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New Zealand Customs Service
Public Records Act 2005 Audit Report

Prepared for Archives New Zealand

November 2021

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Statement of Responsibility

The procedures that we performed did not constitute an assurance engagement in accordance with New Zealand Standards for Assurance engagements, nor did it represent any form of audit under New Zealand Standards on Auditing, and consequently, no assurance conclusion or audit opinion is provided. The work was performed subject to the following limitations:

- This assessment is based on observations and supporting evidence obtained during the review. This report has taken into account the views of New Zealand Customs Service and Archives NZ who reviewed this report.

- Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. The procedures were not designed to detect all weaknesses in control procedures as the assessment was performed by interviewing relevant officials and obtaining supporting evidence in line with the guidelines of the Archives NZ's Information Management (IM) Maturity Assessment.

- The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our deliverable to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.

We have prepared this report solely for the use of New Zealand Customs Service and Archives NZ. The report contains constructive suggestions to improve some practices which we identified in the course of the review using the instructions and procedures defined by Archives NZ. These procedures are designed to identify control weaknesses but cannot be relied upon to identify all weaknesses.

2. Executive Summary

New Zealand Customs Service

New Zealand Customs Service (Customs) is a government department, established in 1840 and governed by the Customs and Excise Act 2018. Customs' primary responsibility is to stop any potential dangers, hazards and threats entering New Zealand. In addition, Customs supports the New Zealand economy through collecting duties and tax on imports and exports, and working to prevent illegal trade.

Customs has about 1,200 staff spread around New Zealand. It has locations at all of New Zealand's international airports and ports, as well as offices in Bangkok, Beijing, Brussels, Canberra, London and Washington DC. Its head office is in Wellington.

The organisation holds high-risk/high-value records including trade, revenue, and travel documentation, and items that are a threat to New Zealand. For example, illicit drugs, objectionable material, undeclared currency, restricted firearms and other controlled weapons.

Within the last 12 months a dedicated IM staff member has been recruited and begun a change programme to uplift the state of IM. This work programme consists of a gap analysis, developing an IM strategy and IM policy, a new disposal authority and various IM workshops across Customs to raise awareness. There are currently three IM vacancies being recruited for within the IM team, which are required to continue the work programme.

Summary of Findings

We assessed Customs IM maturity against the five maturity levels of Archives NZ's IM Maturity Assessment model. The results are summarised below:

Maturity Level	Beginning	Progressing	Managing	Maturing	Optimising
No. of Findings	9	7	4		

Introduction

Background

Archives NZ provides IM leadership across the public sector. This is achieved through monitoring government organisations' IM practices to assure the New Zealand public that:

- full and accurate records are created and maintained, improving business efficiency, accountability and government decision-making, and in turn, enhancing public trust and confidence in government;

- government is open, transparent and accountable by making public sector IM practices known to the public.

Section 33 of the Public Records Act 2005 (PRA) requires that every public office has an independent audit of its record keeping practices every 5 – 10 years. The audit programme is part of Archives NZ's monitoring of and reporting on the state of public sector IM. It is one of the key components of their Monitoring Framework, which also includes an annual survey of public sector IM and the IM Maturity Assessment.

The Chief Archivist has commissioned Deloitte to undertake these audits for certain public offices.

Objective

The objective of these audits is to identify areas of IM strengths and weaknesses within the public office, prioritising areas that need attention and what needs to be done to strengthen them. They are seen as an important mechanism for organisations to improve their IM maturity and to work more efficiently and effectively.

Scope

Deloitte has undertaken an independent point-in-time assessment of Customs' IM practices against Archives NZ's IM Maturity Assessment Model. The IM Maturity Assessment aligns with the PRA and Archives NZ's mandatory Information and Records Management standard. Topics 17 and 19 of the Archives NZ IM Maturity Assessment are only applicable to local authorities and have therefore been excluded for the purposes of this audit.

The IM Maturity Assessment model classifies the maturity of IM practices from "Beginning" (least mature) to "Optimising" (highest maturity level). Customs' maturity level for each topic area is highlighted under each of the respective areas. Ratings were based on Customs officials' responses to questions during the interviews and the supporting documents provided in line with the IM Maturity Assessment guidelines.

Archives NZ provided Deloitte with the framework including the specified audit plan, areas of focus for the PRA audits, and administrative support to Deloitte. Deloitte completed the onsite audit and audit report, which Archives NZ reviewed before release to Customs. Archives NZ is responsible for following up on the report's recommendations with Customs.

Our audit was based on a sample of IM systems, the review of selected documentation on a sample basis, and interviews conducted with a selection of staff and focus groups. As such, this audit does not relate to an Audit as defined under professional assurance standards.

Customs feedback to this report is set out in Section 6.

3. Information Management Summary

This section lists the Information Management maturity level for each of the assessed topic areas. For further context refer to the relevant topic area in section 5.

Category	No.	Topic	Assessed Maturity Level				
			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 of the Archives NZ IM Maturity Assessment are only applicable to local authorities and have therefore been excluded.

4. Audit Findings by Category and Topic

Governance

The management of information is a discipline that needs to be owned 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

High-level statement outlining an organisation's systematic approach to managing information across all operational environments of an organisation.

> **Managing**

Observations

Customs has a current IM Strategy, which senior management approved in September 2021. The IM Strategy is a four-year plan (2021-2024) with key strategic initiatives and underpinning IM principles. While we did not identify any areas of divergence, the strategy does not explicitly align to Customs broader strategic direction or the wider sector direction.

The IM Strategy includes a current and future state gap analysis with key subsequent recommendations. A roadmap sets out how Customs will implement the strategic recommendations. The IM Strategy introduces and informs the 'IM Maturity Uplift Programme' (IMUP). However, the IM Strategy has not been communicated organisation wide.

While the IM Strategy is an in-depth analysis of IM within Customs, the roadmap and future recommendations will be revised to reflect the findings and recommendations from this review.

Recommendations

1. Review the IM Strategy and roadmap to reflect the findings and recommendations of this review, and to ensure it more explicitly ties into Customs' broader strategic direction.

2. Communicate the revised IM Strategy to the wider organisation.

Topic 2: IM Policy and Processes

An information management policy supports the organisation's information management strategy and provides a foundation for information management processes.

> **Beginning**

Observations

Customs does not have an approved IM policy and there are no documented IM processes across the business. Awareness of relevant legislation and IM requirements is largely dependent on individual experience outside of Customs' business processes.

There is a draft IM Policy in progress, which includes IM principles and outlines roles and responsibilities. However, it has not been finished for review and senior management approval.

Recommendation

1. Complete the IM policy, obtain approval from the Executive Board, and communicate the IM policy across Customs.

Topic 3: Governance arrangements and Executive Sponsor

The Executive Sponsor has strategic and executive responsibility for overseeing the management of information in a public sector organisation.

Managing

Observations

Customs has an IM Governance Board, whose attendees include the Executive Sponsor, Chief Information Officer, IM Advisor and the Information and Data Product Manager. The Board meets on a monthly basis and is formalised with a Terms of Reference, recorded meeting minutes and regular reporting.

An additional IMUP Programme Board meets monthly to discuss the ongoing development of the IM work programme. The Tower Manager, Information and Data Product Manager and IM Advisor attend the Board meetings. The agenda for these meetings includes reporting on the status of IM projects and any issues. However, project IM risks are not consistently reported.

The Executive Sponsor understands and performs the oversight and monitoring role relating to IM. They support the IM team through regular meetings of the IM Governance Board and actively champions IM at a senior management level.

Recommendation

1.   Ensure there is consistent reporting of IM risks within each project.

Topic 4: IM Integration into Business Processes

All staff should be responsible for the information they create, use, and maintain. Business owners should be responsible for ensuring that the information created by their teams is integrated into business processes and activities. The IM team support business owners and staff.

Beginning

Observations

Business owners have a limited understanding of their individual and team's responsibilities for managing information. IM requirements are not formally integrated or documented into business processes and activities. There is no enterprise-wide IM approach as business units have separate processes and activities. Customs uses a wide variety of systems, which contributes to inconsistency across business units.

Support for business owners is limited as there is one permanent full time IM Advisor, a Customs Officer on secondment to the IM team, and an Information and Data Manager, who supports the team. This IM team has been in place for 12 months and receive support requests on an ad hoc basis. As there is limited capacity to provide broad organisational support, the IM team has not widely promoted their expertise across the organisation.

Staff reported support for IM related processes is often found through 'knowing who to ask', rather than formal documentation.

Recommendation

1.   Formally assign responsibility for managing information within business units to business owners.

Topic 5: Outsourced Functions and Collaborative Arrangements

Outsourcing a business function or activity or establishing collaborative initiatives does not lessen an organisation's responsibility to ensure that all requirements for the management of information are met.

Progressing

Observations

Customs has a significant number of shared agreements with government agencies and Crown Entities. A shared agreement with the Minister of Trade and Export Growth was sighted (New Zealand Trade and Enterprise). The agreement specifically references mandatory compliance with the PRA across various sections, outlining IM obligations. Requirements include: the storing of information, security, privacy and outlines roles and responsibilities across both agencies. The service contract with an outsourced IT provider refers to confidentiality, data ownership, maintaining records and intellectual property.

There is no regular monitoring over the contracts in place to ensure compliance with the PRA.

Recommendation

1. Ensure relevant IM requirements are included in all contracts where public records are created and develop a regular monitoring process to ensure suppliers are compliant with IM requirements under the PRA.

Topic 6: Te Tiriti o Waitangi

The Public Records Act 2005 and the information and records management standard supports the rights of Māori under Te Tiriti o Waitangi/Treaty of Waitangi to access, use and reuse information that is important to Māori.

Beginning

Observations

The IM team has recently met with the Māori Advisor within Customs to discuss how to incorporate and support Te Tiriti o Waitangi principles in the IM work programme. The IM team plans to continue consulting with the Māori Advisor in the future.

Work has begun to identity information of importance to Māori within the Information Asset Register. Te Tiriti o Waitangi principles have also been included in the draft IM policy.

Recommendation

1. Identify information of importance to Māori within the Information Asset Register.

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 internal policies and processes.

Topic 7: Self-Monitoring

Organisations should monitor all aspects of their information management.

Beginning

Observations

There is no formalised monitoring of compliance with the PRA. Privacy and security compliance is regularly reported but does not explicitly include IM requirements. Regular reporting to the IM Governance Board does not specifically focus on legislative or policy compliance of the PRA. Non-compliance is reported on an ad hoc basis to the IM Governance Board, with avenues for further escalation if the non-compliance is significant.

The IM team completed an Information Management Gap Assessment in November 2020. This assessed Customs' IM maturity, information architecture, content management systems and user experience. The results from this self-assessment informed the IM Strategy.

Recommendation

1. When the IM Policy is approved, develop a monitoring process including compliance with the Policy, the PRA and other requirements.

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

Organisations should have IM staff or access to appropriate expertise to support their IM programme.

Progressing

Observations

Customs' current IM team consists of a full time IM Advisor, a Customs Officer on secondment and a supporting Information and Data Manager. The IM team have sufficient skills, although lack capacity to provide sufficient IM support to Customs.

The IM team's capacity is being further threatened as the IM Advisor completed their final week of employment at the time of the review and the Customs Officer will soon be completing their secondment. With these staff movements, there are currently three vacancies in the IM team. The Executive Sponsor and IM team acknowledged the lack of capacity and are actively recruiting, however, acknowledged this is taking longer than anticipated due to the tight labour market.

The IM team reported sufficient access to IM professional development through both internal and external courses.

Recommendation
1.   Consider other ways of addressing the IM staff capacity issue while continuing to recruit for permanent staff.

Topic 9: IM Roles and Responsibilities

Staff and contractors should be aware of their responsibility to manage information.

Beginning

Observations

Staff and contractor IM responsibility is outlined in the Code of Conduct. However, several staff interviewed are unsure of their individual obligations. They were also unaware of whether key IM documents such as an IM policy, guidelines or strategy existed.

IM induction training occurs on an ad hoc informal basis across business units and there is no enterprise-wide IM training. The IM team has been unable to increase IM training to the organisation due to capacity restraints.

Recommendation
1.   Identify IM training needs of staff and contractors and deliver through appropriate communication and/or delivery of the identified training.

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

Every public office and local authority must create and maintain full and accurate information documenting its activities.

Beginning

Observations

Staff have a limited understanding of their responsibility to create full and accurate information to support business function and to formally document Customs activities. Staff with detailed knowledge of IM requirements were aware from previous roles and experience outside of Customs rather than through Customs' training or guidance. Information critical to support business functions is identified in the Information Service Business Continuity Plan.

Customs has limited control and visibility over the creation of information, especially within its shared drives.

Due to the number of different systems used at Customs, there is inconsistency in creating and maintaining information. Several business units have introduced their own business systems. A document management system is currently being piloted for the Policy and Legal business groups, with work in progress to assess the benefits of this trial. The outcome of this pilot will be used to inform a business case for seeking funding for a Customs-wide document management system.

All new information is created digitally. Since 2021, Custom Officers have moved from recording their notes in physical notebooks to digital records.

Recommendation

1. Prioritise the benefits assessment and seek approval and funding to introduce a Customs-wide document management system that ensures information is captured and managed in a controlled environment.

Topic 11: High-Value/High-Risk Information

Staff and contractors should be aware of their responsibility to manage information. Every public office and local authority must create and maintain full and accurate information documenting its activities.

Progressing

Observations

The IM team has created an Information Asset Register (IAR) to capture information, including information classified as high-value/high-risk. The IAR assesses value and risk using criteria such as the value to Customs, the border sector and value to New Zealand, as well as the impact to all three if the information was lost. The IAR also records information containing personal information and the security classification (which will determine who can have access to the information).

It is expected that the initial list will grow as Customs implements a process for keeping the IAR up to date. Work on completing the register has been included within the IM work programme.

Recommendation

1. Ensure that all information classified as high-value/high-risk is included in the Information Asset Register and that an agreed process for updating the register is implemented.

Management

Management of information should be designed into systems to ensure its ongoing management and access over time, including following a business disruption event. The 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 Solutions

IM requirements must be identified, designed, and integrated into all of your organisation's business systems.

Progressing

Observations

Although not formally required by Customs policy, IM expertise and advice is usually sought and involved in new technology solutions and/or upgrades through migration and data tracking processes. Any configuration of a new system must go through a certification process involving a risk assessment, which includes considering IM requirements.

The piloting of the document management system included a significant migration of information, which an IM expert supported. The purpose of introducing the document management system was to address IM requirements, including metadata, with a technology solution.

Recommendation

1. Formalise the requirement to involve IM staff in all new business system, implementations, system upgrades and system decommissioning.

Topic 13: Integrity of Information

Information should be managed so that it is easy to find, retrieve and use, while also being secure and tamper-proof.

Progressing

Observations

The reliability and trustworthiness of information varies greatly across business units. Certain areas, such as the Investigations team, have thorough IM processes which supports the reliability of information. Other units that do not have a consistent naming convention and filing structure, can have issues with finding information. Staff interviewed noted they have variable experience trying to find specific information and note issues around version control. Several examples were given of having to search through multiple 'final versions' to find the correct information.

Recommendation

1. Develop consistent naming conventions, filing structures and version control rules for teams using systems that do not automatically manage these requirements.

Topic 14: Information Maintenance and Accessibility

Information maintenance and accessibility cover strategies and processes that support the ongoing management and access to information over time.

Progressing

Observations

A clear process to manage and maintain physical or digital information during business and system changes is not in place.

General accessibility to physical information is ensured through long-term ongoing storage of most information, which is retained off-site with a commercial storage provider. Customs retains a summary of contents and an index of all physical information transferred to off-site storage to ensure information is still accessible to request back. In 2018, a significant programme of work digitised all physical documents containing personal information to ensure the preservation of this information and its ongoing availability for future Customs activity.

Security processes and continuous updates of systems ensure digital information is still accessible over time.

Recommendation

1.   Identify accessibility and preservation needs for digital information to inform IM work programme planning.

Topic 15: Business Continuity and Recovery

This covers the capability of the organisation to continue delivery of products or services, or recover the information needed to deliver products or services, at acceptable pre-defined levels following a business disruption event.

Managing

Observations

Customs has a National Incident Management Plan supported by business continuity plans (BCP) for each business unit.

We reviewed the Information Services BCP and found it to be thorough and include recovery plans and actions for restoring both physical and digital information. It also includes the critical internal and external digital systems, with specific roles and responsibilities for IM outlined. It was last updated in September 2021.

Internal systems are regularly backed up and comprehensive access controls are in place. Backups are taken daily, weekly, monthly and annually and there is regular quarterly testing of digital system backups to ensure information can be restored. The risk of deletion, loss and destruction through human error is higher in certain systems, for example shared drives. Backups are available to restore information, however, limited training on IM obligations increases this risk.

Recommendation

1.   Assess all BCPs across Customs for consistency on information recovery.

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

Appropriate storage arrangements for both physical and digital information ensures information remains accessible and usable throughout its life.

Managing

Observations

A large portion of Customs physical information is kept with a third-party storage provider.

Physical information kept onsite is stored in lockable cabinets and is labelled ensuring it remains accessible. It is stored in an office-environment, which includes fire safety, flood mitigation and access control. Information identified as high-value/high-risk is kept on a secure floor, which requires an increased level of clearance to access. Within this floor there is a high-security room which requires further access clearance and has an audit trail of entry by each authorised entry. Any information removed from this room to be used, must be returned every night.

A large portion of digital information storage is managed through third-party providers, for example, Datacom and Microsoft. Requirements for information security and protection are built-in to the respective service contracts.

Recommendation

1.   Regularly report information protection and security risks to the IM Governance Board.

Access

Ongoing access to and use of information enables staff to do their jobs. To facilitate this, organisations will need mechanisms to support the findability and usability of information. Information and data that is shared between organisations is identified and managed.

Topic 18: Information Access, Use and Sharing

Staff and contractors are able to easily find and access the information they need to do their work. Access controls for information is documented and consistently applied and managed. Metadata facilitates discovery and use of information. Information and data received or shared under information sharing agreements is managed according to IM policies and processes.

Progressing

Observations

Customs applies access controls for both physical and digital information. Access controls are in place across all digital systems, including restricting access to folders within shared drives or access to whole systems. Requesting access permission is a rigorous process which is assessed through role requirements. Senior management receives regular reporting on privacy and security incidents.

All staff reported functional issues with the findability of information, naming conventions, version control and taxonomy. Within business units there are ad hoc, undocumented and inconsistent IM processes. Appropriate metadata is only created within systems which have built-in metadata requirements, for example SharePoint.

As an organisation, it was expressed that Customs has a culture of being overly cautious when it comes to classifying information. This could lead to too much information being defined as sensitive and excessively restrictive access being applied, creating issues for information access, use and sharing.

The IM team recently conducted taxonomy workshops across Customs to increase awareness and explore options for improving taxonomy. Some training has been provided for the pilot document management system, although staff reported there are still gaps in capability.

Recommendation

1. As part of the preparation work for the document management system develop consistent taxonomy for use across the organisation.

Disposal

Disposal activity must be authorised by the Chief Archivist under the PRA. 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 NZ (or have a deferral of transfer) and be

Topic 20: Current Organisation-Specific Disposal Authorities

This is about an organisation having its own specific disposal authority, not the implementation of the disposal actions authorised by the authority. It is not about the General Disposal Authorities.

Beginning

Observations

Customs does not have a current approved Disposal Authority (DA). In 2021, Customs contracted consultants to help develop the new Disposal Authority, which is currently still in draft.

Recommendation

1. Finalise the draft Disposal Authority for submission to Archives NZ.

Topic 21: Implementation of Disposal Decisions

This is about the implementation of disposal decisions, whether from organisation-specific disposal authorities or the General Disposal Authorities.

Beginning

Observations

As Customs does not have an approved DA no information is currently disposed of outside of the General Disposal Authorities (GDAs). Under the previous Customs DA, there was a documented process for the disposal of both physical and digital information. This included gaining appropriate internal approval, listing all items disposed of and ensuring proper destruction. Disposal under the previous DA was done on an ad hoc (as needed) basis.

All staff reported a cultural inclination to retain information and not actively dispose using GDAs or the previous Customs DA. Very limited disposal occurs under the GDAs.

Recommendations

1. Once the DA is approved, establish a plan for regular disposal for both digital and physical information.

2. Include awareness of disposal requirements in any future training plan.

Topic 22: Transfer to Archives New Zealand

Information of archival value, both physical or digital, should be regularly transferred to Archives NZ or a deferral of transfer should be put in place.

Beginning

Observations

Customs has information over 25 years old. However, a large portion of Customs' information is of transactional nature and is not deemed of archival value. Digital information of archival value that is 25 years old is not currently identified or determined as open or restricted access.

Physical information which is identified of archival value was regularly transferred to Archives NZ in the past. However, as Customs does not have a current DA, no physical information is being transferred to Archives NZ. Customs is not maintaining a list of physical information for when Archives NZ starts re-accepting physical information.

Recommendations

1. Identify digital information of archival value within the Information Asset Register.

2. Develop a transfer plan for implementation when the organisation specific DA is approved.

5. Summary of feedback

This section sets out Customs' feedback pursuant to this PRA audit.

Customs agrees with the recommendations made by Deloitte in this report regarding our Information Management maturity against the five maturity levels of Archives NZ's Maturity Assessment model. We note that these recommendations support the direction of Customs' Information Management Strategy and 3 year workplan. We will work to incorporate the report's findings into our roadmap, and welcome further feedback from Archives NZ regarding prioritisation of the recommendations.

We are pleased that the audit recognised our efforts to raise the level of information management maturity at Customs acknowledging that the audit found the maturity level of 6 of the audit topics were higher than our self-assessment.

Deloitte.

17 March 2022

Christine Stevenson
Chief Executive
New Zealand Customs Service
christine.stevenson@customs.govt.nz

Tēnā koe Christine

Public Records Act 2005 Audit Recommendations

This letter contains my recommendations related to the recent independent audit of the New Zealand Customs Service (Customs) by Deloitte 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.

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

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.

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.

Customs IM maturity has been assessed as mostly below 'Managing'. Customs' work is crucial to upholding trust in New Zealand's government and effectiveness in border security and revenue gathering. IM is fundamental in supporting these operations.

The recent approval of an IM strategy and the existence of the IM Governance Board are useful foundations for maturity improvement. The IM work programme should involve the whole organisation led by senior management supported by enough IM capability and capacity. Prioritisation of resourcing for IM support, as well as for shared drive replacement, is necessary to ensure IM expertise is available for the work ahead.

Prioritised recommendations

The audit report lists 23 recommendations to improve your organisation's IM maturity. We endorse all recommendations as appropriate and relevant.

To focus your IM improvement programme, we consider that your organisation should prioritise the six recommendations as identified in the Appendix.

What will happen next

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

As required by the PRA, 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, and we will contact your Executive Sponsor shortly in relation to this.

Nāku noa, nā

Stephen Clarke
Chief Archivist Kaipupuri Matua
Archives New Zealand Te Rua Mahara o te Kāwanatanga

Cc Sharon May, Deputy Chief Executive Finance, Technology and Infrastructure
sharon.may@customs.govt.nz (Executive Sponsor)

APPENDIX

Category	Topic Number	Auditor's Recommendation	Archives New Zealand's Comments
Governance	2: IM Policy and Processes	*Complete the IM policy, obtain approval from the Executive Board, and communicate the IM policy across Customs*	This is fundamental to maturity uplift. A current, approved policy will be instructive across Customs in supporting staff understanding of roles and requirements including the recommendation for Topic 7: Self-monitoring.
Governance	4: IM Integration into Business Processes	*Formally assign responsibility for managing information within business units to business owners.*	With the 'wide variety of systems' in Customs it is essential that business owners, who are familiar with their business processes and systems, are responsible for the information they manage.
Capability	8: Capacity and Capability	*Consider other ways of addressing the IM staff capacity issue while continuing to recruit for permanent staff.*	Uplift in IM maturity is dependent on having access to the right amount of IM capability to support Customs staff and systems. This also directly relates to other recommendations, for example for Topic 9: *IM Roles and Responsibilities.*
Creation	10: Creation and Capture of Information	*Prioritise the benefits assessment and seek approval and funding to introduce a Customs-wide document management system that ensures information is captured and managed in a controlled environment.*	Replacement of the shared drives is essential for a more controlled IM environment and supports the recommendation in Topic 18: Information Access, Use and Sharing.
Management	12: IM Requirements built into Technology Systems	*Formalise the requirement to involve IM staff in all new business systems, implementations, system upgrades and system decommissioning*	As a starter, IM expertise will be needed in assessing the pilot of the new document management system.

Category	Topic Number	Auditor's Recommendation	Archives New Zealand's Comments
Disposal	20: Current Organisation-Specific Disposal Authorities	*Finalise the draft Disposal Authority for submission to Archives NZ.*	When completed, this DA, along with the existing IAR, will enable the organisation to plan and implement disposal activity including transfer.