City of Markham

Report of the Auditor General

Information and Records Management Audit

November 30, 2020

Background

The Legislative Services & Communications Department sets the direction for information and records management and City departments are responsible for maintaining records under their custody.

The City has made progress in advancing its information and records management program over the past few years, undertaking initiatives to advance its information and records management program, including;

> Council approval of the City's Record Classification and Retention By-Law 2017-151 in December 2017 which was updated to adopt international best practice frameworks;

> Development of a Corporate Records & Information Management Policy to complement By-Law 2017-151;

> Data cleansing activities to remove redundant, outdated and trivial information from the Markham Museum;

> Establishment of the Leveraging Technology Steering Committee to provide strategic enterprise leadership for the oversight of key information technology and digital objectives, initiatives, and activities; and,

> Council approval to hire one additional resource to support in developing a long-term information and records management strategy, procedures, and training material.

As Auditor General of the City, MNP included an audit within the four-year Audit Plan to assess the policies, processes, and controls of the City's information and records management program, and to provide recommendations for continuous improvement.

Audit Objective

The objectives of the audit were to:

- Evaluate the policies, processes, and controls in place over records and information management;

- Assess compliance of departments with the City's records and information management policies and applicable by-laws; and,

- Provide recommendations for improving the efficiency and effectiveness of records and information management processes, ensuring they align with the City's operating environment.

Scope

The scope of the audit was on records and information management activities, covering the period from September 1, 2018 to August 31, 2019. Specifically, the scope of the audit focused on the following:

> Review of the design effectiveness of the City's records and information management policies, processes, and governance structures against best practice frameworks (i.e. ISO-15489, COBIT, DAMA , and TOGAF).

> Review of the City's record retention/destruction policies, and verify through a sample, that records are retained, destroyed, or stored as required.

> Assess compliance with the City's Corporate Records and Information Management Policy, and Classification and Retention By-law 2017-151 through sampling records from four sample departments, which included:
>> Legislative Services & Communications;
>> Environmental Services;
>> Building Standards; and,
>> Human Resources.

> Review the City's FOI request handling and tracking against MFIPPA requirements.

Audit Approach

1. Project Planning

- Define objectives and scope.
- Confirm project duration and schedule.
- Assign team members and develop team structure.
- Describe deliverables.
- Create Audit Planning Memo and distribute to stakeholders.

2. Project Execution

- Obtain existing policies, process descriptions and relevant documentation.
- Conduct interviews / discussions.
- Understand current state.
- Evaluate current state.

3. Project Reporting

- Identify improvement opportunities.
- Prepare draft report with observations and recommendations.
- Validate and present recommendations.
- Issue final report.

Audit Observations - Strengths

Records Management Software for Physical Records

The City utilizes Infolinx, a records management software, to track and manage the complete lifecycle of physical records and is administered by the Legislative Services & Communications Department. Infolinx is configured to ensure that selections (i.e. records series names, accountability, total retention period, disposition, and security classifications) made in the software are mapped to the requirements of the Record Classification and Retention By-Law 2017-151.

Formalized Data Readiness Assessments

The Information Technology Services Department has a formalized process for performing data readiness assessments for the Open Data program that focuses on data availability, data ownership, risk, corporate alignment, publication value, and technical considerations. In addition, data privacy assessments are performed on information sets before they are released to the public. This formalized process creates a strong foundation for data readiness assessments to be eventually applied to all data sets across the City.

Conclusion

Observation Rating Scale

Rating	Rating Description
Low (L)	The observation is not critical but should be addressed in the longer term to improve internal controls or process efficiency (i.e. 6 to 12 months).
Medium (M)	The observation should be addressed in the short to intermediate term to improve internal controls or process efficiency (i.e. 3 to 6 months).
High (H)	The observation should be given immediate attention due to the existence of a potentially significant internal control weakness or operational improvement opportunity (i.e. 0 to 3 months).

Overall 4 Medium and 1 Low priority observations were identified.

1. Information and Records Management Strategy and Program

Detailed Observation:

An information and records management strategy is a key artifact for a municipality's governance of records, generally outlining the necessary leadership, accountability and responsibility. It provides a long-term and enterprise-wide approach to managing a municipality's records across all operational environments.

More specifically, an information and records management strategy identifies and explains:

- the importance of information and records management to the municipality's operations (i.e. 'business enabling' capability to be delivered through records management);
- the responsibilities for information and records management;
- how the strategy aligns with applicable laws, standards, business plans and strategic requirements of the municipality; and,
- how the strategy applies to all records in various formats and locations.

The City does not currently have an information and records management strategy, or a dedicated information and records management program. Driven by the strategy, an information and records management program entails the mobilization of resources and organization of processes to systematically control records throughout their lifecycle.

It is our understanding that the City has stalled in the development its information and records management program due to the following reasons:

- Low data management maturity within the City's electronic and physical information sets (e.g. abundance of duplicate and outdated records, limited metadata to support search & retrieval of unstructured data); and,
- Perceived resource capacity constraints in helping to advance the information and records management program.

In absence of an overarching strategy, mature information sets and dedicated roles, the City is not well-positioned to develop its information and records management program. For instance, the City will not be able to target and prioritize information and records management improvements across defined milestones and transitional states.

As a result, the City is at risk of inefficient utilization of resources, as well as non-compliance to the legislative requirements of the By-Law.

1. Information and Records Management Strategy and Program

MEDIUM

Recommendation:

An information and records management strategy and program should be developed and implemented, and endorsed and promoted by the Executive Leadership Team, for successful adoption across the organization.

In developing the strategy, the City should begin with identifying the ideal information and records management environment (i.e. records assets, legislative compliance, data management, and privacy and security), documenting the directions taken so far, and identifying resources and technologies available to implement information and records management objectives.

In order to be effective, the City's information and records management strategy should be aligned with other City strategies, objectives, risk management programs, and information technology initiatives.

To develop and implement an information and records management program, the City should consider including the following:
- Governance Structure – Outlining leadership, organizational structures, and formal monitoring and reporting requirements.
- Risk Management - Understanding and prioritizing key risks of mismanaging different sets of records and evaluating their impacts.
- Policies and Procedures – Outlining the roles and responsibilities of City staff, steps for records classification, and secure & compliant processes for retention and destruction of records.
- Training & Awareness - Providing the methods and cadence for role-specific records management training.
- Roadmap – Implementing the program in a prioritized sequence, considering the dependencies and impacts of other municipal IT and data projects/initiatives.
- Continuous Improvement – Strategies for ongoing enhancement of processes and capabilities (e.g. goals and performance targets).

The City can leverage its existing Policy and records retention schedule (which contains some of the above elements) to develop a program that contains all key elements. For example, the existing Policy defines a clear governance structure (refer to Observation #2 below), which should be included in the City's program.

1. Information and Records Management Strategy and Program

MEDIUM

Management Response:

Management supports the Auditor General's recommendation to establish an information and records management strategy and program for the City in the future.
The City is in the process of implementing several significant IT systems, including; replacement of the program registration system, replacement of the CRM system, new E-Ticketing and scheduling systems, and a new Enterprise Asset Management system. These projects will each require significant staff resources to implement and each will have some form of information management components contained within. As such, management believes it prudent to wait until these systems have been implemented prior to embarking on the creation of an Information and Records Management Program to govern all of Markham's information assets. As such, the City will build the information management model by taking a "bottom up" approach as each system comes on-line.

Following implementation of the new systems and related information management components, the City will enhance its current information and records management practices by developing a program that will include:
- An information management strategy
- A data governance model
- Policies and procedures
- Targeted priorities and dates to address the gaps identified in this audit report
- Identification of budget and resources required

This will provide a more sustainable approach to enhance the City's information and records management posture based on the level of risk tolerance deemed appropriate by the City.
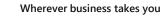
The Information and Records Management Program will be developed for senior management decision-making once the significant projects noted above have been implemented.

Timeline to Implement:
Q4 2022 - In the interim, the City will take steps to enhance its current information and records management practices through policy development and staff training.

Timeline to Implement:
Q1 2021 - Note: This timing may be delayed by the ongoing COVID-19 Pandemic.

2. Information and Records Management Oversight and Monitoring

MEDIUM

Detailed Observation:

The City's Policy defines the governance structure and responsibilities associated with managing records in a transparent and accountable manner. As per the Policy:

The Legislative Services & Communications Department has responsibility for:

"Preparing and issuing management and quality control reports on the status of the Records & Information Management (RIM) Program and ensuring compliance with same throughout the City."

City departments are required to have Records Coordinators responsible for:

"Departmental implementation and maintenance of RIM policies and procedures and supporting department staff and participating in quality control compliance audits as required under the RIM Program Manager."

During our audit, we found that the Legislative Services & Communication Department do not have a formally designated RIM Program Manager and do not create management/quality control reports on the status of the RIM program, and consequently compliance with the program is not being reported to the ELT.

As well, it was noted that adherence to the Policy is not being monitored by the department Records Coordinators. Some Records Coordinators were not familiar with the contents of the Policy and were not aware that they had been formally designated as a Records Coordinator. Without regular monitoring and oversight, departments may not be complying with the Policy and related procedures.

2. Information and Records Management Oversight and Monitoring

MNP

MEDIUM

Recommendation:

The City should reinforce the importance of the Policy by communicating the Policy to all departments and staff. A Records & Information Management ("RIM") Program Manager should be formally assigned within the Legislative Services & Communications Department. A Records Coordinator should be formally assigned within each department, with training provided and regular monitoring activities to assess the compliance with the Policy and related procedural manuals. Information and records management compliance topics should be regular agenda items (i.e. at least annually) in ELT meetings to ensure information and records management compliance is reviewed and discussed.

2. Information and Records Management Oversight and Monitoring

MEDIUM

Management Response:

Management supports the Auditor General's recommendation.

Communications will be sent to Directors and Performance Managers outlining City records management requirements. Records Coordinators will be designated in each Department to oversee the records management function and ensure compliance with the Records Classification and Retention By-law. Additional work relative to this recommendation will be determined once the Information Management Program has been developed.

Timeline to Implement:
Q1 2021 - Designation of Records Coordinators
Q2 2021 - Training of Records Coordinators to begin

3. Compliance with Records Classification and Retention By-Law 2017-151

MNP

MEDIUM

Detailed Observation:

The City's Classification and Retention By-Law 2017-151 is the official policy for records management at the City and provides staff with the authority to manage records in accordance with relevant policies and legislation.

The City utilizes Infolinx, a records management software, to track and manage the complete lifecycle of physical records. During our audit of the four in-scope departments, we found that the sample records tested within Infolinx complied with By-Law 2017-151 requirements (i.e. total retention periods, disposition, and security classification).

However, for the four in-scope departments, mechanisms were not in place to ensure that records in the network shared drives, applications, and databases used to manage business activities are monitored against the By-Law. As such, departments may not be following the By-Law, which can compromise the City's compliance with legislative requirements. The records retention structure and classification requirements of the By-Law should apply to all records, both electronic and physical.

Recommendation:

To augment the City's information and records management strategy and program (as described in Observation #1), a file and document management framework should ensure that official electronic records in the network shared drive, applications, and databases are separated from transitory records and that only official records are retained. The City should also explore opportunities to procure a records management system that can serve as a long-term records management software for both physical and electronic records.

3. Compliance with Records Classification and Retention By-Law 2017-151

MNP

MEDIUM

Management Response:

Management supports the Auditor General's recommendation.

Staff will undertake additional steps to ensure compliance with the City's current Records Classification and Retention By-Law. Staff will implement the tools and related processes identified in the Information and Records Management Program to further monitor compliance in both physical and electronic records.

Timeline to Implement:

Additional work related to this recommendation will be determined once the Information and Records Management Program has been developed.

4. Information and Records Management Training

MEDIUM

Detailed Observation:

Although information and records management training material is available on the City intranet, we noted that Management staff within the four in-scope departments were not familiar with the Policy or the By-Law. Some departments noted that legislation and regulations specific to their business activities dictate different records management and retention practices, which they follow, rather than the By-Law.

Staff who are not aware of the Policy and the By-Law are less likely to comply with policies and procedures which compromises the City's overall compliance with legislative requirements.

Recommendation:

Once the City has developed the information and records management program which includes a training aspect (as described in Observation #1 above), information and records management training should be provided to all employees, including periodic refresher training (e.g. annually) and when updates are made to policies and procedures.

Records Coordinators should also receive additional and more comprehensive training as they should be both the information and records management champions of their respective departments and the point of contact for department staff regarding compliance with policies and procedures.

4. Information and Records Management Training

MNP

MEDIUM

Management Response

Management supports the Auditor General's recommendation.

Once Records Coordinators are identified by Department Directors, training sessions will be scheduled.

Legislative Services staff will create a basic training package and make it available to all City staff.

Additional training will be determined as part of the Information and Records Management Program.

Timeline to implement:

Q2 2021 - A training package will be made available to all City staff

5. Freedom of Information ("FOI") Request Process

Detailed Observation:

Observations were noted for the two following areas:

1) Legislative Timelines

Under the MFIPPA, the public has the right of access to information under the control of a municipality. Specifically, when a member of the public files a formal request for record, the City must ensure that:

"...the head of the institution to which the request is made, shall, within thirty days after the request is received, and give written notice to the person who made the request as to whether or not access to the record or a part of it will be given."

During our audit, in two out of 15 sample FOI requests tested, the City did not provide the requestor with a decision letter, outlining the final consideration of the request, within 30 days of receiving the application for access to records.

If the City is not in adherence to the timelines set out in MFIPPA, then it compromises the City's compliance with legislative requirements.

2) FOI Request Tracking & Review Process

FOI requests are handled by the Legislative Services & Communications Department. Data is inputted into Nordat, an electronic FOI request tracking system. The system is not currently configured to provide staff with notification/reminders of key legislative deadlines, which has resulted in staff tracking the status of FOI requests manually in a Microsoft Excel spreadsheet.

Without effective mechanisms in place to track the status of FOI requests, there is a risk that with increasing volumes of requests due to increased public scrutiny and transparency, the City will be challenged to meet legislative requirements.

In addition, with the exception of complex and high-profile FOI requests, there is no requirement for records to be reviewed and approved by the Manager of Privacy & Access before being provided to the requestor. Without secondary review and approval, there is a risk that irrelevant, incomplete or incorrect information is provided to the requestor.

5. Freedom of Information ("FOI") Request Process

MNP

LOW

Recommendation:

Understanding that FOI Request volumes have increased year over year, the following considerations have been provided to improve efficiencies within the FOI request process.

Legislative Timelines

For continuous improvement, exploration of tools outside of Nordat, such as Microsoft Outlook calendar notifications or other system software, should be considered, to assist City staff in tracking and notifying when key legislative deadlines are approaching.

FOI Request Tracking & Review Process

For routine type FOI requests, the Legislative Services & Communication Department should ensure that a review is performed, and approval is obtained, of all records gathered before they are released to the requestor. The review should assess the completeness of the records and ensure that records are indexed in an organized manner. This would allow for continuous improvement of the effectiveness and efficiency of the FOI request handling process.

5. Freedom of Information ("FOI") Request Process

LOW

Management Responses:

Management supports the Auditor General's recommendation.

The Nordat system does not have the ability to send out emails or provide notifications about requests and memos that are due by a specific date. However, Legislative Services staff have set up reminder notifications within Outlook as part of the FOI procedure for inputting requests.
Staff will also review the City's routine disclosure practices and revise the City's Routine Disclosure Policy accordingly.

Timeline to implement:
The Outlook reminders have been implemented.

Q3 2021 - The review of routine disclosure practices and associated amendments to the Routine Disclosure Policy will be completed.

Overall Recommendation

The Auditor General recommends that:

1. The Information and Records Management Audit Presentation be received.

Acknowledgement

MNP extends our appreciation to the staff and management of the City for their co-operation and assistance throughout the engagement.