

# LITCHFIELD COUNCIL



*Community effort is essential*

## **Risk Management and Audit Committee BUSINESS PAPER TUESDAY 8/08/2017**

Meeting to be held commencing 5.00pm  
In Council Chambers at 7 Bees Creek Road, Freds Pass.

Any member of Council who may have a conflict of interest, or a possible conflict of interest in regard to any item of business to be discussed at a Council meeting or a Committee meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.

AGENDA		
Number	Agenda Item	Page
1	Opening of Meeting	
2	Apologies and Leave of Absence	
3	Conflict of Interest	
4	Confirmation of Minutes	
	Recommendation: THAT the minutes of the Risk Management and Internal Audit Committee Meeting held Tuesday 11 July 2017, 6 pages, be confirmed.	
5	Business Arising from the Minutes	3
6	Presentations - Nil	
7	Accepting or Declining Late Items	
8	Notices of Motion	
9	Officers Reports	
	9.1 Risk Management and Audit Committee Performance Evaluation.	5
	9.2 Risk Register Review	10
	9.3 Incoming Mail Process Map	14
10	Other Business	
11	Confidential Items	
	11.1 Procurement Audit Report THAT pursuant to Section 65 (2) of the Local Government Act and Regulation 8 of the Local Government (Administration) Regulations the meeting be closed to the public to consider the following Confidential Item.  11.1 Procurement Audit Report  Regulation 8(c)(iv) Reason - information that would, if publicly disclosed, be likely to prejudice the interest of the council or some other person.	
	11.2 Project Anthe Forensic Investigation THAT pursuant to Section 65 (2) of the Local Government Act and Regulation 8 of the Local Government (Administration) Regulations the meeting be closed to the public to consider the following Confidential Item.  Project Anthe-Forensic Investigation  Regulation 8(c)(iv) Reason - information that would, if publicly disclosed, be likely to prejudice the interest of the council or some other person.	
12	Close of Meeting	

#### 4. Business Arising from the Minutes

Meeting Date	Agenda Item & Resolution/Action	Update
07-03-2017	<b>Item 9.3 - Internal Audit Plan</b> Procurement Audit scope to be sent to Chair for comment	Item completed  <b>Future Action</b> No further action required
07-03-2017	<b>Item 9.3 - Internal Audit Plan</b> Develop a three-year plan for internal audits	Risk registers are presented at this meeting which will be used to guide the development of the three-year internal audit plan. Areas that warrant closer inspection include <ul style="list-style-type: none"> <li>) IT security</li> <li>) Business continuity</li> <li>) Cash handling</li> </ul> <b>Future Action</b> Develop three-year internal audit plan
07-03-2017	<b>Item 9.5 - Berry Springs Waste Transfer Station (WTS) Report.</b> Transfer items to the WTS risk register (to existing controls, or to mitigations in progress)	Item completed  <b>Future Action</b> Monitor risk register

Meeting Date	Agenda Item & Resolution/Action	Update
07-03-2017	<p><b>Item 11.2 External Auditor tender process</b></p> <p>That RMAC recommend reappointment of UHY for the 2016/2017 financial year subject to fees remaining within the range of previous levels.</p> <p>That a new tender process be commenced by December 2017, to be effective commencing from the 2017/18 financial year.</p> <p>That this resolution is included in the open minutes.</p>	<p>UHY Haines Norton have been reappointed for the 2016/17 audit of Litchfield Council's Financial Statements. Auditors attended on site Monday 22 May to Friday 26 May 2017 to conduct the initial internal audit requirements with controls testing. In addition, the engagement letter confirms fees will be in line with their quote of \$33,073 excluding GST, for the 2016/17 financial year.</p> <p><b>Future Action</b></p> <p>Commence expressions of interest by December 2017 for the audit services commencing 2017/18 financial year for three consecutive years.</p>

<b>Agenda Item Number:</b>	9.1
<b>Report Title:</b>	RMAC Evaluation
<b>Meeting Date:</b>	9/08/2017
<b>Attachments:</b>	RMAC Evaluation Questionnaire

## **Purpose**

To discuss with the Risk Management and Audit Committee (RMAC) the annual assessment tool and seeks the Committee's endorsement to proceed.

## **Summary**

This paper presents an annual assessment tool which is proposed to be used to evaluate the performance of the RMAC.

The assessment tool requires the Committee members to undertake a self-assessment and seeks feedback from Elected Members, the Chief Executive Officer, the Director of Community and Corporate Services and the Governance and Risk Advisor. The assessment will be implemented prior to the 26 August local government elections to gather base line data from the existing committee membership.

The assessment will be used to ensure the RMAC is functioning in line with the FIN09 "Risk Management and Audit Committee Policy" and meeting the needs of Litchfield Council. It is anticipated that the results will recognise gaps and opportunities commensurate with the maturity of Litchfield Council and the RMAC.

## **Recommendation**

THAT the Risk Management and Audit Committees endorses the use of the assessment tool to be conducted annually.

## **Background and Discussion**

Pursuant to the Local Government (Accounting) Regulations (the Regulations) councils are required to establish an audit committee as part of their internal control framework. Specifically, the Local Government Regulations provide that an audit committee is to monitor compliance by the council to,

- ) proper standards of financial management, and
- ) regulations and the Accounting Standards.

The Northern Territory Department of Housing and Community Development - Local Government Division General Instruction No. 3 Audit Committees, provides guidance on the roles and functions of local government audit committees.

Litchfield Council Risk Management and Audit Committee (RMAC) is guided by Council Policy FIN09 "Risk Management and Audit Committee Policy" which sets the terms of reference for the committee.

The RMAC assists Litchfield Council to function according to good governance and accounting and auditing standards, and to adopt appropriate risk management arrangements.

A well-functioning Committee is an important key to the organisation achieving good corporate governance

It is best practice for an Audit Committee regularly assesses its own performance and the adequacy of its terms of reference, work plans, forums of discussion and communication with a view to highlighting improvement opportunities to ensure optimal effectiveness.

The evaluation will be implemented online using Survey Monkey. Results of the survey will be presented to the next RMAC meeting. This evaluation will be conducted annually and will be incorporated into the RMAC workplan.

### **Links with Strategic Plan**

5. An effective and sustainable Council

### **Legislative and Policy Implications**

The RMAC is mandated through the Local Government Act and Local Government Guideline No.3 - Audit Committees.

### **Risks**

In undertaking an annual assessment, the RMAC is ensuring that it is as effective as possible. The annual assessment considers Council's satisfaction with the Committee's performance and compares the Committee's activities to the relevant guidelines and leading practices.

### **Financial Implications**

There are no financial implications in implementing this evaluation.

### **Community Engagement**

Not applicable

Recommending Officer: David Jan, Governance and Risk Advisor

Any queries on this report may be directed to the Recommending Officer on telephone (08) 8983 0600.

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## LITCHFIELD COUNCIL RMAC PERFORMANCE EVALUATION QUESTIONNAIRE

### Rating Categories

1. Insufficient knowledge
2. Strongly Disagree
3. Disagree
4. Neither agree nor disagree
5. Agree
6. Strongly Agree

### Composition and Quality of Committee Membership

1. Risk Management & Audit Committee members and the Chairman are identified and approved by sources independent of Council's operational management personnel
2. Committee members have qualifications appropriate for meeting the committee's charter and objectives
3. The committee demonstrates integrity and credibility, members show active participation, strong interpersonal skills and a proactive approach to addressing committee issues
4. The committee members demonstrate knowledge and experience relative to local government management issues in general and Litchfield Council operations specifically
5. The committee provides for ongoing education programs to enhance members' knowledge skills base
6. The committee monitors compliance with Council's governance regulations
7. RMAC Committee roles and responsibilities are clearly set out in a Charter approved by Elected members
8. The committee members clearly understand their roles and responsibilities as set out in the RMAC charter
9. The committee reviews its charter regularly to ensure responsibilities and objectives are adequately described
10. New members are provided with a comprehensive induction and orientation program to ensure they are fully aware of their roles and responsibilities
11. A succession plan is in place for the committee chairman and members
12. The committee chairman demonstrates effective leadership

### Understanding Council's Business and Risks

13. The committee members have a good understanding of Council's legislated responsibilities, core functions and organisational structures

14. The committee reviews and approves the processes Council uses to identify and assess risk and internal controls and apply treatment plans at both the strategic and operational levels
15. The audit committee is aware that the elected members, Executive Team and other committees give due consideration to significant risks that may directly or indirectly affect financial reporting
16. The audit committee reviews and approves Council's fraud risk assessment and understands the identified fraud risks

#### Committee Processes and Procedures

17. The audit committee has a scheduled calendar of meetings that ensures sufficient time and resources are available to meet its responsibilities under its charter
18. The frequency of committee meetings and time allocated for meetings allows the committee to fulfil its duties effectively
19. Audit committee meetings are conducted effectively and sufficient time is spent dealing with significant audit issues
20. Council provides the committee with sufficient funding to fulfil its role and objectives
21. Communication levels between the committee and other relevant parties is appropriate
22. Audit committee findings are reported at Council meetings
23. Committee agendas, minutes and supporting documentation are circulated in advance of meetings with sufficient time for members to study and comprehend information to be addressed
24. Written reports and other materials provided to the committee are relevant and concise
25. The committee maintains comprehensive minutes of its meetings
26. Committee members come to meetings well prepared to address the business on the agenda
27. A register of attendance of committee members is maintained and reported annually to Council
28. The committee recognises and respects the separation between oversight of, and management of Councils financial reporting processes

#### Oversight of Financial Processes and Internal Controls

29. The committee considers the quality and appropriateness of financial accounting and reporting processes
30. The committee has a role in reviewing Council's significant accounting policies
31. The committee understands and approves the process used by management to identify and disclose related party transactions
32. The committee reviews the processes related to financial statement certifications made by the CEO
33. The committee receives sufficient information to assess and understand management's processes for identifying and evaluating Council's systems of internal control over financial management practises and financial reporting
34. The committee understands and approves the internal control testing methodologies applied by management through control self-assessment, by internal auditors and external auditors
35. The committee ensures that appropriate action is taken in relation to significant deficiencies and material weaknesses that are identified by audits and control self-assessment programs and that action items are recorded and monitored



36. The committee reviews management recommendation letters from internal and external auditors and monitors the all significant matters requiring corrective action
37. The committee ensures that management takes timely action to address repeat comments from internal and external auditors, especially relating to the strength of internal controls
38. Adjustments to financial statements arising from auditor comments are reviewed by the committee
39. The committee is consulted when management is seeking a second opinion on an accounting or auditing matter

#### Oversight of Audit Activity

40. The audit committee understands the roles of internal and external auditors and clearly articulates its expectations of each entity
41. The committee regularly reviews the adequacy of the internal audit function (charter, audit plan, budget allocation, quality of audit staff)
42. Reporting lines from internal auditors to the committee facilitate the conveying of key information arising from audits that needs to be brought to the committee's attention
43. The committee appropriately considers internal audit reports and recommendations, management responses and monitors progress of implementation of agreed corrective actions
44. The committee oversees the role of external auditors and has an effective role in assessing the auditor's qualifications and performance
45. The committee reviews the fee scale paid to external auditors
46. The committee reviews and approves the scope of non-audit services particularly when services relate to accounting processes and financial reporting
47. The committee has access to private sessions with management, internal auditors and external auditors where pertinent issues relating to audits may be discussed

#### Ethics and Compliance

48. Annual performance evaluation is undertaken of the audit committee and results reported to the elected members at Council meetings
49. Members' session fees are approved by Council
50. Members of the committee adhere to independence and conflict of interest requirements

**Agenda Item Number:** 9.2  
**Report Title:** Risk Registers  
**Meeting Date:** 8/08/2017  
**Attachments:**

## **Purpose**

To provide the Risk Management and Audit Committee (RMAC) with progress on the development of the Litchfield Council Risk Register.

## **Summary**

This paper provides the RMAC with an update as to the progress of the development of the risk registers initially identified at the October 2016 RMAC meeting. A Risk Management Framework has been developed and is under consideration by the Executive Team prior to presentation to the RMAC at the next meeting. The Framework documents the process used and is consistent with the ISO31000 standard.

The paper also discusses the factors that have restricted the progress to date and proposes to engage Jardine Lloyd Thompson to review the Risk Management Framework and provide recommendations to streamline the process to make it fit for purpose for Litchfield Council.

## **Recommendation**

THAT the Risk Management and Audit Committee

- ) receive and note the progress on the Litchfield Council Risk Register,
- ) request an updated risk management system by the next meeting including a staff training schedule to build an effective and efficient risk culture within Litchfield Council.

## **Background and Discussion**

Council policy FIN08 Risk Management was endorsed in November 2016. This policy notes that the Litchfield risk management framework will be conform to the ISO31000 Risk Management standard. The result was the development of risk registers (organisational and work health and safety) for each of Councils program areas as identified the Litchfield Council Municipal Plan.

The table below shows the progress to date for each of the program areas.

<b><i>Program Area</i></b>	<b><i>Status</i></b>	<b><i>Responsible Officer (RO)</i></b>
Planning	Organisational Risk Assessment and WH&S Risk Register are completed	Planning Manager
Works	Program area template sent.	Road Network Manager

	<p>RO to confirm business services and causal risks and controls then call a meeting of the Works team to confirm risks, controls and treatments. GRA is available to facilitate risk register team meeting.</p> <p>GRA has met with RO to explain the process and provide guidance with populating the template</p>	
MWF	Organisational Risk Assessment and WH&S Risk Register are completed.	Mobile Workforce Manager
Waste Management	Organisational Risk Assessment and WH&S Risk Register are completed	Waste Manager
Reg Services	Organisational Risk Assessment and WH&S Risk Register are completed	Senior Ranger – Supervisor
Finance	Organisational Risk Assessment and WH&S Risk Register are completed	Finance Manager
Info Services	Organisational Risk Assessment and WH&S Risk Register are completed	Information Manager
Community Services	<p>Templates provided.</p> <p>RO to confirm business services and causal risks and controls then call a meeting of the Community Services team to confirm risks, controls and treatments.</p>	Director of Community and Corporate Services
HR & WHS	<p>Templates provided.</p> <p>RO to confirm business services and causal risks and controls then seek assistance to confirm risks, controls and treatments.</p> <p>GRA has met with RO to explain the process and provide guidance with populating the template</p>	Human Resource Advisor
Governance	Organisational Risk Assessment and WH&S Risk Register are mostly completed. Need to review business continuity risks.	Governance and Risk Advisor (GRA)
Thorak Cemetery	<p>Templates provided.</p> <p>RO to confirm business services and causal risks and controls then seek assistance to confirm risks, controls and treatments.</p> <p>GRA has met with RO to explain the process and provide guidance with populating the template</p>	Thorak Operations Manager
Council Leadership	Mostly complete	Chief Executive Officer

Whilst considerable progress has been made there are still areas which need further development. There are several factors at play which have combined to influence the progress to date.

1. A developing risk management culture that places a lower priority on the population of risk registers by some responsible officers based on their day to day work load.
2. Budgetary and community perception pressures that influence the operation resources which can be made available to the risk management process
3. The resignation of the previous Director of Community and Corporate Services (DCCS) and the Governance and Risk Advisor acting in that position for several months which limited the resources to champion the development with each of the program areas.

The filling of the DCCS position means that the issue of risk management now has a resource again to drive the process throughout Councils program areas. It is expected that all will be complete prior to the next RMAC meeting and that an internal audit program will be developed based on priorities identified in the registers. Business continuity and information technology security are immediate stand outs for inclusion.

At the recent Governance Reference Group meeting convened by the Local Government Association of the NT an alternative risk register was presented by Jardine Lloyd Thompson which was developed achieve a balance between relevance of the document and effort required to produce. Once fully complete the current Litchfield risk register will be a significant spreadsheet which will require significant monitoring to ensure its currency. The model presented at the Governance Reference Group meeting has the potential to streamline the risk management process for Litchfield Council whilst strengthening the strategic nature.

Council will be engaging Jardine Lloyd Thompson to review the DRAFT Risk Management Framework and provide recommendations to streamline the process to make it fit for purpose for Litchfield Council.

### **Links with Strategic Plan**

5. An effective and sustainable Council

### **Legislative and Policy Implications**

The development of the Risk Register is in line with FIN08 Risk Management policy as well as the NT Local Government Act, Regulations, Guidelines and General Instructions.

### **Risks**

It is standard business practice to manage risk.

### **Financial Implications**

Council may need to allocate funds to mitigate high risk functions.

## Community Engagement

Not Applicable

Recommending Officer: David Jan, Governance and Risk Advisor

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<b>Agenda Item Number:</b>	9.3
<b>Report Title:</b>	Records Management – Current State Process Report
<b>Meeting Date:</b>	8/08/2017
<b>Attachments:</b>	Records Management – Current State Process Report Front Desk Email Process Planning Email Process Works Email Process

## **Purpose**

To update the RMAC as to the results from a project to capture the strategic context and process of how electronic records are managed in three business areas,

- ) Customer Services (Front Desk)
- ) Works Division, and
- ) Planning Division.

## **Summary**

Management Consulting Alliance (MCA) was commissioned in November 2016 to process map the current state of several identified processes relating to the management of electronic records at Litchfield Council.

The process mapping activities were recognised as providing a platform for a more holistic review of the Records Management System across Council.

## **Recommendation**

THAT the RMAC note the Records Management – Current State Process Report.

## **Background and Discussion**

The key objective of this project was to work in partnership with selected teams within Council to process map current state with respect to Email Management.

A number of key individuals within Council were selected to participate in one-on-one interviews in order to capture both strategic context and an overview of how electronic records are managed in each selected area of Council.

It was recognised that engaging with different operational areas of Council was an important part of capturing information about current state. Three areas of Council's operation were chosen:

- ) Customer Services (Front Desk).
- ) Works Division.
- ) Planning Division.

Process mapping workshops were conducted with each team to develop Deployment Flowcharts incorporating:

- ) Process Scope.
- ) Process Intent.
- ) Process Activities.

## ) Responsibilities.

The Process Mapping Workshops were facilitated to promote open discussion with respect to clarifying roles and responsibilities, identifying perceived issues or concerns with the current process and stimulating the identification of potential opportunities for improvement.

These process maps form part of a larger project to review and update Councils records management system. The following actions have resulted since the production of this report.

1. Establishment of a records management working group mandated to provide recommendations to the Executive through the following mandates.
  - a. contribute to and approve strategic and operational plans for IM and ICT resources which align with departmental priorities
  - b. review and provide feedback on records management investments which align to strategic and operational priorities
  - c. identify and manage strategic records management related risks
  - d. determine and monitor records management policies and practices to ensure that they continue to remain effective and accurate.
  - e. monitor Council's records management compliance and provide timely advice for improvements
2. Implementation of staff training in the use of the Electronic Documents and Records Management System (EDRMS) used by Litchfield Council.

The key action for the working group is currently the development of an improved business classification system for Litchfield Council.

### **Links with Strategic Plan**

5. An Effective and Sustainable Council

### **Legislative and Policy Implications**

As per Section 102 (g) the CEO is responsible for ensuring that financial and other records are properly made and maintained.

### **Risks**

Not applicable

### **Financial Implications**

This project was funded within council budget for consultants.

### **Community Engagement**

Not applicable

Recommending  
Officer:

David Jan, Governance and Risk Advisor

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## Report of Findings

Litchfield Council  
Records Management – Current State Process

# Table of Contents

1. Introduction .....	2
1.1 Key Objectives and Approach .....	2
2. Strategic Context .....	3
2.1 Issues Arising.....	3
3. Process Mapping Workshops.....	6
3.1 Email Management Customer Services (Front Desk) .....	6
3.2 Email Management Works Division .....	6
3.3 Email Management Planning Division.....	6
4. Key Observations.....	7
4.1 Records Management Review .....	8
5. Strategic Information Management .....	9
5.1 Governance Model .....	9
5.2 Governance Committee .....	9
5.3 Potential Implementation Activities.....	10
Appendix A: Strategic Context Interview Framework.....	11

# 1. Introduction

Management Consulting Alliance (MCA) was commissioned in November 2016 to process map the current state of a number of identified processes relating to the management of electronic records at Litchfield Council.

The process mapping activities were recognised as providing a platform for a more holistic review of the Records Management System across Council.

## 1.1 Key Objectives and Approach

The key objective of this project was to work in partnership with selected teams within Council to process map current state with respect to Email Management.

A number of key individuals within Council were selected to participate in one-on-one interviews in order to capture both strategic context and an overview of how electronic records are managed in each selected area of Council (*Refer Appendix A: Strategic Context Interview Framework*).

It was recognised that engaging with different operational areas of Council was an important part of capturing information about current state. Three areas of Council's operation were chosen:

- Customer Services (Front Desk).
- Works Division.
- Planning Division.

Process mapping workshops were conducted with each team to develop Deployment Flowcharts incorporating:

- Process Scope.
- Process Intent.
- Process Activities.
- Responsibilities.

The Process Mapping Workshops were facilitated to promote open discussion with respect to clarifying roles and responsibilities, identifying perceived issues or concerns with the current process and stimulating the identification of potential opportunities for improvement.

## 2. Strategic Context

The approach to the conduct of the strategic context interviews was to meet with identified key individuals to discuss the records management system more broadly. This enabled the consultants to gain a stronger understanding of the wider records management system, how effectively it currently operates across Council and the identification of potential opportunities for improvement.

The following provides a summary of the key issues identified during the strategic context interviews.

### 2.1 Issues Arising

#### Office of the CEO:

- A General Disposal Schedule (GDS) is proposed to be utilised across the NTG and should be considered as part of a review of Council's records management system.
- Effective records management requires experience, specific skills and an understanding of Council business. Council would benefit from having this expertise at the front counter. The Front Desk staff only provide a very basic records management service.
- Important correspondence can easily get lost or be misdirected because files are often not effectively named and can be incorrectly designated to the wrong officer in the organisation.
- New staff require induction and training with respect to the use of Council's record management system and associated processes.
- The difference and purpose of InfoXpert and Authority is very vague and staff are constantly asking which system to use in what situations.
- InfoXpert lacks intuitiveness and can be difficult to use.
- There are inconsistencies and confusion with respect to the adopted level of authorised access to the records management systems and this should be reviewed.
- Divisions are setting up their own 'silos' in the use of these systems.
- Classification and folder naming is not consistent across Council and different interpretations of requirements prevail across the organisation.
- The design of the records management systems seem to not have incorporated any 'delinquent' reporting, that is, no reporting of 'floating' and unattached files that exist in the system.
- Palmerston Council has integrated customer service standards into InfoXpert. If standards are not met then the system flags this to supervisors to stimulate corrective action.

#### Information Services:

- Council is not effectively utilising the full capabilities of InfoXpert.
- Initially it was intended to have 'champions' for each of area of operation across Council. This has not been implemented and should be resurrected.
- Council has empowered staff (areas) to make their own decisions. Some areas are working more effectively than others (e.g. corporate services not doing well).
- InfoXpert has been 'overloaded' with information. Some areas have been able to clear and sort while others have seemingly not had the time.

- Council leadership should be able to conduct a search of all documents managed by a particular employee.
- Staff experience difficulty in accessing information from Council's InfoXpert system. Staff tend to display more confidence in accessing stored information in Authority.
- Accessing information from InfoXpert is not as easy as Authority and frustrates many staff. Need to use the power of the system rather than creating layers of sub-folders.
- There is a lot of 'running around' that happens when trying to access information for project work (e.g. preparation of Annual Report, Financial Reports etc.).

### **Customer Services:**

- Council needs to structure email folders to ensure consistency and manage unnecessary growth in the number of folders.
- Clear processes are required with respect to naming conventions and where documents are filed.
- Front Desk staff would be unaware if an email had been incorrectly forwarded unless it is forwarded back. There is real concern that many such emails can be ignored or deleted.
- Consideration needs to be given to where the responsibility lies for raising a CRM. It is unclear why customer service staff on the Front Desk are required to create CRMs (time consuming 10-30 minutes each) rather than Divisional administrative staff.
- Front Desk staff are very busy in completing all the customer service and administration functions required. As a result, email management functions are often completed in haste, some steps not completed (e.g. scanned mail not renamed) and errors can readily occur.
- Archiving has now become part of the Front Desk staff responsibilities but there has been no training or clarity provided as to what is actually required (i.e. why and how to).
- If a customer calls or comes to the front counter it has been difficult for Front Desk staff to find a staff member who is willing to attend to the enquiry.
- Records management training and support is needed for the customer service staff at the front desk. The customer services area is struggling with its understanding of the requirements with respect to records management, the associated systems and processes and is having difficulty in coping with work volumes.

### **Planning Division:**

- Divisional administrative staff manage emails and attachments that come through from the Front Desk.
- It appears that too much is being expected of the Front Desk staff (i.e. need time to look and consider emails to determine where they should be allocated).
- Front Desk staff need a list which makes it clear what to send to which people.
- Divisional staff make up their own rules on how to file things resulting in many folders being created for the same thing, making it very difficult to find things that have been filed.
- The difference and purpose of InfoXpert and Authority is very vague and staff are constantly asking which system to use in what situations.
- Developers are strongly encouraged to send electronic documents to the Council email address in order to ensure their requests are processed appropriately (and that files are not lost and inappropriately filed).

- Many emails received by Divisional staff are read and then deleted.
- From time to time Divisional administrative staff check the Council Inbox directly, searching for time-sensitive emails (i.e. commitments and service standards to meet within certain specified timelines).
- Staff at the Front Desk need to have an understanding of Council priorities (i.e. staff across Council rely on the emails to direct their work).
- In the Division, InfoXpert is used for emails that do not align with a street address (e.g. Council Reports).
- It is difficult to manage emails in Authority (i.e. there are nine steps to save an email, with emails saved by subject line and subjects often change in building an email trail).
- Too many folders are created (e.g. if search a place name some dozen different folders appear).
- Folder structures need to be based on each area's particular needs.
- Files and information can easily become lost in InfoXpert and once filed there is no confidence that one would easily find the file again.
- Staff cannot connect to Authority or InfoXpert remotely which is a key limitation.
- Need to significantly improve management of corporate knowledge.
- Need to demonstrate that the system works well and there is value in using it.

#### **Works Division:**

- Contractors tend to email works staff directly (however remedial action is being taken).
- It is very difficult to search for documents in InfoXpert.
- Front Desk staff lack understanding of the business (e.g. use of one permit form and the difference between an owner and developer request and therefore often forwarded to the wrong area).
- There is a significant backlog of emails in some Divisions that staff need to work through and process. These are often put in the 'too hard basket' by many staff.
- There is no Document Retention Policy for Council.
- Observed across Council that many emails and documents are not recorded and not stored in InfoXpert.

### **3. Process Mapping Workshops**

A number of process mapping workshops were conducted with the key objective of mapping 'current state'. Deployment Flowcharts have been developed illustrating current processes relating to email management in three areas of Council:

1. Customer Services (Front Desk).
2. Works Division.
3. Planning Division.

#### **3.1 Email Management Customer Services (Front Desk)**

The following issues are highlighted from examining the developed Deployment Flowchart:

1. Copies of all emails received through the Council Inbox are uploaded on mass into the InfoXpert Monthly folder but not managed or reviewed. Is this activity part of Council's file back-up process or a duplication of that process?
2. Why has the Front Desk been tasked with creating CRMs in Authority when Divisional administrative staff know their own business best?
3. Incoming 'hard' mail is scanned and a PDF file created with a number as a file name. Front Desk staff are supposed to rename these files so that it has 'meaning' for the recipient Division. There is no naming convention adopted by Council and Front Desk staff are often not conducting the renaming and sending to Divisions 'as is' (lack of time). Are Divisional administration staff better placed to rename the files (as currently done in many cases) or should Front Desk be better supported by a guiding document that facilitates consistency in naming?
4. If emails are sent by Front Desk to the wrong Division, it is not a consistent practice for the recipient to return the email to Front Desk for re-allocation (therefore no learning of mistake).

#### **3.2 Email Management Works Division**

The following issues are highlighted from examining the developed Deployment Flowchart:

1. For general emails that do not specifically relate to a single property address, the Works Controller ensures that an appropriate folder in InfoXpert exists (or they create one). The email is then forwarded to the appropriate staff member who usually reads and then deletes the email (i.e. lost to Council).
2. Some staff in the Works Division are not skilled in the use of InfoXpert or Authority resulting in a reliance on the Works Controller.

#### **3.3 Email Management Planning Division**

The following issues are highlighted from examining the developed Deployment Flowchart:

1. Divisional administrative staff monitor the Council Inbox for time-sensitive emails that require prompt action (by-passing the Divisional Inbox process).

## 4. Key Observations

The following are the key observations made by the consultants as a result of conducting the Strategic Context Interviews and the Process Mapping Workshops.

1. Records Management has not effectively been developed as a whole-of-Council system with there being a considerable level of confusion between the appropriate use of InfoXpert and Authority.
2. A number of business rules have been developed for InfoXpert (InfoXpert Business Rules 2011) but they have not been effectively implemented, monitored or reviewed.
3. A whole-of-Council classification structure and naming convention for the filing of electronic records has not been clearly defined and adopted (each Division has developed their own structure).
4. There has been a lack of targeted training in the use of InfoXpert and Authority as record management related systems.
5. The lack of confidence in the search functions of InfoXpert has resulted in staff creating numerous sub-folders rather than grouping like subject materials.
6. Customer Service Front Desk staff have not been trained appropriately in the use of the record management systems and have found it difficult to conduct their records management responsibilities when confronted with competing demands for other administrative work (including creation of CRMs in Authority for other Divisions).
7. It is very likely that many emails are read and either retained in personal Outlook folders or deleted (i.e. lost as information to Council as an organisation).
8. Neither InfoXpert nor Authority has been implemented in a way that will support remote access (a limiting factor for staff in the field).
9. Council has not developed a Document Retention Policy and so no information is ever archived.
10. Planning Division administrative staff directly view emails coming into the Council Inbox in order to identify time-sensitive emails that require prompt action (by-passing the process of emails being sorted and placed into Divisional Inbox).



## 4.1 Records Management Review

In light of the current review of records management it is suggested that Council incorporate the establishment of a clear set of protocols including:

- **Responsibilities for Records Management** – ensuring that there are key individual positions that are responsible for certain parts of the system (i.e. ownership).
- **Creation, Capture and Maintenance of Records** – including a standardised classification system and associated file naming convention.
- **Accessibility to Records** – ensuring that records are readily accessible to support decision making at all levels of Council
- **Compliance and Accountability** – ensuring that responsible officers are accountable for maintaining the integrity of the records management system.
- **Maintaining Integrity of the System (Audit)** – development of a process for regularly auditing its record management systems to ensure that they continue to work effectively.
- **Security of Records** – ensuring that privacy related requirements are maintained and that Council's systems are protected from unauthorised external access.
- **Document Retention (Disposal and Archiving)** – development of a policy for how long records need to be kept and procedures for archiving and disposing of records.
- **Training and Support** – ensuring that all staff receive appropriate training in the effective use of Council's records management systems and that accessible ongoing support is provided when needed.

## **5. Strategic Information Management**

Prior to the conduct of a records management review it is suggested that consideration be given to the development and implementation of a governance model for strategic information management as a 'system' across Council.

### **5.1 Governance Model**

The development of a strategic information management governance model will assist the effective identification of information and knowledge required to achieve Council's objectives and the need for efficient and effective processes to collect, analyse, interpret and manage information and knowledge.

A systems approach would ensure the adoption of a whole-of-Council approach to the generation, collection and analysis of meaningful data to inform decision making. Core practices should include:

- Linking data collection to organisational strategy and purpose.
- Analysing and interpreting data in order to learn and inform decision making.
- Sharing data and ensuring data integrity to improve performance.

Strategic information management does not appear to be well structured nor integrated as a key supporting system for Council operations. The establishment of an effective governance structure would ensure that:

- Strategic and operational data and information requirements are identified.
- Accountabilities are clear and there is a leadership group that has an overview of strategic information management as a whole.
- Strategic and operation information supports effective decision making across Council.

Consideration of strategic information management as a key system across Council that impacts on all staff and elected members that encompasses a number of inter-related parts (including records management and reporting) will strengthen Council's appreciation of strategic information management as a key business philosophy.

### **5.2 Governance Committee**

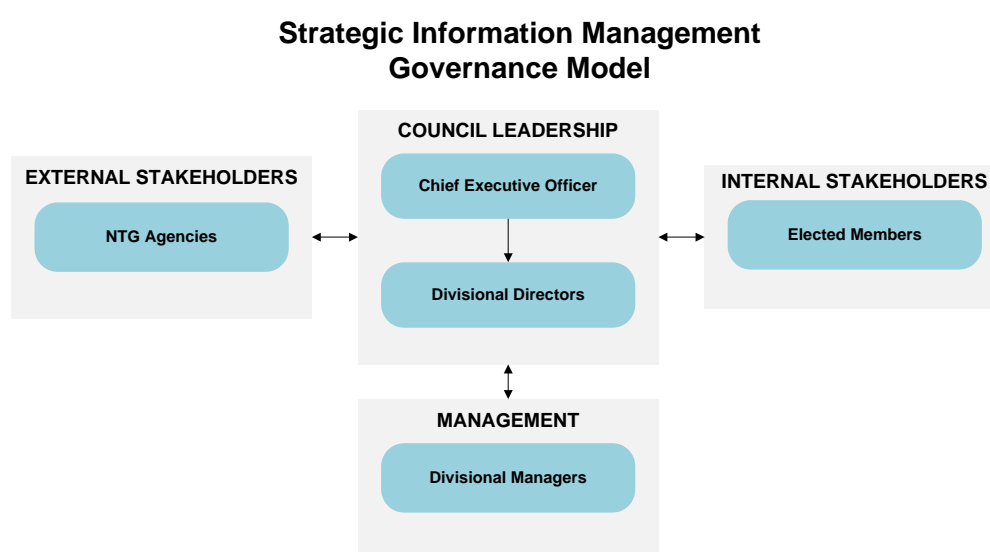
It is suggested that Council establish a Strategic Information Management Governance Committee to oversee the development, implementation, monitoring and review of Council's strategic information management needs (incorporating the review of records management).

The governance committee would be an integrated and devolved structure operating at both the strategic and operational level and would oversee the transformation of practices, policies and processes relating to strategic information management.

The governance committee would have the key role of reviewing and monitoring the progress of related review projects and ensure that planned deliverables were achieved within expected timeframes and within budget. There may be an opportunity to engage all key stakeholders in the governance process including representatives from relevant NTG agencies.

Over time as strategic information management systems and processes become well integrated into Council's daily practices the need for the governance structure and committee will diminish.

The following schematic diagram is presented as a possible governance structure for strategic information management across Council:



## 5.3 Potential Implementation Activities

The following activities are suggested in order to support the effective implementation of the governance structure and intended objectives:

- Conduct a workshop with representatives from all stakeholder groups within the governance committee, define the purpose of the strategic information management system and the roles and responsibilities of leadership and other related positions.
- Establish a governance committee to monitor progress and ensure that deliverables are achieved within expected timeframes and within budget.
- Identify all required information needs across Council and conduct an audit of current sources of information and how it is utilised. Highlight gaps between needs and currently available information.
- Amend required Council policies, processes, procedures and position descriptions.

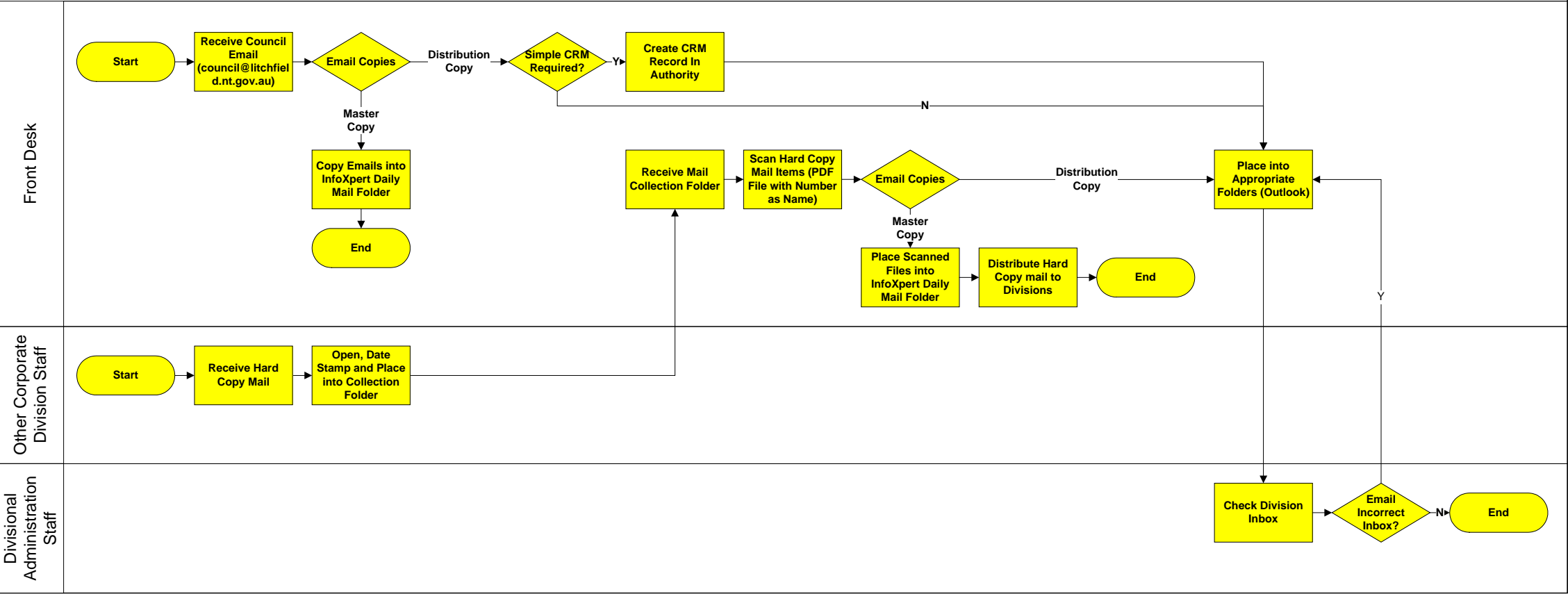
## **Appendix A: Strategic Context Interview Framework**

# Strategic Context Interview Framework

1. What is your **definition of 'records management'**? *(What is its purpose? What is it meant to achieve?)*
2. With respect to **Council's** records management system and processes, from your perspective, can you **provide an overview of how it currently operates**?
3. As a key stakeholder, when considering the current state of **Council's** records management system, what have you recognised as being the **key problematic issues**? *(What are your observations? What do people struggle with?)*
  - Retention.
  - Policies and Procedures.
  - Accessing and Indexing (Classification).
  - Maintaining integrity of the system.
  - Compliance and Accountability
  - Disposal and Archiving.
  - Culture (e.g. do people 'trust' the current system).
4. **How effectively** is the current records management system used **across Council** in a **consistent way**? *(Explore the impacts from a systemic perspective).*
5. With respect to **your area**, can you describe **how the records management system currently operates**?
6. When considering the **current records management system**, do you consider there are any particular **key business risks** to Council?
7. Describe what you would consider to be the **most important features or characteristics** that you would expect to see in an improved records management system/process?
8. What do you consider might be the **key opportunities for improvement** for the current records management system and associated processes?
9. Do you consider there are any particular **barriers or constraints that may impede** future improvement of the records management system?
10. If there was **one significant improvement** that you believe would make a **fundamental** difference to the records management system what would it be? *(Explore process and people/culture issues).*
11. In consideration of our conversation are there any **other significant issues** that we may not have covered in this session to date?

Email Management Process (Front Desk)

Ensure the effective and efficient receipt and distribution of emails across Council.



## Email Management Process (Planning)

Ensure the effective and efficient receipt, distribution and storage of emails relating to the Planning Division.

