



Public Records Act 2005 Audit Report for the New Zealand Artificial Limb Service

**Prepared for Archives
New Zealand**

February 2022

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The information presented in this report is based on that made available to us in the course of our work, publicly available information, and information provided by Archives New Zealand and the Artificial Limb Service. 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.

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 Artificial Limb Service management and personnel consulted as part of the process.

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Independence

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

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1. Executive summary

Peke Waihanga / The New Zealand Artificial Limb Service (ALS) is a specialist healthcare provider that manufactures high technology medical devices, primarily prosthetics and orthotics, for individual patients. These services are provided across six-regional Centres in New Zealand. The Ministry of Social Development (MSD) has overarching responsibility for ALS.

Corporate records, such as HR and Finance documents, are filed on shared drives. Access is restricted for certain files on these shared drives and is based on user groups rather than individual permissions.

The Executive Sponsor fulfils the role of Information Manager at ALS, alongside their primary position as Chief Financial Officer. There are no FTEs dedicated to information management. In total there are 115 FTE at ALS.

Most records are maintained electronically, with hard copy files stored offsite with a commercial storage facility.

In consultation with Archives New Zealand, clinical records were descoped from this audit. The assessment detailed in this report covers corporate records only.

ALS' 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	19
Progressing	1
Managing	0
Maturing	0
Optimising	0



2. Introduction

KPMG was commissioned by Archives New Zealand to undertake an independent audit of the Artificial Limb Services (ALS) under section 33 of the Public Records Act 2005 (PRA). The audit took place in October 2021.

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

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

3. This audit

This audit covers public records held by ALS including both physical and digital information. While current clinical records are covered by the PRA, they have been descope from this audit. Clinical records have their own specialised standards and assurance, and Archives New Zealand intends to consult with the wider health sector to determine the extent and effectiveness of existing and planned assurance processes for clinical records. Archives will then decide on a way forward regarding the audit of clinical records under the PRA from 2022-23. ALS uses third party services for storing physical information that is not held at regional centres, but this was out of scope for the audit.

The audit involved reviews of selected documentation, interviews with selected staff, including the Executive Sponsor, and a sample of staff members from various areas of ALS. Note that the Executive Sponsor is the senior responsible officer for the audit.

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

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

4. Maturity Assessment

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

Category No.	Topic	Maturity				
		Beginning	Progressing	Managing	Maturing	Optimising
Governance						
1	IM Strategy	●				
2	IM Policy		●			
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 New Zealand	●				

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

5. Audit findings by category and topic

Governance



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

TOPIC 1 – IM Strategy

Beginning

Summary of findings

ALS does not have an information management strategy to provide strategic direction and support over information management activities. ALS takes information management into account when considering change in the medium to long term. This is demonstrated by digitising physical information and the planned migration to Microsoft 365.

ALS is developing a 'Process Improvement Plan' (Plan) that describes the intention to transition ALS to Microsoft 365 from current systems in use. This is being developed by the CEO and Project Lead / National Rehabilitation Lead. The Plan does not currently outline information management requirements.

Recommendations

As a starting point, update the Process Improvement Plan to include information management requirements using Archives New Zealand's guidance.

TOPIC 2 – IM policy and processes

Progressing

Summary of findings

ALS has a Records Management Policy that the ALS Board endorsed in July 2018. However, the policy does not make detailed references to relevant legislation or Archives New Zealand standards and requirements. Staff members interviewed knew how to access the policy if they needed to. Staff members interviewed did not have a detailed understanding of their roles and responsibilities for information management. However, information management roles and responsibilities are outlined in the policy for some roles, including Administrative Personnel/Coordinators, and Management but no other roles in the organisation.

There are no process documents describing information management processes for corporate records.

Recommendations

Revise the Records Management policy to reflect current legislation and the Archives New Zealand standard and requirements.

Document information management processes and procedures for all types of information. These should be approved and communicated to all staff.

TOPIC 3 – Governance arrangements and Executive Sponsor

Beginning

Summary of findings

There is no governance group that covers information management. The Executive Sponsor does not perform an oversight role for information of all business functions and formats. There is inconsistent information management reporting to the Executive Sponsor.

Recommendations

Review information management capacity requirements to support the Executive Sponsor to fulfil a governance and oversight role over information management.

TOPIC 4 – IM integration into business processes

Beginning

Summary of findings

Responsibility for the management of information within business units is consistently assigned to business owners. Information management responsibilities for business owners are documented but not well understood and requirements for managing information are not integrated into business processes and activities. .

Recommendations

Provide training to business owners to enhance their understanding of the information management responsibilities expected of them.

TOPIC 5 – Outsourced functions and collaborative arrangements

Beginning

Summary of findings

The requirements for managing information, and roles and responsibilities for information management are not identified in contracts for outsourced functions and collaborative arrangements. There is no recognition of the public records status of information held by contracted parties.

Recommendations

Ensure that information management roles and responsibilities for managing information are clearly identified in all future contracts for outsourced functions and collaborative arrangements.

TOPIC 6 – Te Tiriti o Waitangi

Beginning

Summary of findings

Information of importance to Māori is not identified. Information management implications within Te Tiriti o Waitangi settlement agreements and other agreements with Māori are not known. However, ALS acknowledge information they hold is important to Māori and equitable health outcomes.

Recommendations

Identify what information they hold that would be relevant to Māori in consultation with external Māori groups and iwi. The outcome of this exercise will inform ALS as to whether further actions are required to address this topic.

Self-monitoring



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

TOPIC 7 – Self-monitoring

Beginning

Summary of findings

There is no monitoring of compliance with the PRA requirements, standards, and other relevant legislation. There is no monitoring of compliance with internal information management policy and processes.

Recommendations

Establish a periodic review process to monitor whether PRA requirements, Archives New Zealand standards and other relevant legislation are adhered to.

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 information management 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

Beginning

Summary of findings

Information management capacity requirements have not been identified or addressed, and there is limited access to appropriate information management capability.

Recommendations

Assess information management capability and capacity requirements against business needs and recruit information management staff or external expertise as needed.

Summary of findings

Roles and responsibilities for information management are not documented in job descriptions. There is mention of information management within the Code of Conduct, but the reference is broad and not specific to responsibilities within the organisation.

ALS staff have limited awareness of their information management responsibilities. For example, the staff interviewed stated that they are informed of information management responsibilities at induction; however, specific information management training could not be seen in ALS's 'Menu of Training and Development Opportunities'.

Information management-related training for staff was facilitated during COVID-19 lockdowns, for example, how to use Microsoft Teams to store documents. However, the response to training needs is reactive rather than proactive and does not fully meet the organisation's need for information management training.

Recommendations

Mandatory induction and regular refresher training should be provided to staff on their roles and responsibilities for creating, capturing, and storing information.

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 information management practice.

Summary of findings

The information that must be created to support business functions and activities has been identified. However, information is created and captured in an ad hoc way as part of business functions and activities. Some information is created and captured in uncontrolled environments. Appropriate metadata is not always created to support the usability, reliability and trustworthiness of corporate records.

Staff and contractors have some awareness of their legal obligations to create and capture full and accurate records.

Recommendations

As part of the review of the information management policy and development of associated processes, outline guidance on where information should be created, captured and stored for all business functions and activities, and monitor compliance.

Summary of findings

There is no formal identification of high-value / high-risk information assets. There is no inventory of the information held in digital and physical systems.

Recommendations

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

Management

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

**Summary of findings**

ALS is in the early stages of upgrading and migrating to Microsoft 365. The Executive Sponsor is expected to be heavily involved in this process, with support from a third-party service provider to support the upgrade. There is a Process Improvement Plan to support the migration to Microsoft 365, including workflow and IT requirements. However, this does not include information management requirements for the new and upgraded systems.

Recommendations

Identify information management requirements for the upgrade to Microsoft 365.

Summary of findings

Staff are aware that the information they create and manage should be comprehensive and complete. However, staff have had difficulty retrieving and using other information. There are no localised information management practices that ensure that information is reliable and trustworthy.

Recommendations

In connection with *Topic 2 – IM Policies and Processes*, formally define and implement standardised information processes across ALS to ensure consistency.

Summary of findings

Preservation needs for either physical or digital information are not identified.

There are strategies in place to manage and maintain physical information during some business and system change projects, for example, access control. Some risks to the ongoing accessibility of physical information have been identified. These preservation needs have not been identified for digital information, and do not appear to be

addressed in the migration to Microsoft 365, as per the Process Improvement Plan.

Recommendations

Develop strategies to manage and maintain digital information during business and system change, particularly during the planned upgrade to Microsoft 365.

TOPIC 15 – Business continuity and recovery

Beginning

Summary of findings

Business continuity and recovery plans are up to date. However, critical information required for business continuity is not identified. Business continuity and recovery plans do not include clear actions to salvage and restore physical and digital business information.

Recommendations

Update business continuity and recovery plans to incorporate information management considerations such as what critical information, both physical and digital, is required to ensure business continuity and appropriate recovery and/or restoration plans of this information.

Storage

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



TOPIC 16 – Appropriate storage arrangements

Beginning

Summary of findings

There is appropriate protection and security to protect physical information against unauthorised access, loss, or destruction (including third-party storage providers and in transit). However, the protection is inadequate for some digital information, such as information saved on employee hard drives.

The storage environment for physical information has some physical protection against hazards. For example, floods or fires.

Recommendations

Implement processes to mitigate the risk of information loss through the use of uncontrolled environments ensuring all staff know where they should store digital information.

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.



Summary of findings

Staff know how to use the systems and tools that contain and facilitate access to information and there is a file plan that is used to facilitate consistent management and discovery of information. However, metadata sighted does not comply with Archives New Zealand’s minimum metadata requirements.

Access controls for physical and digital information are documented and implemented in line with legal requirements and business needs.

Recommendations

In line with the planned migration to Microsoft 365, ensure metadata complies with the minimum requirements set by Archives New Zealand.

Disposal

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

**Summary of findings**

ALS does not have a current and approved organisation-specific disposal authority. They have never had a disposal authority in place.

Recommendations

Develop an organisation-specific disposal authority covering all business functions and formats that is approved by Archives New Zealand.

Summary of findings

Adequate resources to dispose of information are not assigned. This is evident as no disposals take place.

As ALS is planning to upgrade to Microsoft 365, an organisation-specific disposal authority should be configured into the new system. It is also imperative that internal policies and procedures are updated to reflect this once the disposal authority has been developed.

Recommendations

Once the organisation-specific disposal authority has been approved (refer Topic 20 – *Current organisation-specific disposal authorities*), ALS should ensure disposal actions are routinely actioned and documented in a disposal register.

Summary of findings

Physical and digital information of archival value that is over 25 years old is not identified. Physical and digital information over 25 years old is not determined as open or restricted access.

Recommendations

Once the organisation-specific disposal authority has been approved, identify all records that are older than 25 years and of archival value. These records should either be transferred to Archives New Zealand, or a deferral of transfer should be agreed with Archives New Zealand.



6. Summary of feedback

We have reviewed the report and will implement the recommendations as appropriate for our business.

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14 June 2022

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Tēnā koe Sean

Public Records Act 2005 Audit Recommendations

This letter contains our recommendations related to the recent independent audit of the Peke Waihanga New Zealand Artificial Limb Service (ALS) by KPMG under section 33 of the Public Records Act 2005 (PRA). Thank you for making your staff and resources available to support the audit process.

Introduction

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

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

We are confident that you and your organisation are committed to delivering high-quality, trusted information to decision-makers, other government organisations, customers and stakeholders. We trust that the audit process will support this commitment. The audit report and this letter recommend changes to support improvement of your organisation's IM practices. I note that clinical records were not within the scope of this audit.

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

Auckland Regional Office, 95 Richard Pearse Drive, Mangere, Auckland
Christchurch Regional Office, 15 Harvard Avenue, Wigram, Christchurch
Dunedin Regional Office, 556 George Street, Dunedin

Organisations that are assessed as having a maturity level of 'Managing' across all IM topics are broadly meeting the minimum requirements expected by the PRA and Archives' mandatory Information and records management standard. The ALS is assessed as at the 'Beginning' level of IM maturity and will need dedicated resource, supported by senior management, to improve their maturity level. IM work involves specialised skills to set up processes and support staff and systems across the ALS.

Prioritised recommendations

The audit report lists 21 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. The planned upgrade to Microsoft 365 is an opportunity to address many of the serious gaps in IM practice at the ALS. We urge you to consult our guidance on setting up [Microsoft 365](#) in a way that improves IM maturity.

What will happen next

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

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

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

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

Nāku noa, nā



Honiana Love
Acting Chief Archivist Kaipupuri Matua
Archives New Zealand Te Rua Mahara o te Kāwanatanga

Cc Jeremy Speight, Chief Financial Officer, Jeremy.speight@nzals.co.nz (Executive Sponsor)

APPENDIX

Category	Topic Number	Auditor's Recommendation	Archives New Zealand's Comments
Governance	1: IM Strategy	<i>As a starting point update the Process Improvement Plan to include information management requirements using Archives New Zealand's guidance.</i>	This will help the organisation focus on the IM work required to lift maturity and the supporting resources.
Governance	2: IM policy and processes	<i>Document information management processes and procedures for all types of information. These should be approved and communicated to all staff.</i>	Process documentation will assist the staff fulfil their IM responsibilities and support IM improvement.
Capability	8: Capacity and Capability	<i>Assess information management capacity and capability requirements against business needs and recruit information management staff or external expertise as needed.</i>	Work on completion of the Process Improvement Plan in Topic 1: <i>IM Strategy</i> should identify the IM support needed to implement the plan including the transition to Microsoft 365. The ALS should also identify the level of IM support needed for BAU activities. Having the right level of IM support will assist with the recommendation for Topic 3: <i>Governance arrangements and the Executive Sponsor.</i>
Creation	10: Creation and capture of information	<i>As part of the review of the information management policy and development of associated processes, outline guidance on where information should be created, captured and stored for all business functions and activities, and monitor compliance.</i>	Information must be created and captured in approved systems with appropriate metadata. This enables it to be easily found and used when needed and managed for retention and disposal purposes.
Creation	11: High-value/high-risk information	<i>Create an information asset register which identifies all information of high-value or high-risk and develop a plan for the long-term management of this information.</i>	This can be developed along with the organisation-specific disposal authority and will help to focus IM maturity work.

Category	Topic Number	Auditor's Recommendation	Archives New Zealand's Comments
Management	12: IM requirements built into technology systems	<i>Identify information management requirements for the upgrade to Microsoft 365.</i>	The upgrade to Microsoft 365 is an opportunity to address many of the serious gaps in IM practice at ALS, if correctly configured and implemented. If it is not, low IM maturity could be reinforced and more difficult to address.
Disposal	20: Current organisation-specific disposal authorities	<i>Develop an organisation-specific disposal authority covering all business functions and formats that is approved by Archives New Zealand.</i>	This is a good starting point to improving IM maturity by understanding the records created and how long they need to be retained.