Deloitte.

KiwiRail Holdings Limited

Public Records Act 2005 Audit Report

Prepared for Te Rua Mahara o te Kāwanatanga | Archives New Zealand

Final Report

June 2024

MAKING AN IMPACT THAT MATTERS
since 1845

Table of Contents

1. Disclaimers

USE OF REPORT

This report has been prepared in accordance with the Consultancy Services Order dated 1 December 2020 and variation dated 23 September 2021. We have prepared this report solely for Te Rua Mahara o te Kāwanatanga Archives New Zealand (Te Rua Mahara) and the KiwiRail Holdings Limited (KiwiRail). It was prepared at the direction of Te Rua Mahara and may not include all procedures deemed necessary for the purposes of the reader. The report should be read in conjunction with the disclaimers as set out in the Statement of Responsibility section. We accept or assume no duty, responsibility, or liability to any other party in connection with the report or this engagement, including, without limitation, liability for negligence in relation to the factual findings expressed or implied in this report.

INDEPENDENCE

Deloitte is independent of Te Rua Mahara in accordance with the independence requirements of the Public Records Act 2005. We also adhere to the independence requirements of the New Zealand Auditing and Assurance Standards Board's Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners. Other than this audit programme, we have no relationship with or interests in Te Rua Mahara.

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 KiwiRail and Te Rua Mahara, and both have 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 Information Management (IM) Maturity Assessment of Te Rua Mahara.

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 Te Rua Mahara and KiwiRail. 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 Te Rua Mahara. These procedures are designed to identify control weaknesses but cannot be relied upon to identify all weaknesses.

2. Executive Summary

KIWIRAIL HOLDINGS LIMITED

KiwiRail Holdings Limited (KiwiRail) is a state-owned enterprise that moves freight and people by rail and sea. They own and maintain the national rail network and operate rail public transport for councils. KiwiRail is governed by the Companies Act 1993 and State Owned Enterprise Act 1986.

The core functions of KiwiRail are to:

- Operate a rail freight, ferry (the Interislander), and Great Journeys of New Zealand, KiwiRail's tourism business.
- Operate the Capital connection and Te Huia rail public transport services.
- Own and maintain the national rail network infrastructure and property.

KiwiRail employs 4500 staff across New Zealand with over 50 sites located in towns and cities.

High-value or high-risk information held by KiwiRail includes:

- Construction and maintenance information on tunnel, bridges, earthworks, railway stations and surrounding areas and property.
- Property development and partnering strategy.
- Permanent way (railway track and land management), this includes information relating to the condition and maintenance of the railway line itself, services crossing the rail line, and adjacent property.

The Executive Sponsor (ES) is the Chief Financial Officer, who has been responsible for IM at KiwiRail since October 2023. The IM team consists of three FTEs and their tenures range from 4 to 14 months. For this PRA Audit interviews focused on corporate staff, who have increased information management (IM) responsibilities.

SUMMARY OF FINDINGS

We assessed KiwiRail's IM maturity against the five maturity levels of the IM Maturity Assessment model of Te Rua Mahara. The results are summarised below:

Maturity Level and Number of Findings

Beginning	9
Progressing	11
Managing	-
Maturing	-
Optimising	-

3. Introduction

BACKGROUND

Te Rua Mahara 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 Te Rua Mahara monitoring and reporting on the state of public sector IM. It is one of the key components of their Monitoring Framework, which also includes a biennial survey of public sector IM and the IM Maturity Assessment.

The Chief Archivist has commissioned Deloitte to undertake these audits of certain public offices and this audit was completed in April 2024.

OBJECTIVE

The objective of the audit is to identify IM strengths and weaknesses within the public office, prioritising areas that need attention and recommending improvements. These audits assist organisations to improve their IM maturity and to work more efficiently and effectively.

SCOPE

Deloitte has undertaken an independent point-in-time assessment of KiwiRail's IM practices against the IM Maturity Assessment. The IM Maturity Assessment aligns with the PRA and the mandatory Information and records management standard (the Standard) issued by Te Rua Mahara. Topics 17 and 19 of the IM Maturity Assessment are only applicable to local authorities and have therefore been excluded for the purposes of this audit.

The IM Maturity Assessment classifies the maturity of IM practices from "Beginning" (least mature) to "Optimising" (highest maturity level). The maturity level of KiwiRail for each topic area is highlighted under each of the respective areas. Ratings were based on responses from KiwiRail staff to questions during in-person interviews and the supporting documents provided pre-audit.

Te Rua Mahara provided Deloitte with the framework including the specified audit plan, areas of focus for the PRA audits, and administrative support. Deloitte completed the onsite audit and audit report, which Te Rua Mahara reviewed before being released to KiwiRail. Te Rua Mahara is responsible for following up on the report's recommendations with KiwiRail.

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 in focus groups. As such, this audit does not relate to an Audit as defined under professional assurance standards.

Feedback from KiwiRail to this report is set out in Section 6.

4. Information Management Maturity Summary

This section lists the IM Maturity level for each of the assessed topic areas. For further context refer to the relevant topic area in Section 5.

No.	Topic	Beginning	Progressing	Managing	Maturing	Optimising
			Assessed Maturity Level			
	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 Te Rua Mahara	●				

Note: Topics 17 and 19 of the IM Maturity Assessment are only applicable to local authorities and have therefore been excluded.

5. 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.	Beginning

OBSERVATIONS

KiwiRail does not have an IM strategy (the Strategy), however, planning by the IM team is underway to develop one. Although KiwiRail does not have a Strategy, the IM team spoke of its importance to help facilitate future IM work programmes. Despite this, there is no timeframe of when this work will be completed.

RECOMMENDATION

Draft, finalise and implement the Strategy.

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.	Progressing

OBSERVATIONS

KiwiRail has an outdated IM Policy (the Policy) which was last reviewed in 2018. The IM team has drafted an IM Policy, which will only be approved after the Strategy has been.

Both the current and draft policies are linked to other relevant legislation and polices, including the PRA, Privacy Act, Official Information Act, Risk Management Policy, Privacy Policy, and Information Security Policy. In addition, both policies identify roles and responsibilities for IM.

The Policy is available on Ikon, the SharePoint based intranet, and in general most staff know where to find it. There are pockets of IM proficiency across KiwiRail and as a result some teams are more mature and have their own documented process.

RECOMMENDATION

Update, approve and roll out the IM Policy across KiwiRail.

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.	Beginning

OBSERVATIONS

KiwiRail does not have an IM governance group although one is being considered by the ES and IM team. The ES does not receive IM reports but is aware of their oversight and monitoring role.

RECOMMENDATION

Establish a governance group that covers IM.

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.	Progressing

OBSERVATIONS

IM responsibilities for the SLT and managers are documented in the Policy and are sometimes included in job descriptions. However, each business unit is responsible for managing their own information, and as such business owners are inconsistently assigned IM responsibilities. For example, critical business units such as Engineering, have more advanced processes and assign business owners, however, other business units do not.

Requirements for managing information are integrated into some business processes and activities. For example, Engineering has built in work flows within Meridian, an engineering document and drawing management system, which has strict gates for approving documents.

RECOMMENDATION

Consistently assign and document IM responsibilities for business owners in all business units and train business owners in these responsibilities.

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

KiwiRail has contracts with third parties for outsourced business functions and services, which do not explicitly include IM roles and responsibilities. For example, contractual IM requirements are framed as data and information clauses and are typically outlined in the terms and conditions.

The IM team advised that contracted parties are monitored occasionally within SharePoint to ensure IM requirements are met, however there is no evidence of this, nor is this standard practice.

RECOMMENDATION

Develop a regular monitoring process to ensure contractors 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

KiwiRail is aware they hold information of importance to Māori. However, this has not been identified and processes to locate it have not been designed. Moreover, IM implications within Te Tiriti o Waitangi settlement agreements and other agreements with Māori are not known.

RECOMMENDATION

Design processes to locate and identify information 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 internal policies and processes.

Topic 7: Self-Monitoring

Organisations should monitor all aspects of their information management.	Beginning

OBSERVATIONS

Compliance with the PRA and other relevant legislation/regulations are not monitored at KiwiRail. In addition, no monitoring of the Policy or IM processes occurs.

Breaches of the Policy, if declared to the IM team, would be addressed on a case-by-case basis.

RECOMMENDATION

As part of the IM Policy update, develop a work programme to actively monitor compliance.

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.	Beginning

OBSERVATIONS

As above, KiwiRail has three FTE responsible for IM, whose tenure ranges from 4 to 14 months experience. Their responsibilities mainly revolve around using SharePoint, with some involvement with wider IM requirements. However, the IM team has identified they have limited capacity to be involved in wider IM responsibilities especially if there is a requirement for this to occur quickly.

The IM team do not have a formalised work programme and as a result IM capability requirements have not been identified or addressed. In addition, staff in general were unaware of the IM team and the work they do outside of SharePoint.

Across KiwiRail, all employees have access to professional development budget and some IM staff have attended a recent IM related course.

RECOMMENDATION

Identify KiwiRail's IM capability and capacity requirements and how these will be addressed to enable the organisation to meet BAU and implement the IM Strategy once approved.

Topic 9: IM Roles and Responsibilities

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

OBSERVATIONS

Roles and responsibilities are outlined in the Policy, however, staff attributed their awareness of their responsibilities to prior experience. Roles and responsibilities for IM are sometimes included in job descriptions and performance development plans for staff with IM specific responsibilities.

IM training is provided ad hoc by the IM team for SharePoint, however there are no other IM training initiatives in place. The IM team are developing a 101 IM training module, to be included in induction training, however, there is no timeline for when this work will be completed or rolled out to the business.

RECOMMENDATION

Assess the need for training staff in IM roles and responsibilities to decide what training is needed and how to deliver it.

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.	Progressing

OBSERVATIONS

SharePoint is the main Electronic Document Management System (EDMS) used at KiwiRail. Information is also saved in other systems including shared drives, Meridian, AMICUS (train reporting and billing system), and Maximo (asset management system). There are no controls to prevent staff from saving information in uncontrolled environments including legacy systems, OneDrive and external hard drives.

Most metadata are automatically applied within SharePoint and is added manually by individuals in Maximo but is not created in shared drives. As such use of metadata is inconsistent and ad hoc among business units, with some strong areas of consistent processes. Furthermore, specific metadata requirements are decided by business units with no organisational wide practice.

Interviews indicated that staff were aware of their responsibilities to create, capture and manage information, this was accredited to prior experience and job requirements. A barrier identified by staff, was the quantity of information including duplicated documents in SharePoint, which can make it difficult to locate information.

RECOMMENDATIONS

Create a plan to identify, then address and monitor issues with usability, reliability and trust issues with SharePoint.

Work with IT staff to limit uncontrolled environments.

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.	Beginning

OBSERVATIONS

KiwiRail has not formally identified their high-value/high-risk information assets although they have a preliminary understanding of them. Outside of the IM team there is an awareness in some business units of high-value/high-risk assets with digitisation of engineering assets completed or planned. Although there is no central information asset register (IAR) held in physical or digital form.

RECOMMENDATION

Work with business owners to identify high-risk/high-value information assets and create an IAR.

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

IM expertise is occasionally sought when designing and configuring new and updated business systems. For example, the IM team recently provided advice on a decommissioning plan, during the design and configuration stage. However, this level of involvement is not standard practice.

New and upgraded systems meet minimum metadata requirements, and IT staff confirmed system documentation exists for all systems. Despite this, exit plans are in general not created when planning new or system upgrades.

RECOMMENDATION

Formalise IM requirements when configuring new and updated business systems.

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

Staff have inconsistent experiences accessing information. There are some localised practices at KiwiRail that help ensure information is reliable and trustworthy, however this is dependent on business units and specific SharePoint sites. As a result, staff have varied experiences accessing information, due to no organisational wide practices in place. Furthermore, as above staff reported that the quantity of information on SharePoint was a barrier for finding information.

There is a practice of duplicating policy and process documents then saving copies to individual SharePoint sites. As such, when searching in SharePoint it can be difficult to find the most up to date document, although it was noted that findability has improved in the last 18 months due to work completed by the IM team.

RECOMMENDATION

Identify the issues with the SharePoint structure that are contributing to the findability and trustworthiness of information and implement appropriate control.

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

KiwiRail holds the majority of its physical information off-site with a third-party storage provider. For physical information held onsite, risks to the ongoing accessibility of this information are locally identified with initiatives underway/completed to digitise critical information.

KiwiRail does not have a Digital Continuity Strategy or Plan. However, IT staff said critical systems had business continuity plans to ensure information will continue to be usable during and after system and business changes.

In general, access controls are in place, however the IM team do not oversee this, it is localised to business units. In addition, some technology obsolescence risks have been identified.

RECOMMENDATION

Identify digital continuity needs and develop a plan to address these.

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.	Progressing

OBSERVATIONS

KiwiRail has an organisation wide Crisis Management Plan (CMP) last updated in November 2022 which does not directly mention IM. However, the CMP includes reference to disaster recovery (DR) plans, which cover KiwiRail's data centre and SharePoint. The data centre, which contains critical business information has daily backups to two locations. In addition, SharePoint is backed up daily.

The CMP does not reference physical information, as most is stored offsite with a third-party storage provider.

RECOMMENDATION

Identify critical information in the CMP and DR plans where appropriate.

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.	Progressing

OBSERVATIONS

As mentioned above, the majority of KiwiRail's physical information is stored at an off-site third-party storage provider. The small amount of physical information held onsite is located on floors with swipe card access and records are locked in draws or cabinets to restrict access. Furthermore, the office has pest control and fire protection.

Most digital information is stored on controlled systems and is protected from unauthorised deletion or alteration. In addition, KiwiRail has audit logs to enable specific checks where necessary. However, as above nothing prevents staff from using uncontrolled systems, including hard drives and OneDrive.

Breaches are dealt with on a case-by-case bases, and although the ES does not receive formal reports on information and security incidents, they are told of any major breaches. In addition, KiwiRail security and privacy response plans were used last year due to an internal access issue. The ICT team treated this as a major incident and promptly resolved the issue. However, protection and security processes are not tested regularly, and audit logs are not monitored.

RECOMMENDATION

Identify the risks to information held in uncontrolled environments and plan to address the risks.

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.	Beginning

OBSERVATIONS

KiwiRail does not have a taxonomy to facilitate information discovery, however a business classification scheme (BCS) is in the planning stages. The IM team have not yet consulted with the business on the BCS.

As above, most metadata is automatically applied within SharePoint, and metadata requirements are tailored to each team, with some business units applying additional metadata tags where appropriate. Some staff have received training on metadata, but this is not provided at an organisational level. Despite this SharePoint complies with Te Rua Mahara minimum metadata requirements and other systems viewed, Maximo and AMICUS, also comply.

Access controls for physical and digital information are documented for some systems, however as above this is localised to business units. As a result, access controls are not consistently implemented or maintained. Despite this, staff know how to use the systems and tools they use frequently to facilitate access to information.

KiwiRail has information sharing agreements with external parties however IM processes are inconsistently applied to information shared with third parties. Processes followed are localised with no formal procedure at an organisational level.

RECOMMENDATION

Develop and implement an organisation wide taxonomy/file plan in SharePoint.

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 Te Rua Mahara (or have a deferral of transfer) and be determined as either "open access" or "restricted

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.	Progressing

OBSERVATIONS

KiwiRail does not have an organisational wide disposal authority (DA). However, KiwiRail has been drafting a new DA and the current separate Interislander DA (which was renewed up to October 2024) is incorporated in this.

RECOMMENDATION

Finalise the draft DA and send to Te Rua Mahara for approval.

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

KiwiRail does not regularly dispose of physical or digital information. This culture of retaining information is in part due to critical information documents held still being current. For example, engineering documents are required to be kept for as long as an asset is in use.

Barriers for disposal include not having an organisation wide DA, lack of awareness, and no formal process for destroying information under the General Disposal Authorities (GDA). Moreover, the IM team is not involved in any disposal under the Interislander DA and were unsure if any disposal has happened as this is the responsibility of the Interislander business unit function.

RECOMMENDATION

Develop a disposal plan for implementation when the DA is approved.

Topic 22: Transfer to Te Rua Mahara

Information of archival value, both physical or digital, should be regularly transferred to Te Rua Mahara or a deferral of transfer should be put in place.	Beginning

OBSERVATIONS

KiwiRail holds a significant amount of information that is over 25 years old, in both physical and digital format. There has been formal identification of what may be of archival value and no plans to transfer this information to Te Rua Mahara, as this is business critical information.

RECOMMENDATION

When the DA is approved discuss deferral of transfer of physical information and digital transfer with Te Rua Mahara.

6. Summary of Feedback

KiwiRail acknowledges this report and particularly its recommendations and appreciates the opportunity to respond. KiwiRail is embarking on a multi-year transformation programme, and we believe that is aligned to implementing the key recommendations in this report in building a high performing and efficient business – to support the "One Team" principle of this work.

This report identifies strong "local" practices within KiwiRail, and we believe that these can provide the foundation for broader growth and improvement in our organisational Information Management practices.

Initiatives are ongoing to update our Information Management Policy and deliver an organisation wide Disposal Authority. Along with these we intend to prioritise the development of an Information Management Strategy, Information Asset register and Business Classification Schema alongside an assessment of IM capability requirements, as we see these as essential to improving the Information Management Maturity within our business and to establishing governance disciplines and processes.

Deloitte.

03 September 2024

Peter Reidy
Chief Executive Officer
KiwiRail Holdings
Jenny.Steele@kiwirail.co.nz

E te rangatira e Peter, tēnā koe

Public Records Act 2005 Audit Recommendations

This letter contains my recommendations related to the recent independent audit of the KiwiRail Holdings Limited (KiwiRail) completed 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

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

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 the mandatory Information and records management standard. KiwiRail's IM practice has been assessed at 'Beginning' or 'Progressing' maturity levels with no topics at 'Managing' or better.

For a large organisation such as KiwiRail this is a highly unsatisfactory outcome as it is not supportive of the business need for well-managed, trusted, and accessible information. Although there are pockets of better IM the organisation would benefit from strong centralised information leadership by a specialist resource able to oversee and support IM across the organisation.

Further work with the SharePoint system is needed to ensure that it is fit for purpose and to ensure that it and other centralised repositories are confidently used to create, maintain and find business information.

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 nine 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 iti noa, nā

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

Cc Jason Dale, Chief Financial Officer, Jason.Dale@kiwirail.co.nz (Executive Sponsor)

APPENDIX

Category	Topic Number	Auditor's Recommendation	Comments from Te Rua Mahara
Governance	1: IM Strategy	*Draft, finalise and implement the Strategy*	This is fundamental to establishing an agreed direction for IM improvement at KiwiRail.
Governance	2: IM Policy and Processes	*Update, approve and roll out the IM Policy across KiwiRail*	This can be done for current IM expectations and updated when the Strategy is approved. Associated training on IM roles and responsibilities as documented in the Policy and Processes will be needed.
Governance	3: Governance Arrangements and Executive Sponsor	*Establish an IM governance group that covers IM.*	This is essential for increasing awareness of and support for sustainable IM improvement across the organisation.
Self-Monitoring	7: Self-Monitoring	*As part of the IM Policy update, develop a work programme to actively monitor compliance.*	This is essential to understand the IM practice throughout the organisation and where improvement is needed and to be able to effectively report to the ES and governance group when established.
Capability	8: Capacity and Capability	*Identify KiwiRail's IM capability and capacity requirements and how these will be addressed to enable the organisation to meet BAU and implement the IM Strategy once approved.*	For a large organisation strong central IM control and supervision is essential to oversee and support consistent IM activity across the organisation. This needs to be well promoted and supported at the senior leadership level.
Creation	11: High-Value/High-Risk Information	*Work with business owners to identify high-risk/high-value information assets and create an IAR.*	This will increase understanding of the information held across the organisation and prioritise effort in its management.

Category	Topic Number	Auditor's Recommendation	Comments from Te Rua Mahara
Access	18: Information Access, Use and Sharing	*Develop and implement an organisation wide taxonomy/file plan in SharePoint.*	This, along with training in its use, will help to standardise information management across the organisation and support findability.
Disposal	20: Current Organisation-Specific Disposal Authorities	*Finalise the draft DA and send to Te Rua Mahara for approval.*	This would put the organisation in a good place for further work on disposal of physical and digital information.
Disposal	Implementation of Disposal Decisions	*Develop a disposal plan for implementation when the DA is approved.*	This is needed so that benefit from the work developing a DA can be realised and information can be disposed of as appropriate including transfer to Te Rua Mahara.