

Western Economic Diversification Canada
 Audit Report (04 July 2006)
 Audit of the Management of Physical Records

Finding Number	Area of Focus Audit Criteria	Finding/Observation/Issue	Evidence	Cause	Effect/Impact	Recommendation	Benefit	Management Response to Finding	Management Response to Recommendation
1	Departmental Context								
1.A	Recognition by the department that information is a strategic corporate asset requiring stewardship.	Department recognizes importance of information as an asset; however, when speaking of information management most view it as electronic information. Very few of the interviewees could identify the department's steward of IM. Recognition that the physical records are an asset is minimal.	Interviews, physical aspects of various Central Registry (CR) units, no departmental policies around physical records, the action plan to IM Capacity Check did not include physical records management.	No clear departmental focal point for management of physical records in the department or clear recognition that they are part of Information Management (IM).	Varying approaches to management of CR across the regions. Few interviewees use CR for storage of their information (other than project files); therefore, true extent of holdings are not known. At the departmental level, management of physical records is under resourced.	Corporate Services take functional responsibility for the department's physical records and ensure that the function is properly resourced.	Strong direction, recognition of a steward for physical records, consistent approaches, knowledge of true extent of holdings and an integrated approach to information management (electronic and physical).	<p>Agreed. The Deputy Minister issued an all staff message about WD's Changing Workplace, identifying key departmental initiatives and their leads. IM was included identifying the Director, IMT as the lead. (July 7, 2005-see attached .msg file).</p> <p>The Allstream IMCC project included both a broad cross-section of 27 interviewees, along with facilitation of 2 working groups sessions represented by another cross-section of 11 staff. (Reference Appendices B, C in Allstream IM Strategic Plan).</p> <p>WD has an executive-approved IM Action Plan, which is a pragmatic approach to the Allstream IMCC Strategic Plan. Both the Strategic and Action Plan addresses record management as a part of IM in Yr 2 with:</p> <ul style="list-style-type: none"> - development and implementation of an information architecture - development and implementation of subject classification structure. <p>(Reference .ppt WD's Response to the IM Capacity Assessment .ppt Phase 3 - IM Integration June 14, 2005).</p>	<p>Agreed. WD management acknowledges the recommendations to improve physical records management in the department. This element is included in the WD Information Management (IM) Action Plan, to be addressed with the development of the Information Architecture this fiscal year. However, interim operational actions can be taken to improve access and security in the current environment. Also, in direct response to ownership of physical records management, WD Corporate Services is preparing justification for a Senior Records Officer. This person is expected to be a member of Corporate Administration, and have a close partnership with Information Management and Technology relative to the IM Agenda. Executive approval and support is required to proceed with this action, along with resource commitment (time, money, and people) to accelerate implementation of the IM Action Plan, should this be preferred. The overall IM Agenda is extremely costly to a department this size with limited dedicated resources. It can only be achieved using a pragmatic approach recognizing the cultural change required is key to the overall success.</p>

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2.G	Mechanisms or processes exist to facilitate partnerships and consultations between other organizations and stakeholders in support of effective IM.	No formal mechanism in place and no formal identification of stakeholders in the physical records. The need for this was questioned by some interviewees. Informal processes include consultations with users of CR and CR units in other regions. Services, at times, tailored to internal stakeholders.	Interviews	Perception that little would be gained from such a process.	Opportunities for partnerships with other departments or other organizations may be missed.	Establish a process / mechanism to identify stakeholders, review potential opportunities, and summarize any decisions regarding potential synergies, if any exist.	Either opportunities for partnering will be identified or a conscious decision will be made that this would not be beneficial to WD.	Agreed.	Agreed. We need to determine if this is useful or necessary to WD. Corporate lead, direction and actions will be supported.
3	Management of IM								
3.A	Senior management is aware, understands and demonstrates commitment to a clear vision and set of strategic objectives for IM.	A vision and strategic objectives for IM have been agreed to by senior management. Most interviewees (including CR staff) were not aware that there was a vision and strategic objectives.	Minutes of the Executive Committee Meetings for December 2 & 3, 2002. Interviews.	The vision and mission were not fully communicated particularly to those involved in management of physical records.	Physical records are not seen as part of IM.	Have the functional responsibility for physical records in Corporate Services and ensure that employees are made aware of the IM vision and objectives.	Physical records will be seen as part of IM and CR will understand their role in the IM vision and plan.	Agreed. Refer to DM's Changing Workplace message to all staff. IMT Orientation to regional staff introduced role of information and IM agenda (Regional visits 2004-05). Full Engagement Strategy as Phase 2 is scheduled for Yr 2 in approved IM Action Plan. Quick wins for Yr 1 being achieved as planned.	See 1.A
3.B	Quality of strategic, business and operational plans for IM, and the linkages between plans, costs, benefits, resources and controls.	Existing IM plans do not include Physical Records.	Review of IMT planning framework presented to Executive Committee June 24, 2003.	No consistent understanding across department that physical records fall under IM.	No effective planning for management of physical records.	Have the functional responsibility for physical records in Corporate Services and the existing IM plan expanded to include more details on physical records.	Physical records will be seen as part of IM and CR will understand their role in the IM vision and plan.	See 1A.	See 1.A
3.C	There is a framework to effectively support IM. IM principles, policies and standards exist, are understood and applied.	No departmental framework for physical records exists; however, the Library and Archive Canada's (LAC) MIDA's (Multi-Institutional Disposition Authorities) are followed.	Interviews. Lack of departmental policies, procedures, etc.	CR units in each region under regional responsibility. No focal point in department having clear responsibility.	Inconsistent practices across the department. No sharing of best practices. Duplication of effort as each unit is struggling to put together their own guides.	Have the functional responsibility for physical records in Corporate Services where these policies will be developed and implemented.	Consistent practices across the department within a common framework.	Agreed. Library and Archives Canada (LAC) framework governs departmental records lifecycle management.	See 1.A

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3.D	Roles, responsibility, performance and accountabilities are clearly defined, understood and accepted. The organizational and governance structures are appropriate to support IM	Not clearly defined for physical records. Regions responsible for individual CR units under the Regional Finance Managers.	Interviews. Job descriptions.	CR units in each region under regional responsibility. No focal point in department having clear responsibility.	Inconsistent practices across the department. No sharing of best practices. No governance of physical records under Treasury Board's Management of Government Information (MGI) policy.	Have the functional responsibility for physical records in Corporate Services.	Physical records will be seen as part of IM and CR will understand their role in the IM vision and plan.	Agreed.	See 1.A
3.E	The department's programs and projects proactively and effectively integrate IM principles, policies and standards.	Data is identified for data capture for results measuring, recording and documenting but not on a more broad information management basis. This is an IM issue as a whole not specific to physical records.	Interviews.	n/a	n/a	n/a	n/a	Agreed. Electronic records have not been captured in an integrated fashion, however, with the stated IM Agenda, WD recognizes the need for a central repository to minimize disparate record collections. Electronic Document and Records Management is scheduled in the IM Action Plan Phase 3, once the information architecture is designed.	n/a
3.F	There are mechanisms for identifying, measuring and monitoring relevant risks for IM.	For physical records, no specific mechanisms for identifying risks and, thus, no risk mitigation plans are in place. See 4.B.	Interviews.	See 4.B.	See 4.B.	See 4.B.	See 4.B.	Agreed. Security measures will also be addressed in both the Business Continuity Plan and the Management of IT Security (MITS) compliance program.	See 1.A

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3.G	Achievement of financial and operating results are embedded into the performance management framework for IM.	There is no performance management framework for physical records.	Interviews.	No departmental framework of policies, standards, etc and no strategic plan against which to measure performance.	Individual CR units in each region operate independently from each other and there is no way to effectively measure performance or compare performance among them. Some interviewees said that they do not use CR because of lack of trust; however, there is no objective indicator to support this. It is based on perception only.	Once incorporated into the IM plan (recommendation for 3.B), develop the performance framework to allow for objective measurement of results achieved.	Consistent CR operations across the department that are measured in the same way, such as implementing consistent service standards. Increase in level of trust in CR function.	Agreed.	Agreed.
4	Compliance and Quality								
4.A.1	Processes ensure information is accurate, consistent, complete and current.	Other than for business/project officers or M&P officers, most interviewees indicated that they do not submit their information to CR. One CR indicated that when people leave and clean out their offices <u>then</u> they send everything to CR.	Interviews. HQ's keeps their own project approval files. ATIP files are kept separate.	A lack of trust in being able to retrieve the information was cited as the reason most often by interviewees. One interviewee indicated a lack of space in CR.	There is no overall picture of WD's true information holdings. Staff will horde information and if one individual is away, then the information they are keeping is not available to others.	Under Corporate Services functional responsibility, ensure MGI policy standards are in place and train all staff on their responsibility to submit physical records to CR.	Knowledge of the extent of WD's true holdings and a higher profile for the management of physical records as an asset to be safeguarded. Reliable access to corporate information in physical files.	Agree there are many individually held files.	Agree that additional training is required.
4.A.2		Project files sampled under Audit of Financial Management of Grants and Contributions and no issues were noted.	Sampling.	n/a	n/a	n/a	n/a	n/a	n/a
4.A.3		HR files not sampled as the risk was low due to the independent check by employees if there is an issue with pay.	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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4.A.4		For the most part, financial physical records sampled and found to be accurate. One exception was in the area of receivables. In one region the final payment of a receivable was not indicated on the physical file which would allow the file to be closed. This was not tested in the other regions.	Sampling against the electronic financial system.	That step in the process was not clearly defined.	Minimal impact due to the low volume of receivables.	Determine if this is an issue in the other regions and clarify process.	Clear direction on the process for receivables.	Agree that further follow up is required.	Agree that further follow up is required.
4.B.1	Mechanisms ensure information is protected from unauthorized access, use and destruction.	CR units are not kept locked and there is not always a person in attendance. In one region, access is behind receptionist; however, staff are allowed to go in and out. In another region, some staff have been given full access to charge out files because there is not someone in CR at all times. In another, an additional person is now being trained as back up. Secret and protected files are kept on the shelves beside other files.	Site visit, interviews	Insufficient resourcing to ensure that someone is in CR at all times. Lack of appropriate storage containers. Trust in fellow employees	There could be unauthorized access and information could be lost. Files can be misplaced.	Ensure that the CR unit is staffed at all times. When no one is there, the door should be locked. Ensure that appropriate storage containers are used.	Information in CR will be safeguarded. Level of trust in CR function will be raised which will encourage greater use of CR for storage of information.	Agree. Due to limited staff it is not always possible to have continuous coverage even though access is still required for users. In one region although not locked the dutch door is closed. The security risk is low.	Agree that this is desirable if not always possible or practical. A locked door would provide additional security.
4.B.2		Interviewees indicated a level of comfort that original contracts were kept in locked fireproof cabinets/safes. However, in one region the safe is not kept locked during business hours and in another the fireproof cabinet does not lock and there are two more cabinets used that are not fireproof and do not lock.	Site visit, interviews	In the region where the safe is not locked, the CR units trusts staff to honour the restricted access. In the other, the cabinets do not meet expectations.	Loss of information is possible. Unauthorized access to designated and/or classified information is possible.	In the one region keep safe locked at all times and, in the other region, replace the cabinets to meet the expected standard.	Original documents will be safeguarded against loss, destruction or unauthorized use.	Agree that there are weaknesses in this area. Risk is low but material stored in safe needs added protection. Besides those in safe, most documents could be reconstructed or recreated if destroyed	Agree

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4.B.3		It was noted in two regions that files are passed on to others without updating the charge out system. In one instance, files were charged out to an individual who subsequently retired and did not return the files. The assumption is they were passed on to someone else.	Interviews.	Particularly for project files, staff find it inconvenient to return it and charge it out again.	Difficulty in locating files. The individual who originally charged out the file remains responsible for it although they do not have possession of it.	Files need to be charged out to the person who has possession. One CR suggested a simple email to CR copied to the person to whom the file is being passed would suffice because she can make the change in the system.	Locating the files if needed would not be an issue. The individual who originally charged out the file would no longer be held responsible for a file they are not in possession of.	Agreed.	Agreed. Exit checklists signed by retirees should also include returning of files charged out to them.
4.B.4		Not all CR staff are cleared to Secret, and they are handling classified documents.	Interviews.	Not a requirement when hired.	CR staff have access to documents that they are not cleared to see. Non-compliance with TB policies.	Upgrade the security classification of anyone working in CR.	TB policies will be complied with.	Agreed.	Agreed.

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4.B.5		Security classifications of individuals who are charging out the file is unknown to CR staff. One CR person in one office is also a Human Resources assistant so has access to that information.	Observation and interviews.	No list in CR as to the security levels employees are cleared to. One CR staff was told that anybody at Manager level and up can see any file and that a Manager can authorize any of their staff to see a file.	Staff have access to documents that they are not cleared to see. Non-compliance with TB policies.	Ensure that CR has a list of staff security clearances and that access rights to physical files are managed appropriately.	TB policies will be complied with.	Agreed.	Agreed.
4.B.6		Not everyone is aware of the policies and procedures for downgrading a Secret designation.	Interviews.	Lack of training, policies and procedures.	Some documents remain Secret long after information becomes public. Effort is expended maintaining Secret records unnecessarily.	Provide training on this subject to CR staff.	Resources will be used more efficiently and not consumed by documents that no longer require "secret" classification.	Agreed.	Agreed.
4.C	Mechanisms ensure an individuals rights to privacy in the collection and disclosure of information are respected.	HR records were found to be secure and storage was appropriate to protect privacy. Any financial information containing private information is kept in the safe. Some CR staff noted that they were not knowledgeable of the provisions of the <i>Privacy Act</i> and might be unwittingly not complying.	Interviews.	Lack of training.	Possible non-compliance with the <i>Act</i> .	Provide training on this subject to CR staff.	Compliance with <i>Act</i> will be assured.	Agreed. Training for all staff was conducted recently on Access to Information and Privacy.	Agreed. Will be incorporated into planning for this area.
4.D	Mechanisms ensure timely information recovery, restoration of essential records and business resumption.	There is no business resumption plan that incorporates Physical Records. The latest plan known of is the Y2K plan. A M&P manager was confident that the project files, except for client submitted documents, could be recreated from electronic data.	Interviews.	No business resumption planning since Y2K.	In the event of a loss of information, lack of planning will delay the resumption of business and possible permanent loss of information.	Continue with plan to develop a business resumption plan by end of December 2006 and ensure inclusion of physical records.	Business will resume on a more timely basis and everyone will understand their roles and responsibilities should the plan need to be implemented.	Agreed.	Agreed.
4.E	Audit and review processes are in place to ensure awareness of and compliance with applicable IM legislation, policies and standards.	Allstream capacity check undertaken last year. This audit in progress. Security sweeps conducted last year.	Interviews, copy of Allstream report, Email from Tim Earle on the security sweeps.	n/a	n/a	n/a	n/a	n/a	n/a

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5 Records and Information Life Cycle									
5.A	Information requirements are incorporated into new or modified government policies, programs, systems, services & technology-based systems	Except for results data, no specific information requirements, particularly for physical records, is included as part of new or modified programs.	Interviews.	Information management is not specifically required in Memoranda to Cabinet (MC's) or Treasury Board Submissions.	Impact on IM not considered in advance of new programming which may strain existing resources.	Although not specifically required in MC's, department should include IM planning as part of the program's impact on resources.	Existing IM resources will not be strained in the implementation of new programming.	Agreed.	Agreed.
5.B.1	In terms of collection, creation, receipt and capture, information collection, sharing and re-use are optimized and decisions are documented.	As noted 4.A.1, not all information is collected therefore sharing and re-use cannot be optimized.	Interviews.	n/a	n/a	n/a	n/a	Agreed.	n/a
5.B.2		It was noted that except for the primary numbers in the classification of documents, each region uses their own secondary numbering system.	Interviews.	Lack of coordination or departmental standard.	More effort in maintaining separate numbering systems and in finding information from region to region.	Coporate Services to direct this function and maintain a single classification manual electronically.	Reduced effort and consistency in files for ease of retrieval.	Agreed.	Agreed. Seems a good idea but may be impractical due to cost for some regions to change to new corporate secondary numbering system.
5.C	Information is identified, categorized, catalogued and stored to effectively and efficiently support the business process.	Information that is received by CR is classified by the originator and CR confirms or consults on the classification. For projects, particularly, users felt their processes were supported.	Interviews.	n/a	n/a	n/a	n/a	Agreed. This requires further work in some locations to ensure that accurate coding is applied by originator.	n/a
5.D	The department's information can be located, retrieved and delivered to provide users with timely and convenient access.	Information that is received by CR can be located and retrieved for timely and convenient access. In some instances, when files have been passed on to other employees without following the proper charge out procedures, general emails have gone out to locate missing files. To date no physical office to office searches have needed to be undertaken.	Interviews, emails.	n/a	n/a	n/a	n/a	Agreed.	n/a
5.E	The long-term usability and safeguarding of information is ensured.	Except as noted in 4.B, documents protected from wear and tear and deterioration.	Interviews.	n/a	n/a	n/a	n/a	Agreed.	n/a

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5.F	Departmental retention and disposal plans are followed to ensure timely disposition of information, subject to legal and policy obligations.	Retention schedules/plans, and Records Disposition Authorities from the LAC, have been implemented.	Interviews.	n/a	n/a	n/a	n/a	Agreed.	n/a
5.G	The department can assess the overall compliance and performance of its information management program.	No performance management framework in place for physical records.	Interviews.	No planning, including a performance management framework, has been undertaken. To date the physical records have not been seen as part of the overall IM or departmental planning.	The department cannot assess its performance on the management of physical records.	Include the management of physical records, with an appropriate performance framework, in the departmental IM planning.	Greater confidence in the management of physical records as any weaknesses could be indentified and corrected on an ongoing basis.	Agreed.	Agreed.
6	User Perspective								
6.A	Users of information are aware of the department's information products and services.	Except for project records, interviewees (other than CR staff) were not really aware of what records are available in CR. The public can access Info Source which lists the department's information holdings.	Interviews.	n/a	n/a	n/a	n/a	n/a	n/a
6.B	User training and support programs are available to facilitate the access and use of information.	No specific training programs available for staff. Specific training was provided to the M&P and Project Officers in one region. No orientation is provided on becoming employed with WD.	Interviews.	Little or no formal training available for users. CR not considered a priority for new staff orientation.	The less is known the greater the mistrust and the fewer records are voluntarily submitted to CR for proper storage.	Staff orientation to include orientation to CR. Once incorporated into the IM plan and there is consistency among the regions, offer training to all staff.	Greater trust in the CR function for other than project files.	Agreed. Informal training has been available. Training scheduled for Jan 06 in the NCR had to be cancelled as a budget freeze was enacted.	Agreed. Any formal training would have to be mandatory in order to ensure participation. It would be helpful to provide a general understanding plus contacts or resources for issues.
6.C	There are mechanisms to measure, evaluate and learn from user feedback on information products and services.	Informal mechanisms only.	Interviews.	No formal mechanism identified.	Informal mechanisms are ad hoc and not always objective.	Include a formal mechanism as part of the performance framework recommended under 5G.	Issues may be brought to light in a more timely manner and there would be greater trust in the CR function.	Agreed.	Agreed. Will look to corporate direction.