

STANDING COMMITTEE ON PUBLIC ACCOUNTS

**Review of Auditor-General's Report No. 3 of 2008:
*Records Management in ACT Government Agencies***

AUGUST 2010

Committee membership

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Mr Brendan Smyth MLA	Deputy Chair
Ms Joy Burch MLA	Member to 19 November 2009
Mr John Hargreaves MLA	Member from 20 November 2009

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Resolution of appointment¹

The ACT Legislative Assembly appointed the Standing Committee on Public Accounts on 9 December 2008 to:

- (1) examine:
 - a) the accounts of the receipts and expenditure of the Australian Capital Territory and its authorities; and
 - b) all reports of the Auditor-General which have been presented to the Assembly;
- (2) report to the Assembly any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Assembly should be directed;
- (3) inquire into any question in connection with the public accounts which is referred to it by the Assembly and to report to the Assembly on that question; and
- (4) examine matters relating to economic and business development, small business, tourism, market and regulatory reform, public sector management, taxation and revenue.

¹ ACT Legislative Assembly, Minutes of Proceedings No. 2, Tuesday 9 December 2008, pp. 12–13.

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RECOMMENDATIONS

RECOMMENDATION 1

2.9 The Committee recommends that the Minister for Territory and Municipal Services report to the ACT Legislative Assembly by the last sitting day in December 2010 on the progress and effectiveness of the Department of Territory and Municipal Services' implementation of the Auditor-General's recommendations that have been accepted. This should include: (i) a summary of action to date, either completed or in progress (including milestones completed), and (ii) the proposed action (including timetable), for implementing those recommendations.

RECOMMENDATION 2

4.10 The Committee recommends that the Minister for Territory and Municipal Services report to the ACT Legislative Assembly by the last sitting day in June 2011 on the progress and effectiveness of the Department of Territory and Municipal Services' implementation of the recommendations of the *Review of the Operation of the Territory Records Act 2002* that have been accepted. This should include: (i) a summary of action to date, either completed or in progress (including milestones completed), and (ii) the proposed action (including timetable), for implementing those recommendations.

RECOMMENDATION 3

4.11 The Committee recommends that the Minister for Territory and Municipal Services report to the ACT Legislative Assembly by the last sitting day in February 2012 on the effectiveness of: (i) amendments made to the *Territory Records Act 2002*, and (ii) standards either revised or issued under the Act, in response to the *Review of the Operation of the Territory Records Act 2002*.

1 INTRODUCTION AND CONDUCT OF INQUIRY

- 1.1 Auditor-General's Report No. 3 of 2008: *Records Management in ACT Government agencies* (the Audit report) was presented to the ACT Legislative Assembly on 26 June 2008.
- 1.2 In accordance with the Standing Committee on Public Accounts' (the Committee) resolution of appointment² the Audit report was referred to the Committee for examination.
- 1.3 The Audit report summarises the results of a performance audit that reviewed compliance with records management requirements by selected ACT Government agencies.³

Terms of reference

- 1.4 The Committee's terms of reference were to examine the Audit report and report to the ACT Legislative Assembly.

Conduct of inquiry

- 1.5 The Committee received a Government submission⁴ in relation to the findings and recommendations of the Audit report. The Committee also received a briefing from the ACT Auditor-General on the Audit report.⁵
- 1.6 The Committee met on 18 August 2010 to discuss the Chair's draft report, which was adopted on 18 August 2010.

² ACT Legislative Assembly, Minutes of Proceedings No. 2, Tuesday 9 December 2008, pp. 12–13.

³ ACT Auditor-General's Report No. 3 of 2008: *Records Management in ACT Government Agencies*, p. 3.

⁴ Dated 29 October 2009.

⁵ 19 March 2009.

Structure of the report

1.7 As part of its examination of the Audit report, the Committee considered and assessed the findings and issues raised. The Committee's report is divided into five sections:

- Chapter 1 – Introduction
- Chapter 2 – Audit background and findings
- Chapter 3 – Inquiry context
- Chapter 4 – Committee comment
- Chapter 5 – Conclusion

Acknowledgements

1.8 The Committee thanks all those who contributed to its examination of the Audit report.

2 AUDIT BACKGROUND AND FINDINGS

- 2.1 This chapter presents an overview of the background to, and key findings of, the Audit.

Audit background and objective

- 2.2 The objective of the Audit was to review the extent to which the recordkeeping policies, systems and processes of selected agencies met the requirements of the relevant legislation, the applicable government policies and accepted recordkeeping standards and principles.⁶
- 2.3 The ACT Government agencies selected for inclusion in the Audit were:
- Department of Treasury
 - Department of Education and Training— with a focus on schools
 - ACT Planning and Land Authority (ACTPLA), and
 - ACT Public Cemeteries Authority.⁷
- 2.4 Whilst the Audit considered the implementation of the Integrated Document Management System (IDMS) within ACTPLA as a recordkeeping system, it did not assess the adequacy of management of the IDMS project itself.⁸

Audit opinions

- 2.5 The Audit report contained the following audit opinions drawn against the audit objective:
- all audited agencies had taken action to comply with the legislative requirements of the *Territory Records Act 2002*, but progress towards full compliance varied between agencies

⁶ ACT Auditor-General's Report No. 3 of 2008: *Records Management in ACT Government Agencies*, p. 4.

⁷ *Ibid.*

⁸ *Ibid.*

- each of the audited agencies was at a different stage in addressing their recordkeeping responsibilities. All required improvement in the development of their recordkeeping framework, and the implementation of recordkeeping policies and procedures, and
- none of the audited agencies consistently demonstrated better practice in records management. Some fell significantly short of this mark.⁹

Audit recommendations

2.6 The Auditor-General made eleven¹⁰ recommendations:

Audit area	Recommendation coverage
The Territory Records Office	1—Monitoring and compliance activities
The Territory Records Office	2—Provision of training
The Territory Records Office	3—Creation of a single records management agency in the ACT
Recordkeeping frameworks	4—Records management program
Recordkeeping frameworks	5—Appraisal of business activities
Recordkeeping frameworks	6—Recordkeeping systems
Recordkeeping frameworks	7—Assessment of recordkeeping risks
Implementation of the recordkeeping frameworks	8—Monitoring and review
Implementation of the recordkeeping frameworks	9, 10 and 11—Training and communication of information

⁹ ACT Auditor-General's Report No. 3 of 2008: *Records Management in ACT Government Agencies*, p. 5.

¹⁰ *Ibid.*, pp. 7–15.

2.7 In its submission, the ACT Government stated that it:

...recognises the considerable effort that all agencies have applied to the preparation of their records for the opening to public access of records more than 20 years old. Records affect virtually all aspects of agencies' operations. The upgrading of recordkeeping and records management standards that has occurred over the years since 2003 has been considerable, and has been coupled with the introduction of a new service, in the form of public access to the Territory's documentary heritage since 1 July 2008.

The Government is pleased to report that every matter identified in the *[Audit]* Report as being less than satisfactory has been or is being addressed.¹¹

2.8 The Government indicated that it agreed with ten¹² recommendations, and agreed-in-principle with one¹³ recommendation.

RECOMMENDATION 1

2.9 **The Committee recommends that the Minister for Territory and Municipal Services report to the ACT Legislative Assembly by the last sitting day in December 2010 on the progress and effectiveness of the Department of Territory and Municipal Services' implementation of the Auditor-General's recommendations that have been accepted. This should include: (i) a summary of action to date, either completed or in progress (including milestones completed), and (ii) the proposed action (including timetable), for implementing those recommendations.**

2.10 A copy of the ACT Government's submission to the Committee in response to the Auditor-General's findings and recommendations is at **Appendix A**.

2.11 The Committee notes that it received the Government's submission¹⁴, approximately sixteen months after tabling of the Audit report¹⁵.

¹¹ ACT Government submission, 29 October 2009, p. 14.

¹² Recommendation 1, 2, 4, 5, 6, 7, 8, 9, 10 and 11.

¹³ Recommendation 3.

¹⁴ Dated 29 October 2009.

¹⁵ 26 June 2008.

- 2.12 The Committee reminds ACT Government agencies and authorities that following tabling of an Auditor-General's report, a Government submission is required to be provided to the Public Accounts Committee three months from the date the report is presented in the ACT Legislative Assembly (if the ACT Legislative Assembly is not sitting when the report is provided to the Speaker, it is taken for all purposes to have been presented to the Assembly on the day the Auditor-General gives it to the Speaker).¹⁶

¹⁶ ACT Government. (2009) *Guidelines for responding to reports by the Auditor-General*, November, p. 3.

3 INQUIRY CONTEXT

- 3.1 Under its resolution of appointment, the Committee examines all reports of the Auditor-General which have been presented to the Assembly. The Committee has established procedures for its examination of these reports.¹⁷
- 3.2 In accordance with these procedures, the Committee resolved on 24 November 2009 to inquire further into the Audit report.
- 3.3 Whilst the terms of reference for the inquiry were the information contained within the Audit report, the Committee's inquiry was specifically focused on:
 - the importance of good records management practices as a way of ensuring transparency and accountability in Government.
- 3.4 The Committee invited submissions to its inquiry by: (i) public advertisements in the *Canberra Times* on 3 February and 3 March 2010, and (ii) written correspondence to key stakeholders. The Committee extended the closing date of 26 March 2010 for submissions but received no responses.
- 3.5 The Committee subsequently resolved on 10 August 2010 to conclude its inquiry with a summary report.

¹⁷ Available at: <http://www.parliament.act.gov.au/committees/AGReports.asp>

4 COMMITTEE COMMENT

Effective recordkeeping

- 4.1 The Committee is firmly of the view that good recordkeeping, and its subsequent management, is a fundamental core function of all public sector agencies. The importance of good records management to the functioning of the public sector is succinctly captured by the Australian Public Service Commissioner in her *2007–08 State of the Service Report* to Parliament:

Effective recordkeeping is essential in enabling agencies to meet their accountability obligations to the Government, Parliament and the Australian public. The maintenance of effective recordkeeping systems allows agencies to demonstrate that due process has been followed in their actions and decisions. It allows the Government to keep track of what it has done, so that future activities can be examined on the basis of comprehensive and accurate knowledge of what has occurred and what has been decided in the past.¹⁸

- 4.2 The Committee is also firmly of the view that the Audit report has highlighted the need for effective records management practices in the ACT public sector. Further, the Committee notes that records management is an overarching term than includes, but is not limited to:

...the creation, retention, protection, preservation, storage and disposal of, and access to, records of the agency.¹⁹

- 4.3 In this context, aside from the implementation of an effective legislative regime, effective record keeping is a fundamental core function that all public sector agencies must continually invest in, and where applicable, make ongoing improvements, to ensure compliance with the legislative regime. The Committee notes the ACT Government's comments that whilst it:

¹⁸ APSC. (2008) *2007–08 State of the Service Report*, p. 215.

¹⁹ ACT Auditor-General's Report No. 3 of 2008: *Records Management in ACT Government Agencies*, p. 4.

...recognises that considerable progress has been made by all agencies in implementing their records management regime however the Government also recognises that continuing improvement in the management of Territory records is required.²⁰

- 4.4 The Committee is of the view that, where applicable, ACT Government agencies and authorities may wish to consider using a recordkeeping strategy to identify their respective recordkeeping needs over, for example, the next three to five years.
- 4.5 The Committee notes that recordkeeping strategies can assist agencies to:
- (i) identify and develop a thorough understanding of their business and regulatory environments, and
 - (ii) prioritise recordkeeping awareness on activities that present the greatest level of risk.²¹
- 4.6 In summary, recordkeeping is a fundamental part of every ACT public sector employee's responsibilities. All ACT public sector employees:
- ...have an obligation to ensure that key decisions and events are recorded in a way that captures the important features of a discussion or decision, presents a faithful and accurate account of what has happened and can easily be retrieved when needed.²²

Review of the *Territory Records Act 2002*

- 4.7 During the course of the inquiry a review of the operation of the ACT *Territory Records Act 2002* (the Act) was conducted. It is a statutory requirement of the Act to review its operation, in that section 58 of the Act requires:

²⁰ ACT Government submission, 29 October 2009, p. 3.

²¹ Commonwealth Management Advisory Committee. (2007) *Note for File: A report on recordkeeping in the Australian Public Service*, No. 8, Commonwealth of Australia, Canberra.

²² *Ibid.*

- The Minister must review the operation of the Act as soon as practicable after 1 July 2009
- The Minister must present a report on the outcome of the review to the Legislative Assembly no later than 1 July 2010.²³

4.8 An experienced archivist and records manager, Mr Paul Macpherson, was engaged by the Government to undertake the Review.²⁴

4.9 The report of the *Review of the Operation of the Territory Records Act 2002* was tabled in the ACT Legislative Assembly on 1 July 2010 and made 20 recommendations. The recommendations cover a variety of issues, some of a technical nature, which may be addressed through amendments to the Act.²⁵

RECOMMENDATION 2

4.10 **The Committee recommends that the Minister for Territory and Municipal Services report to the ACT Legislative Assembly by the last sitting day in June 2011 on the progress and effectiveness of the Department of Territory and Municipal Services' implementation of the recommendations of the *Review of the Operation of the Territory Records Act 2002* that have been accepted. This should include: (i) a summary of action to date, either completed or in progress (including milestones completed), and (ii) the proposed action (including timetable), for implementing those recommendations.**

²³ Section 58 of the *Territory Records Act 2002*.

²⁴ Minister for Territory and Municipal Services, Tabling Speech—The Report of the *Review of the Operation of the Territory Records Act 2002*, 1 July 2010; Macpherson, P. (2010) *Review of the Operation of the Territory Records Act 2002*, February.

²⁵ *Ibid.*

RECOMMENDATION 3

4.11 **The Committee recommends that the Minister for Territory and Municipal Services report to the ACT Legislative Assembly by the last sitting day in February 2012 on the effectiveness of: (i) amendments made to the *Territory Records Act 2002*, and (ii) standards either revised or issued under the Act, in response to the *Review of the Operation of the Territory Records Act 2002*.**

4.12 In terms of the operation of the Act, the Review found that:

There was universal agreement that the Act was important for the people of the ACT and facilitated good administration, accountability of government to people and access to records for historical and cultural purposes. There was also universal agreement that the Act was in general operating well and its implementation and operation had not resulted in any major problems for the Territory or its people.²⁶

4.13 The responsible Minister in his tabling speech highlighted as the most important issues identified by the Review as relating to: (i) electronic records, (ii) coverage of the Act and (iii) custody of archival records.²⁷

²⁶ Macpherson, P. (2010) *Review of the Operation of the Territory Records Act 2002*, February, p. 1.

²⁷ Minister for Territory and Municipal Services, Tabling Speech—The Report of the *Review of the Operation of the Territory Records Act 2002*, 1 July 2010; Macpherson, P. (2010) *Review of the Operation of the Territory Records Act 2002*, February.

5 CONCLUSION

- 5.1 The Committee reminds all ACT Government agencies and authorities about the importance of good records management as a fundamental element of good governance, in particular with respect to transparency and accountability.
- 5.2 Further, good records management increases productivity in an agency by making better decisions or by avoiding incorrect ones (informed by good records).²⁸
- 5.3 Given the whole-of-government focus of the importance of records management, the Committee will, where applicable, continue to inquire into the issues and the general lessons raised by the Audit report, as part of all future inquiries.

Caroline Le Couteur MLA

Chair

18 August 2010

²⁸ Commonwealth Management Advisory Committee. (2007) *Note for File: A report on recordkeeping in the Australian Public Service*, No. 8, Commonwealth of Australia, Canberra.

APPENDIX A: ACT Government submission

Attached is a copy of the ACT Government submission to the Standing Committee on Public Accounts in response to the Audit report.