited areas of government based on priorities determined by government funding (e.g. the Victorian Electronic Records Strategy (VERS) program is only funded to provide services to inner budget departments) and our own assessment of greatest need. This type of prioritisation will always be required.

In relation to VERS I wish to note that this is a world renowned approach to managing digital records. It has delivered ground breaking outcomes for Victorian government agencies that will allow them to manage digital records over the long term. It underpins the building of a world leading digital archive. It has engaged the software development and vendor market in the certification of products and promoted the development of new products.

RESPONSE provided by the Director and Keeper of Public Records, Public Record Office Victoria (continued)

It has enabled PROV to develop significant knowledge and understanding of the issues confronting government in the management of digital records. This knowledge is used to help agencies meet their electronic records management responsibilities and to work in Australia and across the world on the development of standards in this area. VERS is a strategic approach, albeit one which has operated over 13 years and without a guaranteed funding stream (VERS has been funded through a series of successful budget bids).

RESPONSE provided by the Secretary, Department of Premier and Cabinet

The department acknowledges the importance of record management as a key business practice for public sector agencies. The department agrees that strengthening public sector records management is an important issue and the Public Record Office Victoria plays an important role in achieving good practice across the sector.

Public Record Office Victoria was established under the Public Records Act 1973 *and its functions are set out in this Act. The Minister for the Arts has already foreshadowed a review of the* Public Records Act 1973 *with a view to updating the legislation. This department-led review will take into account the findings and recommendations of the audit.*

2 About records management

2.1 Why is managing records important?

The management of public records is an integral part of the effective administration of public sector agencies. It facilitates:

- sound decision-making
- efficient and effective customer services
- managing business information and resources
- meeting legal, evidential and accountability requirements
- documenting significant events and preserving historically and culturally important records.

The public sector's ability to deliver efficient and effective services depends upon accurate, up-to-date and easily accessible records.

Agencies are also required to manage records in a manner that is consistent with open and accountable government, while protecting the integrity of records and maintaining appropriate security and confidentiality over the information they contain. Full and accurate records are a prerequisite to agencies being able to meet their statutory and legal obligations.

Poor recordkeeping practices contribute to organisational inefficiencies, affect the ability of staff to make reliable business decisions and weakens government's accountability.

2.2 What is a record?

A record is information (in any form) created or received and maintained by an organisation or person in the transaction of business or the conduct of affairs and kept as evidence of such activity.[1]

This information can be recorded on various media including paper documents, maps, diagrams, sound and video recordings, photographs, information produced and stored in computers, in emails, blackberrys and USB sticks.

---

[1] The *Public Records Act 1973* defines a record as 'any document within the meaning of the *Evidence Act 1958*.'

Business information includes:

- contractual agreements–commercial contracts, employment contracts
- policy and procedural documentation
- information from meetings–agendas, minutes, supporting papers, resolutions
- business correspondence–enquiries from the public or staff, file notes of telephone or face-to-face conversations, emails, advice/instructions provided, confirmations
- information on work-related conversations, work planning documents, grievances, professional development plans, performance reviews.

2.2.1 Public records

A public record is any record made or received by a:

- public officer in the course of his duties
- court or person acting judicially in Victoria.[2]

The types of public records vary from one agency to another and reflect the different business functions, structures, systems, clients and customers. They can include:

- land titles and property transactions
- customer or client records
- medical records
- student records
- maps and designs
- accounting transactions
- details of criminal offences
- human resource records such as employment history and leave records
- contractual arrangements.

2.2.2 What is records management?

Records management[3] is control of the creation, receipt, maintenance, use and disposal of records, including processes for capturing and maintaining evidence of, and information about, business activities.

Recordkeeping[4] involves making and maintaining complete, accurate and reliable evidence of business transactions. This is the responsibility of all staff within an agency.

---

[2] *Public Records Act 1973*, s2.

[3] A glossary of recordkeeping terms published on the State Records New South Wales website, <http://www.records.nsw.gov.au>. Viewed 13 February 2008.

[4] Ibid.

2.3   About the Public Record Office Victoria

The Public Record Office Victoria (PROV) was established under the *Public Records Act 1973* as the State archives and records management authority to ensure the effective and efficient management and preservation and use of the State's public records. PROV is an administrative office attached to the Department of Premier and Cabinet, and is managed by the Keeper of Public Records.

PROV's core functions, as outlined in the Act, include:
- establishing standards for the efficient management of public records
- assisting public officers in applying the standards to records under their control
- receiving, securing and preserving permanent records in the State's archives
- providing facilities for access to public records by the community and the Government of Victoria.

The State's records collection is managed by PROV in both physical and electronic (digital archive) repositories. The digital archive was completed in 2005 at a cost of around $5.5 million. The entire collection (both physical and digital records) is valued at around $190 million.

PROV's business is broadly structured into two operational areas:
- Record Services–this group assists agencies in their management of public records by providing records management standards and advice on the application of those standards via the provision of training and consultancy services
- Access Services–this group maintains, promotes and provides access by government and the public to the State's archival records.

In 2006-07, PROV had an operating expenditure of almost $7 million (excluding capital asset charges and depreciation) and employed around 70 staff (22 staff in Record Services, 34 staff in Access Services and 14 staff in Executive and Business Services).

The Public Records Advisory Council (PRAC) was established under the Act to:
- advise the Minister on matters relating to the administration of the Act
- promote cooperation between PROV and other agencies within government, in consultation with the Keeper of Public Records.

2.4 Audit objectives and scope

The objective of the audit was to determine whether:

- public sector agencies are managing records in accordance with the *Public Records Act 1973*
- the Public Record Office Victoria is operating efficiently and effectively in facilitating sound records management in the public sector.

2.4.1 Audit of public sector agencies

A records management framework containing seven principles of good practice was developed drawing from authoritative literature, PROV and expert practitioners. The principles are consistent with the Australian Standards for Records Management (*AS ISO 15489*), and standards issued by PROV. The audit assessed whether a selection of public sector agencies had adopted the principles and practices outlined in this framework.

Information on records management in agencies was gathered through:

- a detailed self-assessment questionnaire sent to eight agencies.[5] Agency management together with relevant records management staff self-assessed their records management against the seven principles of good practice. Audit met with agency staff to discuss and confirm agency responses. Following these discussions the agencies assessment was confirmed or amended
- a general self-assessment questionnaire sent to 104 agencies[6] to obtain information on records management and an indication of whether the seven principles had been adopted across the Victorian public sector.

2.4.2 Audit of PROV

The audit of PROV focussed on the services it provides to public sector agencies to facilitate sound recordkeeping and records management practice. Audit evidence was gathered through interviews with PROV staff, review of PROV documents and discussions with stakeholders and staff from similar offices interstate.

There were three main focus areas for this work:

- PROV's role in assisting agencies to better manage their records
- PROV's compliance with its legislative obligations
- implementation of the Victorian Electronic Records Strategy (VERS).

The audit did not include a review of community and government access to the archives or PROV's inspection and approval of agency storage facilities.

Further information on the conduct of the audit, agencies involved in the audit and other relevant information is contained in Appendixes A to E of this report.

---

[5] Refer to Appendix B for details of the eight agencies.

[6] Refer to Appendix B for details of the 104 public sector agencies.

The audit was performed in accordance with the Australian auditing standards applicable to performance audits, and included tests and procedures sufficient to enable audit conclusions to be reached.

2.4.3 Report structure

This report is structured as follows:

- an overview of the regulatory framework for managing records
- PROV's performance in facilitating sound records management
- records management in the public sector
- PROV's management of specific recordkeeping activities
- PROV performance measurement and reporting.

The total cost of the audit was $388 000. This cost includes staff time, overheads, expert advice and printing.

3 Regulatory framework for managing records

At a glance

Background

The *Public Records Act 1973* establishes a co-regulatory framework for sound management of public records in Victoria. Since 1973, there have been substantial changes to the public sector environment that have impacted on recordkeeping and records management. In particular, there has been a significant movement from paper-based records to electronic records and a wider range of legislative, policy and administrative requirements that have recordkeeping implications.

Key findings

- It cannot be assured that records management objectives are being met as the current framework does not include systemic mechanisms to monitor compliance with the Act and the records management standards.
- PROV's penalties for non-compliance with the Act are amongst the lowest of all other state and commonwealth records offices and, are inconsistent with recent amendments to other Victorian legislation. The current Victorian penalties trivialise the seriousness of non-compliance.
- The *Public Records Act 1973* requires review to bring it up-to-date with contemporary circumstances, to clarify the roles and responsibilities of PROV and government agencies and to strengthen the records management framework.
- The Minister has indicated an intention to review the *Public Records Act 1973* over the next 12 to 18 months.

Key recommendation

The *Public Records Act 1973* should be comprehensively reviewed to make it relevant and appropriate to the contemporary public sector. The review should involve consultation with key stakeholders including the central agencies, to consider mechanisms to heighten the awareness of records management as a core governance function. It should also include consideration of the recommendations of the 1996 PAEC review.

3.1 The framework for managing public records

One of the State Government's broad policy objectives is to manage public records effectively in order to:

* support the business of government
* maintain a record of the business of government (accountability)
* preserve records for their cultural or historical significance.

The *Public Record Act 1973* (the Act) establishes a co-regulatory framework for the purpose of ensuring sound management of public records in Victoria.

Regulation is an important mechanism available to the government, to influence agency behaviour and practice to achieve its strategic policy objectives. The key characteristics of a sound regulatory system are outlined in Figure 3A.

Figure 3A
Key characteristics of a sound regulatory system

Key characteristics	Discussion
Setting the requirements	Regulation should: • clearly outline what government seeks to achieve, how these objectives are to be achieved, what regulated entities are required to do and the roles and functions of individuals and agencies established to facilitate the effective administration of the legislation • achieve policy objectives with minimum side effects including costs (to both government and regulated entities) • be of an appropriate level given the impact of non-compliance • be enforceable • be flexible to encourage continuous improvement.
Managing the relationship between the regulator and the entities subject to regulation	Regulators are increasingly applying a 'client focus' to entities they regulate. This involves the regulator treating the regulated entities as clients or customers and seeking to understand the environment in which they operate and their needs. This information is then used by the regulator in determining how it will undertake its regulatory role. The challenge for regulators choosing this approach is to balance the enforcement of regulatory requirements while also adhering to customer service principles. For there to be an effective relationship between the regulator and entities subject to regulation: • relationship outcomes need to be clearly defined and agreed • all parties need to understand their roles, obligations and commitments • there need to be mechanisms in place to facilitate effective communication • the regulator needs to assist entities in complying with regulatory requirements • procedures for handling disagreements need to be established.

Figure 3A
Key characteristics of a sound regulatory system - *continued*

Key characteristics	Discussion
Monitoring compliance	Regulators have a responsibility to provide assurance to the government and the community that regulated entities are meeting mandated requirements. In order to provide this assurance, the regulator needs to monitor the level of entity compliance.
	Mechanisms used to monitor compliance include audits, inspections, self monitoring and third party monitoring. In choosing monitoring mechanisms it is important to consider the effectiveness of detection systems (for example, responding to complaints is likely to be less effective than systematic inspections).
	In order for monitoring mechanisms to be cost-effective they should be focussed on high risk areas or targeted at entities with a history of non-compliance.
Managing non-compliance	A regulation is neither efficient nor effective if it is not complied with or cannot be effectively enforced.
	One way to facilitate compliance is to require the responsible officer of the entity to provide a formal representation that the agency complies with specific requirements.
	Without adequate enforcement, the credibility of the regulation may be compromised and the desired objectives are unlikely to be achieved. To encourage compliance there needs to be a system of penalties for breaches (warnings, persuasion, financial penalties and prosecution).
	To adequately address non-compliance the regulator needs to determine the appropriate response to identified non-compliance and have a process to ensure the response is appropriate and consistently applied, in view of the risks posed by the non-compliance.
Promoting sound records management	Mechanisms that are useful in promoting sound records management include: • presentations on records management at forums and conferences • briefings to secretaries and heads of public sector agencies.
Reporting on compliance with regulation	In order for the government to gain assurance that its strategic policy objectives are being implemented, it needs information on the extent to which regulated entities are complying with the legislative requirements.
	This would normally involve the regulator periodically reporting to government on the outcome of its compliance monitoring and providing details of where there is significant non-compliance with the legislation.
Ensuring the rules remain relevant	Regulation (including the standards) should be reviewed regularly to ensure that it is meeting its specified objectives. If the objectives are not being met, then consideration should be given to changing the nature of the regulation or relying on other measures to achieve the desired outcomes.
	The Government's "Delivering Good Government" policy requires all of the State's legislation to be reviewed and modernised by 2010 and all laws to be written in clear English so they can be easily understood.
	The *Subordinate Legislation Act 1994* (section 5), requires all regulations to be remade at least every ten years.
	In establishing the regulatory framework consideration should be given to establishing requirements for: • periodic reviews of the legislation • development of a review strategy (including information to be collected and how the achievement of the government objectives will be measured and assessed).

Sources: Victorian Auditor-General's Office; *Victorian Guide to Regulation*, second edition, April 2007, Department of Treasury and Finance; *Administering Regulation*, *Better Practice Guide*, March 2007, Australian National Audit Office.

3.2 Legislative requirements for records management in Victoria

The role of PROV is to assist and influence public sector agencies, in order to achieve the Government's records management objective.

The Public Records Act 1973 is the oldest act of its kind in any jurisdiction in Australia and New Zealand. With the exception of some minor amendments, the legislation has remained unchanged for 35 years.

The Act outlines the requirement for the management of records in public sector agencies, referred to in the legislation as public bodies.

In addition to the *Public Records Act 1973*, several other acts and regulations include recordkeeping requirements dealing with access to personal information, security of records and the nature of records to be maintained. These acts and regulations are outlined in Figure 3B.

Figure 3B
Legislation and regulations that impact on
records management and recordkeeping
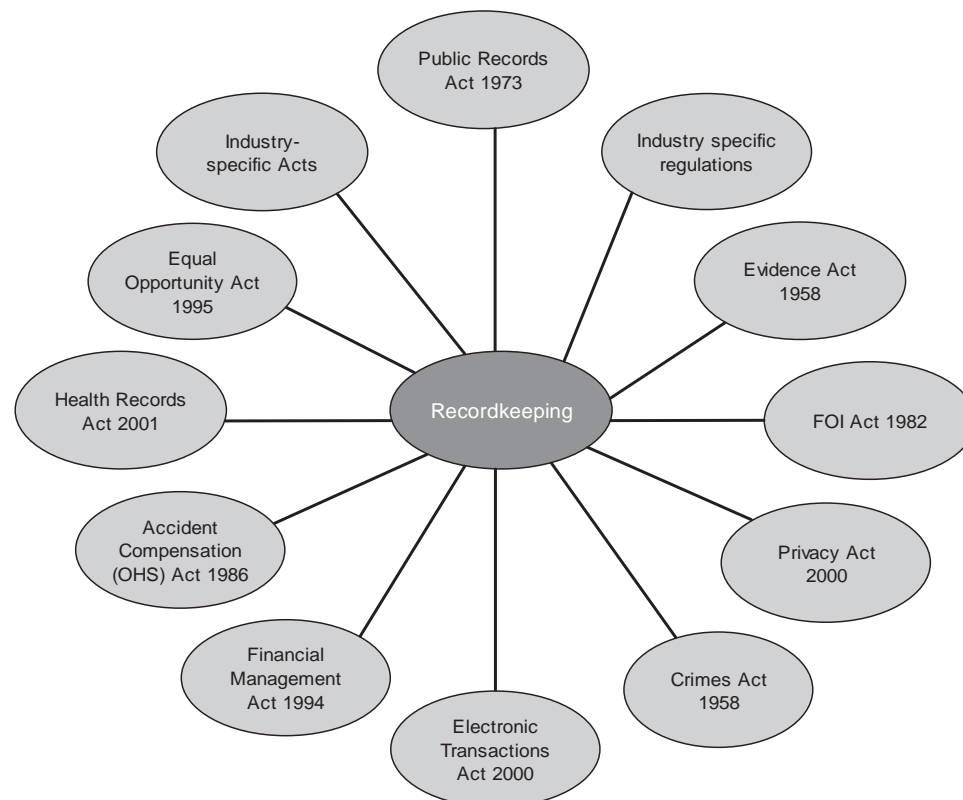
Source: Public Record Office Victoria, *Good Records, Good Business, Good Governance Presentation*, September 2007.

In addition, the *code of conduct for Victorian public sector employees of special bodies*[1] indicates that all public servants (including consultants, contractors, part-time workers, remote workers and casual staff) have an obligation to maintain accurate and reliable records.

3.3 Audit's assessment of the current records management regulatory framework

We assessed Victoria's records management regulatory framework against each of the seven key characteristics listed in Figure 3A. The results of this assessment are shown in Figure 3C. The extent to which PROV undertakes certain functions and exercises the powers provided in the legislation is outlined in bold.

Figure 3C
Characteristics of a sound regulatory framework —
results of audit's assessment

Characteristics of a sound regulatory framework	Current records management framework (legislative requirements)
Setting the requirements	PROV: • exists for the better preservation, management and utilisation of the State's public records • establishes records management standards for the efficient management of public records. **PROV undertakes both these tasks.**
Managing the relationship between the regulator and entities subject to regulation	The Keeper of Public Records: • assists public officers in applying the records standards to records under their control • publishes articles concerning the activities of, and the facilities provided by PROV. **PROV undertakes both these tasks but has not established a relationship with all agencies.**

---

[1] *code of conduct for Victorian public sector employees of special bodies*, section 5.4, 'open to scrutiny'. The Code is binding on all public sector employees of special bodies and contravention of the code constitutes misconduct.

Figure 3C
Characteristics of a sound regulatory framework —
results of audit's assessment – *continued*

Characteristics of a sound regulatory framework	Current records management framework (legislative requirements)
Monitoring compliance with the requirements	<u>General requirements</u> Public sector agencies are required to: • keep full and accurate records of the business • carry out a program of records management in accordance with the standards. **Responsibility for monitoring agency compliance with the legislation is not assigned. There is very limited monitoring by public sector agencies and PROV undertakes some select monitoring of agency compliance, i.e. electronic recordkeeping system assessments and agency disposal notifications.** The legislation provides the Keeper with the power to enter agency premises to inspect their: • storage and conservation of public records • program of records management. **PROV usually only inspects agency storage arrangements and records management programs when requested to do so by the agency.** <u>Specific requirements</u> Public offices must transfer permanent public records to PROV where the records are over 25 years old and no longer required by the agency. **Responsibility for monitoring agency compliance is not assigned. PROV does not monitor agency compliance and does not have the power to compel agencies to transfer their records to the archive.** The legislation outlines requirements for the removal, sale or destruction of public records and establishes penalties for the unlawful sale, removal, damage or destruction of public records (i.e. 5 penalty units[2]). **Responsibility for monitoring agency compliance is not assigned. PROV investigates incidents brought to its attention.**

---

[2] A penalty unit equates to $107.40.

**Figure 3C
Characteristics of a sound regulatory framework —
results of audit's assessment – *continued***

Characteristics of a sound regulatory framework	Current records management framework (legislative requirements)
Managing non-compliance	The legislation provides penalties for non-compliance with the Act. For example: • unlawful sale, removal, damage or destruction of a public record — 5 penalty units • contravention of the conditions placed on an individual's access to public records in its care — 5 penalty units • failure to produce a prescribed record to PROV within 21 days — 1 penalty unit. **Responsibility for managing agency non-compliance is not assigned and PROV has not taken action to enforce the penalties for non-compliance (even where it is aware of the non-compliance).** **Low penalties are unlikely to influence agency behaviour.**
Promoting sound records management	**The legislation does not explicitly provide for the promotion of sound records management in the public sector.**
Reporting on agency compliance with the legislation and the records standards	Responsibility for reporting on agency compliance is not specifically assigned in the legislation. PROV is required to prepare and lodge an annual report to the Minister for tabling in the Parliament. PRAC has the power to report and make recommendations to the Minister on any matter relating to the administration of the Act. **PROV prepares an annual report on its operations and provides this report to the Minister. PRAC has made only limited use of its reporting powers.** **Agency compliance with the legislation or PROV standards is not reported.**
Ensuring the rules remain relevant	There is no requirement for the regulatory framework or the standards to be reviewed **The Act was enacted almost 35 years ago and has only had minor revisions since then.** **Over the past five years the Public Records Advisory Council has made consistent submissions to government for a review of the legislation (refer to part 3.5). The Minister has indicated an intention to review the Act over the next 12 to 18 months.** **PROV's records standards are currently being reviewed, the first review since they were developed almost ten years ago (refer to part 4.2).**

Source: Victorian Auditor-General's Office.

Since 1973 substantial change to the environment in which the public sector operates has significantly impacted on recordkeeping and records management, for example:

- the significant movement from paper-based records to electronic records and recordkeeping systems
- businesses operate in progressively more complex technological environments
- there are now more legislative, policy and administrative requirements impacting on records management
- privacy considerations, data protection and identity theft have required both greater accessibility to records and more stringent security measures over records access
- increased litigation concerning the wilful destruction of records.

These factors further reinforce the need for the Act to be reviewed.

Selection of newspaper headlines and articles outlining recent incidents of poor recordkeeping.

3.3.1   Monitoring compliance with PROV standards

When agencies were asked (via the self-assessment questionnaire) whether their compliance with PROV standards should be monitored:

- 60 per cent of respondents said 'yes'
- 30 per cent of respondents said 'they did not know' if compliance with standards should be monitored
- 10 per cent of respondents said they did not consider compliance should be monitored.

Agencies considered that more than one agency should undertake the compliance monitoring role. Most agencies (68 per cent and smaller agencies) favoured self-assessment of their compliance with the standards, a significant number of agencies considered there was scope for PROV (39 per cent) and other external parties (24 per cent) to be involved in compliance monitoring.

Conclusion

The current records management framework in Victoria does not include systemic mechanisms to:

- monitor compliance with the Act and records management standards
- investigate and manage non-compliance with the Act and records management standards (including the enforcement of penalties)
- report on agency compliance with the Act and records management standards.

In the absence of these mechanisms, the State cannot be assured that its records management objectives are being met.

The *Public Records Act 1973* is out-of-date and the penalties specified in the Act are unlikely to provide a sufficient incentive to comply with the Act.

3.4 Public Accounts and Estimates Committee review of PROV

In October 1996 the Public Accounts and Estimates Committee (PAEC) reviewed the operations of PROV[3] to identify:

- options available to the Government and PROV to meet the future storage needs for the State's public records
- ways in which PROV could re-engineer its records management process to meet its storage, preservation and access responsibilities for the State's electronic records
- strategies that could be used to manage the increasing quantity of records being generated by the Government in Victoria
- ways in which PROV could better meet increasing demand for access to the State's archival records.

The final report included 57 recommendations aimed at enhancing PROV's operations and ability to meet its objectives (Refer to Appendix D for a listing of the recommendations). The PAEC also sought "an improved legislative framework to ensure that the responsibilities of the Public Record Office and each government agency in relation to the preservation of public records can be improved upon."[4]

Specific areas of recommendation by the PAEC included:

- the Director/Keeper [of PROV] report directly to the Parliament by way of specific annual report, on the performance of government agencies in meeting their responsibilities under the Act. The report should identify any government agency which, in the opinion of the Keeper, is not complying with the public records standards

---

[3] Public Accounts and Estimates Committee, *Inquiry into the Public Record Office Victoria, Report to the Parliament,* October 1996.

[4] Ibid. p. ix.

- the Public Records Advisory Council (PRAC) should not continue in its current form but be reconstituted with a smaller membership that reflects expertise and independence, and provides policy advice on public records management issues to the Minister
- PROV should be transferred to an independent body within the Department of Treasury and Finance
- every public agency should have a written and agreed records management plan with the PROV
- all PROV standards be reviewed every three to five years to reinforce 'best practice' principles
- PROV should introduce a monitoring process which includes random audits to ensure public records are managed according to PROV standards
- the *Financial Management Act 1994* and other relevant legislation be amended to require every agency to report annually on its level of compliance with the records management standards.

The PAEC also recommended a further review be undertaken of the management of public records in ten years time (that is, in 2006).

PRAC's response to the PAEC's review was provided to Government in February 1997 and indicated that many of the recommendations "will be useful for the Public Record Office in planning its future direction…Several of the recommendations could, if implemented, have significant resource implications for the Public Record Office and the relevant government agencies."[5]

In late 2005 PROV undertook an analysis of the action it had taken against the 1996 PAEC recommendations. PROV identified numerous 'strengths' in its operations that had been developed over the ten years since the PAEC review including:
- completion of PROV's records management standards
- construction of a new purpose built repository (at North Melbourne) and closure of the Laverton facility
- establishment of the digital archive
- assisting agencies to better manage their electronic records through the establishment of the Victorian Electronic Records Strategy (VERS)
- new facilities to enable better access to records held by PROV
- provision of additional records management training, education and outreach programs
- improvements to the PROV website.

---

[5] Public Records Advisory Council, Response to the PAEC Inquiry into the Public Record Office, 18 February 1997.

PROV also identified the following 'weaknesses and threats' predominantly relating to PAEC recommendations that remained outstanding from the PAEC's 1996 review:

- an agency compliance program has not been developed and PROV has not undertaken any compliance monitoring. The level of agency compliance with the requirements of the Act and the records management standards remains unknown.
- a stakeholder/client relationship management strategy has not been completed to enhance the quality of liaison between agencies and PROV
- the records standards and associated schedules had not been updated
- each agency did not have an agreed disposal schedule in place
- the *Public Records Act 1973* had not been reviewed.

3.5 Comparison of the *Public Records Act 1973* with similar interstate legislation

As a result of the dated legislation, PROV has experienced operational difficulties in dealing with agencies and their records management issues. The legislative issues relate to definitional ambiguities and a lack of clarity surrounding PROV's role and responsibilities. For example, it is unclear whether all public sector entities are covered by the legislation.

PROV have sought to influence and persuade such agencies to comply with the Act and to transfer their permanent records to PROV. However, some agencies because of these legal ambiguities, have not complied with PROV standards and effectively hindered PROV's ability to facilitate good records management across the public sector.

In order to address these issues, the Public Records Advisory Council has made a number of submissions to Government since 2002 recommending a review of the Act.

In March 2007 PROV undertook a comparative analysis of its legislation with the legislation of eight records offices in other states, the Commonwealth and New Zealand.[6] Six of the eight jurisdictions have passed new legislation covering their records offices within the past ten years. In the remaining two records offices, legislation was enacted in 1983.[7]

---

[6] *Recommended Changes to the Public Records Act 1973 to support the development of a Recordkeeping Compliance Monitoring and Assistance Program, Discussion Paper*, PROV, Melbourne, March 2007.

[7] NSW: *State Records Act 1998*; New Zealand: *Public Records Act 2005*; Northern Territory: *Information Act 2002*; Queensland: *Public Records Act 2002*; South Australia: *State Records Act 1997*; Tasmania: *Archives Act 1983*; WA: *State Records Act 2000*; Commonwealth: *Archives Act 1983*.

PROV's comparative analysis covered a number of areas including:

- jurisdiction of records offices (i.e. entities subject to the legislation)
- legislative functions
- records management obligations and responsibilities of agencies
- inspection and monitoring powers of records offices
- reporting on agencies records management compliance with the Act
- penalties for non-compliance
- records office advisory bodies.

The following sections outline the major findings from the PROV analysis. The analysis is useful in identifying how the Victorian *Public Records Act 1973* compares with similar interstate legislation and provides information on other legislative structures and requirements that could be usefully considered as part of any future review of the Act.

3.5.1 Jurisdiction of records offices

Most Acts indicate that the legislative requirements apply to all public bodies. These bodies include a diverse group of individuals and entities including Ministers, Parliament, government departments, statutory bodies and councils. PROV's analysis classified these bodies into 13 broad groups. Figure 3D compares the type of agencies/functions required to comply with the relevant records legislation.

While most records office legislation requires almost all public sector agencies, classified into the 13 broad groups, to comply with their respective Acts, the Victorian *Public Records Act 1973* only applies to:

- government departments
- statutory corporations
- courts
- municipalities
- government business enterprises.

The PROV analysis estimated that it may be responsible for between 600 and 1 500 public offices, however, a specific, detailed analysis has not been undertaken to determine those agencies which are clearly within PROV's jurisdiction. Other sources estimate the total number of public sector entities is around 4 500.[8]

Entities that currently are not subject to PROV's jurisdiction, or for which there is some question about whether they are covered by the Victorian legislation, include:

- Ministers
- universities
- government-owned corporations and organisations substantively controlled by government
- statutory office holders such as the Chief Commissioner of Police
- State associations or advisory committees

---

[8] State Services Authority, *Annual Report 2004-05*, Melbourne.

- entities that are not statutory bodies, where the board has a minority, or no directors appointed by Government, and are funded by Government (such as Community Health Centres).

This lack of clarity also creates confusion for public sector agencies. At times PROV has sought legal opinion to clarify an agency's status. For some State-owned enterprises, this has proven to be a complex and costly task for PROV. In other cases, records are provided to PROV under 'mutual agreement'.

Figure 3D
Jurisdiction of records offices

Public body/Functions	C/WLTH	NSW	VIC	QLD	WA	SA	TAS	NT	NZ
Government departments	✓	✓	✓	✓	✓	✓	✓	✓	✓
Statutory corporations	✓	✓	✓	✓	✓	✓	✓	✓	✓
Vice-regal	✓	✓		✓	✓	✓	✓		
Executive council	✓	✓		✓	✓	(a)	✓		✓
Parliament	✓	✓			✓				
Courts	✓ (b)	✓	✓	✓	✓	✓	✓	✓	✓
Cabinet	✓	✓		✓	✓	(a)	✓		✓
Municipalities		✓	✓	✓	✓	✓	✓	✓	✓
Other bodies (e.g. universities)	✓	✓		✓	✓	✓	✓		✓ (c)
Government business enterprises	✓	✓	✓	✓	✓		✓	✓	✓
Minister	✓	✓		✓	✓	✓	✓		✓
Royal commissions and boards of enquiry	✓	✓		✓ (d)	✓	✓	✓		✓ (e)
Outsourced functions	✓	✓		✓	✓				✓ (f)

(a) The jurisdiction of the State Records Authority of South Australia does not extend to Executive Council and Cabinet. By mutual agreement, the Authority provides archival services to both these bodies.

(b) Does not include the High Court, however, by mutual agreement the National Archives of Australia provides archival services to the High Court of Australia.

(c) New Zealand's *Public Records Act 2005* applies to bodies identified as crown entities under the *Crown Entities Act 2004.*

(d) Not Royal Commissions.

(e) Records of boards of inquiry only become public records when the record is provided to the instigator of the report.

(f) The record of an outsourced function becomes a public record when the record is handed over to the outsourcing public office.

Source: PROV and information provided by the records offices.

With the *Public Records Act 1973* not applying to a significant number of public bodies, there is a heightened risk that:

- public records held by these agencies may not be well managed
- historically or culturally significant public records may be destroyed.

3.5.2 Legislative functions

Figure 3E provides a summary of the key functions/activities, established by the relevant Acts, for each of the public records offices reviewed.

Figure 3E
Legislative functions across jurisdictions

Function	C/WLTH	NSW	VIC	QLD	WA	SA	TAS	NT	NZ
Manage, keep and preserve archival records for public authorities		✓	✓	✓	✓	✓	✓	✓	✓
Protect archival records/control disposal of records	✓	✓	✓	✓	✓	✓	✓	✓	✓
Provide public access to public records/ archives	✓ (a)	✓	✓	✓	✓	✓	✓	✓	✓
Establish archival authority or records office	✓	✓	✓	✓	✓	✓	✓	✓	✓
Establish a records management framework for records office jurisdiction		✓		✓	✓		✓		✓
Make and issue principles, guidelines, standards, systems for managing records	✓	✓	✓	✓ (b)	✓	✓	✓	✓	✓
Enhance public confidence in the integrity of public records									✓

(a) The Commonwealth provides public access to documents that are in the 'open period' (i.e. over 30 years of age).

(b) Includes conducting research and providing advice.

Source: PROV and information provided by the records offices.

The functions/activities covered by the various states' Acts are fairly consistent.

3.5.3 Records management obligations and responsibilities of agencies

Figure 3F provides a summary of the obligations and responsibilities of public sector agencies concerning records management in each jurisdiction reviewed.

Figure 3F
Records management obligations and responsibilities of agencies

Agency obligations and responsibilities	C/WLTH (a)	NSW	VIC	QLD	WA	SA (b)	TAS	NT	NZ
Keep full and accurate records		✓	✓	✓	✓		✓	✓	✓
Prepare a record keeping plan				✓	✓				
Establish and maintain a recordkeeping program		✓							
Requirement to create and maintain records extends to contractors		✓		✓	✓		✓		✓ (c)
Submit the recordkeeping plan to the records office for approval				✓	✓				
Maintain records in an accessible format	✓			✓	✓		✓	✓	✓
Maintain records in accordance with standards established by records office		✓	✓	✓	✓		✓	✓	✓

(a) While records management obligations and responsibilities of agencies are not stipulated in the *Archives Act 1983*, s. 5.2(c) and s. 6.1 (j-k) of the Act gives the National Archives of Australia some powers to advise, assist and train agencies in records management.

(b) *South Australia's State Records Act 1997* states that every agency must ensure that the official records in its custody are maintained in good order and condition (s. 13).

(c) Responsibility for obtaining a record of an outsourced function from a contractor rests with the agency.

Source: PROV and information provided by the records offices.

Figure 3F shows that the obligations and responsibilities of agencies, as outlined in the legislation, vary. In two cases agency obligations and responsibilities are not specifically defined.

Most Acts have a common requirement for the head of the public office to create full and accurate records, and to maintain these records in accordance with the standards established by the records office. With the exception of the Victorian legislation, all Acts provide a clear definition of the 'head of public office'.

Around half of the records offices' legislation make agencies responsible for the public records created and held by contractors. In view of the increased use of contract staff and outsourcing of business functions by the Victorian public sector, the inclusion of this obligation in the Victorian legislation would ensure that public records held by contractors are also covered by the Act.

Three jurisdictions require public offices to prepare records management plans or programs. Our review of records management in agencies (refer to part 5 of this report) indicated that the most effective agencies were those which strategically managed their records. Inclusion of this requirement in the Victorian legislation is one way in which the Government could encourage agencies to better manage their records management functions.

3.5.4 Inspection and monitoring powers

If a compliance program is to be effective:

- the monitoring organisation needs to have the power to:
  - inspect agency records
  - compel agencies to provide information requested
- agencies need to provide assistance to the monitoring organisation undertaking the compliance review.

Figure 3G provides a summary of the powers/obligations of records offices in relation to inspection and monitoring.

Figure 3G
Inspection and monitoring powers across jurisdictions

Powers/obligations	C/WLTH	NSW	VIC	QLD	WA	SA	TAS	NT	NZ
Powers of inspection/monitoring	✓	✓	✓	✓ (a)	✓ (b)	✓	✓	✓	✓
Agencies are required to provide information to assist the compliance review		✓				✓	✓	✓		✓
Agencies are required to assist the monitoring program		✓				✓	✓	✓	✓	✓

(a) The Authority only has inspection, not monitoring, powers under the *Public Records Act 2002*. It has not yet exercised this power in a formal capacity.

(b) Only a limited level of compliance monitoring is undertaken at this stage.

Source: PROV and information provided by the records offices.

The Victorian legislation does not specifically provide for monitoring of agency compliance with the Act and the associated records management standards.

3.5.5 Reporting on records management in agencies

Most jurisdictions included in the PROV analysis were required under their respective legislation to prepare an annual report to be presented to the Minister and/or tabled in the Parliament. The legislation governing five of the jurisdictions (not including Victoria) also provides for reporting on agency compliance with the Act and associated recordkeeping standards. Figure 3H provides a summary of the reporting requirements for each jurisdiction.

Figure 3H
Reporting requirements

Reporting	C/WLTH	NSW	VIC	QLD	WA	SA	TAS	NT	NZ
Annual report to the Minister			✓	✓	✓	✓			✓
Annual report to Parliament	✓	✓	✓	✓	✓	✓			✓
Reporting on compliance with the Act, standards and recordkeeping plans		✓ (a)			✓	✓	✓	(b)	✓

(a) State Records has a legislative obligation (s. 20(1)) to report instances of non-compliant
    public offices to the relevant Minister.

(b) Does report generally to agencies on compliance, but there is no legislative requirement to do
    this.

Source: PROV and information provided by the records offices.

3.5.6 Penalties for legislative non-compliance

Figure 3I outlines the legislative penalties for non-compliance with the respective
legislation for a number of agency actions. As can be seen from the table, the
significance of the penalty varies considerably from jurisdiction to jurisdiction. In all
jurisdictions, there are monetary penalties, while in South Australia and the Northern
Territory, the penalty for non-compliance can be imprisonment.

Figure 3I
Summary of current penalties for non-compliance across jurisdictions

Jurisdiction	Penalty [a]	Offences and court proceedings				
		Illegal destruction of public records	Removal of public record	Damage public record	Obstruction [b]	Court proceedings
C/WLTH	20 penalty units ($2 200)	✓	✓	✓		
NSW	50 penalty units ($5 500)	✓	✓	✓		
VIC	5 penalty units ($524)	✓	✓	✓		
QLD [c]	• Illegal destruction 165 penalty units ($12 375) • Obstruction 100 units ($7 500) • Failure to provide records to the Archivist after receiving a notice to do so (unlawful possession) 40 units ($3 000) • Damaging public record more than 30 years old 100 units ($7 500)	✓	✓	✓	✓	
WA	$10 000	✓	✓	✓	✓	
SA	$10,000 or 2 years imprisonment	✓	✓	✓		✓
TAS	50 penalty units ($6 000)	✓	✓	✓		
NT	200 penalty units ($ 22 000) or 1 year imprisonment	✓	✓	✓		
NZ	NZ$5 000 for individuals, NZ$10 000 for public offices	✓	✓	✓	✓	✓

(a) Value of penalty units: Commonwealth-$110; NSW-$110; Victoria-$104.81; Qld.-$75; Tasmania-$120; NT-$110.

(b) Obstruction includes the wilful destruction of public records and non-compliance with official requests.

(c) The archivist may appoint a member of staff as an 'authorised officer' with the power to inspect a public authority's procedures and records.

Source: PROV and information provided by the records offices.

Of the jurisdictions specifying penalties, PROV's maximum penalty is the lowest of all jurisdictions. These penalties are, as well, inconsistent with penalties established in the recent *Crimes (Document Destruction) Act 2006* which includes fines for individuals up to a maximum of $62 886 and/or imprisonment. For corporations the maximum fine that can be imposed is $314 430. As a result the current Victorian penalties trivialise the seriousness of non-compliance.

Furthermore, the PROV legislation does not:
- clearly define what constitutes an 'offence'
- specify who is responsible to enforce compliance, that is, to investigate breaches of the Act or the standards and, to subsequently prosecute. (This also reflects the legislation of other records offices. To date, no such actions have been taken by records offices.)

Collectively, these issues diminish the impact of penalties in influencing agency behaviour in Victoria.

3.5.7 Records office advisory body

Around half of the Acts provided for the establishment of advisory bodies to advise on specific aspects of the records office's operations and to provide advice to the respective Ministers. Both the NSW and Western Australian legislation provide for the establishment of a governing body (and not an advisory body) to oversee the management of the State Records Authority. The details are outlined in Figure 3J.

Figure 3J
Functions of the advisory bodies across jurisdictions

Functions	C/WLTH	NSW	VIC	QLD	WA	SA	TAS[c]	NT [c]	NZ
Approve disposal determinations		✓		✓ [a]	✓	✓			
Approve standards		✓			✓	[b]			
Approve recordkeeping plans					✓				
Determine record office policies and strategic plans		✓							
Hear appeals									✓
Advise the Minister	✓		✓	✓	✓	✓			✓
Promote cooperation between the records office and public agencies			✓						

(a) The Authority also reviews disposal decisions if requested by a public authority and resolves disputes regarding restricted access periods.

(b) The State Records Council is consulted on: the issuing of standards by the Authority; the receipt of non-official records by the Authority; and determinations by the Director to restrict public access to a record for preservation or administrative reasons.

(c) Function not provided for in legislation.

Source: PROV and information provided by the records offices.

Pursuant to the Victorian *Public Records Act 1973,* the Public Records Advisory Council (PRAC):

- shall promote and facilitate cooperation between PROV and public offices
- may report and make recommendations to the Minister on any matter relating to the administration of the Act.

In other jurisdictions, advisory bodies have wider legislative responsibilities including overseeing certain aspects of the operation of the records offices. Responsibilities of these bodies include approving standards, record retention, approving disposal and hearing of appeals. PROV also utilises PRAC to comment on its records standards and agencies disposal authorities, even though there is no specific legislative requirement for this.

The PAEC's 1996 inquiry recommended that a review of the function and membership of PRAC be undertaken with a view to:

- amending its function to enable the provision of policy advice to the Minister on public records management
- reconstituting the Council with a smaller membership reflecting differing expertise.

A review of PRAC's function and membership has yet to be undertaken.

Conclusion

With significant technological advances, increased privacy concerns and changes in the manner in which agencies manage their business and recordkeeping practices since the *Public Records Act 1973* was introduced around 35 years ago, a review of the records management legislation is well overdue.

The audit confirmed the 1996 PAEC assessment, that there are significant deficiencies in Victoria's legislative framework for managing records.

PROV's own comparison of its legislation with that operating in other jurisdictions demonstrates there is considerable opportunity to clarify the role and responsibility of PROV, PRAC and government agencies, and to strengthen the records management framework.

The current legislation will continue to hinder the efforts of agencies and PROV to facilitate sound records management in the public sector.

In view of PRAC's numerous submissions to Government since 2002 (highlighting the need to review the Act), it is important the Act be expeditiously reviewed over the next 12 to 18 months.

Recommendation

3.1 The *Public Records Act 1973* should be comprehensively reviewed to make it relevant and appropriate to the contemporary public sector. The review should involve consultation with key stakeholders including the central agencies, to consider mechanisms to heighten the awareness of records management as a core governance function. It should also include consideration of the recommendations of the 1996 PAEC review.

4 Performance of PROV in facilitating sound records management in the public sector

At a glance

Background

PROV has a statutory role to establish records management standards and assist agencies better manage their records.

PROV provides a range of services to agencies including training and consultancy services, assistance in managing electronic records, general advice and guidance.

Key findings

- PROV has established records management standards applicable for a 10-year period. All standards except one, is due for review. In the absence of regular review and acknowledged gaps in coverage, the standards no longer fully meet agency needs.
- PROV's provision of services and products to agencies is not strategically-based. Consequently it cannot be assured that its resources address agency needs and major risks.
- The increasing demand for PROV's training courses and the generally positive feedback from course participants, indicates that the quality of these courses is satisfactory. Nevertheless, the range of courses provided is insufficient to meet agency needs and agencies have difficulty accessing courses they require on a timely basis.
- The quality of the consultancy services provided by PROV is satisfactory and the services meet agency needs.
- PROV's objective of all departments achieving primary capability in recordkeeping systems implementation by June 2008 is unlikely.
- Although agencies were satisfied with the advice and guidance provided by PROV, a significant number of agencies were not aware that PROV provided such services.
- PROV does not engage with a significant number of agencies and has not established a strategic framework to manage its interactions with agencies.

At a glance *- continued*

Key recommendations

PROV should:

- review the records management standards regularly, at least every five years
- gather comprehensive information on the critical business functions performed by agencies, their broad recordkeeping needs and the major risks facing the Victorian public sector
- develop a strategic approach to the provision of its services and products
- make training courses more accessible to agency staff, particularly in rural and regional areas
- in consultation with the VERS Steering Committee, establish realistic timelines for future reporting to government on stages 2 and 3 of VERS implementation
- develop a comprehensive strategy to support agencies to establish VERS compliant systems
- improve its communication with agencies so they are aware of the advice and guidance available
- establish mechanisms to periodically report on the cost of providing its principal record services to the public sector. This will assist with determining whether it is using its limited resources cost-effectively.

4.1   Introduction

PROV facilitates sound records management in the public sector by:

- establishing records management standards, and
- assisting agencies better manage their records.

Government agencies are required to implement records management programs covering the creation and capture, maintenance and disposal of public records, in accordance with the standards established by the Keeper.

4.2   Establishing records management standards

Information technology is rapidly changing as are the mechanisms used to transact government business. The most obvious example of this has been the substantial increase in the use of emails and the internet to communicate and transact business. In this changing environment, it is important for agencies to have comprehensive, up-to-date and best practice guidance on the management of public records.

PROV has established five records management standards and associated specifications (technical requirements). These standards apply to all records created by agencies, defined as public bodies under the Act, and are accessible from PROV's website. The standards and specifications largely address the operational aspects of recordkeeping and are outlined in Figure 4A. Each standard is applicable for ten years from the date of issue.

Figure 4A
Records management standards established by PROV

Title of standard	Issue date	Specification
1. Management of public records [a]	February 1998	_____
2. Creation and maintenance of public records	February 1998	Storage of public records in agencies
3. Destruction of public records	February 1998	Destruction of records covered by a disposal authority
		Destruction of records not covered by a disposal authority
4. Transfer and storage of public records	February 1998	Documentation of public records
		Transfer of records to PROV
		Transfer of records to APROSS [b]
		Access to public records
		Processing and listing of public records
5. Management of electronic records (Version 2.0)	July 2003	System requirement for preserving electronic records
		VERS metadata scheme
		VERS standard electronic record format
		VERS long term preservation formats
		Export of electronic records to PROV.

(a) The *Standard on Full and Accurate Recordkeeping* by the Archives Authority of New South Wales has been endorsed by PROV for use by Victorian public sector agencies. In addition, the *Australian Standard on Records Management AS ISO 15489,* is endorsed by PROV and provides a voluntary code of practice for ensuring the creation of full and accurate records.
(b) Approved Public Record Office Storage Supplier (APROSS).

Source: Public Record Office Victoria, Annual Report, 2006-07.

Four of the five standards and associated specifications expire in 2008. PROV has recently extended the application of these standards to February 2011.

The 1996 PAEC inquiry recommended that all standards be subject to review every three to five years, to reinforce 'best practice' principles.[1] This is consistent with records legislation in other jurisdictions which provides for reviews of the standards each three years[2] and for 'standards and codes of best practice' to be 'kept under review'.[3]

---

[1] Public Accounts and Estimates Committee, *Inquiry into the Public Record Office Victoria*, Report to the Parliament, October 1996, recommendation 1.4. Refer Appendix D of this report.

[2] *Information Act 2002*, Northern Territory, section 139(1).

[3] *State Records Act 1998*, New South Wales, section 13(4).

The 'Management of electronic records standard' was reviewed and updated by PROV in 2002–03 to:

- address technology specific changes
- ensure the standard was consistent with world best practice
- make it a 'compliance-measurable document'.

The other standards and associated specifications have not been reviewed since they were established in 1998. While PROV commenced a review of the standards on two previous occasions, in 2004 and 2006, these reviews were discontinued due to 'limited resources and changes in PROV's priorities'.

4.2.1 Quality and adequacy of the standards

Fifty-nine per cent of respondents to our self-assessment questionnaire indicated they had used PROV's standards, guides and advices. Of those who had used the PROV documents, most indicated that they were 'satisfied' with the quality of the documents, while six per cent indicated they needed improvement.

Audit discussion with agency staff and responses to the self-assessment questionnaire[4] indicated that the standards could be improved by providing more:

- practical and detailed advice in a non-technical manner
- guidance on strategic records management principles and their application
- advice on all aspects of records management system implementation
- standards, advice and tools tailored to assist smaller agencies and local government.

Several agencies indicated that they did not consider the PROV standards comprehensively met their needs and as a result they needed to refer to national or international standards for guidance.

PROV is aware of the need to review the standards having identified the following issues with the current standards:

- the lack a central framework outlining what agencies need to do to implement a 'satisfactory records management program', i.e. what is mandatory and expected
- the standards (with the exception of the management of electronic records standard) do not contain specific measures to enable compliance and assessment
- while the standards are descriptive, they provide limited guidance on best practice
- agencies require a greater need for direction on:
  - the 'daily' operational aspects of recordkeeping, that is, how to create, capture and maintain records as opposed to the more 'traditional' areas of focus being records appraisal, storage and transfer

---

[4] Refer Appendix B for details of agencies who participated in VAGO's detailed and general self-assessment questionnaires.

- strategic aspects such as records management oversight, strategic planning functions and governance-type responsibilities.
- gaps in the coverage of the PROV standards. A survey undertaken by PROV in June 2007[5] indicated that 98 per cent of agency records managers had used or referred to records management standards prepared by other jurisdictions. Agencies referred to these standards where the PROV standards failed to meet their need.

In addition to the records management standards, PROV has also developed:
- nine 'Guides' providing guidance on records management procedures such as: 'Conducting a Records Survey for Disposal Purposes', Completing Form PRO 29 Notification of Destruction.
- 19 'Advices' to provide information on specific issues relating to managing Victorian Government records such as: 'Email as Records', 'Scanning or Imaging Records', 'Health Records and Public Records', 'Records of Outsourced Activity', 'Messaging Technologies and Recordkeeping' and '*Crimes (Document Destruction) Act 2006*: Implications for Government recordkeeping'.

Some of the guides and advices have also not been reviewed by PROV since they were issued.

In mid-2007, PROV initiated a major three-year project to review its standards. The review had three components:
- an options analysis (to determine the best way to review the standards)
- development of a strategy and methodology (to establish a consistent process for the ongoing review/development of standards)
- a gap analysis comprising comparison of PROV's current standards against industry standards and standards developed in other jurisdictions.

To date, PROV has undertaken considerable research on standards development and the identification of best practice models.

PROV established mechanisms to ensure public sector agencies are consulted and kept informed on the progress of the review process. These mechanisms included provision of information on the PROV website, and ongoing discussions with professional associations and public sector records managers and archivists.

However, the approach adopted by PROV does not include an assessment of agency needs or the key records management risks facing them. Without this information, PROV cannot be assured that its revised standards will comprehensively address the risks facing agencies and, their records management needs.

The review of PROV standards is currently six to eight weeks behind schedule. PROV advised the delay was due to staffing changes and the reallocation of resources to other projects (such as the development of storage standards for the new Bendigo Regional Archive).

---

[5] Recordkeeping Expert Group Survey, PROV, June 2007.

4.2.2   Agency awareness of the records standards

For the records management standards to be applied, agencies need to be aware that the standards exist and that they are required to comply with them. One third of agencies responding to the self-assessment questionnaire were not aware of PROV's records management standards, advice and guidelines. This indicates that PROV needs to better communicate the existence of the standards and the requirement for agencies to comply.

Conclusion

Records management standards outline the requirements for sound management of public records and as such are an important element in the State's records management framework. PROV has established these standards as required by legislation.

However, in the absence of regular review and acknowledged gaps in coverage, the standards no longer fully meet agency needs.

While PROV has commenced a review of its standards, it is critical that the review be comprehensive and completed as soon as possible. Information generated from the self-assessment questionnaire will be useful in providing information on agency compliance with the standards, the reason agencies may not be complying and, areas where further practical assistance is required.

Recommendations

4.1   The records management standards should be regularly reviewed, at least every five years.

4.2   PROV should review its communications approach to better assure agencies are aware of the standards and the legislative requirement for them to comply.

4.3   PROV should:
- closely monitor its standards review project, to ensure it is completed in accordance with project timelines
- incorporate guidance on strategic records management principles and their application into the revised standards.

4.2.3 Compliance monitoring

PROV acknowledges that it has a role in:

- setting records management standards, and
- assisting agencies to comply with the Act and the standards.

In 2006, to assist agencies to implement the standards, PROV commenced work on the development of a compliance strategy. The strategy included PROV reviewing agency compliance with the standards and providing advice and training to address any identified problems. After further consideration PROV decided that it should not monitor and enforce agency compliance with the Act and the records management standards. It considers that to do so would adversely impact on the effectiveness of its role in providing guidance and assistance to agencies.

In mid-2007 PROV started development of a self-assessment toolkit which could be used by agencies to monitor and assess their compliance with the Act and records standards. Development of the toolkit is progressing.

4.3 Assisting agencies to better manage their records

To assess PROV's role in assisting agencies to better manage their records, the audit assessed whether the services and products were:

- appropriate, i.e. they meet agency needs
- of good quality
- accessible by agencies
- provided at a reasonable cost.

Given limited resources available to agencies it is important for agencies to ensure their record management resources are used efficiently and effectively.

In order to assess the effectiveness and efficiency of PROV's products and services information was gathered from:

- the detailed audit questionnaire completed by eight government agencies
- the self-assessment questionnaire completed by around 100 agencies
- surveys issued by PROV to government agencies
- other mechanisms used by PROV to assess the effectiveness of its products and services.

4.3.1 Determining what services and products to provide to public sector agencies

PROV, like all agencies, has limited resources for provision of its services and products, while the range of services and products is virtually unlimited. In order for PROV to make the best use of its resources, it needs a strategic approach that targets its resources to address both the specific recordkeeping needs of agencies and the major recordkeeping issues facing the public sector. The key elements of such an approach are outlined in Figure 4B.

Figure 4B
Determining services and products to be provided to public sector agencies

Key elements	Discussion
Understanding the business environment	PROV needs to obtain a broad understanding of the critical business functions undertaken by agencies and the major recordkeeping environmental risks facing the Victorian public sector.
Obtaining a broad understanding of the standard of the control frameworks established by agencies to manage their records	In order to identify the overall risks to good recordkeeping in the Victorian public sector, PROV needs to have a broad understanding of the standard of control frameworks established by agencies to manage their records and the major control risks. Once the environmental and control risks are identified, PROV will be in a position to prioritise areas for attention.
Recordkeeping needs analysis	Identifying and assessing agency need for PROV's products and services is therefore an important component of its strategic planning function. These needs can be identified through: • PROV's assessment of the environmental and control risks outlined above • mechanisms developed by PROV to enable agencies to indicate the products and services they require. Involvement of agencies in determining the type and nature of services provided by PROV will help ensure PROV's resources are used effectively. Once agency needs have been identified, they should be evaluated and prioritised to ensure only needs, which are real and worth addressing are addressed. This would normally involve an assessment of the likely impact (on the agency) of not meeting the identified need.

Figure 4B
Determining services and products to be provided to public sector agencies
- *continued*

Key elements	Discussion
Developing a strategic plan	Once PROV has determined the need for its services and products, a strategic plan should be prepared outlining how these services and products will be made available to agencies. The plan would normally: • include strategies to achieve PROV's records management objectives, address deficiencies identified in the records management framework and any poor records management outcomes identified • include performance indicators for its products and services • assign responsibilities for the delivery of these products and services • include processes for monitoring and reporting to senior management on products and services provided • outline the timelines for the delivery of strategies identified.

Source: Victorian Auditor-General's Office, based on literature review.

PROV obtains an understanding of the standard of record management in agencies and the records management in the public sector through its interactions with agencies:

• at records management forums
• while providing advice and guidance
• during the provision of training and consultancy services.

However, these interactions constitute only a small proportion of the agencies subject to the *Public Records Act 1973,* and the information gathered is largely anecdotal.

While PROV has a number of services targeted at meeting specific agency needs such as electronic records management, its provision of services and products are largely in response to direct requests from agencies. An exception to this is the development by PROV of agency advices, which seek to respond to emerging issues in the public sector that impact on recordkeeping, i.e. amendments to legislation.

That aside, PROV has not adopted a strategic approach to the provision of its services and products. Currently, PROV has:

• no systematic process to gather information across Government agencies to enable it to understand the business environment in which the Victorian public service operates, the recordkeeping risks facing agencies, the standard of controls established by agencies to manage their records, or the standard of records management in the State
• not undertaken a comprehensive assessment of the need for its services and products
• not developed a strategic plan to target the provision of its services.

Conclusion

PROV should adopt a more strategic approach to the provision of its services and products to agencies.

Recommendations

4.4 PROV should:

- gather comprehensive information on the critical business functions performed by agencies, their broad recordkeeping needs and the major risks facing the Victorian public sector
- develop a strategic approach to the provision of its services and products.

4.3.2 Services and products provided by PROV

PROV provides a range of services to assist agencies to better manage their records, including:

- training programs
- consultancy services
- assistance to agencies in managing their electronic records (VERS)
- provision of general advice and guidance to agencies.

Provision of training programs

PROV has provided records management training to agencies for the past ten years. The training consists of half/full day courses focusing on specific aspects of recordkeeping and includes:

- **Records management concepts** — an introductory course which focuses on the basics of records management and is aimed at people with minimal or no formal records management training
- **Transfer documentation** — outlines the requirements for the transfer of permanent records to PROV
- **Regional Roadshow** — caters for record managers in regional areas and focuses on practical aspects of recordkeeping and information management
- **VERS specific training** — the 'Getting Ready for VERS' and 'VERS technical' training courses cover a range of issues associated with the management of digital records and the impact of VERS on records management.

Since 2003 PROV staff have also delivered the recordkeeping component of the Certificate and Diploma courses in Business (Recordkeeping) in partnership with a registered training organisation.

Access to training

PROV's training program is delivered by two full-time staff.

In recent years, there has been a significant increase in the demand for training courses with the number of agency staff attending these courses increasing from 193 in 2005–06 to 273 in 2006–07.

Over the past 12 months the waiting time to access the 'Records management concepts' and 'Transfer documentation' training programs has been four–eight months and five–nine months, respectively.

PROV has attempted to manage the increased demand for this training by:
- training additional staff to deliver training courses
- developing in late-2007 a new introductory training program, '*Good Records, Good Business, Good Governance'* which may be used by government agencies to train their own staff in recordkeeping (launched in February 2008)
- developing a RecordKeeping Capability Strategy (in September 2007) which seeks to increase training capability and develop more flexible training options, e.g. on-line training and introduce a competency-based training program on a cost recovery fee-for-service basis. (PROV is currently seeking Government funding for this strategy).

In responding to the self-assessment questionnaire, several respondents indicated that they had difficulty in accessing the PROV training courses they needed, particularly in relation to transfer training and training in regional areas.

Our detailed review of agencies identified that one agency was unable to transfer its permanent records to PROV due to the inability of its record manager to attend transfer training until mid-2008 (due to waiting lists in place).

PROV advised that training in regional areas was scheduled according to demand. As the course requires a minimum number of participants to attend, it can often take several months to organise. During 2005–06, three sessions were conducted in regional areas while in 2006–07, only one session was held.

The questionnaire also indicated that many agencies were not aware of training courses provided by PROV. Only half of the agencies responding to the self-assessment questionnaire indicated they were aware that PROV provided training.

Thirty-seven per cent of agencies indicated their staff had attended training courses provided by PROV.

These results are of concern, given PROV's transfer training is mandatory for all agencies prior to transferring permanent records to the State's archives.

Quality of training

In responding to the audit questionnaire, most agencies considered the quality of training was 'satisfactory/good'.

The response to PROV's survey of training course participants indicated that participants generally considered the overall usefulness, relevance and quality of the training provided was satisfactory. We found that while the course evaluations provide some feedback on the training programs, their effectiveness could be improved by undertaking a follow-up survey when the participants return to work, to assess the effectiveness of the training received.

Meeting agency training needs

PROV acknowledged that its current training program covers only 60 per cent of the required recordkeeping skill sets identified in the national standards.[6]

PROV has recently taken action to address this issue within its RecordKeeping Capability Strategy.

Conclusion

The increasing demand for PROV's training courses and the generally positive feedback from course participants, indicates that the quality of its courses is satisfactory. Nevertheless, the range of courses provided is insufficient to meet agency needs and agencies have difficulty accessing courses they require on a timely basis.

PROV's recordkeeping capability strategy should help address the growing demand for its services by building recordkeeping capability across the wider public sector. It will be important that PROV closely monitors implementation of this strategy to ensure that its objectives are being met.

As PROV increases the number of training courses, it will need to better communicate its training program to public sector agencies and ensure agencies in regional areas can access them.

Recommendations

4.5 PROV should:

- implement its *Building Victorian RecordKeeping Capability Strategy* and introduce its planned competency-based training program
- introduce additional training courses to address unmet agency training needs
- review the communication of its training courses and implement strategies to raise agency awareness of them
- make training courses more accessible to agency staff, particularly in rural and regional areas.

---

[6] *Building Victorian Government RecordKeeping Capability Strategy*, PROV, September 2007.

4.6 To ensure continuous improvement, PROV should undertake a survey of course participants, after they return to work, to determine the extent to which the training has assisted them improve recordkeeping in agencies.

Consultancy services

PROV provides consultancy services to agencies to assist them manage specific records management issues. While most consultancy services provided are associated with the implementation of VERS in government departments, they have also been used to:

- assist agencies develop business cases
- undertake strategic organisational reviews of records management in agencies
- assist agencies prepare funding submissions for the acquisition of recordkeeping systems or for the purchase of other services to improve recordkeeping in agencies.

PROV's consultancy resources comprise one full-time staff member and three consultants engaged on a part-time basis (which amounts to just over one full-time equivalent staff member).

Every year, Victoria's ten departments contribute a total of $990 000 to PROV's 'Sustaining VERS' program. These contributions enable each department to purchase 17 days of consulting services from PROV. Where departments are unable to use their allocated days, the time may be reallocated to other agencies, within their departmental portfolio.

Access to consultancy services

Since February 2006, PROV has delivered 336 consultancies with around half (48.5 per cent) of them provided to the ten government departments. Other recipients included state authorities and educational institutions.

During 2006-07, PROV provided 213 consultancies to support agencies implement digital and physical records management systems, against its annual target of 95 consultancies.

As the demand for consultancy services exceeds the ability of PROV to supply these services, PROV allocates its services firstly to the inner budget sector departments and to other agencies on a 'first come, first serve' basis. Agencies also purchase consultancy services from private sector consultants.

Results from our general questionnaire indicated that only one in four agencies were aware that PROV provided consultancy services and only 9 per cent of agencies had used these services.

Quality and appropriateness of consultancy services

In late 2007 PROV implemented a survey to obtain client feedback on its consultancy services. At the date of audit, feedback had only been provided by one agency. This agency indicated a high level of satisfaction with the services provided by PROV.

Agencies responding to our self-assessment questionnaire indicated they were generally satisfied with the consulting services provided by PROV.

Conclusion

The quality of the consultancy services provided by PROV is satisfactory and the services meet agency needs. However, with the ten departments accessing most of these services, there is likely a significant unmet demand across the broader public sector.

Victorian Electronic Records Strategy

By the early 1990s the work of the government, like most organisations, was increasingly being undertaken using electronically created and stored information.

The storage of records in computer systems provides particular problems for all organisations, given electronic systems and associated applications change and become obsolete very rapidly. Furthermore, records may not be accessible or the integrity of the record maintained, over the medium to longer term.

Recognising the impact of these changes and the significant challenges facing government agencies, PROV developed a strategy to assist agencies manage their electronic records. Work on the Victorian Electronic Records Strategy (VERS) commenced in 1994.

VERS is a package of products and services to assist agencies establish systems to effectively manage their electronic records. Specifically, it comprises:

- a standard for the *Management of Electronic Records* (the VERS standard) and specifications. There are also six associated advices which provide background information and explanatory material to support the standard and specifications. Training includes 'Getting ready for VERS' and 'VERS technical.'
- an on line toolkit, which provides resources for agencies to better manage their electronic records (currently being developed)
- consultancy services to assist agencies comply with the VERS standard
- an assessment process. PROV annually assesses the progress made by agencies in complying with the standard
- a certification process for electronic systems.

The standard outlines requirements for:

- agency electronic recordkeeping systems—compliance will ensure electronic records are properly managed (they are complete, appropriately documented, accessible and retain integrity) while held by the system
- the transfer of electronic 'permanent value' records to PROV.

PROV determined the objective of the VERS initiative (to develop a standard for the management of electronic records and assist agencies comply with the standard) and identified the products and services required to achieve the objective. However, it did not document in an overall strategy, how these products and services would deliver the outcome intended.

The key VERS outcomes, outlined in Figure 4C, included development of:
- a single repository to store the government's permanent records
- integrated VERS solutions for physical and electronic records for government agencies (initially the ten departments).

Figure 4C
Key VERS development activities

Activity	Outcome
1996 PAEC review	
Recommended PROV urgently conclude development of an electronic records management standard capable of being implemented across the whole of government.	Key reports relating to electronic recordkeeping were issued in 1996 and 1999.
	The VERS standard was formally launched by PROV in 2000.
2000–2002	
VERS was piloted in a department. A cost of $4.8 million was incurred to implement an electronic records management system based on VERS.	The system pilot went into production use in 2002 at a department.
Early 2002	
PROV developed a business case to extend VERS implementation across ten government departments.	PROV secured $8.2 million funding over a two year period, 2002-03 and 2003-04 to establish the VERS Centre of Excellence ($2.7 million) and to build the Digital Archive ($5.5 million).
	The VERS standard was reviewed and updated in 2002-03.
Early 2004	
PROV developed a business case for funding to sustain and support VERS implementation across the ten departments over five years from 2004-05.	PROV secured $4.1 million funding in May 2004 for four years (2004-05–2007-08).

Source: Information provided by PROV.

Implementation of VERS

The VERS Steering Committee, whose membership includes PROV and senior executives from the ten departments, is responsible for overseeing the implementation of VERS.

Implementation of VERS is planned to be undertaken in three stages:

- **Stage 1 Primary capability**—departments are to establish a VERS compliant electronic document management system (EDM) or electronic records management system (ERM), within three years.
- **Stage 2 Deploy primary capability to key business processes**—departments are to identify core business processes and apply improved records management services, systems and products to their high value and long-term temporary records within three years.
- **Stage 3 Deploy primary capability enterprise wide**—departments are to establish an organisation-wide electronic records solution for their key record creating processes and systems over five years.

All ten departments are required to achieve primary capability (stage 1) by June 2008. Annual targets have been established by PROV. Stages 2 and 3 of the VERS implementation are expected to take more than three and five years, respectively, but no firm dates have been established.

In 2003 PROV introduced an annual assessment and reporting process to:

- assist agencies address issues associated with managing electronic records
- allow PROV to better target its consulting services to meet the needs of agencies
- provide a mechanism to report to departments and the Government on the progress of the initiative.

The assessment reports are provided to each department. Figure 4D shows the number of agencies achieving primary capability against the targets over the last four financial years.

Figure 4D
Status of VERS (Stage 1) implementation against government targets

Output Measure		2003-04	2004-05	2005-06	2006-07 [b]	2007-08
Departments with primary capability	Revised targets (Cumulative) [a]	__	2	5	8	10
	Reported in PROV annual report (Cumulative)	__	2	4	6	n.a

(a) ERC endorsed targets were revised in January 2004 as a result of the need to standardise information, communication and technology systems across government. Achievement of VERS primary capability by 2008 in all ten departments was not affected.

(b) At the date of audit, the 2007 departmental assessments had not been completed due to resource limitations.

Note: n.a - Not available as departmental assessment not yet completed.

Source: Information provided by PROV.

PROV has advised that it is unlikely that all ten departments will achieve its target of primary capability by June 2008. While all departments have made significant progress, changing priorities within the individual departments has meant some departments have not achieved compliance by the target date. The VERS steering committee at its December 2007 meeting, re-affirmed that the June 2008 deadline be maintained.

In addition, the VERS steering committee, at its December meeting, also endorsed a revised definition of 'primary capability' as a definition of 'primary capability' had not been endorsed by the steering committee prior to the commencement of VERS assessments in 2003. PROV advised audit that the revision of the definition is not likely to materially impact the remaining departments' efforts in achieving primary capability.

Extension of VERS beyond the ten departments

The VERS standard applies to all public sector agencies (and all government records) notwithstanding PROV's implementation strategy, which only applied to the ten departments.

A staged implementation approach was adopted by PROV. This involved the establishment of standards and guidance, piloting the VERS standard in one department and assisting the remaining nine departments implement VERS.

PROV indicated that it faces a major challenge in its efforts to successfully implement VERS beyond the ten departments.

PROV indicated that while its consultancy services were primarily directed at the departments, other government agencies can access PROV support services to assist them comply with the standard. Nevertheless, agency access to PROV's consultancy services is dependent on their ability to use some of their central department's records management funding allocation, or to independently fund PROV services.

PROV is currently developing a VERS toolkit which provides information to assist agency staff in digitally transferring records to PROV. This is scheduled for delivery over the next two years.

Results from our self-assessment questionnaire indicated that:
* over one-third of respondents were not aware of VERS
* 79 per cent of respondents either 'did not know' (49 per cent) or 'did not consider' (30 per cent) their systems were VERS compliant
* 35 per cent did not know whether their permanent records were in a format suitable for transfer to PROV and 19 per cent of agencies indicated their records were not
* 36 per cent of respondents were 'aware' PROV undertook VERS compliance testing, 24 per cent were 'not aware' and 40 per cent 'did not know'
* those agencies who had accessed the VERS service were generally satisfied with the quality of the service provided.

In the absence of a VERS compliant recordkeeping system, PROV and agencies cannot be assured that digital records are being managed appropriately. Agencies may also experience difficulties in transferring their digital permanent value records to PROV.

Conclusion

PROV has provided a significant service to departments in assisting them achieve primary capability in implementing VERS.

Having VERS compliant recordkeeping systems operating in all public sector agencies, as required by the PROV standards, is unlikely to be achieved in the near future. Aside from the complexity and often significant cost involved with such an undertaking, a major impediment to agencies complying with the standard is that most agencies are not aware that the standard for managing electronic records exists. Providing agencies with a toolkit to assist VERS implementation may not be enough.

Establishment of VERS compliant systems in all agencies would have been facilitated by:
- establishing an overall strategy for the implementation of VERS compliant systems in all agencies at the commencement of the VERS initiative
- including a mix of departments and agencies.

PROV has assessed departments using performance criteria that has not been endorsed by the VERS steering committee.

The achievement of PROV's objective of all ten departments achieving primary capability in implementing recordkeeping systems by June 2008 is unlikely.

Recommendations

4.7 In consultation with the VERS Steering Committee, PROV should:
- ensure that its revision of the primary capability performance criteria does not compromise the quality of systems developed and implemented by departments
- establish realistic timelines for future reporting to government on stages 2 and 3 of VERS implementation.

4.8 PROV should develop a comprehensive strategy to support agencies to establish VERS compliant systems. In doing so, it should consult with public sector agencies and industry groups to establish realistic and effective strategies and timelines.

Vendor product certification

To assist agencies acquire compliant recordkeeping systems PROV has established a certification process. This process involves PROV (on request) testing commercial systems and software products available on the market for compliance with the VERS standard. Details of certified VERS compliant vendor products are listed on PROV's website. Certification provides assurance to agencies that the systems meet standards set by PROV and as a result, agencies are maintaining their electronic records appropriately.

Reports on the certification process are regularly provided to the VERS Steering Committee, PROV Executive and the Public Records Advisory Council.

Since the assessment program began in early 2004, a total of 15 products from 11 vendors have been certified as meeting one or more of the VERS specifications. To date three systems have been certified as complying with all five specifications of the standard.

Conclusion

PROV's certification process is a good initiative.

PROV advised audit that the progress made to date on certifying systems with the standard is adequate given the size of the market/industry.

General advice and guidance

PROV provides general records management advice and guidance to agencies on request. This advice and guidance is provided to agency staff over the phone, by email or by PROV staff visiting the agency.

In mid-2007 PROV introduced client surveys to obtain feedback and provide clients who have been in recent contact with PROV the opportunity to comment on the service they received. Two surveys have been issued with around 18 agencies responding to each survey.

PROV has not established any guidance and procedures to assist staff in providing these services to agencies.

Our self-assessment questionnaire indicated that:

- access to PROV's advice and guidance was limited by agencies not being aware that the service was available (only 55 per cent of agencies indicated they were aware that PROV provided such a service)
- most of the agencies using PROV's advice and guidance indicated they were generally satisfied with the quality of the service provided.

Conclusion

Although agencies were satisfied with the advice and guidance provided by PROV, a significant number of agencies were not aware that PROV provided such services.

Recommendation

4.9 PROV should:

- improve its communication with agencies so they are aware of the advice and guidance available
- establish, for the benefit of its staff, guidance on the provision of advice to agencies.

4.3.3 Promotion of good records management

PROV's role in promoting good records management is an important element in improving recordkeeping across the Victorian public sector. Promotional activities include:

- conduct of forums for records managers and archivists to discuss issues of interest and relevance to the profession and the joint consideration of solutions
- establishment of an on-line records management database which facilitates the sharing of electronic records management resources such as presentations and training programs
- peer-to-peer mentoring program—PROV staff provide mentoring services to agency records management staff
- Hamer Awards, Archives and Records Management Week—enables PROV to take a leadership role in promoting best-practice records management.

Our self-assessment questionnaire indicated that:

- 45 per cent of respondents were aware of the records management network forum, 22 per cent 'were not' and 33 per cent 'did not know'
- 32 per cent of agencies had attended the forum and while 80 per cent were satisfied with the quality of the service, 17 per cent considered it 'needed improvement' and three per cent considered it 'inadequate'.

In addition, 74 per cent of respondents considered these services met their needs (10 per cent 'very well' and 64 per cent 'satisfactorily').

Conclusion

PROV provides a diverse range of mechanisms to promote sound records management. However, more should be done to make agencies aware of these services.

Recommendation

4.10 PROV, in consultation with agencies, should develop a comprehensive, coordinated strategic approach to public sector education and awareness encompassing:

- a clear delineation of PROV and agencies' respective roles and responsibilities
- identification of target audiences and appropriate communication mechanisms
- a program of regular activities to promote records management across the public sector.

4.3.4   Efficiency of PROV's services

In 2001 PROV established systems which were capable of costing its services. To date cost information has only been generated on a small number of individual services such as records storage and photocopying. Without more extensive cost information, it is not possible for PROV to assess whether it is providing its services cost-effectively.

If PROV is to move to a fee-for-service funding system for services and products provided to agencies as highlighted in its 'Building Victorian Government RecordKeeping Capability Strategy', it will need to compile comprehensive and accurate information on the cost of its services and products.

This information will enable PROV to assess whether it is operating in a cost-effective manner and calculate cost ratios, such as cost per consultancy and cost per training program and for benchmarking with other state records offices.

Recommendation

4.11 PROV should establish mechanisms to periodically report on the cost of providing its principal record services to the public sector. This will assist with determining whether it is using its limited resources cost-effectively.

4.3.5   Relationship management

The effectiveness of PROV's role in assisting agencies and promoting better records management is, to a significant degree, dependent on the relationship it has with agencies. To facilitate a sound working relationship, it is important:

- for the relationship outcomes to be defined and agreed
- for all parties to understand their roles and obligations
- that modes of interaction are available to facilitate two-way communication
- that PROV establishes a client management system and procedures for handling disagreements.

While PROV has a draft service charter for its Records Service group (dated July 2007), it has not:

- developed a stakeholder/client relationship management strategy
- established mechanisms to provide guidance to staff on relationship issues, including the management of complaints and disagreements
- established a client management system to record client interactions.

While PROV acknowledges the importance of having an appropriate strategy and a client management system, the high cost of implementing them has been a contributing factor to its lack of action in this area.

PROV (and PRAC) does interact with agencies (refer part 4.3.3 of this report) and the relationship appears to be operating effectively. However, PROV does not have any contact with a significant number of agencies. This outcome has evolved from PROV's decision to 'work with agencies who want to work with PROV.' As PROV is struggling to meet the current demand for its services, it has decided not to actively 'chase work'.

In 2005, as a result of the PAEC 1996 inquiry, PROV planned to appoint client liaison officers to improve its relationship with agencies. These officers were to work directly with agencies to assist them to manage their records management issues. This initiative was not introduced due to insufficient resources to engage appropriately qualified staff to undertake this role.

In late 2007, PROV:

- undertook an analysis of its agency engagement processes
- reviewed engagement processes used in other jurisdictions
- developed options to improve agency engagement.

This work identified that for the majority of its stakeholders its communication was undertaken on an *ad hoc* basis.

Under the Act, PRAC has a role, in consultation with the Keeper of Public Records, to 'promote cooperation between PROV and public offices'. PROV does not have a formal consultative mechanism in place to facilitate this.

Conclusion

PROV does not engage with a significant number of agencies and has not established a strategic framework to manage its interactions with agencies. In these circumstances, PROV cannot be assured that it is achieving its objective of 'providing excellent customer service'.

Initiatives recently undertaken by PROV are sound and once completed, should improve the quality of its customer service.

Recommendation

4.12 PROV should establish a strategic framework to manage its relationship with agencies that includes:

- an agency relationship management strategy, together with clear policies and procedures
- a finalised charter/code of conduct for PROV services
- mechanisms to ensure PROV is engaging all agencies
- policies and procedures to manage agency relationships
- a client management system to document interactions with agencies.

5 Records management in the public sector

At a glance

Background

Under the *Public Records Act 1973*, the officer in charge of a public office is responsible for ensuring the office effectively manages its records in accordance with the Act and the records management standards. Public offices are responsible for developing their own framework for the management of records.

The audit assessed the management of records by agencies, using seven principles of good records management. Information for the audit was drawn from a self-assessment questionnaire of around 100 agencies, a detailed review of records management in eight agencies and discussions with PROV, consultants and other individuals working in records management.

Key findings

The audit found that:
- electronic records are not well managed by agencies
- while most agencies indicated they had established records management objectives and policies, our detailed review indicated that they were of variable quality
- more should be done by agency senior management to promote and provide support for records management. Where there was limited senior management support, records management was less effective
- most agencies consider that they adopt a strategic approach to the management of their records. However, the audit identified that the absence of a strategic approach to records management was a major impediment to sound records management in agencies
- while most agencies had procedures to assist staff to manage aspects of their records, in many instances these procedures were:
  - inconsistent with standards and advice developed by PROV
  - not complied with by staff
  - of varying quality
  - not aligned with the agencies' objectives and policies

At a glance *- continued*

Key findings *- continued*

- most agencies had not established processes to effectively manage their records management staff resources
- staff awareness about their recordkeeping responsibilities could be improved
- most agencies had not established monitoring and reporting mechanisms to provide information on their record management activities, their compliance with internal and external requirements, and their management of records to senior management.

Key recommendations

PROV should:

- develop and provide advice and guidance to agencies on formulating records management objectives and policies, in conjunction with relevant agencies and industry groups
- establish a program to assist senior agency staff to champion records management in agencies.

In collaboration with the central agencies, PROV should assist all public sector agencies to:

- adopt a more strategic approach to the management of their records
- review their records management procedures to ensure they cover all recordkeeping activities, including the management of electronic messaging and web-based information, and comply with records standards and advice issued by PROV
- take a more strategic approach to managing their records management staff
- assess whether staff understand the importance of sound recordkeeping and their responsibility for managing records under their control
- ensure regular monitoring and evaluation of recordkeeping activities.

5.1   Introduction

Under the *Public Records Act 1973*, the officer in charge of a public office is responsible for ensuring that office's effective management of its records in accordance with the Act and the records management standards. Each public office is responsible for developing its own framework for the management of records. Specifically, it must:

- maintain full and accurate records of its business
- be responsible, with the advice of the Keeper of Public Records, for the carrying out within the office of a program of records management in accordance with the standards established by the Keeper
- take all necessary action to recover public records unlawfully removed from the office.

Establishing an effective records management framework represents a significant business challenge for many agencies. Often the implications of good recordkeeping are not apparent and are difficult to measure. Conversely, the costs of poor recordkeeping, particularly inefficient and ineffective work practices, are often accepted as 'the way things have always been done' and these can be equally difficult to identify and quantify.

There have been some key influences on public sector recordkeeping over recent years. The increasing complexities of public administration mean there is now a wider range of legislative, policy and administrative requirements that have recordkeeping implications. Developments in information technology have also had a direct impact on the way records are managed. Historically, an agency's records were paper-based and a centralised records management unit oversaw the registration of all incoming and outgoing documents. Today, all staff are involved in the creation and storage of electronic records such as emails in inboxes and digital records in shared drives and business software systems. This means the centralised control of records is neither possible nor cost effective.

It is generally recognised that recordkeeping has three broad objectives:

- providing information to enable agencies to undertake their business
- supporting agency communications, actions and decisions (public accountability)
- preserving historically and culturally important documents.

This part of the report examines the control framework established by agencies to achieve these objectives. While an effective control framework will not by itself guarantee that agencies records are well managed, the existence of appropriate policies, procedures and processes, increases the likelihood of achieving this outcome.

It should also improve agency efficiency and effectiveness by helping to reduce the cost of government and improve the delivery of services.

To assess the management of records by agencies, audit developed a framework of seven principles of sound management. These are:

- agencies should establish objectives and policies for their records management functions
- agencies should establish an effective management and oversight function for records management
- records management resources should be effectively planned and allocated to address records management objectives
- procedures, processes and systems for the creation, maintenance, security, storage, selection and transfer of permanent records and disposal of records should be developed and be consistent with the records management standards established by PROV
- agencies should have adequate and appropriate human resources to manage their records
- there should be mechanisms in place to communicate with and educate all staff about sound records management practice
- agencies should have established monitoring and reporting mechanisms for records management.

For each principle a number of critical elements were identified. The audit assessed whether the records management frameworks established by agencies addressed these critical elements.

Figure 5A outlines the seven principles of the framework.

Figure 5A
Seven principles for the sound management of records
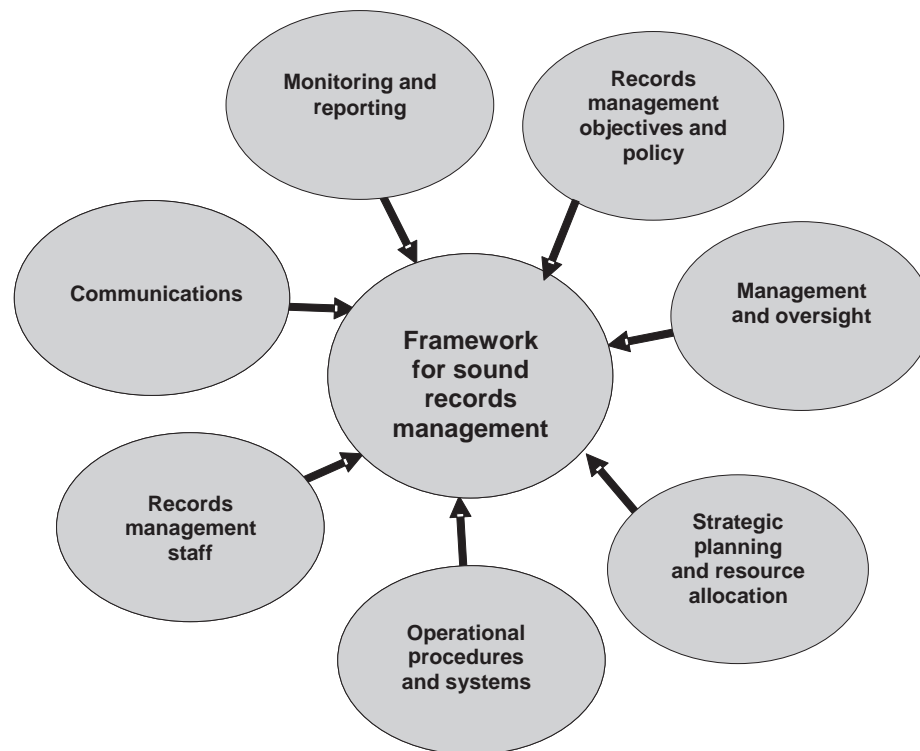
Source: Victorian Auditor-General's Office.

Our assessment consisted of a:

- self-assessment questionnaire of around 100 agencies—agencies were asked to provide general information about themselves and their management of records and to indicate whether they had established the critical elements outlined in the framework. Ninety-two responses were received (a response rate of 88.5 per cent).

- detailed agency review—eight agencies self-assessed their records management framework against the seven principles of sound records management. Agencies were requested to provide documents such as plans to support their responses. Following a review of the agencies assessment and documentation, audit met with agency staff to discuss the questionnaire. A joint assessment of the agencies' records management against the seven principles was then prepared.

Further information on the development of the framework, the agencies who participated in the audit and the audit methodology is provided in Appendixes A and B of this report.

5.2   Records management objectives and policies

For agencies to effectively manage their records they need to outline the outcomes they wish to achieve in the form of objectives. For these objectives to be achieved, it is important that they are translated into a set of broad policies which:

- clearly define records management and recordkeeping responsibilities
- cover the key recordkeeping functions (creation, capture, classification, access, storage, security/maintenance, transfer and disposal/preservation)
- cover all of an agency's operations and include all record formats (paper and electronic, including emails and web-based records) and agency locations.

If staff are to comply with these policies and they are to remain relevant, they should be:

- endorsed by the CEO (or equivalent)
- regularly reviewed and updated where required.

Better practice agencies would have developed an overall policy statement that:

- outlines the main aims of recordkeeping and indicates how good recordkeeping will help the agency to achieve its key objectives
- promotes a sound recordkeeping culture by outlining the value that the agency places on recordkeeping and its commitment to sound management of records
- acknowledges that all staff have a responsibility for recordkeeping
- requires recordkeeping policies, procedures and systems to be compliant with legislation, standards and other requirements.

Seventy-seven per cent of the responses to the self-assessment questionnaire indicated that they had established records management objectives and broad policies. The questionnaire found that larger agencies (more than 500 staff) were more likely to have established them than smaller agencies (less than 20 staff).

Many of the agencies that did not have records management objectives indicated that they lacked the resources and time to develop them. Some indicated that while they did not have an overall records management policy, they had established procedures to manage their records and they follow government guidelines and legislation in the management of their records.

The detailed review of agencies highlighted that most agencies had records management objectives and policies, however the quality of their policies was variable in that they:

- did not apply to all of the agency's records
- did not cover all record formats, specifically digital records such as websites
- did not make reference to relevant legislation which impacts on recordkeeping such as the *Public Records Act 1973* and the *Evidence Act 1958*

- had not been updated to account for recent changes to legislation and other requirements with recordkeeping implications (notably the amendment to the *Crimes [Document Destruction] Act 2006* and the *code of conduct for Victorian public sector employees of special bodies*[1])

- assigned responsibility for recordkeeping to positions that were either out-of-date or no longer existed.

Some policies were also inconsistent with other agency policies and the records standards. For example, in one agency the migration of records from shared drives to uncontrolled CDs as provided for in the records management policy, was inconsistent with the agency's information security policy and the VERS standard.

Conclusion

Our detailed review of the eight agencies indicated that records management objectives and policies were of varying quality.

In the absence of clear and comprehensive policies, the operational procedures and practices which are developed from these policies will not facilitate sound records management in agencies.

Recommendation

5.1 PROV should develop and provide advice and guidance to agencies on formulating records management objectives and policies, in conjunction with relevant agencies and industry groups.

5.3 Management and oversight

To ensure recordkeeping activities operate as intended and are aligned with the agency's records management objectives and policy, there needs to be appropriate management and oversight. This should also ensure that timely corrective action is taken if change is required.

Responses to the self-assessment questionnaire indicated that:
- three in four agencies had a specially designated records management function. Agencies without such a function were predominantly smaller, with most (77 per cent) having less than 20 staff
- three in four agencies established organisation-wide policies and procedures for records management.

In agencies where there is a dedicated records management function, the function was generally part of the agency's corporate services area (68 per cent of agencies) or within an operational business group (19 per cent).

---

[1] *code of conduct for Victorian public sector employees of special bodies*, State Services Authority, 2007, Melbourne, section 5.4, Open to scrutiny, p.16.

From agency responses, it appears that agency performance in managing records was not dependent on:

- the existence of a separate records management function *per se*
- whether or not records management was undertaken across the agency.

While there is no consistent structure for records management in public sector agencies, effective records management still depends on:

- the appropriate assignment of responsibility for records management in the agency
- senior management support for records management
- agencies recognising records management as a key organisational requirement and priority.

5.3.1 Assigning responsibility for records management

If the records management function is to be effective, it is important that:

- oversight of records management is assigned to a senior executive officer within the agency
- responsibility for the function is assigned to an appropriate senior officer to enable accountability and oversight.

Our detailed audit of agencies indicated that most agencies had assigned responsibility for the:

- oversight of the records management function to a senior executive officer within the agency
- records management function to a senior officer. In some cases, however, this responsibility was not reflected in that officer's position description or the responsibility was assigned to an area that did not provide a good 'functional fit', i.e. property management. In these arrangements, records management issues may not get the attention they require.

Discussions with records managers at forums and other contacts during the audit indicated that the oversight of the records management function was not always assigned to an appropriate senior executive officer.

5.3.2 Support for records management

Senior management support and commitment to sound records management can be demonstrated by:

- agencies identifying good management of records as a key organisational requirement and priority and establishing key performance indicators to assess their management of records
- the promotion of good recordkeeping by management.

5.3.3 Records management as a key organisational requirement and priority

Two-thirds of agencies responding to the self-assessment questionnaire indicated that the management of records was a key result area in corporate and business plans and other strategy documents.

The questionnaire also indicated that:

- 61 per cent of agencies had set performance indicators for records management staff
- 55 per cent of agencies set performance indicators for the senior agency staff who oversee the records management function.

The detailed review of agencies identified that agencies had established some performance indicators for records management staff and the function. Examples of some of these indicators are outlined in Figure 5B. The indicators generally reflect a 'traditional' registry / paper-based approach to the management of records. Few indicators for the management of electronic records were developed by agencies.

Figure 5B
KPIs for records management

Key Performance Indicators

Records Management Function

- deliver Electronic Records Management strategy in accordance with milestones established
- ensure compliance with the Victorian Electronic Records Strategy (VERS)
- remediate long-standing records management storage issues
- develop records management policy and strategy
- implement recommendations from records management review.

Records Management Operational

New and part file creations:

- 95 per cent of files are created accurately with correct metadata entry
- files created in record keeping systems and delivered to requestor within 72 hours of receipt.

File returns:

- files are returned to Record Storage and updated in TRIM within 24 hours of receipt.

Record filing accuracy:

- filing accuracy of records is 100 per cent correct.

File retrieval requests:

- files are retrieved and delivered to requestor, same day, if request received before midday
- urgent file retrieval requests e.g. legal cases to be retrieved and delivered within one hour
- 90 per cent of Category 1 and 2 medical records are retrieved and available to emergency within ten minutes of request.

Accuracy of records tracking system and record location:

- computerised tracking system should reflect the actual location of the record in 100 per cent of cases.

Records enquiries management:

- respond to requests for information and records management advice of a routine and complex nature submitted via email and phone within 24 hours of receipt
- allocate required resources to provide a successful outcome to clients' expectations and needs.

Document registration:

- register incoming correspondence in records system on the same day of receipt for certain documents e.g. legal matters, FOI requests, mail address to Executive Directors and Directors and create new records file.

Source: Information obtained from our detailed review of eight agencies.

Promotion of good records management

Eighty-nine per cent of agencies responding to the self-assessment questionnaire considered that senior agency management supported and promoted good recordkeeping. They did this by:

- including records management training in the agency training program for all staff
- undertaking in-house audits to ensure the quality of records management
- providing staff resources for the function, and to a lesser extent, records systems
- organising presentations on records management to staff.

While 11 per cent of agencies considered they did not receive senior management support, nearly a quarter of agencies (with 100 to 500 staff) considered that more effort was required by their management to promote good records management and to 'lead by example'.

Our detailed review of agencies indicated that senior management understanding and support for good records management was variable. Where there was support, records management was considered as a key result area in ongoing planning and records managers were more likely to be successful in securing funding for their initiatives.

Our detailed review of agencies identified a number of better practices associated with the management and oversight of records management. These are outlined in Figure 5C.

Figure 5C
Examples of good practice in managing and oversighting
records management

- References to good recordkeeping are included in performance agreements of senior and middle management
- Recordkeeping responsibilities are included in all staff positions
- Recordkeeping responsibilities are included in staff performance agreements
- Specific assessment of recordkeeping in designated business areas was included in all audits/reviews of agency functions.

Source: Information obtained from our detailed review of eight agencies.

Conclusion

Our detailed review of agencies indicated that more should be done by senior management to promote and provide support for records management. Where there was limited senior management support, records management was generally less effective.

In agencies where there was strong corporate support, records management took on a more strategic focus and was closely linked to related functions such as risk management, compliance and information management. The records management function in these agencies was also considered an important consultative and advisory function by other areas of the business.

Recommendation

5.2 PROV should establish a program to assist senior agency staff to champion records management in agencies.

5.4   Strategic planning and resource allocation

For agencies to make the best use of their resources, they need to adopt a strategic approach to the management of their records. This would involve:

- gaining an understanding of their business
- identifying records management needs and risks
- assessing the adequacy of the existing recordkeeping environment and practices
- developing a strategic plan to ensure records management objectives and needs are addressed.

Adopting a strategic approach to records management is more likely to provide agencies with information on the risks associated with poor records management and identify areas of agency non-compliance with legislation and records management standards.

Most agencies (79 per cent), responding to the self-assessment questionnaire considered their agency had adopted a strategic approach to the management of records. Of those who didn't (21 per cent), most indicated that the absence of a strategic approach was due to limited time and resources.

Of the eight agencies reviewed in detail, records management units continued to undertake a 'traditional records management role'. Records managers were not always consulted on strategic organisational developments which impacted on recordkeeping, such as planning, procurement and implementation of new business applications.

In two of the agencies the management of records was considered as a strategic imperative. In these agencies:

- the records management units fulfilled an operational, advisory and consultative role for the entire agency
- records managers were represented on agency committees dealing with risk management, information management and information technology.

5.4.1 Understanding the business

To understand their business, agencies need to:

- outline their operations, including business functions, activities, processes and transactions
- assess the recordkeeping and information management environment, including identification of the business systems used to store records, their records management functionality and the relationships existing between systems.

Most agencies (92 per cent) responding to our self-assessment questionnaire indicated that the planning of the agencies records management activities included the identification of the business functions, activities, processes and transactions for which records must be created and managed.

The detailed review of eight agencies indicated that in managing their records management resources, some agencies only gathered information on their critical business activities rather than undertaking a systematic and comprehensive review of all business functions.

5.4.2   Identify records management needs and risks

In order for agencies to effectively use their resources, these resources need to be directed at addressing the agency's most important business and stakeholder needs and the major risks facing the agency.

The needs assessment should include:
- a definition of recordkeeping and records management
- identification of the legislative and other requirements (including PROV and other professional standards) and relevant government policy
- an assessment of the business and stakeholder requirements for recordkeeping.

Once recordkeeping needs have been identified, they should be evaluated and prioritised (via a risk assessment). This assessment will indicate the likely impact on the agency of not meeting the identified need.

Responses to the self-assessment questionnaire indicated that:
- 85 per cent of agencies identified business and stakeholder recordkeeping needs
- 96 per cent of agencies identified the policy, legislative and other policy requirements (including PROV and other professional standards) impacting on the agency
- 82 per cent of agencies indicated that they assessed their recordkeeping risks.

While the questionnaire indicated that most agencies were identifying their records management needs and risks, the detailed review of agencies indicated that needs and risk assessments should be improved. Specifically, agencies:
- had considered business and stakeholder needs, but the findings from this process had not been documented in a needs assessment
- rarely identified all relevant legislation, particularly recent amendments such as the *Crimes (Document Destruction) Act 2006* and the *code of conduct for Victorian public sector employees of special bodies*
- had identified some recordkeeping risks in their business cases, options papers, presentations to management or records strategies, but comprehensive risk assessments had generally not been undertaken.

5.4.3 Assessing recordkeeping systems and controls

After agencies have an understanding of their recordkeeping environment and needs, they should assess the extent to which their recordkeeping systems and controls will help ensure the agencies records management objectives are achieved. This assessment will identify their recordkeeping systems, policies and procedures, weaknesses in the agency systems and procedures, and risks to the agency.

Most of the agencies included in the detailed review had assessed their recordkeeping systems and controls through internal audit reviews, surveys of operational areas and management reviews. The Department of Human Service (DHS) conducted a series of surveys to obtain this information. Details of this initiative, which is good practice, are outlined in Figure 5D.

Figure 5D
Assessing recordkeeping systems and controls:
DHS surveys of records management

In 2004, DHS undertook several information and records management surveys covering 50 different business areas and approximately 700 employees. Interviews with staff were also undertaken (75 per cent of staff held management positions).

The surveys aimed to:

- assess the performance of DHS in its approach to recordkeeping

- identify electronic records management needs and opportunities

- gain an appreciation of DHS's recordkeeping culture

- provide an indication of records compliance in the workplace.

The findings of the survey included:

- DHS captures an estimated 3-24 per cent of its business records, many of which are 'siloed' and poorly managed in systems such as email. Hence, at least 76 per cent of records are not captured in DHS recordkeeping systems or managed properly

- DHS becomes increasingly vulnerable to adverse events, i.e. privacy and security risks, that have the potential to undermine the reputation and perceived integrity of the department and its Ministers

- difficulties were encountered in readily finding complete, accurate and authoritative records

- use of the corporate records system is elective and accessible to only 15 per cent of staff (yet every staff member has a responsibility to keep and manage records)

- vital records are not well protected and have been lost to naturally occurring events such as fires [a]

- hardcopy-only record keeping has resulted in storage issues and increased costs. DHS has over 44 kilometres of official hardcopy files

- multiple copies of hardcopy files to aid accessibility introduces issues of ownership, maintenance, accuracy and completeness.

(a) Vital records are those records if lost, would halt or dramatically undermine the capabilities of an agency to continue business/services as usual.

Source: Electronic Records Management: Strategy & Implementation Roadmap, Department of Human Services, July 2005.

5.4.4 Develop a strategic plan for records management

Once unmet recordkeeping needs and deficiencies in the records management framework have been identified, strategies need to be developed to address these. These strategies are generally outlined in a records management strategic plan which would:

- include strategies to achieve the identified records management objectives and address deficiencies identified in the existing records management framework
- include performance indicators for records management strategies
- establish timelines for the delivery of strategies
- assign responsibilities for records management tasks.

Only half of the agencies responding to the self-assessment questionnaire indicated that they had established a current (developed or reviewed in the past two years) strategic plan. This result is inconsistent with the responses provided by agencies, which indicated that 79 per cent had adopted a strategic approach to records management.

Where agencies had prepared strategic plans they were asked whether:

- they had developed strategies to address certain elements of records management
- staff had been assigned responsibility for the achievement of strategies
- timelines had been established for the delivery of strategies.

Figure 5E outlines agency responses to these questions.

The responses indicate that where agencies have completed a records management plan, it is comprehensive and meets most of the requirements of a good plan.

Figure 5E
Elements included in agencies records management strategic plans

	% yes
STRATEGIES TO ACHIEVE THE OBJECTIVES	
Policies and procedures	97
Compliance activities	89
Planning and managing	89
Resourcing	89
Communications	86
Monitoring and reporting	86
Supporting technology	84
Performance management	73
ASSIGNMENT OF RESPONSIBILITIES	
Establishing the recordkeeping framework	100
Key recordkeeping functions	97
Monitoring and reporting to senior mangement	81
TIMELINES FOR THE DELIVERY OF STRATEGIES	
Timelines for the delivery of strategies	70

Base: Developed or reviewed RM strategy in the last two years (n=37)

Source: Self-assessment questionnaire results.

The detailed audit of eight agencies indicated that:
- three had developed records management strategic plans. These plans had been endorsed by senior management and were comprehensive.
- one had developed a plan, but senior management had not endorsed it
- four had not yet commenced developing a plan.

Those agencies which had developed a plan used information management staff and staff involved in agency strategic planning (sourced externally from the records management function) to assist with its development.

There were several reasons for agencies not having prepared strategic plans, including:

- assessments of business needs and risk and the development of the strategy were significant and complex tasks requiring substantial resources that the agency had not planned for, or were not available
- a lack of specialised skills in agencies (both records managers and staff oversighting the function) to undertake needs and risk analysis and to develop the strategies
- agencies had focused their limited resources on areas considered to be 'time critical' such as freedom of information, privacy matters, incident reporting and managing the 'physical paper files'
- some agencies focusing their strategies on core business functions, but not common administrative functions such as payroll, human resources, and finance. Records management standards require agencies to manage all agency records.

Records management initiatives

From time to time agencies undertake major recordkeeping business initiatives, such as implementing a new recordkeeping system or redesigning existing business processes and operational business and communication systems to improve recordkeeping functionality. Where agencies undertake such an initiative, they should:

- establish appropriate governance arrangements for the project, including the establishment of a steering committee, project sponsor and project manager
- prepare a business case for the project
- prepare a comprehensive project plan (outlining objectives, needs to be addressed, options, costs and benefits, project milestones and timeframes).

All eight agencies reviewed in detail had recently undertaken a major initiative aimed at improving their agency's records management. They included:

- developing a business records classification system
- implementing an agency-wide records management strategy and system
- implementing a core business application with records management functionality
- reviewing the processes used for the sentencing of records
- developing a records retention and disposal authority.

Audit review of these initiatives indicated that, while they had been endorsed by management and implemented, agency's management of these initiatives could have been improved by:

- establishing formal governance arrangements to oversee the delivery of the initiative
- preparation of a business case to support the initiative
- preparation of a project plan outlining resource requirements, timelines and key milestones.

Establishing effective recordkeeping systems in agencies is difficult and poses significant challenges.

Two agencies that had commenced implementing a new recordkeeping system were reviewed by audit. These agencies, recognising the complex nature of the task, procured specialist skills to prepare a comprehensive change management strategy to assist with the implementation. This approach helped to ensure the impact of the introduction of the new system on both the organisation and staff was adequately considered and managed.

Figure 5F outlines a better practice approach undertaken by DHS in planning for the implementation of its electronic records management strategy.

Figure 5F
Example of better practice strategic planning—DHS development of an electronic records management strategy and implementation plan

DHS identified the need for a system that managed both electronic and hardcopy records given:

- DHS was struggling to meet its recordkeeping obligations

- the department's head office archives were nearing capacity, which meant future challenges in storing hardcopy records

- DHS had an increasing number of IT systems storing electronic documents that were not integrated. This resulted in an increased production of hardcopy records (print-to-paper approach) to meet compliance requirements.

- the digital archive was being built and would only receive digital records from agencies that had implemented a VERS compliant system.

DHS commenced a review of its Electronic Document Records Management program in mid-2004 and developed the Electronic Records Management strategy and implementation roadmap.

Key factors underpinning DHS strategic planning included:

- an evidence-based approach to making the case for change—the criticality of the department's functions and the risks/ impact of poor recordkeeping on service delivery, were clearly demonstrated to management

- clear articulation of the business outcomes to be achieved

- rigorous assessment of options across three broad areas—compliance, business efficiency and effectiveness, and potential cost avoidance

- recognition of the long-term nature of the strategy (three years) and the adoption of a staged approach with clearly defined milestones at key intervals to allow review by management

- cultural change driven from the top to raise departmental visibility and promote expectations regarding proper and acceptable recordkeeping

- a corporate desire and dedicated resourcing commitment to make change happen

- development of a set of guiding principles to support effective, consistent and sensible decision-making that is technology independent

- strong governance focus.

Source: Information obtained from our detailed review of eight agencies—Department of Human Services.

Agencies responding to the self-assessment questionnaire indicated that records management in their agencies was impacted by insufficient resources (around a third of agencies considered they has insufficient levels of records management staff), and additional funding would bring a range of benefits including improved quality of records management and availability of full-time records staff. Agencies indicated that they needed more:

- qualified/experienced records management staff
- financial resources to implement systems to manage electronic records.

Conclusion

Strategic planning for records management is a complex and technical task requiring specialist skills and experience not normally found in the records management function.

Most agencies consider that they adopt a strategic approach to the management of their agency's records. However, given half the agencies surveyed and reviewed in detail did not have a strategic plan, this is unlikely to be the case.

Without a strategic approach to the management of records, there is a greater likelihood that:

- senior management will not be aware of the state of the agency's recordkeeping and the risks associated with current practices
- records management units will be excluded from key strategic planning processes, projects and initiatives that may have recordkeeping implications
- an agency's records management operations will fail to respond adequately to ongoing changes in the regulatory and business environment which may have recordkeeping implications.

Recommendations

5.3 PROV should assist agencies develop records management strategic plans by establishing guidance material and templates

5.4 In collaboration with the central agencies, PROV should assist all public sector agencies to adopt a more strategic approach to the management of their records which encompasses:

- gaining an understanding of the business
- identifying records management needs and risks
- assessing the adequacy of the existing recordkeeping environment and practices
- developing a strategic plan to ensure records management objectives and needs are addressed.

5.5   Operational procedures and systems

Once their objectives and broad policies have been established, agencies need to develop detailed procedures and practices to help ensure the objectives are met and the policies are adhered to.

5.5.1   Records management procedures and practices

An agency's operational recordkeeping procedures and practices should cover the following core recordkeeping processes:

- capture of records
- control of records
- access to records
- record storage and security
- disposal of records
- management of agency recordkeeping systems
- records held by external parties (outsourced activities).

Compliance with an agency's overall record keeping objectives and policies is dependent on staff applying records management procedures and practices well, and on the capabilities of systems used to record business information.

The majority of agencies (88 per cent) responding to the self-assessment questionnaire indicated that they had established records management procedures and practices. Those agencies that did not, indicated:

- they were currently being developed
- the cost of developing such procedures were not justified given the size of the organisation, or
- they do not exist given the traditional low profile and importance assigned to records management.

In the self-assessment questionnaire, agencies (who had operational procedures) were asked to indicate whether these procedures addressed nine key recordkeeping activities, whether their staff complied with the procedures and whether they were consistent with PROV's records management standards. Most agencies had documented procedures and practices in all nine of the areas identified, but fewer agencies had documented procedures for metadata (58 per cent), transfer of records to PROV (58 per cent) and records disposal (64 per cent).

For those agencies with documented procedures, the responses are outlined in Figure 5G and indicate:

- high levels of staff compliance (over 80 per cent) with the procedures and practices. Care needs to be taken in interpreting these responses as most agencies (78 per cent) did not have a compliance program in place to assess whether the operational procedures were adhered to (refer to part 5.8.1 of this report).

- around a quarter to one-third of agencies' procedures either 'did not comply' with PROV's records management standards or agencies 'did not know' if they do.

Figure 5G
Recordkeeping activities: Existence of operational procedures and agency compliance with them[a]
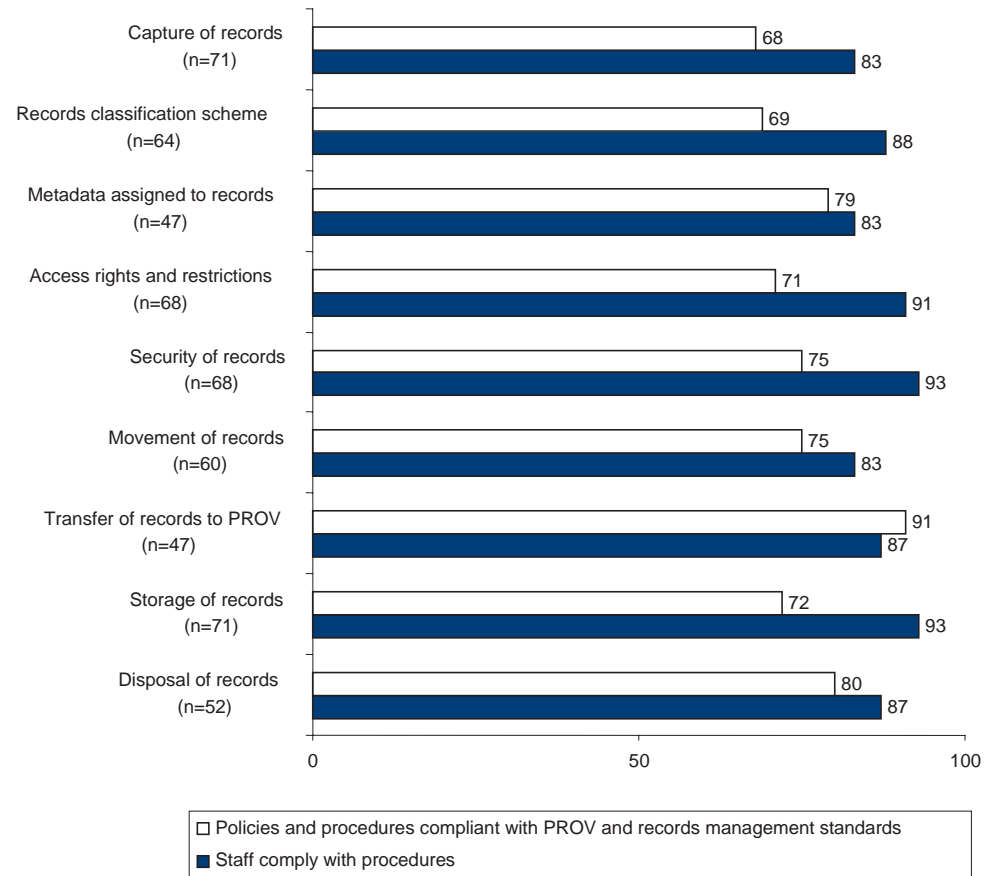
(a) 81 agencies had operational procedures. The reference in the bracket alongside the record keeping activities represents the number of agencies which indicated that they had procedures in that specific area.

Source: Self-assessment questionnaire results.

The detailed review of agencies found that most agencies did not have a comprehensive set of policies and procedures to assist staff meet their recordkeeping responsibilities. The audit found:

- a number of agencies had established procedures to cover some, but not all, of their core business processes. Common administrative functions and areas such as human resources, accounts payable and finance were not well covered.
- not all procedures and practices were consistent with PROV's record management standards
- the quality of the procedures was variable

- the procedures in most agencies for capturing records involved printing electronic records and storing the printed records in hardcopy files
- procedures were often not developed for critical areas such as the management of emails and web information and assigning metadata to records. Where email and internet procedures were established, they were used to outline the appropriate usage of these electronic mediums, rather than addressing recordkeeping issues.
- agencies did not have current records disposal authorities (RDA), a regular disposal program for their common administrative function records and did not advise PROV when they disposed of records (refer to part 6 of this report for further comment)
- none of the agencies reviewed had developed a regular records transfer program (refer to part 6 of this report for further comment).

5.5.2 Management of electronic records

While some agencies still choose to maintain a significant number of their records in hard copy (paper), almost all government business information is initially generated in electronic form. The growing use of email and the internet, and the emphasis on the provision of service online, is pointing to a future where government activity is conducted completely electronically.[2]

The management of electronic records poses particular challenges for agencies, especially when records are required to be maintained for the long term. These challenges include:

- electronic formats change rapidly and become obsolete
- electronic systems also become obsolete over time
- electronic records can be changed without detection
- the context of an electronic record, and its relationship to other records, can easily be lost when those records are removed from the system which created them
- existing systems for managing electronic documents and records are not designed for the long term.[3]

Where agencies had a dedicated recordkeeping system and separate business systems:

- the business systems were not always recognised and managed as part of the recordkeeping framework. As a result, corporate recordkeeping systems were generally not interfaced or integrated with their business systems.

---

[2] *Electronic Recordkeeping: Advice to Victorian Government Agencies*, Public Record Office Victoria, Melbourne, Information sheet, December 2000.

[3] Ibid.

- they relied on staff understanding and compliance with recordkeeping procedures to ensure all relevant records initially created in business systems were later captured in the agency's recordkeeping system. Compliance with these procedures was variable.
- the process of initially creating records in one system and then copying and capturing those records in a separate corporate recordkeeping system, represented double handling for staff and an inefficient use of agency resources.

To assist agencies, PROV issued in December 2000, *Electronic Recordkeeping: Advice to Victorian Government Agencies* This outlined the key issues associated with agency management of electronic records and requested that agencies prepare for the introduction of the Victorian Electronic Records Strategy (refer below).

Agency's record systems

Records can be captured and/or managed by one or more of the following:
- printing and filing paper copies of electronic records
- use of shared folders, emails and websites, which in most cases have no processes to meet the requirements of sound recordkeeping (capture, access, security, storage)
- use of business systems which have recordkeeping functionality
- interfacing or integrating business systems with a separate special purpose recordkeeping system
- use of business systems without recordkeeping functionality and which don't interface or integrate with a separate recordkeeping system.

The self-assessment questionnaire asked agencies how they captured and stored their records. Their responses are outlined in Figure 5H.

On average, agencies indicated that they used a combination of around three of the five mechanisms identified in the questionnaire.

Figure 5H
Mechanisms used by agencies to capture and store records
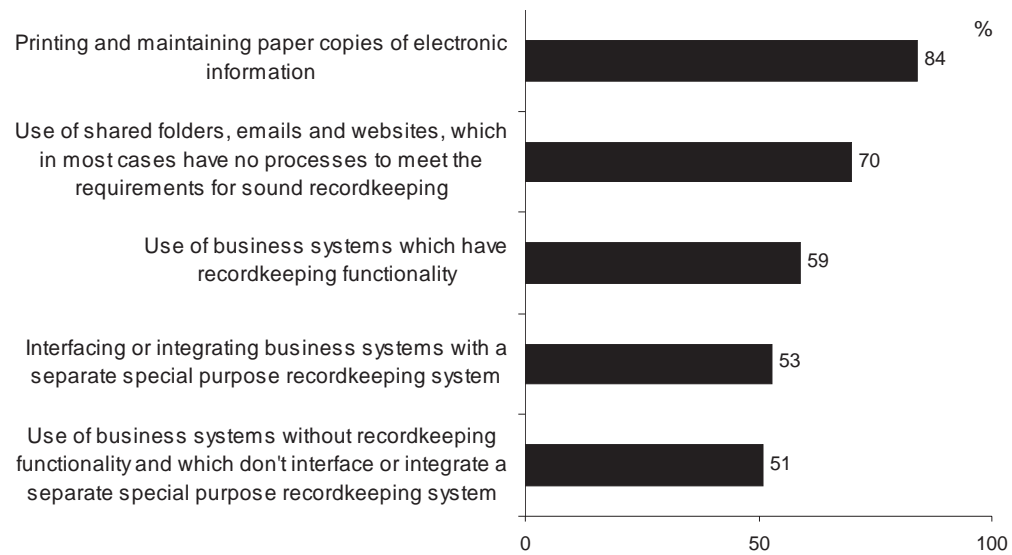
Source: Self-assessment questionnaire results.

Three quarters of agencies indicated that the mechanisms used to capture and manage records were consistent with their policies. The results of the questionnaire indicate that the level of compliance diminishes as the size of the agency increases.

Agencies are using a combination of paper based, business systems and electronic and corporate recordkeeping systems, to create, store and manage their records. In some cases the use of business systems or shared drives without recordkeeping functionality and the practice of printing to paper in organisations with a specially designed recordkeeping system, was contrary to the agency's recordkeeping policy.

The results of the questionnaire raise the following concerns.

Printing electronic records

Despite the growing use of electronic records, most agencies (84 per cent) were still maintaining records in hard copy. This practice is inefficient as:
- there are additional costs associated with converting electronic records to paper
- accessing information from electronic systems is quicker and more cost efficient than searching through hard copy files which in many instances will be stored off site.

The practice is also likely to result in the loss of business records as the decision to save the records via printing to paper, is left entirely to operational staff, who may not have a good understanding of an agency's recordkeeping requirements.

Using systems without recordkeeping functionality to manage records

- Half of the agencies surveyed used business systems to capture and store records, which did not have recordkeeping functionality or interfaced or integrated with the agencies corporate recordkeeping system. When these business systems are decommissioned, there is a very real risk that the information stored will no longer be accessible.
- In these circumstances agencies may choose to print copies of electronic information contained in these systems to maintain a record of the documents. But again relying on a paper based approach to recordkeeping is both an inefficient and ineffective means of managing electronic records.

Use of shared drives, email boxes and websites

- Seventy per cent of agencies use shared drives, staff email inboxes or websites to capture records, which in most cases do not have appropriate processes to meet the requirements for sound recordkeeping. Again this practice makes it difficult to ensure that business records are maintained, and are accessible and secure.
- The need for agencies to satisfy freedom of information requests or similar public inquiries is likely to prove difficult where these practices are used.

Victorian Electronic Records Strategy (VERS)

Responses to the self-assessment questionnaire indicated that nearly two thirds of agencies (65 per cent) were aware of VERS. Awareness increased with agency size, with one in ten agencies with less than 20 staff being aware, compared with nearly nine in ten agencies employing more than 500 staff.

There also seems to be greater awareness of VERS amongst councils and government departments (all respondents in these two categories claim awareness) compared with other agency types.

Only half of the eight agencies reviewed in detail were fully aware of the implications of VERS. Two agencies were currently implementing new records management systems and had built, into the systems' specifications and functionality, the requirement for the systems to be VERS compliant.

The remaining agencies did not have a plan to achieve compliance with the VERS standard. In the absence of a VERS compliant system, the other agencies indicated they would adopt one or more of the following approaches:
- print and store relevant electronic records
- address the issue of records migration as the need arose
- migrate their digital records onto a CD.

One in five agencies responding to the self-assessment questionnaire, stated that their systems for capture and management of electronic records were VERS compliant. PROV staff indicated that this result is highly unlikely as agencies would generally seek PROV assistance in implementing and procuring records management systems to ensure compliance with the VERS standard. Nearly half of the respondents indicated that they did not know, implying that a high percentage were unaware of what VERS compliance entails. Three out of ten agencies were sure that their systems were not VERS compliant.

Managing electronic communications

Agencies are increasing their use of electronic messages as a means of business communication, both by using electronic mail systems (emails) and communicating with people outside the organisation through public networks like the internet.

Managing emails

The use of email has become increasingly prevalent in the way that government conducts its business. A significant amount of information that may have previously existed in hard copy form now often only exists as part of an email message, in electronic form. An electronic mail message sent or received by a government employee in the course of duty is an official record. Examples include:

- a communication between staff in which a formal approval is recorded
- business correspondence received from outside the agency.

Many electronic mail users in organisations regard electronic mail as a highly personal form of communication, with little or nothing to do with recordkeeping. This view is based on the fact that the use of electronic mail is largely unregulated and it is usually permissible to make personal, as well as official, use of the facility.

Agencies must establish practices for managing electronic mail messages to determine which messages are business communications that need to be maintained, and to ensure they are captured into an electronic recordkeeping system. Email systems create electronic records, but do not manage them effectively. As a result, there is a danger that important corporate records may be lost if they are not appropriately managed.

In December 2000 PROV issued *Email as Records: Advice to Victorian Government Agencies* to guide agencies on determining an appropriate strategy for managing emails.

Responses to the self-assessment questionnaire indicated that:

- 64 per cent or 52 agencies had documented policies and procedures on managing emails. Of these agencies:
  - 71 per cent indicated that their staff complied with these policies and procedures
  - 40 per cent indicated the email policies and procedures were compliant with PROV advice, however, the majority either said they did not comply (6 per cent) or they did not know (54 per cent)
- 28 per cent of agencies had a systematic method of collecting, storing and sorting emails as they are received
- 81 per cent of staff manage business and personal emails in their own systems
- 65 per cent of agencies leave it to staff to capture business email records and to file them in an appropriate recordkeeping system.

These findings were confirmed by our detailed review of agencies. The audit found that:

- it was largely left to staff to ensure business emails were captured into the agency's recordkeeping systems either using a print to paper approach or by ensuring business emails were registered appropriately into the recordkeeping system
- agency email policies and procedures were of varying quality and generally designed to control 'inappropriate systems usage', rather than to provide controls to ensure good recordkeeping
- agencies did not have formal mechanisms to ensure business emails were captured when staff left the agency.

Web-based records

Agencies are increasingly using websites as a method of delivering both information and services to the community. In November 2007, PROV issued an exposure draft of advice, *Web Based Records*. It indicates, "where Government websites perform functions, provide services, or contain information that is not replicated offline, they are the primary conduits to business activity. Public records will be created and need to be identified, captured and maintained appropriately."

An agency's policies and procedures to manage web-based activity should cover all online resources such as public websites, virtual private networks, extranets and intranets and address the:

- capture of relevant web-based records content
- creation, capture and management of metadata
- maintenance of web-based records for as long as specified in an approved records disposal authority
- capture of documentation evidencing the website's management.

Agencies should also monitor compliance with their web-based records policy and ensure this policy is regularly reviewed.

Almost all agencies responding to the self-assessment questionnaire (96 per cent) indicated that they had a website. Those that did not were small agencies with less than 20 staff.

Around half of the agencies indicated that they capture and store website information using web content management systems, recordkeeping systems, shared drives and databases.

Some of the agencies captured information on their websites by periodically taking an electronic snap-shot of their website, printing the information and maintaining the printed information on a paper file. However, none of the eight agencies reviewed had an effective mechanism to capture web-based information as a record.

5.5.3 Outsourced functions

The increasing trend in government to outsource the provision of goods and services used by agencies and those provided to the public on behalf of agencies, has implications for records management.

The self-assessment questionnaire indicated that two-thirds of agencies that outsource services have standard recordkeeping requirements as part of the contracts with suppliers. This information was inconsistent with the detailed review of agencies, which indicated that agency contracts did not have standard recordkeeping provisions and that the provisions within their agreements did not fully address the following recordkeeping requirements:

- recognise the agency's legal ownership of records held by the external party, and the information they contain
- provide agency access to relevant records held by the external party
- require the external party to comply with an agency's recordkeeping standards, policies, procedures and guidelines.

Advice issued by PROV in July 2006, *Records of outsourced activity,* advises agencies to build the above requirements into their contracts with service providers.

Conclusion

While most agencies had procedures to assist staff in managing key aspects of their records, in a large number of agencies these procedures are:
- not consistent with records standards and advice developed by PROV
- not complied with by staff
- of varying quality
- not aligned with the agencies' objectives and policies.

Electronic records, in particular, are not well managed by agencies. A major reason for this was the absence of adequate procedures.

Recommendations

5.5 In collaboration with the central agencies, PROV should assist all public sector agencies review their procedures to ensure:

- they cover all recordkeeping activities, including the management of electronic messaging and web-based information
- they comply with records standards and advice issued by PROV
- they are aligned with the agency's records management objectives and policies.

5.6   Records management staff

In order for the records management staff to effectively manage the records management function, they need appropriate qualifications, skills and experience. In order for agencies to be assured they have capable staff, they need to:

- identify their requirements, i.e. the number of staff and the skills, knowledge and capability required
- periodically assess the capability of existing staff (through performance assessments or a skills audit) and compare this capability to the identified resource requirements, to identify staff training and development needs for existing staff and the need for new staff with specific skills
- develop a plan to manage records management staff.

This also involves:

- providing the training and development activities outlined in the human resources management plan
- regularly monitoring these activities to ensure they remain effective and relevant.

5.6.1   Identifying records management staff requirements and assessing staff capabilities

The self-assessment questionnaire asked agencies to provide details of their records management staff. This information is summarised in Figure 5I and shows that agencies of similar size have significantly different numbers of records management staff. The details also highlight the potential lack of records management resources in 11 agencies, specifically:

- one-third of agencies with 100 to 500 employees reported having one records management staff member or no records management staff
- 10 per cent of agencies with 500 to 1 500 employees reported having one records management staff member or no records management staff.

Figure 5I
Records management staff for similar sized agencies

Agency size (number of staff)	Level of records management staff in agencies (number of agencies)			
	No staff	One staff	Two to five staff	Six or more staff
Less than 20	10	2	1	---
20 to 100	7	11	4	1
100 to 500	3	5	16	2
500 to 1 500	1	2	10	17

Source: Self-assessment questionnaire results.

Responses to the questionnaire indicated that:
- around a third of agencies considered that they had insufficient levels of records management staff. Public hospitals are amongst those agencies which consider they have appropriate records management staffing levels, most likely due to their significant focus on 'health records'.
- most records management staff had 'relevant industry experience', and 25 per cent had a formal qualification.

While many agencies in the detailed review indicated they had insufficient staff resources, most had not formally assessed the resources they needed to manage their records.

Where agencies had assessed their resource needs the assessment was part of the agencies' planning for the implementation of a new records management system.

Around half of the agencies had undertaken an assessment of the capability of existing records management staff through a skills audit or as part of the annual staff performance management process.

5.6.2 Records management staff plan

The plan should include:
- strategies to address the deficiencies in the human resource capability and identified training needs of staff with records management responsibilities
- a records management training and development program for records management staff
- a records management component for inclusion in the training and development program of all existing staff and in the induction program for new staff.

Responses to the self-assessment questionnaire indicated that 62 per cent of agencies had developed human resource strategies for their records management function. Public hospitals in particular indicated a high level of planning.

The detailed review of agencies indicated that:

- few agencies had established plans
- the plans that had been developed were rudimentary in nature
- staff shortages and capability deficiencies were generally not highlighted
- issues had been identified, but no strategies had been formulated.

Records management training program

Most agencies (77 per cent) responding to the self-assessment questionnaire indicated they had a formal training program that provided training in records management. Those agencies without a training program were generally agencies with smaller workforces.

The questionnaire (and our detailed review of agencies) also indicated that training is more likely to be provided to specialist records management staff (82 per cent of agencies) than all staff of an agency (55 per cent). Only 61 per cent of agencies provided records management training to new staff as part of an agency's staff induction program.

The questionnaire also indicated that:

- 29 per cent of agencies provided their contractors with some form of recordkeeping training
- 20 per cent of agencies were unsure whether records training was provided to contractors.

The detailed review of agencies found that:

- larger agencies generally use their records management staff to provide training to agency staff on a one-on-one basis or in work group settings
- in some agencies, training in records management was not considered a priority and provided only when staff requested assistance or when recordkeeping issues arose
- in some agencies training was limited to demonstrating how to use the corporate recordkeeping system and did not cover the principles of good recordkeeping or the responsibilities of all staff to maintain records.

A number of better practices for the development of records management staff were identified by agencies responding to the questionnaire. These practices are outlined in Figure 5J.

Figure 5J
Examples of better practice in managing records management staff

- Agency staff undertake formal qualifications in records management e.g. Diploma in Business (Record Keeping).

- Competencies are developed for records management staff at varying levels in the VPS structure.

- All appointments to key record management positions require formal records management qualifications or significant records management experience.

- Records staff are encouraged to attend relevant seminars and conferences as part of increasing their knowledge, skills and networks.

- Records staff are supported and mentored by PROV.

- Agency membership of an industry body that has a specialist focus on recordkeeping issues, i.e. Victorian Higher Education Records Management and Archives Group and the Records Management Association of Australasia.

Source: Self-assessment questionnaire results.

Recruiting records management staff

Most agencies (69 per cent) responding to the self-assessment questionnaire considered it was 'difficult' or 'very difficult' to recruit experienced and qualified records management staff. Local councils (85 per cent) and universities (83 per cent) were the sectors most affected. The greater difficulty experienced by councils and universities in recruiting staff is in part explained by the regional and rural location of many of these agencies.

Agencies indicated that it was difficult to recruit appropriate staff, due to a combination of factors including:
- a lack of skilled staff in the market—to be effective, records managers need a broad range of skills and experience including technical, strategic and information technology
- the pay rates for government positions were lower compared with the private sector
- a lack of a defined career path for records management professionals.

Discussions with agencies and PROV confirmed the shortage of skilled and qualified records management professionals in the public sector. PROV has made a number of approaches to the State Government for a review of the demand for, and supply of, records managers in the public sector, with a view to developing strategies to address resource shortages.

Conclusion

The number of records management staff employed by similar sized agencies differs significantly, indicating that some agencies are likely to be under-resourced. This situation is partly due to the absence of a process within most agencies to assess the resources they require to manage their records.

Training in records management should be incorporated into training programs for existing and new staff.

Most agencies had difficulty in recruiting experienced and qualified records management staff.

Recommendations

5.6 In collaboration with the central agencies, PROV should assist all public sector agencies take a more strategic approach to managing their records management staff. This would involve agencies:

- having processes to identify staff needed to establish an effective records management function
- periodically assessing the capability of their staff and comparing this capability with their identified resource requirements, to identify staff training and development needs for existing staff and the need for new staff with specific skills
- developing a plan to manage and monitor their records management staff.

5.7 PROV should continue to liaise with relevant agencies and the State Government in developing strategies that address skill shortages in the records management field.

5.7   Communications

Sound records management requires all staff to comply with an agency's records management policies and procedures. In order for staff to do this they must be aware of the policies and procedures and understand the importance of sound records management.

Communication, if used well, can be effective in promoting the importance of good recordkeeping within agencies and helping agency staff (including contractors):

- gain an understanding that recordkeeping, like information management and human resource management, is the responsibility of all staff
- obtain a working knowledge of the agency's recordkeeping policies and procedures.

Responses to the self-assessment questionnaire indicated that agencies were communicating and promoting records management responsibilities to all staff:

- in agency training programs (59 per cent of agencies)
- through the use of notice boards, newsletters and presentations (29 per cent)
- using the intranet (26 per cent).

Larger agencies (more than 500 staff) used all three mechanisms (more than smaller agencies) to promote records management within the agency.

It appears that a number of agencies are not monitoring the effectiveness of their communications, with a quarter of agencies responding to the self-assessment questionnaire indicating that their agency did not know whether staff were aware of their responsibilities to capture business emails and digital records. This proportion increases with agency size (8 per cent of agencies employing up to 20 staff, to 37 per cent of agencies employing more than 500 staff).

Agencies reviewed in detail had developed specific mechanisms to communicate and support sound records management throughout the agency. However, the audit indicated that agencies could make greater use of the various mechanisms available to them to promote and inform staff of their records management responsibilities. This was particularly true where agencies use contractor services.

The audit also found that more should be done to educate senior management on the importance of records management and the need for managers of operational groups within agencies to take a more proactive role in ensuring their group was managing their records.

Our detailed review identified a number of examples of better practice in communicating and promoting records management within agencies. These practices are outlined in Figures 5K and 5L.

Figure 5K
Examples of better practice in communicating about records management

- 'QuickPlace' is a self-service web tool for all DHS records staff to share information and ideas, resolve issues, and exchange documents.

- Agency's recordkeeping procedures and processes are published in a centralised area and available to all staff.

- Information on recordkeeping issues is distributed or presented to appropriate staff, e.g. amendments to legislation impacting on recordkeeping.

- Statewide Records User Group meets bi-monthly (via video conference) and discusses key issues, skill development, current activities, achievements and challenges regarding both paper and electronic records.

Source: Information obtained from our detailed review of eight agencies.

Figure 5L
Recordkeeping brochure developed by Banyule Council
for distribution to staff

What have records got to do with me?
A Six Step Guide to Good Recordkeeping

Creating and maintaining records is your responsibility as a Banyule employee.

STEP 1 - Make a Record

Records provide evidence of business activities, regardless of format (paper or electronic).

When should you make a record?

Ask yourself:
- Did I write or send this in the course of my work?
- Am I required to act on this?
- Is this external correspondence I have received?
- Is this something I have used to conduct my work or to reach a decision?

If you answered **YES, make a record !**

A record should show:
- **What happened**
- What was **decided** or **recommended**
- What **advice** or **instruction** was given
- **When** it happened
- **Who** was involved
- The **order** of events and/or decisions.

STEP 2 - File your records in Banyule's recordkeeping systems

Not keeping records in Council's recordkeeping systems makes them difficult or impossible to locate when they are needed. They may even end up lost or destroyed.

Banyule's InfoVision system manages most Council records in paper or electronic format. For example, if an email needs to be kept as a record, then it should be captured in InfoVision. An email stored in your personal inbox in Outlook or a file saved in a network folder is not automatically 'captured' in our recordkeeping system. You need to send it to the Records Dept to register in InfoVision.

You should not put short term or unimportant material (such as meeting acceptances or room bookings) or personal material into the recordkeeping system.

STEP 3 - Handle records with care

Council records are assets. It is important that they are protected & accessible to other staff.

To protect paper records store them safely away from hazards. Electronic records are protected by registering them in InfoVision, as they cannot be altered.

STEP 4 - Do not destroy records without authority

You **MUST NOT** destroy or delete records without discussing it with the Records Dept.

Failing to maintain records for an adequate amount of time puts you and Banyule at risk. Records registered in InfoVision are kept according to retention periods outlined in the Victorian Local Government Records Authority (PROS 98/01). You can view this document on the Banyule Central (Intranet) in the Records Management Document Library.

Being unable to prove what happened or what decisions were made can result in problems for customers and other staff, financial loss and may leave us open to litigation.

STEP 5 - Protect sensitive records from unauthorised access

Records can contain personal and confidential information that must not be disclosed to unauthorised persons. Ensure that records are kept securely, protect your passwords and do not leave sensitive records lying around.

STEP 6 - Find out about Banyule's policies & procedures for managing records

The Banyule Management Manual in Banyule Central (Intranet) has more information and links about records and recordkeeping.

For assistance with recordkeeping, please contact the Records Dept on x4242 or x4291.

Records management information issued to staff by Banyule Council

Conclusion

Agencies have established mechanisms to promote records management within agencies and to inform staff of their responsibilities. However, staff in many agencies still consider that records management is the responsibility of records managers, rather than understanding that all staff, effectively, are records managers. This is a significant impediment to the effective management of records in agencies.

Therefore, agencies should make greater use of the communication mechanisms they have established to change this perception.

The audit also identified the risk that contractors may not fully understand the agency's recordkeeping requirements and their responsibility to comply with these requirements. As a result, agency records may be lost or destroyed.

Recommendations

5.8 In collaboration with the central agencies, PROV should assist all public sector agencies to:

- assess whether staff understand the importance of sound recordkeeping and their responsibility for managing records under their control. Based on the results of this assessment, agencies should review the mechanisms used to communicate with staff on records management.
- use the results of their assessment of contractor compliance with their own agency's records management requirements to review their communications with contractors.

5.8   Records management monitoring and reporting

Regular monitoring and reporting to senior management on recordkeeping activities are an essential element of an agency's governance arrangements. These processes:

- provide assurance to management that the agency's records management objectives and policies are being achieved
- provide feedback to management on how records management initiatives are tracking against budgets and timelines
- brings any events, which may adversely impact on the agency, to the attention of management, so that corrective action can be taken where required.

Monitoring mechanisms would normally include:

- a compliance program that monitors the agency's adherence to its recordkeeping policies, procedures and PROV's records management standards and assesses the agency's performance in achieving its records management objectives
- information on the operation and performance of the records management function and the agency's recordkeeping systems
- information on the progress made by the records management manager in delivering the records management strategies outlined in the records management plan.

It is important for agencies, outsourcing significant parts of its business to external parties, to establish mechanisms to ensure records held by these parties are adequately maintained and are accessible by the agency. This can be achieved by monitoring the external parties' performance against requirements included in service agreements established by agencies.

5.8.1 Records management compliance reviews

Responses to the self-assessment questionnaire indicate that most agencies (78 per cent) do not have a records management compliance program. Despite the absence of a program, around half the agencies indicated they undertake compliance monitoring. Specifically:

- 52 per cent of agencies indicated that they reviewed their agency's compliance with records management policies, procedures and systems
- 46 per cent of agencies indicated that they reviewed their compliance with the records standards issued by PROV
- 48 per cent of agencies indicated that they review their progress in delivering specific records management strategies.

The hospital sector was more likely than other sectors to monitor agency compliance with records management policies, procedures and systems. The high level of compliance monitoring is in part due to the requirements for hospitals to undergo an external monitoring/accreditation process as a condition on ongoing funding.

Hospitals are periodically assessed against a suite of criteria to ensure quality and safe healthcare is delivered. These cover both health records (a mandatory criterion which hospitals have to meet to gain or maintain accreditation) and organisational records management systems.

The detailed review of agencies indicated that most agencies did not have systematic monitoring processes. In those agencies that did monitor compliance, the frequency, scope and nature of the monitoring was not sufficient to provide agencies with assurance on their compliance with internal and external requirements and the achievement of agency objectives. For example, a significant part of the monitoring involved the agency' s internal audit units reviewing records management as part of a broader review of an operational activity such as procurement or accounts payable.

5.8.2 Performance monitoring

The self-assessment questionnaire indicated that:

- half the agencies monitored the operation of their recordkeeping system in terms of the level and appropriateness of the system's use as well as the revision of procedures to address systems issues such as access breaches and lost records.
- 42 per cent of agencies had not developed performance indicators and did not routinely gather performance information on recordkeeping activities
- one in three agencies had established mechanisms to monitor the performance of their recordkeeping function against internally defined service levels or key performance indicators
- 65 per cent of agencies regularly monitored and reviewed their agencies recordkeeping tools such as records classification schemes and retention and disposal schedules to ensure they were up-to-date in terms of the needs of the business.

The limited performance monitoring in most agencies was largely due to agencies not establishing:

- performance indicators and measures
- mechanisms to gather information on records management.

The detailed review of agencies indicated that agencies undertook very limited monitoring of the performance of their management of records.

5.8.3 Reporting

Forty-one per cent of agencies (mainly councils and public hospitals) indicated that they provided reports to senior management on:

- records management activities (79 per cent)
- changes to, and implementation of, systems to manage records (68 per cent)
- internal records management compliance reviews (53 per cent)
- the delivery of records management strategies (50 per cent).

Agencies with higher levels of records staff were more likely to report to management on records management activities, compliance and performance. Public hospitals are more likely to include information on internal records management compliance (91 per cent of hospitals) and on changes they have made to systems to manage records (82 per cent of hospital) than other agencies.

The questionnaire responses indicate that the majority of agencies (86 per cent), which report to senior management on the monitoring of their recordkeeping have established processes to ensure timely and appropriate corrective action where required.

In contrast to the high levels of reporting claimed in the agencies questionnaire, the detailed testing of agencies indicated that the level of reporting on records management activities compliance with requirements and performance was limited.

Conclusion

It is incumbent on agencies to have in place a framework to monitor and report on recordkeeping activities as primary responsibility for managing records rests with agencies.

Most agencies had not established mechanisms to provide information on their record management activities, compliance with internal and external requirements, and management of records.

In the absence of these mechanisms, reporting to senior management on records management was minimal and management is not being informed of:

- agency performance against its internal and external records management requirements
- the extent to which key records management initiatives and strategies are being achieved
- the standard of recordkeeping in the agency.

Recommendation

5.9   In collaboration with the central agencies, PROV should assist all public sector agencies to ensure regular monitoring and evaluation of recordkeeping activities, which includes:

- establishing a compliance program that allows systematic monitoring of agency adherence to required recordkeeping procedures, standards, the operation of recordkeeping systems and progress in delivering key records management strategies
- generation of information on the performance of the records management function
- ensuring results of performance monitoring are reported to senior management and that appropriate and timely corrective action is taken.

6 PROV's management of specific recordkeeping activities

At a glance

Background

PROV works closely with agencies to assist them in key recordkeeping activities including the:

- retention and disposal of records
- transfer of permanent records to PROV
- provision of permanent records to agencies.

Key findings

- PROV has not assessed the extent to which public sector agencies records are adequately covered by a current retention and disposal authority. If agencies records are not adequately covered, they may be incorrectly destroying records.
- Agencies are not notifying PROV when they destroy records. Consequently, PROV cannot be assured that records are being lawfully destroyed.
- Agencies are not disposing of records as part of a program of regular disposal as the records standards do not require this.
- Public agencies holdings of permanent records are likely to be significant. PROV has not identified the records no longer required by agencies and which should be transferred to PROV. These records are at risk of damage and the public is unable to access them.
- While PROV has significantly reduced the number of permanent records on loan to agencies, it is likely that some permanent records on loan to agencies will not be recovered.

At a glance *- continued*

Key recommendations

PROV should:

- review the adequacy of resources assigned to the review and approval of agency retention and disposal authorities
- adopt a more proactive approach to assisting agencies in appraising their businesses and establishing appropriate retention and disposal authorities
- assess the extent to which public sector records generated by agencies are covered by its records retention and disposal authorities
- monitor agency compliance with the records management standards on retention and disposal of records
- ensure the review of records standards endorses a program of regular records disposal in line with established disposal authorities
- require agencies to nominate a timeframe after which an agency's administrative use for its various permanent records expires and the records are transferred to PROV
- annually gather information on the level, nature and age of permanent records held by agencies to monitor agency compliance and identify future records workflow and storage issues
- work with agencies holding large volumes of permanent records, to identify and resolve any impediment to the timely transfer to the archives
- continue to pursue the recovery of long overdue, permanent records loaned to agencies.

6.1 Introduction

The audit identified three key recordkeeping activities where PROV works closely with agencies to assist them to comply with the Act:

- retention and disposal of records
- transfer of permanent records to PROV
- records provided to agencies.

6.2 Retention and disposal of records

The requirements outlined in the Act and records management standards are designed to ensure:

- records are available to agencies to manage their business for the period required
- historical and culturally significant records are identified, properly managed and transferred to PROV for long-term preservation
- when records are no longer required they are disposed of in a timely and appropriate manner.

To achieve these objectives their needs to be an appropriate records retention and disposal framework in place, which includes the following elements:

- agencies review their records (appraisal) to determine appropriate retention periods for each type of record and procedures for the disposal of records no longer required are established
- retention and disposal authorities prepared by agencies are independently reviewed and approved by PROV
- mechanisms in place for monitoring compliance with the requirements of the Act
- PROV is notified when an agency destroys records, the type of records and the method of destruction.

6.2.1 Agency appraisal of records

Appraisal is the process where agencies evaluate their business activities to determine which records need to be captured and how long the records need to be kept to meet business needs. This includes identifying those records of historic and cultural value which should be retained indefinitely as a part of the State's archives.

The appraisal of records represents a significant task for agencies, particularly larger agencies with diverse business functions. Agencies can approach PROV to appraise their records or use external providers.

To assist agencies in appraising their records, PROV:

- has issued an Appraisal Policy (effective October 2006) and two guides. Information to further assist agencies in identifying retention periods and disposal actions is currently being considered as a part of PROV's standards review (refer to Part 4 of this report for comment).
- provides general advice and guidance to agencies.

Upon completion of the appraisal process, agencies submit a 'Disposal Authority appraisal report' to PROV for review and approval. The report outlines:

- the records created in the agency
- their sentence—whether a record has permanent value or temporary value and, if temporary, how long it should be retained
- an explanation for the appraisal decision.

This report forms the basis for the development of the Retention and Disposal Authority (RDA) for the agency. The Public Records Advisory Council reviews and endorses draft RDAs for approval by the Keeper of Public Records.

6.2.2 Preparation of Retention and Disposal Authorities

There are three types of RDAs issued by PROV:

- **RDA for records of Common Administrative Functions:** covers the common administrative functions undertaken by agencies, except local government which has a specific RDA, such as personnel management, strategic planning, financial management, meetings and contracting out. Refer to Appendix E of this report for examples of common administrative public records, and their minimum retention periods.
- **General RDA:** covers functions common to agencies in the same industry such as councils, schools and water authorities.
- **Agency specific:** covers functions and the associated records that are unique to specific agencies such as tax records (State Revenue Office), claims information (Workcover), land titles (Land Titles Office), and land valuations (Valuer-General).

PROV estimates that around 80 per cent of an agency's records are common administrative records, and therefore, most public records are covered under this RDA.

Similar to the appraisal of records, the preparation of RDAs by agencies is considered both complex and time consuming.

Assisting agencies prepare and manage the retention and disposal of their records

PROV's records management standards require agencies to use RDAs to manage the retention and disposal of records. Agencies need to ensure that they have a current RDA in place to cover their business functions, and hence records, so that they may lawfully dispose of public records.[1] RDAs are issued by PROV as a records standard, recorded on the PROV website and are applicable for ten years. Variations to RDAs, i.e. to add or delete records, can be made over that period.

An RDA outlines the:

- classes and type of records that are to be retained
- minimum retention period for each type of record (including the identification of permanent records)
- process and requirements for the disposal of these records at the end of this period
- mandatory retention period for public records
- process and requirements for the transfer of permanent records to PROV for inclusion in the State's archives.

Agencies often use external providers to develop their RDAs. PROV also prepares RDAs for agencies.

To assist agencies in developing RDAs, PROV provides general advice and guidance, if approached. PROV also notifies agencies 12 months before RDAs are due to expire so that appropriate action can be taken by agencies to review and renew its RDA. If specific and general RDAs are left to expire, the records covered cannot be destroyed until a new RDA is in place. Over the next 12 months 12 RDAs (almost 20 per cent of the current RDAs) are due to expire.

A 2004 review of PROV's work processes and procedures[2] recommended that PROV take a more proactive approach to assisting agencies manage the retention and disposal of their records. PROV has not, however:

- developed specific mechanisms to inform agencies of their responsibilities in relation to the preparation of RDAs
- developed a training program or specific guidelines to assist agencies in the development or implementation of RDAs.

PROV guidelines to assist its staff in liaising with agency staff in the records appraisal process were prepared in 1998.

---

[1] Agencies can also request PROV undertake, *ad hoc* appraisals of records for destruction that are not covered by a disposal authority. Destruction, however, cannot proceed until the Keeper has authorised the destruction of the record/s.

[2] *Public Record Office Victoria, Review of Archival Practices and Procedures*, Recordkeeping Innovation Pty. Ltd., November 2004.

Responses to our self-assessment questionnaire indicated that:

- 57 per cent of respondents were aware that PROV assisted agencies with the development of RDAs, and 37 per cent of respondents indicated they had utilised the service. While most were satisfied with the service provided by PROV, some indicated it was inadequate (6 per cent) or required improvement (18 per cent).
- 61 per cent of respondents had contacted PROV with queries about RDAs. While most were satisfied with the service provided by PROV, some indicated it was inadequate (2 per cent) or required improvement (14 per cent).

Some agencies advised audit that the processing and approval of agencies' retention and disposal authorities by PROV took considerable time (around six to twelve months upon receipt by PROV) and that this was due to limited resources assigned to this task. PROV has not undertaken an analysis of the time it takes to process agency authorities. It advised audit that the processing time is variable depending on agency size and complexity.

6.2.3 Monitoring compliance with the requirements of the Act

At the time of audit, there were 66 current RDAs in place—a Common Administrative RDA, 11 General RDAs and 54 Specific RDAs. The number of RDAs do not reflect the level of individual agencies with an RDA, as in some cases, an agency may have multiple RDAs to cover its business functions and records. PROV maintains a register to record which agencies have an RDA.

As indicated previously, PROV estimates that around 80 per cent of an agency's records are common administrative records and, therefore, most public records are covered under the Common Administrative RDA.

PROV has not assessed the extent to which the approved RDA's actually cover all public agency needs. For example, agencies may be using the common disposal schedule to manage the retention and disposal of all its records, as well as maintain records specific to its business that are not covered by the common disposal schedule. The consequence is that agency records may not be completely covered by the common RDA, and records maybe being incorrectly destroyed.

With around 60 agencies covered by a general or specific RDA, this leaves several hundred public sector agencies whose retention and destruction of records is managed using only the Common Administrative RDA.

Destruction of records

When destroying records, agencies are required to formally notify PROV by completing and submitting a disposal notification (PRO 29 form). This enables PROV to ensure that agencies are lawfully disposing of records (as per the RDA) and the disposal method is appropriate.

PROV has advised that, based on anecdotal evidence, agencies are likely to be destroying records without notifying PROV. Based on discussions with agency records management staff, it was confirmed that some agencies:

- had destroyed records, however, had not notified PROV as they were not aware of the requirement to do so
- were not destroying records regularly as:
  - they did not have a current RDA in place
  - limited resources did not allow the RDA to be applied to agency records (process of sentencing the records) so that destruction can occur
  - they had elected to retain all records given storage was not an issue.

PROV's records standards do not require agencies to apply current RDAs to their records and to regularly dispose of records (records destruction is not mandatory). The current legislation also does not assign the responsibility for ensuring compliance with the standards for destruction of records to any specific entity.

Conclusion

The quality of the guidance and advice provided by PROV to agencies on retention and disposal of records was generally satisfactory.

In the absence of processes to monitor agency compliance with the requirements of its retention and disposal standards, PROV cannot be assured that the requirements are being adhered to. Consequently,

- records needed to manage the business, or historical and culturally significant records, may be destroyed
- records no longer required may not be disposed of in an appropriate and timely manner.

Recommendations

6.1 PROV should:

- review the adequacy of resources assigned to the review and approval of agency retention and disposal authorities
- adopt a more proactive approach to assisting agencies in appraising their businesses and establishing appropriate retention and disposal authorities
- assess the extent to which public sector records generated by agencies are covered by its records retention and disposal authorities
- ensure that the procedural guidance, established for its staff, in providing agencies with advice and assistance on managing records retention and disposal, is up-to-date
- monitor agency compliance with the records management standards on retention and disposal of records
- ensure the review of records standards endorses a program of regular records disposal in line with established disposal authorities.

6.3   Transfer of records to PROV

The Act requires agencies to transfer permanent public records (that are more than 25 years old and no longer required for administrative use by the agency) to PROV for storage in the State's archive. This helps ensure records of an historical or cultural nature are appropriately protected, securely stored and accessible to the public.

During 2006–07, 39 consignments of records from 25 agencies (553.6 shelf metres and 236 698 digital records) were transferred to PROV.

Agencies have full discretion to determine when permanent records are transferred to PROV. The shortage of appropriate storage facilities, the cost of storage and the closure of an agency are factors which influence when permanent records are transferred. Our self-assessment questionnaire indicated that only six in ten agencies had documented transfer procedures, these were compliant with PROV standards and that the agency transfers permanent records to PROV.

In a small number of cases PROV directly encouraged agencies to transfer 'significant' records, such as the records from the Melbourne 2006 Commonwealth Games. Also, transfer programs are in place to facilitate annual transfers of highly sought after records, such as probate files and marriage records.

Our detailed review of records management in agencies identified instances where agencies were holding on to permanent records, no longer required for their business. PROV advised that it was evident from the archival holdings that some agencies had yet to transfer large amounts of permanent records more than 10 years old, to PROV.

Key reasons for agencies not transferring these records to PROV included:

* agencies did not have a current RDA in place for their specific records (one agency whose RDA had expired, as a result of machinery of government changes, had around 45 kilometres of records that could not be sentenced (destroyed, transferred to PROV, etc.) until a new RDA had been developed. Agencies could have applied to PROV for an *ad hoc* appraisal of these records to enable destruction, but they did not.

* agencies had legacy records (from council amalgamations and closures) that had yet to be sentenced (applying the RDA to the records)

* agencies did not have the time or resources to prepare permanent records for transfer. Agencies need to invest significant time (often several months) and resources to prepare records for transfer to PROV.

* some agencies were reluctant to transfer their permanent records and retained them for 'historical purposes' or 'ongoing administrative use' within their own 'archival facilities'. This can only occur with the approval of the Minister and in these specific cases, the Minister's approval had not been obtained. The records included board and committee minutes and papers dating back to 1844, chief executive officer correspondence 1935–1983, annual reports from 1844 onwards and building plans and specifications dated 1930–1940.

- agency staff had not attended PROV's records transfer training which is a mandatory requirement, before records transfer can occur.

When agencies hold on to permanent records, there is a risk that these records are held in inadequate storage facilities and, may be damaged or destroyed. These records are also not accessible by the public.

The audit identified that:

- PROV informs agencies about their responsibilities regarding the transfer of permanent records, through the provision of website advice/guidelines, visits to agencies where requested (for more complex transfers), responding to agency queries and through the provision of training (mandatory for agencies prior to preparing for transfer).
- PROV's sophisticated recording system is capable of identifying 'date gaps' in the series of records held. This information could be used to identify and follow-up outstanding records.
- Since 2006 PROV has increased the efficiency of its record transfers by requiring agencies to provide more information about their recordkeeping systems prior to the transfer of records.
- PROV has not established formal mechanisms to identify permanent records no longer required by agencies and does not know the volume of such records held by agencies.
- Where PROV becomes aware of public records that should be transferred to it (e.g. following the sale or closure of a public entity), it approaches the agency holding the records and encourages the agency to transfer the permanent records. In the cases examined by audit the eventual outcome of PROV's action was not recorded in all the files we examined.
- PROV had not established guidelines to assist its staff in managing situations where known permanent records, no longer required by the agency, are not transferred.
- PROV's procedural guidance for its transfer staff is out-of-date, i.e. Transfer Procedure Manual, November 1993; Agency Registration Manual, July 1989.

The issue of outstanding permanent records was also identified in the 1996 PAEC review. The PAEC noted, that "the identification of outstanding permanent records greater than 25 years old, was not carried out [by PROV] due to a perceived lack of resources, including storage space…" The PAEC recommended that PROV conduct an annual survey to establish future storage requirements for government records. This is undertaken in other state records offices. At the date of audit, this had not been undertaken by PROV.

The current legislative requirement, for transfer of records to PROV when records are over 25 years old, and no longer required by agencies, is not easily measurable. Agencies have discretion over when to transfer records. This makes it difficult to monitor compliance as agencies may simply indicate an 'ongoing business requirement for the records' and that they not be transferred.

A solution to this problem may be to require agencies to indicate in their RDAs, the date the specific records are expected to be transferred to PROV. For example, an agency could indicate in its RDA, that specific records such as board minutes, will be transferred to PROV after 10 years. As agencies have been required to specify the period of record retention, they are more likely to transfer the specific records after this time has passed and, this provides clear basis for PROV to monitor agency compliance and follow-up agencies' permanent records.

Agencies can access permanent records from PROV if they are required at some later date i.e. for an FOI request.

Conclusion

Under the current legislative requirements for the transfer of permanent records, it is not possible to determine when permanent records (held by agencies) should be transferred to PROV.

PROV also has not attempted to identify the permanent records, no longer required by agencies for their business use, which should be transferred to the archives. These holdings are likely to be significant. Permanent records retained by agencies are more likely to be at risk of damage due to inappropriate storage facilities in agencies. The public is also unable to access these records.

A number of factors contribute to this situation such as non-current RDAs, the significant resources required to sentence and prepare records for transfer, and agencies' reluctance to provide their records to PROV.

If all permanent records currently held by agencies, but no longer required by them, were transferred to PROV, they could not be received and processed in a timely manner without significant increases in the resources being allocated to process these records.

Recommendations

6.2 PROV should require agencies to nominate a timeframe after which an agency's administrative use for its various permanent records expires and the records are transferred to PROV. This requirement could be included in the agency's RDAs.

6.3 PROV should:
- annually gather information on the level, nature and age of permanent records held by agencies to monitor agency compliance and identify future records workflow and storage issues. This information could be obtained by both surveying agencies and reviewing the archival holdings.
- work with agencies holding large volumes of permanent records, to identify and resolve any impediment to the timely transfer to the archives
- develop comprehensive and up-to-date procedures to guide its staff in managing records transfer and to ensure a consistent approach is adopted in dealing with agencies.

6.4   Records provided to agencies

From time to time agencies require permanent records that have been transferred to PROV to be returned to them. These records may be required as a result of a FOI request, customer/client information requests, for legal reasons or for research and other administrative purposes.

Agencies can view 'open records' (records accessible by the public) at PROV. 'Closed' records (records considered by the Minister to be sensitive or to represent a security risk and therefore not available to the public) are loaned to agencies upon request, for up to 60 days.

Agencies are responsible for ensuring that the records are effectively managed while in their possession and that they are returned within the loan period. PROV maintains a listing of agencies that have not returned the records to PROV within the designated loan period.

In early 2005 PROV estimated that there were 10 000 records which remained outstanding for periods up to 25 years. In recent times, PROV has been more proactive in its management of outstanding records, establishing mechanisms to increase agency awareness of their obligations for loaned records and systematically following up outstanding records.

PROV also contacts agency management about their outstanding records.

At December 2007, around 1 900 records were on loan to 60 agencies. Four agencies were holding around half (46.4 per cent) of these records.

Almost one in three (29 per cent) of the records had been issued to agencies between 1981 and 2000. A major reason for the non-return of these records was that agencies were having difficulty locating the records. PROV estimates that around 50 per cent of the records are not locatable and are unlikely to be returned to the archives.

A risk exists that these records, which are sensitive in nature and have historical or cultural value, may never be recovered.

PROV advised that its proposed five-year Collection Management Strategy (currently in draft) will go some way to addressing this issue and canvass options for the better management of the collection, including its use, care and accessibility.

Conclusion

In recent times PROV has significantly reduced the number of permanent records on loan to agencies.

It is likely that some permanent records on loan to agencies will not be recovered.

Recommendation

6.4   PROV should continue to pursue the recovery of long overdue, permanent records loaned to agencies.

7 PROV performance measurement and reporting

At a glance

Background

A major objective of PROV is to ensure "best-practice records management is implemented across the whole of the Victorian government". It does this primarily through its records services unit.

Key findings

- Very few of PROV's performance indicators assess the achievement of PROV's objectives or the efficiency of its operations.
- PROV acknowledges its lack of information about the state of records management across the whole-of-government restricts its ability to develop more appropriate and relevant performance measures.
- PROV does not have mechanisms to generate comprehensive information on agency access to PROV's products and services or the quality, appropriateness and efficiency of these products and services.

Key recommendations

PROV should:

- develop a suite of relevant and appropriate targets and performance indicators to measure its performance both in achieving its objectives and in the standards of recordkeeping in public sector agencies
- develop comprehensive performance information that can be compared to the established targets to measure PROV performance
- develop its capacity to report on its own and agency performance.

7.1   Introduction

Ongoing monitoring and reporting on organisational performance is an important function of any business. It is the means by which an organisation is able to:

- monitor and assess its success in meeting its stated objectives
- drive performance improvement
- provide accountability to the general public for its activities.

A sound performance management system would normally involve:

- development of performance indicators to measure the achievement of the organisation's objectives
- establishment of information systems and processes to generate performance information
- comparison of performance against established targets
- reporting internally and externally on the organisation's performance against the established indicators and providing explanation for poor performance
- reviewing performance and taking appropriate action to address poor performance.

7.2   PROV's performance management

7.2.1   Development of performance indicators

One of PROV's major objectives is to ensure "best-practice records management is implemented across the whole of the Victorian government."[1] It does this primarily through its records services unit. PROV has developed a number of performance indicators and targets for records services and these are outlined in Figure 7A.

---

[1] Public Record Office Victoria, *Annual Report to the Minister, 2006-07*, p6.

Figure 7A
PROV performance indicators for PROV's Records Services [a]

Performance indicator
Quantity:
• accessions (groups of records received at any one time from a single agency)
• retention and disposal authorities issued
• retention and disposal authority variations issued
• requests for record appraisals completed
• record series completed
• storage facilities inspected
• records archived (shelf metres of agency consignments)
• electronic records preserved
• participants in records management training programs
• VERS software products certified.
Quality:
• Percentage of records stored in optimal environment conditions for preservation.
Timeliness:
• Percentage of agencies notified of the expiry date of their retention and disposal authority within the specified timeframe.

(a) These performance measures cover PROV's Records Services unit only. Audit has not reviewed the performance measures established by PROV for other business areas.

Source: PROV Annual Report, 2005–06 and 2006–07.

The key performance indicators and targets established for the records services unit largely relate to activities or outputs. There were very few indicators which assessed the achievement of PROV's objectives (effectiveness) or efficiency of its operations. PROV acknowledges that its lack of information about the state of records management across the whole-of-government restricts its ability to develop more appropriate and relevant performance measures.

Other performance indicators PROV should consider are outlined in Figure 7B.

Figure 7B
Potential performance indicators for records services

Measure	Aspect being measured	Performance indicator
Effectiveness	**Provision of records services**	Access
		• waiting times for services e.g. training, consultancies
		• agency satisfaction that service is accessible and timely
		Appropriateness (meeting need)
		• agency satisfaction with the type and coverage of services provided
		• extent to which services meet need e.g. training
		• agencies use of recordkeeping products and services
		Quality
		• agency satisfaction
	Promotion of sound recordkeeping	• presentations on records management issues to the public sector
		• discussions held with senior agency management
		• provision of information on recordkeeping obligations to new CEOs
	Effective recordkeeping programs, systems and practices across the public sector	• intelligence obtained on current recordkeeping practices and challenges facing the public sector
		• permanent records transferred to the archives in a timely manner
		• agencies with current records disposal coverage
		• agencies with a regular disposal program
Efficiency		• average cost and time to provide records services/products.

Source: Victorian Auditor-General's Office and information from other state record offices' annual reports.

7.2.2 Performance information

PROV has established some systems and procedures to generate performance information relevant to its current suite of performance indicators. At the present time, PROV does not have mechanisms to generate comprehensive information on agency access to PROV's products and services or the quality, appropriateness and efficiency of these products and services.

In 2001 PROV established systems which were capable of costing its services. To date cost information has only been generated on a small number of services such as records storage costs and photocopying cost.

There are also no formal mechanisms to gather whole-of-government information on the number of agencies with sound records management frameworks in place or agencies who have established records management policies and procedures.

7.2.3 Reporting on performance

PROV's performance targets and its performance against these targets are reported in its annual report to the Minister. There is scope to significantly increase the range of performance information reported by PROV on the products and services it provides and on the performance of agencies. There are other reporting mechanisms that could also be used to report performance information, such as newsletters to agencies, separate reporting on the results of surveys conducted, and the use of PROV's annual report and website.

7.2.4 Taking action to address poor performance

PROV annually reviews its performance against the targets established. This process allows action to be taken by PROV to address performance issues.

Conclusion

Far more value would be achieved with a broader suite of indicators and targets covering the effectiveness and efficiency of PROV's operations.

If this broader suite of indicators were developed, PROV would need to develop mechanisms to generate comprehensive performance information.

There is also a need for performance information on agencies to be generated, summarised and reported to the State Government and the Parliament. In the absence of this information, it is not possible for PROV to assess whether it has achieved its objective of ensuring "best-practice records management is implemented across the whole of the Victorian government."

Recommendations

7.1 PROV should:
- develop a suite of relevant and appropriate targets and indicators to measure its performance both in achieving its objectives and in the standards of recordkeeping in public sector agencies
- develop comprehensive performance information that can be compared to the established targets to measure PROV performance
- develop its capacity to report on its own and agency performance.

Appendix A
Conduct of the audit

Audit objective

The objectives of the audit are to determine whether:

- public sector agencies are managing records in accordance with the *Public Records Act 1973*
- the Public Record Office Victoria is operating efficiently and effectively in facilitating sound records management in the public sector.

Records management was selected for audit due to:

- the significant risks to the community and public sector agencies from poor records management
- potential for enhanced accountability and transparency of operations through better recordkeeping
- instances within agencies of poor records management identified by this Office and other organisations.

Method

Records management in agencies

The audit assessed whether a selection of public sector agencies had established an appropriate framework to manage their records. A records management framework containing seven principles of sound practice was developed by VAGO drawing from authoritative literature, PROV and expert practitioners. The principles are consistent with the Australian Standards for Records Management (*AS ISO 15489*), and standards issued by PROV.

Figure A1
Principles for records management framework

Principles that should be included in agencies' records management frameworks
1. There should be established records management objectives and policies.
2. There should be an effective management and oversight function for records management.
3. Records management resources should be effectively planned and allocated to address records management objectives.
4. Procedures, processes and systems for the creation, maintenance, security, storage, selection and transfer of permanent records and disposal of records should be developed and be consistent with the records management standards established by PROV.
5. There should be adequate and appropriate records management staff to manage agency records.
6. Mechanisms should be in place to communicate with and educate all staff about sound records management practice.
7. There should be established monitoring and reporting mechanisms for records management.

Source: Victorian Auditor-General's Office.

Information on agencies records management frameworks was gathered through:

- a detailed questionnaire sent to eight agencies[1]. Agency management together with relevant records management staff were required to self-assess their records management framework against seven principles of sound practice in records management.
- a general self-assessment questionnaire sent to 104 agencies[2] covering key public sector areas to obtain a broad indication of the state of records management across the Victorian public sector.

The detailed questionnaire

The detailed questionnaire was conducted in November 2007. Eight agencies were selected by VAGO to complete the questionnaire due to the complexity and diversity of the functions they administered, their size and geographic spread and because they manage some records that are of critical importance to the State (both operationally to the agency and also, of such a nature, they are required to be preserved as a part of the State's archives).

Records managers in the eight agencies were required to self-assess the performance of the agencies' records management function against the abovementioned principles and to attach specific documentation, such as records management strategies and plans, policies, procedures, communications material and position descriptions, to support their responses. Agencies were also required to provide feedback on the records management products and services provided by PROV.

---

[1] Refer to Appendix B for details of the eight agencies.

[2] Refer to Appendix B for details of the 104 public sector agencies.

The audit team spent around half a day visiting the eight agencies and interviewing relevant staff including records managers about the agencies' responses to the questionnaire, the supporting documentation provided and more generally, records management in the agency. Information about each of the agencies, such as disposal notifications and details of recent transfers of records, was also obtained from PROV to inform audit discussions.

Examples of good records management practices were also noted.

The general questionnaire

The web-based questionnaire was conducted in December 2007. The heads of 104 agencies were invited to participate. Ninety-two agencies returned a completed questionnaire. The questionnaire asked general information about the agency and its records management framework including:

- the number of agency staff and specific records management staff
- qualifications of records management staff
- the location within the agency of the records management function
- expenditure (recurrent and capital investment over the next three years) likely to be incurred on records management
- a self-assessment of the performance of the agency's records management against seven principles of sound records management (refer Figure A1 above)
- feedback on the products and services provided by the Public Record Office Victoria (PROV).

Audit work at the Public Record Office Victoria (PROV)

The audit work at PROV involved interviews with a range of staff as well as document and data reviews. There were three main focus areas for this work:

- examining how PROV assists agencies in facilitating sound records management in the public sector
- assessing the extent to which PROV complies with its legislative obligations
- assessing the extent to which the Victorian Electronic Records Strategy (VERS) has been implemented across the public sector.

Acknowledgements and assistance to the audit team

We consulted with a wide range of people and organisations to obtain information about the issues related to the management of records in the public sector including:

- Public Records Advisory Council
- Records Management Association of Australasia
- Municipal Association of Victoria
- National Archives of Australia.

Specialist support was provided to the audit team by:

- Ms Judith Ellis, Enterprise Knowledge Pty Ltd who provided specialist advice
- Wallis Consulting Group, which conducted the general and detailed questionnaires and analysed responses
- Open Mind Research Group, who conducted the audit of PROV
- Ms Toula Varvarigos, seconded from PROV and who assisted the audit team in the detailed review of the eight agencies.

We thank staff from the Public Record Office Victoria and the agencies who participated in the questionnaires, for their assistance and cooperation with the audit.

Appendix B
Agencies involved in the performance audit

Agencies which participated in the detailed audit review

Banyule City Council

Deakin University

Department of Human Services

Department of Sustainability and Environment

Environment Protection Authority

Melbourne Health

State Trustees Limited

Victoria Police

Agencies requested to complete VAGO's general self-assessment questionnaire

Departments:

Education and Early Childhood Development

Justice

Primary Industries

Independent budget sector agencies:

Essential Services Commission

Office of the Public Advocate

Victorian Electoral Commission

Public bodies:

Australian Centre for Moving Image

Centre for Adult Education

Country Fire Authority

Dairy Food Safety Victoria

Emergency Services Telecommunications Authority

Greyhound Racing Victoria

Industry Supervision Fund

Legal Services Board

Melbourne Market Authority

Mount Baw Baw Alpine Resort Management Board

Murray Valley Wine Grape Industry Development Committee

Northern Victoria Fresh Tomato Industry Development Committee

Parks Victoria

Plumbing Industry Commission

Port of Melbourne Corporation

PrimeSafe

Psychosurgery Review Board

Roads Corporation

Royal Botanic Gardens Board

Southern and Eastern Integrated Transport Authority

Surveyor's Registration Board of Victoria

Transport Accident Commission

Treasury Corporation of Victoria

Victorian Curriculum and Assessment Authority

Victorian Institute of Forensic Medicine

Victorian Managed Insurance Authority

Victorian Veteran's Council

Medical Practitioners Board of Victoria

Nurses Board of Victoria

National Gallery of Victoria, Council of Trustees of the

National Institute of Forensic Science

Victoria Legal Aid

Universities and other educational institutions:

Chisholm Institute of TAFE

Goulburn Ovens Institute of TAFE

Monash University

Sunraysia Institute of TAFE

Victoria University

Wodonga Institute of TAFE

Public hospitals:

Bairnsdale Regional Health Service

Bayside Health

Bendigo Health Care Group

Casterton Memorial Hospital

Colac Area Health

East Grampians Health Service

Eden Hope and District Memorial Hospital

Hesse Rural Health Service

Kilmore and District Hospital

Latrobe Regional Hospital

Manangatang and District Hospital

Mercy Public Hospitals Incorporated

Northeast Health Wangaratta

Omeo District Health

Peter MacCallum Cancer Centre

Rochester and Elmore District Health Service

Royal Children's Hospital

Rural Northwest Health

Southern Health

Swan Hill District Hospital

Tweddle Child and Family Health Service

Western District Health Service

Yarram and District Health Service

Ambulance services:

Ambulance Service Victoria

Rural Ambulance Victoria

Companies, trusts, joint ventures:

South East Water Limited

Water authorities:

Barwon Region Water Authority

Coliban Region Water Authority

First Mildura Irrigation Trust

Goulburn Valley Region Water Authority

Mallee Catchment Management Authority

Port Phillip and Westernport Catchment Management Authority

West Gippsland Catchment Management Authority

Regional waste management groups:

Desert Fringe Regional Waste Management Group

Highlands Regional Waste Management Group

North East Victorian Regional Waste Management Group

Councils:

Baw Baw Shire Council

Bayside City Council

Borough of Queenscliffe

Cardinia Shire Council

City of Port Phillip

Darebin City Council

Glen Eira City Council

Greater Dandenong City Council

Hindmarsh Shire Council

Indigo Shire Council

Loddon Shire Council

Melbourne City Council

Mildura Rural City Council

Moonee Valley City Council

Mount Alexander Shire Council

Northern Grampians Shire Council

Stonnington City Council

Towong Shire Council

West Wimmera Shire Council

Yarra City Council

Regional library corporations:

Geelong Regional Library Corporation

Yarra Plenty Regional Library Corporation

Public cemeteries:

Lilydale Cemeteries Trust

Necropolis Cemetery

Appendix C
Glossary

Access

Right, opportunity, means of finding, using, or retrieving information.

Capture

The placement and description of an object (e.g. a document) into a system which keeps records.

Classification

Systematic identification and arrangement of business activities and/or records into categories according to logically structured conventions, methods, and procedural rules represented in a classification system/scheme.

Data

Any manifestation in the environment, which may include symbolic representations that, in combination, may form the basis of information.

Destruction

Process of eliminating or deleting records, beyond any possible reconstruction.

Disposal

A range of processes associated with implementing records retention, destruction or transfer decisions which are documented in retention/disposal authorities.

Document

Recorded information or object which can be treated as a unit.

Information

Data in a context to which meaning has been attributed.

Information management

Describes the measures required for the effective collection, storage, access, use and disposal of information to support agency business processes. The core of these measures is the management of the definition, ownership, sensitivity, quality and accessibility of information. These measures are addressed at appropriate stages in the strategic planning lifecycle and applied at appropriate stages in the operational lifecycle of the information itself.

Information management framework

Comprises policies, procedures and systems to enable the strategic management of information. Information, including records, is a business asset. Records are important both for their content and as evidence of communications, decisions and actions.

Metadata

Data describing the context, content and structure of records and their management through time, e.g. creator, date of creation, record name, record format, accessed by, date deleted, etc.

Permanent records

Records identified as worth preserving permanently as part of the Victorian Government's archives.

Preservation

Processes and operations involved in ensuring the technical and intellectual survival of authentic records through time.

Records

Information created, received, and maintained as evidence and information by an organisation or person, in pursuance of legal obligations or in the transaction of business. (This is usually the responsibility of a designated person or persons within an organisation.)

Recordkeeping

Making and maintaining complete, accurate and reliable evidence of business transactions in the form of recorded information. (This is usually the responsibility of all staff within an organisation.)

Records management

The field of management responsible for the control of the creation, receipt, maintenance, use and disposal of records, including processes for capturing and maintaining evidence of and information about business activities in the form of records.

Transfer

Change of custody, ownership and/or responsibility for records or movement of records from one location to another.

Web-based records

Includes records arising from the following on-line resources: public websites; virtual private networks (VPNs); extranets; intranets; and individual web-based resources (services and publications).

———

Appendix D
Public Accounts and Estimates Committee 1996 Inquiry into the Public Record Office Victoria - Recommendations

Public Record Office Victoria	
1.1	The Public Record Office Victoria (PROV) be retained.
1.2	The PROV be located in the portfolio of Treasury and Finance.
1.3	The PROV be refocussed to provide its functions according to the following hierarchy: (i) Standards development (ii) Monitoring Records management Performance (iii) Storage of the Archival Record (iv) Provision of Public Access to ensure that all agencies manage effectively the State's records.
1.4	All PROV standards and schedules be subject to review every three to five years to reinforce 'best practice' principles in the management of the State's archival record.
1.5	The Victorian standard for a records management system be based on the Australian standard.
1.6	The PROV urgently ensure that all agencies implement records management and disposal plans that meet standards set by that Office.
1.7	The PROV initiate a continuous cycle of random audits of agencies to ensure that public records are correctly managed according to Public Records Office standards.
1.8	Costs of audits undertaken by the PROV be met by each agency in a manner similar to the services provided by the Auditor-General.
1.9	Any agency found to be holding records in an inappropriate manner be offered an opportunity to rectify the problem. If the agency fails to take the necessary action the PROV complete the task at the agency's cost.
1.10	A realistic and fair contribution towards the cost of PROV services, other than the development of standards and educational programs for agency records and information managers, the storage of permanent records and most public access services, be met by users.
1.11	The position of Keeper of Public Records be named the director of Public Records.
1.12	The PROV prepares an annual report to the Parliament on the management of records in the public sector.

	Public Record Office Victoria - *continued*
1.13	The PROV operates through four functional areas. The principal role of the office should be to develop and implement records management standards under the control of the Director of Public Records. The three remaining areas should be of an operational nature reporting to the Director of Public Records. The four proposed areas are: (i) Director of Public Records (ii) Consulting and Audit Unit (iii) Archives Management Unit (iv) Public access unit.
1.14	To enhance the quality of liaison between agencies and the PROV throughout the State, positions titled Regional Record Management consultants be created. These positions be developed as field officers to manage the records of a region, industry type or ministry on an on-going basis.
1.15	Periodic increases in operational activity from agencies be met by the employment of short-term staff fully paid for by the user agency.
1.16	The Public Record Advisory Council be reconstituted with a smaller membership that reflects expertise and independence.
1.17	The Public Accounts and Estimates Committee review the management of public records in Victoria 10 years from the date of presentation of this report to parliament.
1.18	The Public Records Act should limit ministerial intervention solely to ensure compliance with the Keeper's statutory obligations.
Storage and preservation responsibilities	
2.1	The PROV manage the storage of, and public access to, the State's permanent record.
2.2	Government agencies manage the storage of all active, inactive and temporary records to the standards set by the PROV.
2.3	The PROV immediately conduct a comprehensive survey of all agencies to determine the amount of records and rate of records growth as part of the planning process for a new archives facility.
2.4	All records of the State to be held in conditions which meet the current storage and preservation standard of PROV. The Chief Executive or principal officer of each agency be held accountable for this requirement.
2.5	The *Financial Reporting Act 1994* and any other relevant legislation be amended to require every agency to report annually on its level of compliance with the standards set down for the care of the public record.
2.6	A new site for the storage of the State's archival record be established within 5 km of Melbourne CBD, to contain the archival record, all staff of the PROV and public access facilities This site be called the Melbourne Public Record Centre and that it be supported by the development of a regional archives network.
2.7	The government when developing the functional brief of the construction of the new storage facilities investigate the use of high rack shelving systems and module based construction methods that allow a site life of 40 years.
2.8	The Laverton repository be closed as it does not meet the standard for the long-term storage of permanent records.
2.9	Cost of establishing the new facility be met in part from the sale of the Laverton site.
2.10	PROV establish, on an annual basis, the anticipated storage requirements for government records for the next five-year period.
2.11	The PROV immediately conclude the sentencing and disposal of all unsentenced records held at the Laverton repository.

Electronic records	
3.1	Electronic records be considered on the same basis as the paper record.
3.2	PROV urgently conclude development of an electronic records management standard that is hardware and software independent and capable of being implemented across the whole-of-government.
3.3	Agencies be required to continually convert all electronic archival records in their care to the current software and operating systems of the agency so that they can be accessed by the PROV.
3.4	Agencies seek to implement an electronic records management system and be required to select software that has been accredited by the government to meet standards established by the PROV.
3.5	The responsible Minister meet with ministerial counterparts in other States and Territories to foster the development of a national electronic records management strategy, standard and protocols.
3.6	The PROV be part of the development design and implementation team of any state-wide information technology policy.
Records management	
4.1	The State manage its public record through the development of 'best practice' procedures.
4.2	The PROV develop standards for the care of each record from creation.
4.3	Model records management systems, integrating the standards process, be prepared and released by PROV.
4.4	A disposal schedule be agreed between each agency and the PROV as a matter of urgency.
4.5	The government, develop, with the office of Training and Further Education and the PROV, an education program for all public sector records and information managers. That the program be structured to the broad needs of every government agency from the largest to the smallest.
4.6	Responsibility for implementing sound records management practices be shared between agencies and the PROV.
4.7	Each agency be required to appoint a senior officer, skilled in archives and information management, to implement an effective records management system.
Public access	
5.1	The PROV provide a public access program that requires the public to 'self-manage' their personal access request.
5.2	The primary facility for public access be the Melbourne Public Record Centre.
5.3	The PROV increase access opportunities for all Victorians by providing on-line electronic facilities through regional library services, schools and tertiary institutions to the holdings, finding aids and indexes available at the proposed Melbourne Public Record Centre.
5.4	Section 8 of the *Public Records Act 1973* be amended to define better the authority of the Keeper to recover the costs of the development, preparation and production of any publication or record series made available to the public.
5.5	Fees be charged: (a) to access the original record, (b) for consulting services.
5.6	The revenue from fees be retained by the PROV and dedicated to increasing the amount of popular records available for public access on the PROV database, microfiche or CD Rom format.

Public access - *continued*	
5.7	Regional library services, schools and tertiary institutions that provide electronic access to the PROV be permitted to recover any administration costs from users.
5.8	The PROV negotiate with universities an appropriate scale of fees that would accommodate the need of academic researchers for: (a) access to original records (b) for consulting services.
5.9	The PROV constantly review its permanent holding to determine the potential for converting its physical records into an electronic or microfiche medium to maximise the opportunities for public access.
5.10	Popular documents that can be made available on the electronic or microfiche medium be sold to users on a full cost recovery basis.
5.11	The PROV provide a gateway to the electronic record held by government agencies under a secure password arrangement and that an administrative fee be charged for providing this service.
5.12	Persons seeking access to the original record be required to book documents that they wish to view in advance.
5.13	The opening hours of the proposed Melbourne Record Centre be determined by user demand.
5.14	The PROV encourage the use of volunteers in indexing of popular material that may be made available through the electronic medium and that these services be recognised by a credit scheme that directly reduces any access charge that may be incurred by the volunteers.
5.15	Travelling programs of archival material be carried out only when specific funding has been provided by budget, grant or bequest.

Appendix E
Examples of common administrative public records and their retention periods

Record	Retention period
Committees:	
Minutes, agendas, meeting papers	Permanent retention
Contracting-out:	
Contracts for significant government commitments such as large-scale infrastructure projects and PPPs	Permanent retention
Contracts for smaller scale activities:	Destroy:
• under seal (specialty contracts)	15 years after contract has expired
• not under seal (simple contracts)	7 years after contract has expired
Tender documentation including records documenting the development of the evaluation and selection criteria	Destroy 7 years after tender process completed
Equipment and stores:	
Stocktake records	Destroy 2 years after action completed
Financial management:	
Summary listing of agency's assets	Permanent retention
Annual financial statements	Permanent retention
Records documenting the payment of salaries to personnel	Destroy 7 years after financial year in which the record was created.
Government relations:	
Advice provided by the agency to the Minister and government agencies on:	
• controversial public issues	Permanent retention
• matters which do not have far-reaching impact on the social, economic and national standing of the state	Destroy 5 years after administrative use has concluded
Cabinet papers, submissions, drafts and briefing notes	Permanent retention
Official reports of fully funded overseas fact-finding tours by the Premier, Ministers, members of parliament or agency representatives relating to the core functions of agencies.	Permanent retention

Record	Retention period
Industrial relations:	
Records relating to workplace disputes that are not of a landmark or precedent-setting nature	Destroy 5 years after administrative use has concluded
Records documenting the management of industrial action of a significant nature	Permanent retention
Legal services:	
Investigations into disclosures made under the *Whistleblower's Protection Act 2001*	Permanent retention
Occupational health and safety:	
Accident/incident reports and supporting documentation for incidents where death of an employee or contractor has occurred as a result of an incident in the workplace	Permanent retention
Records documenting routine inspections of work sites and inspections of hazardous substances	Destroy 10 years after action completed
Records documenting the risk management of all OH&S hazards.	Destroy 100 years after last action
Personnel management:	
Summary record of the employment details of all employees	Permanent retention
Records documenting the consolidated employment history of all ongoing and non-ongoing employees who have had exposure to hazardous substances including asbestos or who were located at places identified as containing hazardous substances.	Destroy 100 years after date of separation from the agency
Records supporting the taking of leave, i.e. sick leave certificates	Destroy 7 years after action completed
Policy:	
Records documenting a policy, its formulation, etc	Permanent retention
Agencies procedures, including manuals, handbooks, directives, etc	Destroy 7 years after procedures are superseded
Property management:	
Records relating to the acquisition and disposal of property	Permanent retention
Property insurance policies	Destroy 7 years after insurance expires
Reporting:	
Annual reports and reports on functional activities	Permanent retention
Staff development: Staff training and development plans	Destroy 5 years after administrative use has concluded
Strategic management:	
Agency-wide strategic or corporate plans	Permanent retention
Records detailing significant reviews and restructures of an entire agency or major functional sections of it	Permanent retention

Source: Extracts from the General Retention & Disposal Authority for Records of Common Administrative Functions, PROS 07/01, issued by PROV in April 2007.

Auditor-General's reports

Reports tabled during 2007-08

Report title	Date tabled
Program for Students with Disabilities: Program Accountability (2007-08:1)	September 2007
Improving our Schools: Monitoring and Support (2007-08:2)	October 2007
Management of Specific Purpose Funds by Public Health Services (2007-08:3)	October 2007
New Ticketing System Tender (2007-08:4)	October 2007
Public Sector Procurement: Turning Principles into Practice (2007-08:5)	October 2007
Discovering Bendigo Project (2007-08:6)	November 2007
Audits of 2 Major Partnership Victoria Projects (2007-08:7)	November 2007
Parliamentary Appropriations: Output Measures (2007-08:8)	November 2007
Auditor General's Report on the Annual Financial Report of the State of Victoria, 2006-07 (2007-08:9)	November 2007
Funding and Delivery of Two Freeway Upgrade Projects (2007-08:10)	December 2007
Results of Financial Statement Audits for Agencies with 30 June 2007 Balance Dates (2007-08:11)	December 2007
Local Government: Results of the 2006-07 Audits (2007-08:12)	February 2008
Agricultural Research Investment, Monitoring and Review (2007-08:13)	February 2008
Accommodation for People with a Disability (2007-08:14)	March 2008

The Victorian Auditor-General's Office website at <www.audit.vic.gov.au> contains a more comprehensive list of all reports issued by the Office. The full text of the reports issued is available at the website. The website also features "search this site" and "index of issues contained in reports and publications" facilities which enable users to quickly identify issues of interest which have been commented on by the Auditor-General.

VAGO

Victorian Auditor-General's Office

Auditing in the Public Interest

Availability of reports

Copies of all reports issued by the Victorian Auditor-General's Office are available from:

- Information Victoria Bookshop
  505 Little Collins Street
  Melbourne Vic. 3000
  AUSTRALIA

  Phone: 1300 366 356 (local call cost)
  Fax: +61 3 9603 9920
  Email: <bookshop@dvc.vic.gov.au>

- Victorian Auditor-General's Office
  Level 24, 35 Collins Street
  Melbourne Vic. 3000
  AUSTRALIA

  Phone: +61 3 8601 7000
  Fax: +61 3 8601 7010
  Email: <comments@audit.vic.gov.au>
  Website: <www.audit.vic.gov.au>