Public Records Audit Report for the Inland Revenue Department – Te Tari Taake

Prepared for Te Rua Mahara o te Kāwanatanga Archives New Zealand

July 2023

kpmg.com/nz

Disclaimers

Inherent Limitations

This report has been prepared and is delivered by KPMG, a New Zealand partnership (KPMG, we, us, our) subject to the agreed written terms of KPMG's Consultancy Services Order with the Department of Internal Affairs (Client, you) dated 26 November 2020 (Engagement Contract).

Unless stated otherwise in the Consultancy Services Order, this report is not to be shared with third parties without KPMG's prior written consent. However, we are aware that you may wish to disclose to central agencies and/or relevant Ministers offices elements of any report we provide to you under the terms of this engagement. In this event, we will not require central agencies or relevant Ministers' offices to sign any separate waivers.

The services provided under our Consultancy Services Order have not been undertaken in accordance with any auditing, review or assurance standards. The term "Audit/Review" used in this report does not relate to an Audit/Review as defined under professional assurance standards.

The information presented in this report is based on that made available to us in the course of our work/publicly available information/information provided by Te Rua Mahara o te Kāwanatanga Archives New Zealand (Archives) and the Inland Revenue Department. We have indicated within this report the sources of the information provided. Unless otherwise stated in this report, we have relied upon the truth, accuracy and completeness of any information provided or made available to us in connection with the Services without independently verifying it. Nothing in this report constitutes legal advice or legal due diligence and you should not act upon any such information without seeking independent legal advice.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the Inland Revenue Department. management and personnel / stakeholders consulted as part of the process.

This report was based on information available at the time it was prepared. KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

Third Party Reliance

This report is solely for the purpose set out in Section 2 and 3 of this report and for the Inland Revenue Department's information, and is not to be used for any other purpose or copied, distributed or quoted whether in whole or in part to any other party without KPMG's prior written consent.

Other than our responsibility to Archives, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees assume any responsibility, or liability of any kind, to any third party in connection with the provision of this report. Accordingly, any third party choosing to rely on this report does so at their own risk.

Additionally, we reserve the right but not the obligation to update our report or to revise the information contained therein because of events and transactions occurring subsequent to the date of this report.

Independence

We are independent of Archives in accordance with the independence requirements of the Public Records Act (PRA) 2005.

Contents

1. Executive summary

The Inland Revenue Department Te Tari Taake (IR) is a New Zealand public service department. IR collects 80% of the Crown s revenue, provides the government with policy advice, and collects and disburses social support programme payments.

IR creates high value public records including the following:

Analysis and statistics on complaints and requests; Commissioner s Correspondence of precedent setting/national significance.

Legislation drafting.

Operational policies for tax collection.

Ministerial reporting that includes financial reporting and submissions to ministers, financial approvals and unofficial briefing papers.

Policy development, policy publications, papers to the Organisation for Economic Co operation and Development (OECD) and records around revenue collection and enforcement.

Litigation of national significance.

IR uses an enterprise records management system (EDRMS) to store high value information, and information requiring long term business use. Customer information is stored in a tax and social policy administration system.

IR has 4081 full time equivalent employees and 11 dedicated information management staff, within the Information Knowledge Management (IKM) team. Most of IR's information is stored either digitally or in a physical format with a third party storage provider.

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

Beginning	0
Progressing	4
Managing	1
Maturing	12
Optimising	3

2. Introduction

KPMG was commissioned by Archives to undertake an independent audit of the Inland Revenue Department Te Tari Taake (IR) under section 33 of the Public Records Act (PRA). The audit took place in March 2023.

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

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

3. This audit

This audit covers all public records held by IR including both physical and digital information.

The audit involved reviews of selected documentation, interviews with selected staff, including the Executive Sponsor, information management staff, the information technology team, and a sample of other staff members from various areas of IR. Note that the Executive Sponsor is the Senior Responsible Officer for the audit.

The audit reviewed IR's information management practices against the PRA and the requirements in the Information Management and Records Standard (the Standard) and provides an assessment of current state maturity. As part of this audit, we completed systems assessments over IR's key systems that act as a repository for public records. The systems assessed were SharePoint and Microsoft Teams, the tax and policy administration system, the EDRMS, integrated toolset that supports enterprise functions e.g. onboarding people and managing financial processes, and the legal case management system. Where recommendations have been made, these are intended to strengthen the current state of maturity or to assist with moving to the next level of maturity.

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

4. Maturity Assessment

This section lists all assessed maturity levels by topic area in a table format, refer to Appendix 1 for an accessible description of the table. For further context about how each maturity level assessment has been made, refer to the relevant topic area in the report in Section 5.

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

Please note: Topics 17 and 19 in the Information Management Maturity Assessment are applicable to local authorities only and have therefore not been assessed.

5. Audit findings by category and topic

Governance

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

TOPIC 1 – IM Strategy   Maturing

Summary of findings

IR has a comprehensive Information Management Strategy. It was approved in 2015 and is regularly referred to. The Strategy is organically reviewed as and when required, but there is no regular or formal review cycle.

The Information Management Strategy was developed during the Business Transformation (BT) that IR underwent between 2015 and 2022. This focused on delivering a Crown revenue system that was easier, quicker and more cost effective. It is recognised in the Information Management Strategy that uplifting information management maturity is essential to deliver on the BT initiatives.

The Information Management Strategy is used to set the direction for, and influence, information management in other IR strategies and policies.

The Executive Sponsor and Data and Information Governance Authority (DIGA) receive regular reporting on initiatives outlined in the Strategy, for example the Data Quality Management Initiative (DQMI). Information management is considered as part of enterprise risk.

Senior management actively supports the Information Management Strategy. This was evident through interviews held with staff and the continued organisational investment into information management tools, including the continuous work to embed the tools and mechanisms from the BT.

Recommendation

Regularly undertake a formal review of the Information Management Strategy to ensure it reflects changing business needs and activities.

TOPIC 2 – IM policy and processes   Maturing

Summary of findings

IR has a Data and Information Policy and Data and Information Governance Standard that were approved by the Executive Sponsor in October 2021 and March 2022, respectively. Together, these documents form the Information Management Policy. They outline six key principles that are collectively applied to shape governance, management, and behaviour when working with data, information, and knowledge.

The Policy is consistent with the Information Management Strategy, relevant legislation, the Standard and requirements. It is available to all staff and contractors on the intranet. The IKM team noted that in event of a breach of the Policy, such as someone accessing information inappropriately, appropriate assurance processes as determined by IR leaders were followed.

IR use 12 core people capabilities for role descriptions across the organisation, one of which is "Information and Knowledge Management". Of the three role descriptions reviewed, all included the information and knowledge management capability as a specific requirement for the role. The IKM team noted information management is a part of Whanake development conversations (Whanake being the framework IR use to support constructive and regular kōrero between their people and leaders, with a focus on enabling people to learn, grow and perform both within their current role and into the future) as role descriptions and expectations are based around capabilities, one of which is "Information and Knowledge Management".

IR has detailed documentation for information management processes, for example what can be deleted by staff. The IKM team largely uses their SharePoint site to inform staff and contractors about information management processes – this site is part of IR's Te Matawai knowledge centre, the organisation-wide SharePoint Hub. The intranet is dynamic and can be easily updated and linked to relevant content, for example the Archives website.

Recommendation

Due to the assessment of this topic, we have not made a recommendation.

TOPIC 3 – Governance arrangements and Executive Sponsor   Optimising

Summary of findings

The Executive Sponsor actively promotes the value and importance of information management throughout the organisation and uses their role to provide strategic leadership for information management. The Executive Sponsor receives reporting as required from working groups such as the DQMI and IKM teams. They provide support in addressing issues, for example when it was realised that metadata was not being applied correctly to information due to a system update.

The Executive Sponsor manages any issues identified in reporting as part of their role but noted they would collaborate and communicate with the DIGA if required to find the best solution to rectify the issue and prevent recurrence.

Reporting is raised to the DIGA to identify areas for improvement and inform decisions, for example discussing the results of an internal audit to understand the data quality process and opportunities for improvements.

The Executive Sponsor networks with relevant leaders and Executive Sponsors in the public sector, and with many private organisations. This includes conversations ranging across most current topics of data and information governance and innovation. One example of this is attendance at the monthly Information Group meetings chaired by Statistics New Zealand.

Recommendation

Due to the assessment of this topic, we have not made a recommendation.

TOPIC 4 – IM integration into business processes   Maturing

Summary of findings

IR uses a formalised business ownership model for information management, which ensures responsibility for information management is appropriately assigned. Responsibility is usually a staff member nominated by the Team Leader. Staff interviewed noted these owners provide advice and knowledge and work collaboratively with the IKM team to best support business units.

Information management is integrated into most business processes and activities. All proposed changes go through both the Technology Design Authority and Design Authority for review and approval. The IKM team have voting rights on these, which ensures information management expertise is provided where business processes are changed, or new business processes implemented.

Information management practices are regularly updated to support business processes and activities. An example of this is designing metadata for business units when required or if changes occur to business processes or activities.

Recommendation

Review processes to ensure information management requirements and improvements are always considered in business process change.

TOPIC 5 – Outsourced functions and collaborative arrangements   Progressing

Summary of findings

IR does not have any outsourced functions and has a number of collaborative arrangements. Two contracts were provided for review as part of this audit. The contracts included requirements for managing information and outlined information roles and responsibilities. However, the contract did not include identification of which information would be defined as public records and how this information would be managed.

The IKM team identified they work with the procurement team to incorporate information management requirements in all new contracts, and during review of legacy contracts. They also identified more needs to be done to ensure information management requirements are routinely complied with and monitored as part of contracted services.

Recommendation

Identify in contracts for collaborative arrangements what information is defined as public records.

TOPIC 6 – Te Tiriti o Waitangi   Progressing

Summary of findings

IR has begun to locate and identify information of importance to Māori, for example Gisborne land registers. IR is aware these registers are taonga and the IKM team is working with the Te Kāhui Tūhono team, the team responsible for leading IR's Māori and Treaty strategy whilst applying the principles of te Tiriti o Waitangi, to ensure these are managed appropriately.

IR is working to improve processes to identify information of importance to Māori. IR uses some Māori metadata, for example the metadata for an entity type for relevant entities will identify them as Māori, Also, the EDRMS has te reo ontology terms.

IKM staff are working to improve findability of information of importance to Māori, and plan to have this reviewed by Māori networks. A range of teams across IR are involved in connecting into wider government networks around Māori data sovereignty and how to store data. Enterprise and knowledge management are involved in bringing this together and have connections to networks. Depending on the focus, areas such as Policy, External Relationship and Te Kahui Tuhono, are involved.

Recommendation

Continue to develop processes to locate and identify information IR holds that is of importance to Māori.

Self-monitoring

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

TOPIC 7 – Self-monitoring   Optimising

Summary of findings

IR has several mechanisms to monitor information management compliance against Policy and procedures. This includes assurance plans that stem from enterprise risk and assurance plans for enterprise controls such as governance group assessment and IKM technology effectiveness. Further, the IKM team use mechanisms such as key word searches and system reporting and monitoring to support monitoring.

As discussed in Topic 3 – *Governance Arrangements* and *Executive Sponsor,* the Executive Sponsor identified their role as being responsible for managing minor instances of non-compliance and raising things with the DIGA on an as needed basis. IR does not often need to take corrective actions, and most corrective actions relate to educating staff. When required, corrective action is systematic and timely; this is developed around specific recommendations out of enterprise control or internal assurance reviews, or incorporated into business planning and products and services provided by the IKM team.

The IRD most recently checked compliance with legislation, including the PRA, in September 2022, The Executive Sponsor has commissioned internal audits to ensure compliance with IR policies.

Opportunities to improve compliance are explored by the IKM team and escalated as required, and changes implemented throughout IR. For example, a recent internal assurance review was completed over external collaboration SharePoint sites and remedial actions stemming from this have just been completed.

Initiatives and opportunities for improvement are implemented based on monitoring results, for example the DQMI project.

Recommendation

Due to the assessment of this topic, we have not made a recommendation.

Capability

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

TOPIC 8 – Capacity and capability   Maturing

Summary of findings

Information management capacity is a key consideration for IR when conducting business planning. Currently, the IKM team is made up of 11 information management staff. IR uses a business partnering model where each business unit has a nominated information management specialist to provide support to staff. This provides distributed information management support that is knowledgeable about the business area.

The IKM team identified they have robust conversations around allocation of time and resource to ensure this is done in key areas, as informed by the strategy, to ensure capacity to meet strategic goals. They use a digital planner tool to allocate resources to both business-as-usual work as well as projects.

IR has access to specialist capability as and when required. For example, a contractor is currently completing the updates to the Disposal Authority. The DIGA maintain oversight of emerging issues and considerations to ensure capacity and capability remains appropriate to meet IR's organisational needs. Staff interviewed noted that while they are well resourced, further resource would support implementing continuous improvement in information management practices.

Role descriptions are regularly reviewed; the three reviewed as part of this audit were all updated in January 2023. Role descriptions are broad, containing general capabilities to ensure they remain fit for purpose.

Information management staff have opportunities to, and are encouraged to, upskill and attend training. The IKM team will determine what skills and capabilities staff want to develop and provide opportunities based on this. For example, sending staff to external information architecture courses.

Recommendation.

Regularly assess IM capacity and capability against current and future business needs.

Summary of findings

IR staff have an appropriate awareness of their information management roles and responsibilities, communicated through role descriptions, the Code of Conduct, induction and communications from the IKM team.

Role descriptions are broad so they do not have to be regularly updated, and are updated as required. Whanake development conversations for information management related roles relate to their role descriptions and specifically cover information management. For other roles performance plans relate to their core roles all of which include the "Information and Knowledge Management" capability. The Code of Conduct references information management and was last updated in 2019.

Staff go through induction training when starting work at IR which includes information management requirements. The induction is currently being refreshed and will include increased focus on information management.

The IKM team deliver specific training and develop specialist content for employees as needed, for example specialist guides and training sessions on personnel files. Further, IR has a SharePoint specialist who delivers SharePoint training.

The IKM team use several mechanisms to promote information management responsibilities to staff, for example Yammer posts, short educational videos ('snacks') and the IKM SharePoint site. The IKM team uses the business partnering model to promote the importance of good information management practice.

Staff interviewed noted that while the Executive Sponsor is a role model of good information management practice, this varies slightly across senior management.

Recommendation

Provide targeted information management training to senior management to equip them to be role models of good information management practice.

Creation

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

TOPIC 10 – Creation and capture of information   Maturing

Summary of findings

Staff are aware of and ensure that the right information is created and captured as part of all business functions and activities. Key systems automatically capture and categorise information, and most information is stored and used in reliable and approved environments.

Staff sometimes use personal environments, such as OneDrive, to store information but there are controls in place to mitigate this use. IR is able to run tests and investigate the highest OneDrive users to ensure this use is appropriate.

Staff largely understand the importance of correctly creating, using and managing information. The IKM team have processes in place to ensure issues related to information use, creation and capture are managed through the Data and Information Governance programme where required, which could be escalated the DIGA.

Any issues regarding information usability, reliability and trust are monitored and addressed. The IKM team has processes to actively monitor, identify and rectify issues, for example holding weekly meetings discussing new Microsoft Teams sites to ensure these are fit for purpose and content is stored in the right system.

Recommendation

Continue to identify business units or teams that are creating, using or managing information inappropriately. Develop targeted training and provide specialist information management support to support these business units to improve the creation, use and management of information.

TOPIC 11 – High-value / high-risk information   Progressing

Summary of findings

The IKM team has a good understanding of the information assets held by IR and what constitutes high-value or high-risk information. This is informed by several sources, including a system stocktake, a content model and data supply register. However, IR does not have one formal information asset register.

IR has not completed risk assessments and mitigations specifically for high-value / high-risk information but do identify aspects of information management and the value of information in

larger risk assessments. Where it has identified risks, it has taken steps to mitigate them, for example digitising hard-copy personnel files.

Recommendation

Develop and maintain an information asset register covering both digital and physical information, with a focus on high-value and high-risk information. Risks to high-value and high-risk information and measures in place to mitigate against such risks, should also be documented.

Management

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

TOPIC 12 – IM requirements built into technology systems　　Maturing

Summary of findings

Historically there have been instances where the IKM team has not been involved in the design, configuration and implementation of projects involving new and upgraded business systems. The IKM team gave an example of an instance during the BT when they were not consulted enough during the rollout of Microsoft 365. Business processes were updated and now all changes to existing systems, and implementation of new systems, go through either the Technical Design Authority or Design Authority. The IKM team has representation and voting rights on each, ensuring information management requirements are addressed. Further, action was taken to ensure information management was properly embedded with protocols around the Microsoft 365 suite.

IR recently completed a mass archiving and decommissioning programme as part of the wider BT. This ensured all old systems that did not meet information management requirements were sentenced for decommissioning and/or decommissioned. The decommissioning process now sits within the IKM team, ensuring information management expertise is always involved in this process.

Information management requirements are addressed in IR's key business systems, including required metadata fields and retention and disposal requirements. All systems that do not meet information management requirements have been sentenced. The IKM team is working with staff to ensure systems such as collaboration systems comply with requirements, and to ensure systems that do not comply, for example the M drive which is used for ICT testing, are not used to store or manage business information.

Recommendation

Due to the assessment of this topic, we have not made a recommendation.

TOPIC 13 – Integrity of information   Maturing

Summary of findings

IR has organisation-wide information management practices in place that are largely established in the systems used. These practices are routinely followed by staff and contractors and supported by the information management specialists in the business units.

Information management controls are in place and regularly tested by the IKM team to maintain information integrity, accessibility and usability. Examples of this are audit trails for most systems and using business rules for descriptive metadata.

Staff interviewed noted that sometimes they are not confident information is the most up-to-date version. The DQMI was established to assist in rectifying this. The DQMI will pilot a consistent, sustainable, and coordinated data quality management capability that identifies and treats tax and social policy data quality problems.

Recommendation

Due to the assessment of this topic and initiatives underway we have not made a recommendation.

TOPIC 14 – Information maintenance and accessibility   Maturing

Summary of findings

The IKM team is routinely included in business and system change planning.

Preservation needs for physical and digital information are addressed. The majority of physical information is digitised by IR, and physical copies are either stored and managed by a third-party storage provider, or disposed of under General Disposal Authority 7. There is specific restricted information which is stored onsite. For information held in the third-party storage provider, an online portal is provided detailing what information is held and where it is located.

Risks to the ongoing accessibility of physical and digital information are identified and largely mitigated. All old information was moved to approved systems during the decommissioning and archiving programme, as discussed in Topic 12 – *IM requirements built into technology systems,* so there is no risk of obsolescence. However, some non-essential information is stored in storage formats which are ageing, for example hard drives and floppy disks.

Recommendation

Where possible, contribute to sector-wide planning for initiatives such as ongoing accessibility and digital continuity.

Summary of findings

IR has a comprehensive business continuity plan (BCP) that was last updated in January 2023. The BCP clearly identifies critical information and information management systems. Systems have been categorised in order of priority from Category A to E for restoration in the event of a business interruption.

Key information management systems, such as the EDRMS, the tax and social policy administration system and Microsoft 365, are categorised as 'Category A', and the BCP highlights necessary timeframes, dependencies and priorities for these systems, as part of planning for restoring information in the event of a disruption. Digital information is stored across these approved systems and the frequency of backups is system dependent, with high priority systems backed up more frequently

The IKM team was involved in the refresher of the BCP in January 2023. The Business Continuity Emergency Management team completed tests, for example testing remote working prior to the COVID-19 lockdown and running the tax and social policy administration system on a different server for a week. Additionally, Disaster Recovery (DR) and other tests are complete based on the categorisation of the system, giving confidence that IR could operate following a business disruption event.

IR are aware of its obligations to the broader community, and the priority of restoring information following a disruption.

Recommendation

Due to the assessment of this topic, we have not made a recommendation.

Storage

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

Summary of findings

IR has protection and security controls in place for physical and digital information. Digital information is stored in key systems and is accessible based on restrictions that vary depending on the system. Access permissions are rule based (based on role or area of the business), set by owners of information/sites or by administrators. Onboarding and offboarding procedures are used to ensure information is not accessed inappropriately. Any unauthorised access identified is quickly responded to, and all security events are routinely monitored and managed.

Only soft delete is possible; permanent deletion can only be completed by a small number of staff with administrative rights.

The majority of customer content is digitised prior to being retained at IR or sent to the third-party storage provider, however there is some content which is not digitised but instead sent directly to the third-party storage provider.[1]

IR has not experienced any loss of information. Enterprise risks around data and information governance are part of the risk framework and discussed quarterly at the DIGA, and any other issues are raised as needed. Staff usually understand the protection and security requirements of information. Systems are designed to support these requirements, so staff do not need to have a comprehensive understanding. However, these requirements could be better communicated and understood.

Recommendation

Provide training for all staff on the protection and security requirements of stored information, including in the refreshed induction.

Access

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

TOPIC 18 – Information access, use and sharing   Maturing

Summary of findings

The IKM team actively maintains the ontologies, taxonomies and tags within systems as new requirements are identified. For example, as discussed in Topic 10 – *Creation and Capture of Information* new Microsoft Teams sites are reviewed by the IKM team weekly to ensure information is consistent and accurate. Metadata within the EDRMS complies with Archives minimum metadata requirements.

The IKM team will work with relevant teams to develop metadata that is appropriate and useful, and this is automatically applied across key systems wherever possible. For example, within the EDRMS all required metadata except the document name is applied automatically.

Access controls are documented and monitored. Only authorised staff can access sensitive information, and audit trails show who has accessed or modified documents. Staff interviewed

---

[1] IKM staff noted some confidential information is stored within a secure room and they are unable to access this. We were unable to review this storage, but the IKM have comprehensive processes in place with the relevant team to ensure information is managed appropriately.

noted that on occasion information is locked down and needs to be unlocked to enable access. Additionally, the IKM team chose to not include some higher risk information, such as some areas of the EDRMS and the tax and social policy administration system, in the enterprise search. This is to mitigate the risk of higher risk information being inappropriately accessed.

Training is available as needed to improve staff members ability to find information using advanced search techniques.

Recommendation

Investigate connecting all sites into the enterprise search so information can be found by employees with appropriate access.

Disposal

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

TOPIC 20 – Current organisation-specific disposal authorities　　　Maturing

Summary of findings

IR has a current and approved organisation-specific Disposal Authority covering all information formats and business functions. The Disposal Authority was extended in December 2022 to December 2023, while IR works with Archives to complete a new one.

Changes identified in the regular review cycle are incorporated into the Disposal Authority. For example, IR determined the need for an amendment to the organisation-specific Disposal Authority to enable bulk disposal of emails with customer letters.

Staff largely understand the disposal requirements relevant to the information they create and use. This is supported by system configuration and guidance from the IKM team.

Recommendations

Where possible, contribute to sector-specific Disposal Authorities.

Actively monitor changes to legislation, stakeholder expectations and sector focus areas to drive revision to the organisation-specific Disposal Authority.

TOPIC 21 – Implementation of disposal decisions   Managing

Summary of findings

IR's formalised business ownership model for information management supports efficient retention and disposal of information. The IKM team will work with the nominated staff member when managing retention or disposal.

Retention and disposal requirements are built into most key systems, except for the tax and social policy administration system. For other systems, for example MS Teams and emails, information is disposed of regularly or on an ad-hoc basis.

Disposals of physical information are actioned by the IKM team and documented in either the disposal register (covering information stored with the third-party storage provider) or ad-hoc disposal register (covering information not stored with the third-party storage provider).

Recommendation

Investigate implementing retention and disposal requirements into the tax and social policy administration system and ensure these are included in all key systems moving forward as appropriate.

TOPIC 22 – Transfer to Archives   Progressing

Summary of findings

IR does not have a deferral of transfer agreement in place with Archives. Staff interviewed acknowledged there is likely information held at the third-party storage provider that is eligible to send to Archives. It was also noted that information over 25 years old is often retained for business use. IR has a plan to transfer some information to Archives at the end of 2023, such as the Gisborne land registers referenced in Topic 6 – *Te Tiriti o Waitangi*.
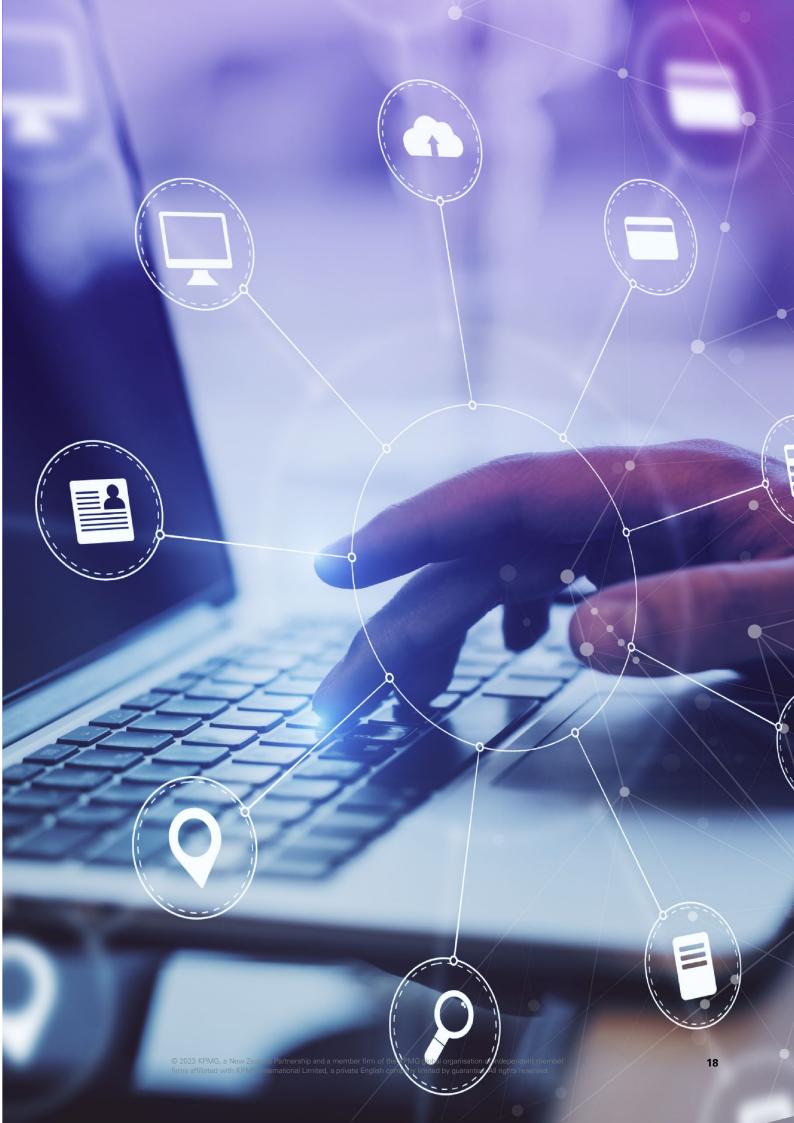
IR has transferred some digital information to Archives, when it was identified during the archiving and decommissioning programme (as discussed in Topic 12 – *IM requirements built into technology systems*), for example information from the human resources database. IR have not identified any digital information that currently requires transfer.

Recommendations

Identify physical and digital information over 25 years old that can be transferred to Archives.

Determine the access status of information of archival value as open or restricted.

6. Summary of feedback

Inland Revenue was given the opportunity to comment on the draft report and provided some minor finding corrections, as well as some questions to better understand some ratings and recommendations.

Overall Inland Revenue is satisfied that the report is an accurate and fair representation of its capabilities to support compliance with the Public Records Act 2007. We view this as a good result and an endorsement of the effort and investment we have made in this area.

We acknowledge the recommendations provided by the report where we can continue to mature and will work to best to incorporate these into our strategy, planning, and ongoing activity. Continuing to improve the governance of our data, information, and knowledge remains a key enabler for providing high-quality service to our customers.

7. Appendix 1

The table in Section 4, on page 3 lists all assessed maturity levels by topic area in a table format. This table has been listed below for accessibility purposes:

Topic 1, IM strategy – Maturing

Topic 2, IM policy and processes – Maturing

Topic 3, Governance arrangements & Executive Sponsor – Optimising

Topic 4, IM integration into business processes – Maturing

Topic 5, Outsourced functions and collaborative arrangements – Progressing

Topic 6, Te Tiriti o Waitangi – Progressing

Topic 7, Self-monitoring – Optimising

Topic 8, Capability and capacity - Maturing

Topic 9, IM roles and responsibilities - Maturing

Topic 10, Creation and capture of information - Maturing

Topic 11, High-value / high-risk information - Progressing

Topic 12, IM requirements built into technology systems - Maturing

Topic 13, Integrity of information - Maturing

Topic 14, Information maintenance and accessibility - Maturing

Topic 15, Business continuity and recovery – Optimising

Topic 16, Appropriate storage arrangements – Maturing

Topic 18, Information access, use and sharing – Maturing

Topic 20, Current organisation-specific disposal authorities – Maturing

Topic 21, Implementation of disposal decisions – Managing

Topic 22, Transfer to Archives – Progressing

kpmg.com/nz

27 September 2023

Naomi Ferguson
Chief Executive
Inland Revenue Department Te Tari Taake
Naomi.ferguson@ird.govt.nz

Tēnā koe Naomi

Public Records Act 2005 Audit Recommendations

This letter contains my recommendations related to the recent independent audit of the Inland Revenue Department Te Tari Taake (IRD) completed by KPMG under section 33 of the Public Records Act 2005 (PRA). Thank you for making your staff and resources available to support the audit process.

Introduction

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

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

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

Audit findings

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

Kia pono ai te rua Mahara − Enabling trusted government information

Organisations that are assessed as having a maturity level of 'Managing' across all IM topics are broadly meeting the minimum requirements expected by the PRA and our mandatory Information and records management standard. IRD's audit report maturity ratings and topic summaries show IM practice operating solidly at the 'Maturing' level, exemplifying the value information holds throughout the organisation. IM is well supported by a specialist team and driven by strategy, policy, and excellent governance.

It is an example to the sector to see IRD managing the risks inherent in over-retention by building retention and disposal requirements into most key systems. We note that sharing good practice with the sector already happens in some forums. With relatively few recommendations to work on we invite IRD to further share its good practice and will be in touch in the future to discuss ways we could facilitate this.

Prioritised recommendations

The audit report lists 16 recommendations to improve your organisation's IM maturity.

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

What will happen next

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

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

We will follow up this letter with a request to your Executive Sponsor that your organisation provides us with an action plan to address the prioritised recommendations. Our follow up process will track your progress against the action plan.

Thank you again for your support with the audit. We would greatly appreciate further feedback on the audit process and the value it provides to organisations. We have sent a feedback survey link for the attention of your Executive Sponsor in the accompanying email.

Nāku noa, nā

Anahera Morehu
Poumanaaki Chief Archivist
Te Rua Mahara o te Kāwanatanga Archives New Zealand

Cc Mike Cunnington, Deputy Commissioner, Information and Intelligence Services (Executive Sponsor), mike.cunnington@ird.govt.nz

APPENDIX

Category	Topic Number	Auditor's Recommendation	Comments from Te Rua Mahara
Governance	5: Outsourced functions and collaborative arrangements	*Identify in contracts for collaborative arrangements what information is defined as public records.*	Understanding the information that is created under MOUs and contracts is important to ensure it can be managed and monitored appropriately.
Governance	6: Te Tiriti o Waitangi	*Continue to develop processes to locate and identify information IR holds that is of importance to Māori.*	This is work that is needed generally across the sector. IRD has started work internally and with Māori networks and as this develops there is potential to contribute to the uplift of the sector generally.
Capability	8: Capacity and capability	*Regularly assess IM capacity and capability against current and future business needs.*	IM is a dynamic field and the constant changes in organisation systems and staff require the organisation to regularly consider the IM capacity and capability needed to support its business needs and future direction.
Creation	11: High-value/high-risk information	*Develop and maintain an information asset register covering both digital and physical information, with a focus on high-value and high-risk information. Risks to high-value and high-risk information and measures in place to mitigate against such risks, should also be documented.*	This work could be done in conjunction with the renewal of the Disposal Authority and would help IRD prioritise their information management.
Disposal	20: Current organisation-specific disposal authorities	*Actively monitor changes to legislation, stakeholder expectations and sector focus areas to drive revision to the organisation-specific Disposal Authority.*	The work done by IR to understand any changes affecting its current Disposal Authority will help in the renewal process.

Category	Topic Number	Auditor's Recommendation	Comments from Te Rua Mahara
Disposal	21: Implementation of disposal decisions	*Investigate implementing retention and disposal requirements into the tax and social policy administration system and ensure these are included in all key systems moving forward as appropriate.*	Automated application of retention and disposal within systems wherever possible makes this time-consuming work possible in the digital realm.
Disposal	22: Transfer to Archives	*Identify physical and digital information over 25 years old that can be transferred to Archives.*	Preparation for physical transfers to be ready for when the Wellington repository is open and making contact when digital information is identified for transfer are useful steps forward.