

INTERNAL AUDIT REPORT: RECORD KEEPING

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CITY OF
ADELAIDE

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1. EXECUTIVE SUMMARY

In accordance with the 2023/24 Internal Audit Plan for the City of Adelaide (CoA) an internal audit focussing on the record keeping requirements of the CoA was performed. The objective, scope, approach and findings are outlined below.

2. OBJECTIVES

The Record Keeping Audit for 2024 focused on a selection of various teams across the organisation to be included within the audit. This review is included in the 2023-24 Internal Audit Plan to provide a level of comfort to the CoA Executive Team, the Executive Strategic Risk & Internal Audit Group (SRIA) and the CoA Audit & Risk Committee that our record keeping compliance obligations are being met. This audit was developed and facilitated in conjunction with Information Management as per the requirements in the Records Management Operating Guideline.

3. BACKGROUND

The *State Records Act 1997 (SA)* governs the obligations and responsibilities of councils in relation to the management of official records. Under this Act, the Council has an obligation to maintain official records in its custody in good order and condition.

An official record is a record made or received by the council in the conduct of its business. This means that because employees of the Council act as a representative of the Council, any record created, sent, received, forwarded or transmitted by Council employees in the performance and discharge of their functions and duties may be classified as an official record.

The Records Management Operating Guideline (Operating Guideline) applies to all areas of Council, including subsidiaries, electronic business, and social media. It concerns records created, collected, processed, used, sentenced, stored, and disposed of in the conduct of official business. It applies to all Council employees and employees of the subsidiaries. The Operating Guideline provides the framework for the Council to effectively fulfil its obligations and statutory requirements under the *State Records Act 1997 (SA)*.

Good records management is of key importance to good governance. All official records recreated or used by employees while conducting Council business are to be retained and, where appropriate, registered into the corporate Electronic Document Records Management System (EDRMS). The current EDRMS that the CoA uses is Content Manager.

4. METHODOLOGY

During July, discussions were held with the relevant stakeholders to understand the current practices in each area in relation to record keeping as per the Operating Guideline. Five programs/teams were reviewed independently by Annette Pianezzola, Risk and Audit Analyst. A sample of tasks were selected from each area to discuss the process of how information is recorded and where it is stored.

A desktop review was conducted, with two of the actions deemed to be satisfactory. Three actions have been determined with deficiencies identified and will be registered in the Process Manager software system for monitoring and review. These findings are listed below:

Program / Team	Task	Satisfactory	Deficiencies Identified
City Operations	Inspections <ul style="list-style-type: none"> Documents, checklists for daily, monthly and annual inspections 		1
Customer Experience	Open Forms <ul style="list-style-type: none"> Templates, documents, email correspondence 	1	
Customer Advocates	Customer correspondence <ul style="list-style-type: none"> Emails, social media messages, 	1	
Community Wellbeing	Community Home Support Program <ul style="list-style-type: none"> Email correspondence, documents, client information 		1
Finance	Statutory requirements <ul style="list-style-type: none"> Email correspondence, documents, spreadsheets, monthly/quarterly reports, Monthly tax returns 		1

5. CONSULTATION

The following CoA stakeholders were involved in meetings throughout the audit:

- Scott Rodda, A/Associate Director City Operations
- Matt Jorgensen, Manager City Presentation
- Rada Sofranic, System Support Officer
- Brooke Winter, Lead Customer Readiness
- Melaine Stewart, Digital Services Advisor
- David Penrose, Lead Web & User Experience
- Raechel Pratt, Lead Systems & Insights
- Karen Crompton, Team Leader Customer Centre
- Tammy Bria, Team Leader Customer Centre
- Anatasia Kallika, Customer Advocate
- Betty Sfyrios, Customer Advocate
- Jacqueline Stretton, Senior Customer Service Representative
- Beth Keough, Team Leader Community Wellbeing
- Nicole Van Berkel, A/Manager Finance & Procurement
- Shelley Palmer, Team Leader Corporate Records
- Paul Kirkham, Asset Intelligence Coordinator

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- Geoffrey Jose, Team Leader Spatial Systems
- Simon Davis, Manager Infrastructure Planning

6. SUMMARY OF FINDINGS

Ref #1 City Operations	Rating: High
Finding and Recommendation	Agreed Actions
<p>Finding: The City Operations team perform daily and monthly inspections of all sites across the CBD including North Adelaide. These inspections range from general areas, playground equipment, seating, trees etc. Inspections are recorded to ensure that the area is maintained, there are no trip hazards present, and that the infrastructure is safe for public use. The weekday inspections are entered directly into the Assetic (Asset Management System), against the particular asset being inspected. A series of questions are addressed and inspected by the Council officer who enters this, and all records are date/time stamped. No records are then extracted and placed in Content Manager (Council's record management system).</p> <p>For inspections performed on weekends, the checklist is paper-based, and documents are filed in Content Manager. This is because tablet devices are not issued to the Council officer on weekends.</p> <p>An external consultant performs annual inspections and once completed, provides the report to CoA. These records are maintained in the Content Manager.</p> <p>In discussion with the stakeholders, it was noted that daily and monthly inspections are not maintained in Content Manager, as per the Records Management Operating Guideline. The information is recorded in Assetic, and if it is required to be stored in Content Manager, the information will be duplicated.</p> <p>The Record Management Operating Guideline states that all council records must be maintained in Council's records management</p>	<p>Management comments:</p> <ol style="list-style-type: none"> Finalise the update of the Records Management Operating Guideline to include all approved systems of records. Responsibility: Manager Information Management Target Date: October 2024 Re-establishment of the BSC to ensure Information Management is aware of the IT software procurement that business units are considering. Responsibility: Manager Information Management Target Date: December 2024 As part of the AM2 project, there is the opportunity to automate the transfer of records to Content Manager. This requires further investigation and agreed structure, nomenclature and containers to store the records. This will require budgetary consideration to undertaken an assessment and scope to the project up. Responsibility: Associate Director Infrastructure Target Date: June 2026 In the interim, until point 2 is implemented, download the inspections from Assetic weekly and place them in Content Manager.

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<p>system, Content Manager. In reviewing the Operating Guideline, the records management system will be used to manage the Council’s official records except for data that is generated within business software applications (e.g. Pathway, Finance One etc).</p> <p>In reviewing the Operating Guideline, the approved system of record does not state all relevant business software applications, therefore it is difficult to determine which software is approved as a system of record. The Central Records team are in the process of reviewing this Operating Guideline to ensure the information is up-to-date and accurate. The system owner of Assetic is the Infrastructure program, therefore further investigation is required to determine if this business software application can be exempt.</p> <p>Recommendations</p> <ol style="list-style-type: none"> 1. Complete the review of the current Records Management Operating Guideline to ensure all business software applications that are exempt are stated in the Operating Guideline. 2. Proactively reach out to business units to identify IT software procurement requirements. 3. In consultation with Central Records, Infrastructure to explore the opportunity to list Assetic as an approved business software application exempt from storing Council records in Content Manager with Information Management, which is the owner of the Records Management Operating guideline. 	<p>Responsibility: Associate Director Infrastructure</p> <p>Target Date: June 2025</p>
<p>Position Responsible:</p>	<p>Manager Information Management / Associate Director Infrastructure</p>
<p>Target Date:</p>	<p>As above</p>

Ref #2 Community Wellbeing	Rating: High
Finding and Recommendation	Agreed Actions
<p>Finding: CoA offers the aging community a Commonwealth Home Support Programme (CHSP). This programme is to assist older Australians access entry-level support services to live independently. There are a number of services that participants of the program can receive, and this is managed by the Community Wellbeing team at Council.</p> <p>To manage the services provided, CoA uses software called a Service Management System (SMS). Agencies use this software to deliver community care to their residents. CoA will use SMS to retain participant details, customer enquiries, correspondence with contractors, etc. There are approximately 150 current participants recorded in the software, however, the information is not extracted and retained in Content Manager, CoA's records management system. Instead, all records are kept against the participant profile. Furthermore, there is no disposal schedule for these records. If the records are retained in Content Manager, then the Central Records team will manage the disposal schedule. In addition, in a recent audit undertaken by KPMG 'Data Protection & Privacy' it was identified that information stored in this system is not disposed of. One of the actions from this audit is to consult with Alchemy Technology to understand their data management process in particular with how data is disposed.</p> <p>In discussion with Central Records, the Team Leader has provided information to the Community Wellbeing regarding the appropriate disposal schedule for these types of records. In addition, they have discussed with the team, whether CHSP can be listed as an approved system of record, though this will exclude any permanent retention items, agreements that are signed under seal and any correspondence that comes through the Australia Post. However, this has not progressed any further.</p>	<p>Management comments:</p> <ol style="list-style-type: none"> 1. Engage with Central Records to discuss the potential for SMS to be an approved system of record. Responsibility: Associate Director City Culture Target Date: November 2024 2. Discuss with Central Record the disposal schedule as advised by Alchemy Technology. Responsibility: Associate Director City Culture Target Date: November 2024

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As the SMS system is used to capture all correspondence for participant details and liaison with contractors to manage the services for the aged, further discussions with Central Records are required to determine if the software can be listed as an approved system of record instead of duplicating the data.

Recommendations

1. Consult with Central Records to complete a Business System Classification Proposal so that the SMS software can be listed as an approved system of record.
2. Consult with Alchemy Technology to understand their data management process in particular with how data is disposed.

Position Responsible:	Associate Director City Culture
Target Date:	As above

Ref #3 Finance		Rating: High
Finding and Recommendation		Agreed Actions
<p>Finding: Finance uses Pathway and Technology One to process the majority of their work, both software is listed as an approved system of record. However, there are times when their work is recorded on spreadsheets for reporting and data analysis. Most of this reporting is performed through monthly and quarterly reporting, which is stored in Content Manager, CoA's records management system and in ModernGov, CoA's meeting and agenda management software. All records created in ModernGov are then exported to Content Manager.</p> <p>In discussion with Finance, the majority of work recorded on spreadsheets is then translated into a report, whether in ModernGov or monthly meetings with the respective teams. However, it was noted that tax information such as Fringe Benefit Tax (FBT) and Business Activity Statements (BAS) are uploaded into the Australian Taxation Office (ATO) portal and all internal workings and reports are held on the CoA's N Drive. These statements are not stored in Content Manager, nor is there a disposal schedule set up.</p> <p>Recommendations 1. Create Content Manager folders, to retain all internal workings and copies of all reports submitted to the ATO.</p>		<p>Management comments: Set up Content Manager containers and ensure all tax returns (FBT and BAS) are stored in these folders including statements and calculations. Responsibility: Manager Finance & Procurement Target Date: October 2024</p>
Position Responsible:	Manager Finance & Procurement	
Target Date:	October 2024	

APPENDIX 1: RISK MATRIX OF INTERNAL AUDIT FINDINGS

The following framework for the internal audit ratings is consistent with the CoA Risk Management Operating Guidelines and the Risk Management International Standard ISO31000:2018. The descriptions have been tailored to illustrate risk to the business operations.

6.1 CoA Risk Matrix

CoA Risk Matrix		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD	Almost Certain	Medium	High	Extreme	Extreme	Extreme
	Likely	Medium	High	High	Extreme	Extreme
	Possible	Low	Medium	High	High	Extreme
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Low	Medium	Medium

8.3 Risk & Finding Descriptions

Rating	Definition	Action	Indicative Timeframe (variations to be agreed by SRIA)
Extreme	<p>The finding represents a control weakness which could have or is having an extreme adverse impact on the business and the ability to meet objectives.</p> <ul style="list-style-type: none"> • Extreme decline in quality and customer service leading to a decrease in community's confidence in Council • Extreme breakdown in process that leads to illegal activity • Breach of legislation or contractual non-compliance that will result in litigation, prosecution and/or penalty 	<p>Finding reported to Director immediately and response plan developed with appropriate Associate Director. Implementation updates and status reporting managed through Promapp.</p>	<p>Actions managed in Promapp with a timeframe of no more than 3 months for completion.</p>
High	<p>The finding represents a control weakness which could have or is having a high adverse impact on the business and the ability to meet objectives.</p> <ul style="list-style-type: none"> • Major decline in quality and customer services leading to a decrease in community's confidence in Council • Serious breakdown in process that may lead to increased and unacceptable risk • Breach of legislation or contractual non-compliance that will result in litigation, prosecution and/or penalty 	<p>Finding reported to the appropriate Associate Director immediately and response plan developed with appropriate Manager. Managed through Promapp.</p>	<p>Actions managed in Promapp with a timeframe of no more than 6 months for completion.</p>
Medium	<p>The finding represents a control weakness which could have or is having a medium adverse impact on the business and the ability to meet objectives.</p> <ul style="list-style-type: none"> • Medium decline in quality and customer services leading to a decrease in community's confidence in Council • Medium operational breakdown in process that may lead to increased and unacceptable risk • Minor breach of legislation or contractual non-compliance that will <u>not likely</u> result in litigation, prosecution and/or penalty 	<p>Finding reported to appropriate Manager through Internal Audit Report and managed through Promapp.</p>	<p>Actions managed in Promapp with a timeframe of no more than 9 months for completion.</p>
Low	<p>The finding represents a minor control weakness which could have or is having a low/ minimal but reportable adverse impact on the business and the ability to meet process objectives.</p> <ul style="list-style-type: none"> • Minimal decline in quality and customer services • Minor breakdown in process that is not likely to affect risk • Minor breach of legislation or contractual non-compliance that will <u>not likely</u> result in litigation, prosecution and/or penalty 	<p>Finding reported to appropriate Manager through Internal Audit Report and managed through Promapp.</p>	<p>Actions managed in Promapp with a timeframe of no more than 12 months for completion.</p>