



APPRAISAL REPORT: General Disposal Authorities Covering Human Resources, Personnel, Financial & Accounting Records in the State Sector

JOB NO: 2002/3684
2002/3685

AGENCY: State Sector agencies and non State agencies holding public records

ARCHIVIST: [Name Removed]
Appraisal Section
Archives New Zealand
P O Box 12 050
WELLINGTON
(04) 499-5595

1. EXECUTIVE SUMMARY

This appraisal report covers the development of three General Disposal Authorities covering the records of organisations in the State Sector. The three General Disposal Authorities cover the following record types:

- Human Resources and Personnel DA 100
- Finance and Accounting DA 101
- General Housekeeping Records DA 102 (formerly covered under Archives New Zealand 1997 *Electronic Records Policy*)

A General Disposal Authority (hereafter GDA) covers the functions common to a number of agencies, typically used by government archival authorities to deal with functional areas such as personnel, finance, stores, etc. A GDA is a continuing authority for implementing decisions about the value of records specified in the schedule.

'State sector' is the collective term for all organisations of central government in New Zealand. The State sector comprises all organisations that are included in the term 'Crown reporting entity' and are referred to in s 27(3) of the Public Finance Act 1989.¹

¹ Definition from State Services Commission Internet Glossary – www.ssc.govt.nz/Glossary.

The Authorities are accompanied by a generic *Implementation Guide*, which outlines to agencies how the GDAs should be applied.

The method of appraisal has been first to define the human resource, personnel, financial and accounting functions and activities common to state sector agencies, and then to identify the records relating to these functions and activities, in order to determine which should be retained as archives, which should be kept for specified periods, and which should be destroyed.

In order for a State sector agency to be covered by a GDA, it must first obtain the signed authorisation of the Chief Archivist. Before an agency can sign up for the GDAs, it should be able to demonstrate to Archives New Zealand that it has internal recordkeeping policies, procedures and systems in place capable of supporting the implementation of the authorities. (See attached agency criteria evaluation form in Appendix 1)

The development of the GDAs and the accompanying *Implementation Guide* has taken 1100 hours of Archives New Zealand staffing resources.

2. APPRAISAL CIRCUMSTANCES

There had been recognition of the need for GDAs for many years both within Archives New Zealand and the wider government sector.² This view was also strongly represented in the *Archives New Zealand Statement of Intent 2002-2003*, which stated:

“Archives New Zealand seeks to develop processes that will not only continue to identify records of long-term value but also ensure a greater proportion of government records are covered by disposal authorities.”

The Archives New Zealand Senior Management Group, at its meeting of 4 November 2002, gave approval for the Appraisal Section in the Government Recordkeeping Group to start work on the development of the GDAs.

3. AGENCY INFORMATION³

The state sector comprises all organisations included in the annual statements of the Crown. These include:

² From an agency perspective, this has been specified in submissions to the Appraisal Report Review 1999 (see page 27), survey results from the latest Government Recordkeeping Forum and a wealth of anecdotal evidence received over many years. From Archives New Zealand's perspective, considerable work was undertaken in developing a GDA for district offices in 1990 with the Chief Archivist signing NA 4 and NA 5 disposal authorities in February 1990. The idea was that this would act as an internal template to be used as relevant appraisal projects arose.

³ The information in this section has been taken from the *New Zealand Official Yearbook 2002*, 3.3 State Sector, page 40.

- *The New Zealand Public Service* – departments and ministries listed in the first schedule to the State Sector Act 1988.
- *Departments outside the Public Service* – departments in terms of the Public Finance Act 1989, but not listed in the first schedule to the State Sector Act 1988 and, consequently, not part of the public service, for example, New Zealand Defence Force, New Zealand Police, Parliamentary Services, New Zealand Security Intelligence Service, etc.
- *State-owned enterprises (SOEs)* – companies listed in the first schedule to the State-Owned Enterprises Act 1986.
- *Crown entities* – organisations listed in the fourth schedule to the Public Finance Act 1989. Crown entities make up a significant part of the state sector and include a wide variety of statutory corporations, statutory boards, statutory offices, Crown companies and trusts, for example, District Health Boards, Reserve Boards, Fish and Game Councils, Schools, Crown-owned companies (including Crown Research Institutes), etc.
- *Offices of Parliament* – The Office of the Ombudsmen, the Audit Office and the Parliamentary Commissioner for the Environment are not part of the executive branch of the government, as their primary function is to provide a check on the executive's use of power and resources, but they report to parliament under the Public Finance Act.
- *The Reserve Bank of New Zealand* – a stand-alone organisation included in the annual financial statements of the Crown.

4. PRECEDENT

Archives New Zealand does not have any GDAs in place at present for the State Sector. However, Archives New Zealand does have in operation numerous individual agency authorities and has developed authority templates for common record group types. These provide general precedent relevant to the record categories covered by this appraisal, for example:

- There are numerous disposal authorities in force with individual agencies, covering their human resources, personnel, financial and accounting records, give precedent history on appraisal recommendations. Some of these authorities also give information on functional and activity structures.
- Archives New Zealand General Disposal Agreement for District Offices 1990, which is an internal administrative document for the appraisal of district level records, contains standard disposal recommendations covering common categories of housekeeping and administrative records created across State Sector agencies. The Agreement is now dated but still used on an ad hoc basis by the Regional Offices. The Agreement mainly deals with routine mundane records, but does identify a number of records types that need to be incorporated in the GDAs.

- National Archives of New Zealand 1997 *Electronic Records Policy* contains a template for two authorities:
 - Housekeeping records authority template which covers electronic records in the following categories: staff, finance and accounting, stores and equipment, and vehicles
 - Office automation records authority template which covers *non-corporate* records that can be deleted when no longer required, for example, non-work material, personal work-related, trivial and incomplete material, etc.

The Electronics Records Policy is now dormant, and is not actively being promoted by Archives New Zealand. However, the policy does identify a number of records that need to be covered by the three GDAs.

- GDAs produced by overseas institutions (e.g. NSW State Archives, Victorian State Archives, National Archives of Australia, Canadian Federal Archives & UK Public Record Office) covering human resources, personnel, financial and accounting records, provided valuable input in regard to identifying:
 - Function and activity structures
 - Records categories and types
 - Possible records disposal recommendations
 - Format layouts
 - Content of authority guides
- The Archives New Zealand Local Government Authority and explanatory notes provided guidance on records group identification, format layout and guide content.

5. METHODOLOGY

The approach taken in the development of the Human Resources and Personnel, Finance and Accounting GDAs has been mainly based on a functional analysis methodology.⁴ This has involved first defining the human resource, personnel, financial and accounting functions and activities common to state sector agencies, then identifying the records relating to these functions and activities, in order to determine which should be retained as archives, which should be kept for specified periods, and which should be destroyed.

The functional methodology in this appraisal was applied in a number of steps:

- a. Research was undertaken in order to establish common functions, and the activities within each function. Examples of the records types produced by each activity were also identified. The research was based on a mixture of sources, including:
 - Published sources⁵
 - Overseas GDAs
 - Individual agency authorities
 - Archives New Zealand General Disposal Agreement for District Offices 1990

Then a draft authority for each GDA was developed, incorporating:

- Record class descriptions, with examples of related record types
 - Retention periods
 - Disposal Actions
- a. Within the GDAs, the primary records that are required by legislation to be collected and maintained have been identified. However, it is important to note that GDAs have been compiled from an archival perspective and, as such, are not a definitive identification of record retention requirements under legislation. The onus remains with each individual agency covered by the authorities to establish their legal obligations for record retention.⁶
 - b. The draft GDAs were trialed in January 2003 on an appraisal to develop a disposal authority for National Police Headquarters' administrative records. As a result of this appraisal, some minor amendments were made to the two GDAs.

⁴ The development of the General Housekeeping Records GDA was not based on this methodology, but taken from the Archives New Zealand 1997 *Electronic Records Policy*.

⁵ *Human Resource Management in New Zealand*, Richard Rudman, 2002; *The Disposal & Retention of Documentation*, Chartered Institute of Corporate Management NZ; *General Keyword AAA - A Thesaurus of General Term*, State Records Authority NSW, 2000, etc.

⁶ Also note that legislation placing limitations on time periods within which legal actions and proceedings can be taken or initiated, have not been addressed in the compilation of the Authorities.

- c. A GDA Consultative Group consisting of agency records/information managers, a private sector consultant, a public historian, and Archives New Zealand staff was formed. The Group's role was to provide input, comment and feedback on the authorities as they developed, in order to help ensure that the final products best meet agency and research needs. The Group meet on two occasions, 31 March and 29 July 2003.⁷
- d. Drafts of the GDAs were sent to nine agency records/information managers, in addition to those on the Consultative Group, for comment.
- e. At major stages in the development the key staff and Regional Archivists within Archives New Zealand were consulted for feedback.
- f. A generic Implementation Guide to accompany the GDAs was developed in order to assist agencies with implementation of the authorities.
- g. In September 2003 the final drafts of the two GDAs and the Implementation Guide were sent out for a final review by the members of the GDA Consultative Group and the Key Stakeholders Consultative Group.

6. DESCRIPTION, EVALUATION & DISPOSAL RECOMMENDATIONS

7. 6.1 PRE-1946 RECORDS

Based on input from the GDA Consultative Group it was decided to include in the two GDAs the recommendation that all pre-1946 records be retained by agencies for appraisal. This recommendation is based on the premise that prior to 1946 sources of information were limited, and thus may have more archival value.

6.2 GDA - HUMAN RESOURCE MANAGEMENT & PERSONNEL RECORDS

This GDA will cover records opened after 1945 that relate to the operation of the human resources and personnel functions within the State Sector, regardless of the records' system of arrangement and physical format.

In the case of most of the records covered by the Human Resources and Personnel Records GDA, there was general consensus during the consultation process that the disposal recommendations should follow the precedents already in force with the individual agency disposal authorities. The only areas on which there was any major discussion was in regard to:

- Civilian Personnel Files

⁷ The members of the GDA Consultative Group and minutes of meetings can be found in Archives New Zealand Objective file 2003/0571.

- Individual Staff Grievances, Disputes & Dismissals
- Collective employment contracts (or the equivalent)

a. Civilian Personnel Files

These records relate to the information held by agencies on each individual employee.

Recommended for Retention

During the consultation process there was debate as to the extent to which Archives New Zealand should retain individual employee personnel files. It was decided at the Consultative Group meetings that, because of the large number of records involved, it would not be a feasible option in terms of costs and efficiency to retain all individual employment files.⁸

It was decided that personnel files of senior managers in the State Sector should be permanently retained, as it is at this level that accountability to ministers, cabinet and parliament occurs.

It was thought that the informational needs of most public archival users would in the main be met by the retention of the following records types:

- Summaries of employee histories (e.g. employee summary sheets)
- Personnel files of Chief Executive Officers or equivalent
- Personnel files of corporate level 2nd tier managers who report directly to the agency's Chief Executive Officer and/or staff holding a statutory office designated in legislation
- Personnel files of staff who received significant honours and/or distinctions, where such files can easily be identified
- Employee indices and/or finding aids (e.g. staff index cards)

The above personnel records recommended for retention closely follow the precedents already in force with the currently approved individual agency disposal authorities.

Recommended for Destruction

Records that contain:

- All other employee personnel files were not recommended for retention, including those for staff dismissed for serious misconduct or major criminal offences.

Where major criminal offences have occurred, the relevant court records provide the major evidential documentation.

⁸ For example, at 30 June 2001 the number of staff in the public service departments (excluding Crown entities and SOE's) was 30,355 (data source *NZ Official Yearbook 2002*).

It should be noted that the Human Resources and Personnel Records GDA specifically excludes the personnel files relating to:

- Members of New Zealand Military Forces
- Sworn Police Officers
- Professional Firefighters
- Employees of New Zealand Intelligence and Security agencies⁹

Personnel records of members of the uniformed services are excluded because of their uniqueness, in that they contain information generally not held in civilian staff records, such as medical history, psychological and trauma information, disciplinary records, etc. The personnel records for the uniformed services tend to be more likely to be used in decision relating to work related compensation, for example, war pensions.

It is likely that the personnel records of staff working in Intelligence and Security agencies will have higher archival value than the normal State Sector employee records and therefore have been excluded from authority coverage. It is worth noting that it is current practice for these agencies to retain personnel records indefinitely for evidential and historical reasons.

The individual personnel records of uniformed services and the Intelligence and Security agencies should be retained for appraisal or have their own specific disposal schedule developed.¹⁰

b. Collective Employment Contracts

Some members of the GDA Consultative Group thought that agency collective employment contracts (or equivalent) and significant negotiation with unions should be retained.

Recommended for Retention

Records that detail:

- Major negotiations & discussions with unions (e.g. pay and condition discussions)

Recommended for Destruction

Records that cover:

- Collective agreements (or equivalent) with unions

⁹ This includes the Security Intelligence Service, Government Communication Security Bureau, External Assessments Bureau, and Inspector-General of Intelligence & Security office.

¹⁰ A current records disposal authority already covers the personnel records of sworn police officers.

It was decided to recommend that agencies should be allowed to destroy collective agreements, as the Employment Relations Act 2000 (s95) requires that a copy of each collective agreement be sent to the Chief Executive of the Department of Labour and, on this basis, the master record is maintained as a core record at the agency.

c. Individual Staff Grievances, Disputes & Dismissals

The Consultative Group debated the value of records dealing with individual staff grievances, disputes & dismissals. While there was agreement that some of the records would be of archival value, it was also considered that there would be a significant proportion that would cover trivial matters. It was considered that developing disposal criteria for the records could be problematic. The issue of personal privacy was also raised.

It was finally decided to recommend the destruction of records covering staff grievances, disputes, discrimination complaints, disciplinary matters & dismissals, as major precedent cases will be on public record in the proceedings of bodies like the Employment Tribunal, Employment Relations Authority, Employment Court, and other relevant statutory authorities.

Recommended for Destruction

- Staff grievances, disputes, discrimination complaints, disciplinary matters & dismissals

d. Recommendations Based on Precedent

The following recommendations are based on precedents already in force with the currently approved individual agency disposal authorities.

Recommended for Retention

Records that cover:

- Corporate policy & procedures
- Major reviews & evaluations
- Consolidated corporate planning & accountability reporting
- Internal minutes and agendas of key management meetings
- Consolidated summarised documentation of agency organisational and staffing structures
- Management of major EEO initiatives & national /regional recruitment programmes
- Accident records covering fatalities and/or prosecutions
- Agency direct management of employee superannuation and medical schemes
- Agency nominations of staff for major honours, awards, etc.

- Significant agency submissions on legislation, and precedent-setting legal opinions
- Major dealings with SSC and employer groups
- Significant input from employee networks into the formation of agency networks & policies
- Major agency input into agency Industry Training Organisations

Recommended for Destruction

Records that detail:

- Administrative policy & procedures
- Administrative planning & reporting
- Human resource management delegations
- Leave & attendance records
- Recruitment & selection processing
- Planning & evaluation of staff performance
- Salary rates and ranges
- Employee payroll and taxation
- Payroll management information systems & payroll audits
- Employee occupational health and safety
- Employee groups and social/sports clubs
- Routine administrative records
- Minor legislative submissions and legal opinions

6.3 GDA - FINANCIAL & ACCOUNTING RECORDS

This GDA will cover records opened after 1945 that relate to the operation of the financial and accounting functions within the State Sector, regardless of the records' system of arrangement and physical format.

There was general consensus during the consultation process that the disposal recommendations for records covered by the Financial and Accounting Records GDA, should usually follow precedents in current individual agency disposal authorities. The only area on which there was any major discussion was in regard to General Ledgers.

a. General Ledgers

During the consultation process there were several views on the archival value of the agencies' General Ledgers. One view was that the General Ledger is of archival value as it is the core of an agency's financial system, and is the source of information on which financial summary accounts are based. The other view was that the General Ledger is a voluminous transaction record that in itself retains limited and largely short term evidential value, while the records of most value are the consolidated

financial statements and reports based on data from the General Ledger and already recommended for retention in the GDA.

There is no consistent international precedent in relation to the General Ledger. Neither the National Archives of Australia or State Records New South Wales permanently retain the General Ledger, while the Public Record Office Victoria permanently retains the General Ledger.

After consideration it was decided that the destruction of the General Ledger be recommended, as the needs of most public archival users are likely to be satisfied by retention of records covering consolidated corporate and strategic planning, and accountability reporting.

Recommended for Retention

Records that cover:

- Consolidated corporate & strategic planning & accountability reporting

Recommended for Destruction

Records that detail:

- General Ledger and subsidiary ledgers

b. Recommendations Based on Precedent

The following recommendations are based on precedent already in force with the currently approved individual agency disposal authorities.

Recommended for Retention

Records that cover:

- Corporate policy & procedures
- Major reviews & evaluations
- Ministerial reporting & approvals
- Agency attendance at Cabinet & Select Committees
- Internal minutes and agendas of key management meetings
- Agency funding applications
- Raising & utilisation of major loans
- Strategic management of trust funds, bequests & donations
- Service agreements/contracts covering core public services & cost recovery, and evaluation of service delivery
- Significant agency submissions on legislation, and precedent setting legal opinions
- Records dealing with major audits, & serious fraud/theft
- Deeds of title/ownership & patents/trade marks
- Major contracts & agreements

- Disposal of major capital assets

Recommended for Destruction

Records that cover:

- Administrative policy & procedures
- Administrative planning & reporting
- Financial delegations
- Published accounts
- Reporting to Treasury
- Internal agency estimate & budget formulation
- Minor legislative submissions & legal opinions
- Financial transaction records
- Routine administrative records
- Routine contracts & lease agreements
- Tender documentation
- Insurance policies & claim documentation
- Records dealing with stores, supplies, fixtures, fittings, plant/equipment & vehicles¹¹

6.4 GDA – GENERAL HOUSEKEEPING RECORDS

This GDA covers general housekeeping records formerly covered under Archives New Zealand 1997 *Electronic Records Policy*, which do not arise from nor contribute to the conduct of the organisation's core business activities. Generally such records in normal business practice would be created and disposed of on a daily basis without being saved into a corporate recordkeeping system, for example, personal correspondence, trivial work, rough working drafts, etc. These types of records have no archival retention value.

Recommended for Destruction

Records in the following categories:

- Personal correspondence
- Received for information only
- Trivial work-related material
- Incomplete material
- Material from bulletin boards & listservs
- Copies of records already in corporate recordkeeping system
- Duplicates
- Drafts

¹¹ Excludes operational vehicles, which are covered by New Zealand Defence Force Records Disposal Authorities.

- Working papers
- External advertising material
- Administrative superseded instructions
- Non-corporate records

8. ACCESS RECOMMENDATIONS

[Has been removed]

Signed:

Date:

[Name Removed]
Archivist
Appraisal Section
Archives New Zealand

[Name removed]
Archivist
Appraisal Section
Archives New Zealand