

**CITY OF HAMILTON
INTERNAL AUDIT REPORT 2014-16
OFFICE OF THE CITY CLERK – RECORDS MANAGEMENT
FOLLOW UP**

OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN	FOLLOW UP (OCTOBER 2017)
<p><u>Storage Growth Management</u> The corporate storage facility is currently utilizing 70% of available capacity (approximately 21,000 boxes stored out of a 30,000 maximum capacity at the end of 2014).</p> <p>Based on Audit Services' projections, new intake of records will continue to outpace purging, at a net rate of approximately 1,900 boxes per year. Using these projections, it is estimated that the storage facility will reach 100% capacity at some point in 2019.</p> <p>Within the next five years, the risk exists that the storage facility may not have a sufficient amount of space available to accommodate the projected volume of records that will require storage.</p>	<p>1. That the Records Section plan for future requirements by examining storage space needs, monitoring growth trends and managing the inflow and regular purging of records in the storage facility.</p>	<p>Agreed. Inflow and regular purging of paper records is monitored and analyzed annually. Paper storage needs have been growing but are anticipated to level off and decrease in the next 5 – 7 years as staff move towards electronic document storage. Storage needs will continue to be monitored annually. A subsequent review of storage space needs is to be conducted in March 2017.</p>	<p>Completed. The Records Section monitors both the inflow and purging of records in the storage facility. At the current growth rate, there is available storage space for the next 11 to 14 years.</p>

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<p><u>Compliance with Records Retention By-Law</u> City of Hamilton By-Law 11-040 lists the appropriate retention period for each classification of record. During testing performed by Audit Services, several records were found where the documented retention period did not match with the appropriate classification in the By-Law.</p> <p>Root causes contributing to this include: departmental errors, unfamiliarity with the Records Retention By-Law, the revision of retention rules over time and inherited records that were previously not subject to the By-Law.</p> <p>The By-Law requires records to first be appropriately classified before becoming eligible for destruction. Records Management is currently unable to ensure compliance as classifications are not communicated to them by the originating Department.</p>	<p>2. That the Records Section improve compliance with the By-Law by performing regular reviews on a sample of current inventory. Future intake should be monitored for errors that indicate awareness issues with originating departments. Information should be provided regarding compliance, as necessary.</p> <p>3. That the Records Section receive and maintain classification information for records stored or implement measures to ensure that the originating Departments are in compliance with the By-Law.</p>	<p>Agreed. Current intake is monitored for errors and noted errors are addressed with originating departments. Future intake will be monitored for compliance as new boxes are received, commencing immediately.</p> <p>Current intake processes will be reviewed by October 2016 to determine how classification information can be captured on transfer documents to assist originating departments with compliance to By-law.</p>	<p>In Progress. Management indicated that future intakes are monitored and that regular review of a sample of current records inventory has not occurred due to resource constraints. Management plans on carrying out such reviews by the end of 2018</p> <p>Expected completion: Q4 2018.</p> <p>Completed. The Records Section monitors incoming records from originating departments for compliance with the Records Retention By-law.</p>

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<p><u>Compliance with Records Retention By-Law (continued)</u> The Retention By-Law also requires the Manager of Records & Freedom of Information to notify the signing authority (of the originating Department) in writing of any scheduled destruction of records pertaining to the Department. This notification did not occur for destruction conducted in 2014.</p> <p>By not consistently adhering to the By-Law, the City risks destroying documents earlier than appropriate, which may result in the loss of corporate knowledge or potential legal issues.</p>	<p>4. That Records Management provide notice to the appropriate Departmental signing authorities in advance of the scheduled destruction of records.</p>	<p>Agreed. Records Manager will consistently communicate with Departmental signing authorities in advance of any scheduled destruction. Expired boxes from a calendar year ending December 31st, tend to be shred before April 30th of the following year. Although the destruction expired boxes can take place at any time in a calendar, as needed.</p>	<p>Completed. Records Management notifies the appropriate Departmental signing authorities prior to the destruction of records. This process is in compliance with the Records Retention By-law.</p>

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<p><u>Procedures</u> Procedures for the processing of records retrieval and return requests were obtained. However, the following workflows have not been documented:</p> <ul style="list-style-type: none"> • The handling of new transfers; • Database maintenance; and • Purging of items that are beyond their retention period. <p>Furthermore, existing procedure documents have not been approved by management.</p> <p>When written procedures are not formalized, staff rely on their own experience and judgment in carrying out their responsibilities. This may lead to incorrect or inconsistent application and may also be difficult for a successor to fulfill his/her duties efficiently.</p>	<p>5. That management finalize and approve procedures governing all major Records Management workflows. These procedures should be reviewed and signed off by management annually and whenever a significant change in process occurs.</p>	<p>Agreed. Written procedures have been reviewed and approved by management. Records Management workflows and processes are discussed with Management and will be documented by October 2016 to ensure successors are able to fulfill duties. Records staff are diligently and uniformly carrying out their duties and responsibilities to ensure accuracy and integrity of information maintained in the database – it is a performance measure.</p>	<p>In Progress. Although the Records Section has documented work flows for new transfers and database management, a procedure for purging items has not been documented. In addition, there is no indication that documented procedures are reviewed and signed off by management annually or when significant revisions occur.</p> <p>Expected Completion: Q4. 2018</p>

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<p><u>Records Database – Completeness</u> A detailed inventory of records kept at the corporate storage facility is maintained as a Records Database in Excel. During testing, Audit Services observed approximately 650 boxes of records in the storage facility that were not listed in the Database.</p> <p>When an item is not listed in the inventory database, its location and contents are not known. It will also be stored indefinitely until a retention period is specified. These unlisted, stored records cannot be used to fulfill information/retrieval requests and are not kept for appropriate periods according to the Records Retention By-Law.</p> <p>The risk exists that these unlisted records may get lost or may be retained for longer than necessary contributing to the storage growth management issue identified in Observation #1.</p>	<p>6. That the Records Section determine the appropriate classification and retention period for the items not included in the Records Database and ensure this information is recorded in the Database.</p>	<p>Agree. All boxes received from client departments/divisions must have retention dates applied to them prior to the Records Section taking possession of the boxes. All boxes are assigned a unique Space Location Number upon arrival in storage and are immediately labelled, shelved and input into the database to ensure integrity of the database information. The database is current and accurate. The 650 boxes not reflected in the database were inherited boxes from a residual storage space. Staff was assigned the task of preparing an index of the boxes in a separate database. Once indexing is complete and retention is assigned, this information will be imported into the records storage database. Expected completion is October 2016.</p>	<p>In Progress. The Records Section has entered the 650 boxes of records in the Records Database. However, a retention period has not been specified for all of the boxes.</p> <p>Expected completion: Q1 2018.</p>

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<p><u>Protection Against Water Damage</u> The vast majority of records kept at the storage facility are paper documents which are susceptible to water damage. There are insufficient controls in place to ensure that items are adequately protected from water damage.</p> <p>A single environmental disaster could cause significant damage to City records if this risk is not adequately managed.</p>	<p>7. That the Records Section consult with the appropriate resources (internal and/or external) to implement relevant controls to assess and manage the risks associated with potential water damage to the storage facility.</p>	<p>Agree. Consultation with internal and external resources was done during the renovation of the space in 2013. Records Manager can review additional options by March 2017 to attempt to review risk of potential water damage to storage facility. There are external resources available to assist in recovering records damaged by water.</p>	<p>Not Completed. The Records Section has not yet dealt with the risks associated with prevention of potential water damage. Management indicated that such an analysis will be completed in the near future.</p> <p>Expected completion: Undetermined.</p>