

# Archives of Ontario and Information Storage and Retrieval Services

## Background

### RESPONSIBILITY FOR RECORDS MANAGEMENT

The Archives of Ontario (Archives), which was established in 1903 and since 2005 has been under the Ministry of Government Services (Ministry), has a broad mandate to oversee and manage recorded information created by ministries and most agencies, and to preserve recorded information of historical and permanent value and make it accessible to the public. Under the *Archives Act*, the Archivist of Ontario has sole responsibility for approving the ultimate preservation or disposal of all documents and records in paper, electronic, and other forms, and for giving final approval to retention periods for all information recorded by the government.

Under the Management Board's Management of Recorded Information Directive, the Archives is responsible for setting government-wide policies, standards, and procedures for the management and storage of recorded information and for identifying recorded information of archival value. Ministries and agencies must provide the Archives, on request, with all information that the Archives needs for

planning and monitoring the efficient government-wide management of recorded information.

The directive makes the Archives also responsible for:

- developing plans for reducing the growth in the volume of stored records throughout the government;
- developing techniques for managing recorded information;
- ensuring implementation of educational programs and the creation of related instructional materials that provide training for ministries and agencies in the management of recorded information; and
- monitoring compliance by ministries and agencies with record-retention schedules.

The directive also applies to all ministries and most agencies and to all their recorded information created, commissioned, or otherwise acquired by the Ontario government. Ministries and agencies must ensure that their policies and procedures for managing recorded information are consistent with government-wide directives and standards, and that proper procedures are established to facilitate the management of recorded information and to contain the growth in the volume of stored records. For each program area or group of records, ministries or agencies must prepare a record-information

schedule (hereafter referred to as a record-retention schedule) that describes the records, the length of time they are to be retained, and the final disposition of the records, that is, which ones can be destroyed and which should be transferred to the custody and ownership of the Archives.

## THE ARCHIVES OF ONTARIO

The Archives' operations consist of three major activities:

- setting government-wide policies, standards, and procedures for recorded information; advising and training ministries and agencies in record management; and authorizing record-retention schedules that ministries and agencies submit to the Archives for approval;
- managing the storage, preservation, and description of archival records, the government of Ontario art collection, and donated private holdings; and
- providing access for both public and government users to archival records and promoting its collections.

The government records held in the Archives include, among other things, land records, court records, business registrations, registrations of births, marriages, and deaths, public-works building plans, records from the offices of the former premiers of Ontario, and photographs and films promoting tourism in Ontario. The Archives also holds donated items of historic significance from over 2,600 private individuals, businesses, and organizations. The Archives' collections were appraised in February 2005 at over \$411 million, as shown in Figure 1.

Access to the Archives' collections can be obtained through its reading rooms, the Internet, and public libraries via the inter-library-loan microfilm program. Annually, customer inquiries and access requests for the archival and art collections include 20,000 visits to reading rooms at its customer-service facility, 70,000 research requests,

**Figure 1: Appraised Value of Archives of Ontario's Collections, February 2005**

Source of data: Archives of Ontario

Type of Holding	Estimated Quantity	Value (\$ million)
textual records	354,000 containers	309
maps and architectural drawings	180,000	43
gov't of Ontario art collection	2,500 works of art	16
photographs	1.7 million	11
electronic records	180 gigabytes	10
sound and moving images	15,000 hours	6
documentary art	10,500 pieces	5
other*	128,000 items	11
<b>Total</b>		<b>411</b>

\* includes publications and microfilms

16,000 microfilm loan requests, and more than 25 million visits to the Archives' website.

In the 2006/07 fiscal year, the Archives' expenditures were \$16.7 million and it employed about 100 staff. The head office of the Archives, in Toronto's Queen's Park area, includes reading rooms, a library, restoration and storage facilities, and administrative offices. The Archives stores about 15% of its collections at its head office and the rest through the services and facilities of a private company in the Greater Toronto Area (GTA).

## INFORMATION STORAGE AND RETRIEVAL UNIT

Since 1968, the Ontario government's official record centre has been provided by the Information Storage and Retrieval unit (ISR), which for the last several years has been the responsibility of the Ontario Shared Services of the Ministry. Records that are not needed on an ongoing basis by a ministry or agency are transferred to and stored in ISR warehouses. These semi-active records remain the property of the ministry or agency, and the ISR

provides them with retrieval and re-filing services as requested. All records transferred to ISR warehouses must be accompanied by a record-retention schedule authorized by the Archivist. These schedules indicate the length of time the records are to be stored in the ISR warehouse and whether they are to be destroyed or transferred to the Archives at the end of that time. Storage periods usually range from five to 100 years.

As of March 31, 2007, ISR's total holdings were about 1 million containers of records, or almost 1 million cubic feet (28,000 cubic metres) of storage. Approximately 60% of the total holdings were stored by a private company, and the other 40% were stored at two government-owned and -operated warehouses. Recently, the volume of records held by ISR has been growing by more than 60,000 containers annually, and every year over 100,000 containers and files are requested to be retrieved—because the information in them is needed at that time by ministries and agencies—and about 22,000 containers are destroyed. ISR expenditures for the 2006/07 fiscal year, including the cost of approximately 18 staff, were \$2.5 million. All its costs are recovered from its client ministries and agencies.

Effective April 1, 2007, responsibility for the ISR operations was transferred from the Ontario Shared Services to the Archives.

## Audit Objective and Scope

Our audit objective was to assess whether the Archives of Ontario and the Ontario Shared Services of the Ministry of Government Services had adequate policies, systems, and procedures for administering their responsibilities for information storage and retrieval and for acquiring, preserving, safeguarding, and managing the archival records and collections in accordance with legislation and the Management Board directive.

We conducted our audit work primarily at the Archives' head office and at ISR offices. Our field-work included interviewing personnel; analyzing pertinent information, records, and statistics; observing and testing physical inventories of records and archival materials in storage at both government- and privately operated warehouses used by the Archives and ISR; and reviewing relevant studies and major contracts. The scope of our audit included the assessment of the policies and procedures followed by the Archives and ISR, as well as of the extent to which the Archives monitors compliance with corporate record-management policies by ministries and applicable agencies. In this regard, we asked 12 ministries and agencies about their record-management practices. However, we did not audit those practices.

We also researched the practices of other provincial jurisdictions as well as national ones; our work in this regard included meeting with representatives of Library and Archives Canada and the City of Toronto Archives and touring their facilities. In addition, we met with the Information and Privacy Commissioner of Ontario and her staff and the Chief Information and Privacy Officer within the Ministry to obtain their perspectives on privacy issues, records management, and archival practices.

We also reviewed work done by the Ministry's internal auditors and noted that, although they had not done any recent related audits, the work they did in 2001 and 2004 to help the Archives assess the risks to archival records stored at its head office was still relevant and allowed us to reduce the scope of our work in this area.

## Summary

Although the Archives had recently introduced a number of initiatives to upgrade its facilities and information systems, it did not yet have adequate systems and procedures to ensure that information

of historical significance is being identified, stored, or archived safely and securely, and made readily accessible to users. The large growth and sheer volume of records destined for the Archives—both the paper records in containers stored at the ISR and the electronic records still located throughout the government—will make it extremely difficult for the Archives to identify and catalogue archival records of historical or permanent value—and that is an essential first step in providing useful and timely access to the public, academia, and government users. Our more significant observations were as follows:

- Progress was being made in ensuring the safe storage of archival records. In the 2005/06 fiscal year, the Archives moved more than 300,000 containers from ISR warehouses and its head office to an environmentally sound and secure storage facility. In 2009, it will be moving its head office to a new facility, where it will be able to store its remaining collections properly. It has also acquired new and upgraded computerized information systems to track the contents and locations of containers and to describe the archival collections in more detail for better access by the public.
- The Archives did not have adequate systems and procedures for ensuring that the ministries' and agencies' record-retention schedules, which are used to set retention periods for records and identify those with archival value, were complete and up-to-date. The Archives' systems were also unable to track the estimated more than 10,000 schedules that existed and ensure that all record-retention schedules required were actually obtained.
- The Archives had no information on ministries' actual record-management practices and compliance with the directive, nor had it tried to obtain this information. The volume of records in ISR storage facilities has more than doubled in the last 15 years, and this trend is expected to continue; yet the Archives had not established any plans—as it is required to do under the directive—to help ministries and agencies reduce the growth.
- The Archives did not have a comprehensive strategy for dealing with the extensive electronic documents and records that will need to be archived nor the technical expertise and capacity necessary to store and make them available to the public. The Archives had so far relied on the government's IT community for preserving and maintaining electronic records.
- We found a number of weaknesses in inventory-control practices in use by the Archives, in both the current and past years. For example, a revised estimate in the 2002/03 fiscal year reduced the number of photos in the collection to fewer than half of the 3.6 million that had previously been thought to be archived. Some of these weaknesses have resulted in significant losses over the years. For instance, there were missing archival items from the 17th and 18th centuries.
- Many archival records were not readily accessible to the public because they had not been processed or fully described in the Archives' descriptive database. For instance, many of the inventory records rely on estimates or general descriptions of the contents of the over 380,000 containers because the records are not catalogued or fully described. And although the Archives has paid more than \$1.2 million in the last two years to create detailed lists of the contents of over 81,000 containers of records, it was unable to transfer the data to its database because the lists contain personal information that is protected under the *Freedom of Information and Protection of Privacy Act*.

- While the Archives' storage facilities will soon be adequate, ISR's storage facilities and methods posed a risk of deterioration to archival records because of inadequate facilities and the long periods for which archival records remain there. The Archives' inspections of ISR's three storage warehouses found that proper environments and building controls had not been established and maintained, yet no action had been taken to address this problem. In addition, approximately 600 artworks valued at over \$1 million were located in a basement that was unsuitable for storage.
- There were no follow-up procedures at ISR for ensuring that records retrieved by ministries and agencies from storage were returned. At least 11,000 containers and 468,000 files had not been returned to ISR, including over half that were destined for the Archives and over half that had been missing for five years or more.
- Security and privacy risk assessments were not conducted for ISR storage facilities, and inspections did not ensure that the storage contractor met the confidentiality requirements included in its storage agreement.

The Archives and ISR also had not ensured that contracts with service providers were managed properly and that documents were retained to support their procurement processes and decisions.

## OVERALL ARCHIVES' RESPONSE

The Auditor General has made many useful recommendations, and the Archives will proceed to act on them. We are pleased to note that the Auditor has recognized that the Archives is making progress in improving its operations, guided by multi-year strategic plans established by the current Archivist of Ontario. Significant progress has been made with the passage of the

*Archives and Recordkeeping Act*, the introduction of an inventory control system, the establishment of a private-sector partnership for the storage of archival records, and the building of a new main customer-service facility.

## Detailed Audit Observations

### RECENT INITIATIVES

We noted that the Archives had been making progress in improving its operations. The changes were based on the Archives' multi-year strategic plans, the first of which was established in 2000 after the appointment of the current Archivist of Ontario. The goals of the most recent plan included better support for its government clients in their management of records, greater awareness by the public of the Archives' collections, improved descriptions of and public access to its collections, and the acquisition of facilities suitable for long-term preservation and storage.

In order to meet those goals, the Archives had undertaken a number of initiatives:

- Until the 2004/05 fiscal year, the Archives had stored most archival records at ISR's facilities. In September 2003, the Archives signed a long-term contract with a private company for storage and retrieval services in a new environmentally sound facility located in the GTA. From April 2005 to March 2006, the Archives moved some 300,000 containers from ISR facilities and the Archives' head office to the new private facility, which now stores more than 80% of the Archives' collections.
- New or upgraded computerized information systems were put in place to track the contents and locations of containers, to describe the

archival records in more detail, and to create digital images of objects and works of art in the collection.

- From January 2004 to March 2007, more than 300,000 containers were inspected and their contents confirmed, and detailed descriptions were made of the contents of over 80,000 containers.
- Over the last two fiscal years, the Archives had been following a preventive preservation strategy. It had assessed the condition of over 26,000 at-risk archival items, including architectural plans, photos, documentary arts, textual records, and bound volumes. At the time of our audit, preservation treatments had been done on almost 16,000 items.
- The current head office was being used to store a significant number of archival documents, and it did not meet accepted standards for archival storage. However, in 2009, the Archives' head office will be moved to a new building at the York University campus in Toronto.

In addition, as part of a rationalization of service delivery in the Ministry, responsibility for ISR operations had been transferred from the Ontario Shared Services to the Archives as of April 1, 2007. Another significant change was the passing of the *Archives and Recordkeeping Act, 2006*, which replaces the *Archives Act* and came into force on September 1, 2007. The new Act puts into law the existing requirements of the directive, thus strengthening the responsibilities of both the Archives and Archivist and the ministries and agencies.

## RECORD-RETENTION SCHEDULES

The Archives relies on ministries and agencies to provide it with up-to-date record-retention schedules for approval. According to the directive, ministries and agencies must develop record-retention

schedules to govern the retention and disposal of all recorded information under their control. The schedules must be kept current to reflect changes in the content of information and in its structure, custody, origins, and purpose. The schedules indicate the length of time the records are to be retained and how they are to be disposed of at the end of that time. If the records have archival value, they are to be transferred to the custody and ownership of the Archives. Otherwise, they will be destroyed.

While the directive gave the Archives the responsibility for overseeing records management and approving all record-retention schedules, the Archives did not establish adequate systems and procedures for ensuring that the ministries' and agencies' schedules were complete and up-to-date. Not preparing or improperly preparing a record-retention schedule could result in information of archival value being destroyed and/or ministries and agencies incurring costs for longer-than-necessary storage of those non-archival records that otherwise would be destroyed. We noted the following.

### Assessments of Need to Prepare Schedules

The Archives conducts “functional-analysis assessments” of individual ministries and agencies to identify important functions and activities within program areas and the type of records they create. On the basis of the information gathered from these assessments, the Archives appraises a ministry's or agency's recorded information for its archival value. Specifically, the Archives examines information documenting the deliberations, decisions, and actions of government in relation to its assigned business functions, programs, and activities to determine its significance and whether the records are sufficiently detailed. The appraisal decision is documented in a records-retention schedule and determines what recorded information is ultimately sent to archives and what is destroyed.

According to Archives policy, the functional-analysis documents should be updated regularly or as required, to ensure that they reflect the current functions of the ministries and agencies. Our audit found that the Archives had prepared and updated its functional analyses for all but one ministry over the last two years, and we were informed that the remaining one will be completed shortly. However, there were only seven functional analyses on file for the over 200 Crown agencies that the Archives has responsibility for, and three of these had been prepared 10 years previously. We were informed that, because of limited resources, only a few functional analyses of agencies were to be done during the 2007/08 fiscal year.

We reviewed the functional analyses prepared for four ministries and noted that the need to prepare more detailed analyses had been identified, but not done, for more than 115 government branches, offices, and units. We were informed that they will not be done unless the ministry or agency submits record-retention schedules. In these cases, the functional analyses reports noted that a large number of the record-retention schedules for these ministries were missing or out-of-date or did not correspond to the current structure of the ministries.

We also noted that the Archives had no mechanism for ensuring that actions were taken to complete the more detailed analyses for all areas or to ensure that all record-retention schedules were obtained. There was also no formal ministry or agency involvement in preparing the functional analyses, and the results of the analyses were not submitted to the ministries or agencies for their review.

### Systems for Tracking Record-retention Schedules

The Archives' systems were unable to track record-retention schedules, since it did not first establish

which program areas required schedules and whether they had been received. As previously indicated, functional analyses and more detailed analyses were not used to track and remind ministries and agencies to submit new or updated retention schedules.

We also encountered difficulties in using the Archives' records for assessing the extent of compliance by ministries and agencies. The Archives used over 120 binders to store the more than 10,000 record-retention schedules, and the records were poorly indexed for tracking purposes.

We contacted four ministries and compared their records of active schedules and the schedules maintained by the Archives. For two of the ministries, we were able to reconcile the Archives' records with those of the ministries. However, of the more than 800 schedules that existed as reported by the two other ministries, we were unable to find more than 110, or 14%, in the Archives' binders. According to the ministries, the missing schedules were for retention and disposition of accounting, health-related, and other administration records.

We also noted from the Archives' records that only about 40 of more than 200 agencies that were required to have the Archives' approval for their record-retention schedules were on file as having submitted at least one such schedule. We contacted seven agencies whose schedules we could not find in the Archives' records and confirmed that four were not submitting schedules as required by the directive and had not been exempted from doing so by the agencies' memorandum of understanding with their ministry. All these agencies told us that they created records and stored them on site, and one of them informed us that it had numerous case files dating back to the 1970s in storage. The other three agencies did in fact have schedules, but they could not readily be located in the Archives' binders because of the lack of organization of some of the binders.

ISR requires all its clients to submit a copy of an approved retention schedule before it will accept records for storage. Though the ISR records may have been of use in tracking record-retention schedules, ISR's computerized inventory tracking system includes only the small amount of information from the schedules that was necessary for storage purposes and the system was of limited use because of its age.

We noted that the Archives has been developing a new computer database since the 2004/05 fiscal year for tracking retention schedules, but this was not complete at the end of our audit.

### RECOMMENDATION 1

To ensure that records created by all program areas of ministries and agencies are assessed for their archival value and the length of time they should remain in storage, the Archives, in collaboration with ministries and agencies, should:

- complete its analysis of each ministry and agency, establish a list of all program areas that are required to prepare record-retention schedules, and periodically update that list; and
- complete its system enhancements so that it can ensure that it obtains and authorizes record-retention schedules from all those required to provide one.

### ARCHIVES' RESPONSE

We are pleased that the Auditor has noted the enhancements we are making to the system for approving and maintaining record-retention schedules. This work will continue in order to arrive at a complete and up-to-date set of record-retention schedules for all ministries and designated agencies.

The Archives plans to complete the ministry analyses by the end of March 2008. A strategy has been developed to complete each agency's

analysis when its associated ministry analysis is updated and revised. This is a multi-year strategy with implementation beginning in January 2008.

### OVERSEEING OF MINISTRY AND AGENCY RECORD-MANAGEMENT PRACTICES

Ministries and agencies must provide the Archives, on request, with all information that the Archives needs for planning and monitoring the efficient government-wide management of recorded information. In general, we observed that the Archives had no information on ministries' actual record-management practices and their compliance with the directive, nor had it tried to obtain this information. In a 2004 program review of the Archives' and ISR's operations, a consultant was also concerned that not all recorded information in ministries was being managed in accordance with the directive. The consultant noted that few resources had been allocated to the overseeing of ministries' and agencies' management of recorded information and that little current information on the government-wide state of records management was available.

The Archives provides ministries and agencies with guidelines for managing the retention and disposal of records through the government's record-scheduling program, as well as information bulletins on special topics in record management. For large assignments, up until April 1, 2007, the Archives also offered advice on a fee-for-service basis. The benefits to ministries and agencies that review their record management with the help of the Archives expertise can be significant. For instance, one major review of a ministry's records management in the late 1990s resulted in the amalgamation of about 700 record-retention schedules into only 45, the inclusion of schedules for almost 50% of the ministry's records that had previously

been omitted, and savings to the ministry of over \$1 million over five years through the relocation of records stored in office space to the less costly ISR records centre.

The Archives told us that it could not be sure that ministries and agencies were storing their records in suitable facilities. We were informed that all ministries and 16 of the more than 200 agencies were using ISR services for storing off-site records. However, the Archives has not approved other off-site storage facilities for any ministry or agency. One ministry advised us that it was storing its records in a basement and a warehouse without the Archives' approval instead of using ISR's facilities.

In our discussions with management at Library and Archives Canada, we noted that, in February 2007, management distributed a survey to a representative sample of federal institutions to gather information on the record-management practices being followed for records identified as archival. The survey included questions about recordkeeping practices and storage environments, including the specific environments for media records. The information obtained through this survey was to be included in a report titled *Report on the Condition of Archival Records in Federal Institutions*, planned to be issued in fall 2007.

## RECOMMENDATION 2

To ensure that the Archives can fulfill its obligations to monitor compliance by ministries and agencies with record-management requirements, it should:

- establish a cost-effective means of periodically obtaining the information it needs to monitor ministry and agency compliance; and
- use this information to identify best practices among ministries and agencies and address any gaps between the directive, Archives policies and guidelines, and actual record-management practices.

## ARCHIVES' RESPONSE

The Archives agrees with the recommendation. A new Record Keeping Support Unit established at the Archives became operational October 1, 2007. Its responsibilities include development of best-practice standards, guidelines, and training materials to support ministries' and agencies' recordkeeping practices. The *Archives and Recordkeeping Act* directs the Archivist to establish standards and guidelines and to make them available. The new Record Keeping Support Unit will play a key part in ensuring compliance, and the recent move of Information Storage and Retrieval (ISR) to the Archives will also allow us to better monitor compliance. Ongoing research into best practices used by other governments will support this work.

## ELECTRONIC RECORDS

The way governments conduct their business has been changed rapidly by information technology (IT). Increasingly, official documents and records are being created, collected, stored, accessed, and distributed in electronic form, and a wide variety of IT systems and applications are in use. Paper records often no longer exist. According to a 2003 internal document used to justify the modernization of the *Archives Act*:

The Ontario government is facing at least a 20-year gap in its corporate memory due to fragile and degraded storage media, obsolete software and hardware, lack of systems documentation and the absence of effective policies and procedures on the proper management of electronic records. While many of these electronic records are printed and filed, many are not. Indeed, many offices operate in a mixed paper and electronic

environment, without determining which record will serve as the official copy. This duplication adds further to the record-keeping burden.

The Archives has so far relied on the government's IT community for preserving and maintaining electronic records with archival value. The Archives does not currently have the expertise and capacity to store and make available the numerous electronic records that exist. Making electronic records available poses unique challenges, often because of the need to support the hardware and software programs that are used to access the records. At the time of our audit, the Archives had accepted only 220 gigabytes of archival electronic records from ministries and agencies—the same volume that can be stored on a typical home computer.

The Archives also did not have a clear and comprehensive strategy for dealing with archival electronic records. We received from the Archives two draft documents on the archiving of electronic records: a preservation strategy for archival electronic records, including strategic plans for making changes over the period 2007 to 2011; and a guideline written in July 2005 intended to cover the transferring of electronic records to the Archives.

The need to finalize its strategies and improve its capacity to deal with electronic records is urgent because the Archives expects there will be an enormous growth in the volume of archival electronic records. In addition, retention schedules created since 2000 have included electronic records and many of the retention periods will soon be expiring.

Representatives of the City of Toronto told us that it had embarked on several initiatives to manage electronic documents in accordance with nationally and internationally recognized best practices for information management. These initiatives include a city-wide strategy for managing electronic documents and records, and pilot projects in late 2007 for managing documents and records in four city departments.

### RECOMMENDATION 3

In order for the Archives to oversee, manage, and archive electronic documents and records created by ministries and agencies, the Archives should:

- ensure that it has the necessary technical expertise and capacity to deal with electronic records; and
- then establish and implement strategic plans that would permit the efficient transfer of archival electronic documents and records to the Archives in accordance with recognized best practices for information management.

### ARCHIVES' RESPONSE

The Archives concurs that the activities of government are increasingly being documented by electronic records; indeed, they are now more often the only record. As the Auditor noted, the volume of archival material entering the Archives in electronic form so far is minimal; however, that volume will be increasing exponentially in the next decade. The Archives recently completed an extensive research project to identify best practices in archival electronic records, resulting in the Preservation of Archival Electronic Records Strategic Plan, 2007–2011, approved in July 2007. The plan identifies the need to develop an approach that is flexible and adaptable to accommodate varying formats of archival electronic records while preserving authentic and meaningful electronic records.

In addition to continuing to build capacity, the Archives will undertake a pilot project to process a small collection of electronic records in 2008/09 so that issues around arrangement, description, and access for electronic records can begin to be identified and addressed.

The Archives will also seek support from the Office of the Corporate Chief Information and Privacy Officer to establish and implement standards for electronic recordkeeping in government, including the long-term preservation of digital records.

## GROWTH IN VOLUME OF STORED RECORDS

According to the directive, the Archives is responsible for creating plans to reduce the growth in the volume of records stored throughout the government. We found no recent evidence that any such plans had been drawn up or studied, and as already noted, the Archives had no information on record-management practices in ministries and agencies. We noted that, instead, ISR and the Archives had made arrangements for accommodating the current and expected growth of semi-active and archival records respectively.

We were concerned that the lack of a plan for reducing the volume of stored records created by ministries and agencies could contribute to its increase. Figure 2 shows the growth in the volume of records (mainly paper records) stored at ISR facilities from 1991 to 2006. We noted that the volume of records stored over this period had more than doubled, and the Archives expects that this trend will continue.

### The Archives' Records

We noted that approximately 60% of all records stored at ISR's facilities, or about 600,000 containers, were designated for transfer to the Archives at the end of their retention periods. As noted earlier, the Archives was also expecting that there would be enormous growth in the number of archival electronic records that will have to be stored and processed. We found it surprising that this high a

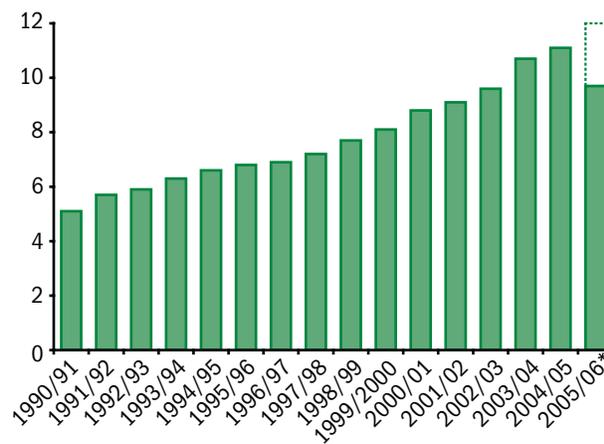
percentage of all government records produced would be deemed of historical or permanent value, and anecdotal evidence indicated that this percentage is much higher than the average in other jurisdictions. Over the next 20 or 30 years, this may more than double or triple the collections of the Archives and the cost of maintaining the inventory.

If these trends and the reasons for the growth in records are studied regularly, timely plans can be made to target areas where more efficiency may be needed to manage and reduce the volume of stored records. However, the significant increase in records in storage and electronic records destined for the Archives will also need to be reassessed. The sheer volume of such records being archived every year makes it extremely difficult, if not impossible, to identify and catalogue all historically significant information, which is an essential first step in providing useful and timely access to the public, academia, and government users.

One method for controlling the growth of storage volume could be the greater use of standardized record-retention schedules, including their retro-active use for existing records. In the 1990s, the

**Figure 2: Records in Storage at ISR, 1991–2006 (million cubic feet)**

Source of data: Information Storage and Retrieval unit



\* Up until the 2004/05 fiscal year, the Archives used ISR facilities to store most archival records. The drop in volume in 2005/06 was due to the transfer of about 230,000 containers (as indicated by dotted line) to the Archives' new private storage facility.

Archives developed standardized record-retention schedules for various administrative areas, such as payroll and accounting. The use of these schedules can streamline the preparation of schedules for these areas in different ministries and agencies and can encourage consistency in the setting of retention periods, thereby reducing unnecessary long storage periods for government records and helping to control record volumes.

The Archives had not effectively promoted and monitored the use of such standardized schedules. For example, when ministries and agencies intend to start using common schedules, they are required to send a Notification of Adoption of Common Schedules form to the Archives; however, the Archives could tell us of only three cases where it had received this form out of the potentially hundreds of cases where common schedules may be in use. We also understand from ISR that it permitted ministries and agencies to adopt common schedules but that the Archives was not notified.

### ISR Records

Though ministries and agencies pay for ISR's storage services, ISR can help, through its procedures, to minimize storage costs and the volume of records in ISR storage facilities by ensuring that records are stored only for the minimum period authorized before they are destroyed or transferred to the Archives.

We identified the following areas for improvement in the storage and retrieval procedures in use at the ISR for semi-active records:

- ISR's container-tracking systems showed that over 37,000 containers of records had retention periods that had expired more than one year previously. Approximately 12,000 of these containers were to be transferred to the Archives. In such cases, ISR requires that ministries submit a form once a year authorizing the extension period. In our sample, we noted

that ISR generally had recent authorizations on file; however, there was no requirement for ministries to document the reasons for the extension, and the Archivist had no policy on extensions by ministries or the need for the Archivist to authorize a revision to the originally approved retention schedule. Some of the records we sampled had been on hold past their retention schedules since the 1960s and 1970s. An operational review study prepared for ISR by a consultant in 2004 also reported that about 30,000 cubic feet of records in storage were past the destruction date, and it recommended that ISR increase its efforts to obtain ministry authorization to destroy these records.

- Many ministries and agencies that requested records for retrieval from storage did not return them to ISR. ISR's system showed that, since the computerized container-tracking system was installed in 1991, over 100,000 containers and over 900,000 files had been retrieved for its clients, and that at least 11,000 (11%) and 468,000 (52%) respectively had not been returned to ISR. It was estimated that more than half of the unreturned items were destined for the Archives and that over half had been missing for five years or more. There was no follow-up policy or procedure for ensuring that these files and containers were returned to ISR.

We also noted that about 102,000 containers of records had retention periods that were to last until 2099, according to ISR systems; about 60% of those were scheduled to be transferred to the Archives after that. We noted that the majority of these records were subject to a moratorium authorized by the Archives because of an investigation, an inquiry, or litigation. These moratoriums restrict public access to the records until at least the year 2010. However, we were pleased to note that, in December 2006, the Archives established a new

policy under which client ministries are to confirm annually in writing the need for the moratorium and the Archives is to forward a copy of the confirmation to ISR.

In addition, we found a shelf in the storage area containing several hundred maps. The maps were not recorded in the ISR container-tracking system and could not be linked to a valid record-retention schedule.

#### RECOMMENDATION 4

To fulfill its obligations to manage the growth in the volume of stored government records, the Archives should, in collaboration with ministries and agencies, develop strategies and timetables for reducing the growth in and minimizing the volume of records that require storage.

In order to manage the expected significant growth in the number of records destined for the Archives and to ensure that the Archives can manage its operations cost-effectively in future, the Archives should identify and accept only those records that clearly have permanent and historical significance.

To ensure that records are not being stored longer than they need to be, the Archives should determine the number and types of records that remain in ISR storage facilities past their originally authorized retention dates or are unaccounted for and the reasons for the delays in their disposition. It should use this information to evaluate its policies and procedures and those of ISR with the objective of reducing any unnecessary or prolonged storage of records and delays in transferring archival records.

In addition, the Archives should investigate ministries and agencies that have not returned records that they retrieved from ISR and should implement controls that will ensure that unreturned records are followed up.

#### ARCHIVES' RESPONSE

The Archives is committed to retaining only those records with permanent and historical significance, and is continuously refining and improving its processes to accomplish this. The Archives acknowledges its obligation to manage the volume of stored government records and concurs that reducing growth and minimizing the stored volume of records is key. The Archives recently re-engineered procedures for processing the annual transfer of government records. This new process, which involves an inspection of each container, ensures that the Archives is retaining only the right records. Records assessed as not being significant are identified for destruction and not added to the inventory. In addition, the Archives has developed selection strategies for some high-volume groups of records where only a representative sample is retained. This year, through these measures, 21% of containers in the annual transfer have been rejected as being non-archival.

The Archives is developing policies and procedures for use by ISR to monitor and control the volume of records placed on hold by ministries past their destruction date and the records retrieved by ministries and agencies from storage but not returned. The Auditor noted our efforts to address the issue of records placed on hold because of a moratorium, and we will continue to make improvements to that process.

#### INVENTORY CONTROLS FOR THE ARCHIVES

Proper inventory processes are essential for ensuring that archival items are easy to find and that items can be accounted for and safeguarded against loss or theft. In 2005, the Archives adopted a new

computerized container-tracking system that records the location of over 380,000 containers in the Archives' head office and in its contracted environmentally controlled storage facility. To identify containers and storage areas, the system uses bar-code technology that was implemented in conjunction with the transfer of records from ISR and the Archives' head office to the new private storage facility.

The primary means used by the Archives for reducing inventory losses is to restrict access to the archival collections. Public viewing of records is limited or controlled, or only paper copies or electronic images are made available, and only authorized personnel have access to the storage facilities.

We noted two significant weaknesses in inventory-control practices, both in the current and past years, that increase the risk that archival records will be lost: first, the records and other material, such as photographs, in the containers are not catalogued and the number of items is simply estimated; second, containers are not sealed when in storage or in transit.

These weaknesses may have resulted in significant losses over the years. We noted the following:

- An Archives internal document, dated April 2001 and revised in February 2004, listed over 60 groups of archival private and government materials that had been found to be missing in the past. The document listed hundreds of letters, documents, artifacts, and photographs, primarily from the 17th and 18th centuries and pertaining to prominent families and individuals. We were informed that the losses were likely the result of thefts during the 1970s.
- Summaries of annual inventory records since 2000 provided to us showed two significant inventory reductions: the number of documentary art items was reduced to 6,772 in the 2001/02 fiscal year from 14,250 in the previous fiscal year (a reduction of 52%);

and the number of photos in the collections was reduced to an estimated 1,700,000 in the 2002/03 fiscal year from 3,601,386 in the previous fiscal year (a reduction of 53%). We were informed that these reductions were made in the respective fiscal year on the basis of better estimates of the number of items in storage, although actual counts had still not been made.

- The Archives was aware of some 31,000 containers, including films, tapes, architectural drawings, textual records, and bound volumes, that had not been recorded in its container-tracking system at the time of our audit. These containers were located at the Archives' head office and were listed only on various Excel spreadsheets.
- In April 2005, before the relocation, the Archives determined that 69 containers of records could not be found at ISR's facilities; these disappearances have not been solved.

We also noted that over 300 artworks in the government of Ontario art collection had not been appraised individually or the appraised value was not recorded in the database. Where appraisals were available, they were outdated, usually having been done in the 1980s or 1990s. In addition, the Archives requests that ministries that have custody of artworks provide an annual confirmation that the artworks still exist and are in good condition. The Archives' records showed that more than 100 such items could not be found or had been stolen. The Archives had no policy for following up on such artwork, and its efforts to find missing artwork, including contacting police, were not made consistently.

## RECOMMENDATION 5

To ensure that proper and effective inventory controls are established and maintained for archival records and collections and to reduce the risk of loss and theft, the Archives should

conduct, possibly with the assistance of ministry internal auditors or other experts, a thorough assessment of its inventory and security controls and other loss-prevention measures and correct any deficiencies identified.

### ARCHIVES' RESPONSE

We welcome the Auditor's suggestion to invite ministry internal auditors to conduct a thorough assessment of our inventory and security controls and are pleased to note the Auditor's acknowledgement of the substantial progress made in gaining better inventory controls over the collections in recent years. Ministry internal audit services will review the security controls for the move to the York University site as well as the security protocols and controls to be implemented at the new facility. Internal audit will review the procedures and practices for storage and transportation of records, assess the risks, and make recommendations for improvement.

The Archives has developed more rigorous procedures around processing collections with the aim of improving inventory controls. These procedures will also be applied when backlog collections are processed, and the Archives will continue to explore best practices to improve controls over the collection. At its current facility, access to the storage areas has been limited to retrieval staff, and the Archives continues to work with its off-site storage and handling service provider to ensure the security of collections during transit.

### ACCESS TO ARCHIVAL COLLECTIONS

In 2000, the Archives established an on-line catalogue, called the Archives Descriptive Database, to make the Archives' collections more accessible

to both the government and the public. The information provided by the database includes a general description of each record group, its origin, type of medium, approximate number of files, and directions for accessing the records. The Archives has been enhancing the database with more comprehensive descriptions of the contents of containers; called a finding aid, each description includes a list of the files in a container and more detailed descriptions of the files.

Although the introduction of the database significantly improves access to the archival records, we observed that many archival collections were still not completely accessible to the public because they had not been processed or described in the database or the finding aids were not available. For instance, in a sample of archival items that we tested, including textual records, maps, films, and audio and video recordings, from the Archives' head office and its contractor's storage facility, 40% had not been processed and described in the database. Of the 60% that were described in the database, no finding aids were available for about one-third.

In the last two years, the Archives has paid its private storage contractor more than \$1.2 million to create lists of the contents of over 81,000 containers of records. However, at the time we completed our audit, we were informed that those lists were not available to the public on the database because of restrictions under the *Freedom of Information and Protection of Privacy Act*.

### RECOMMENDATION 6

In order to improve access to archival collections, the Archives should identify records that have not been listed or described fully in its Archives Descriptive Database system and should establish a plan and timetable for their inclusion.

## ARCHIVES' RESPONSE

We agree with the Auditor's recommendation and have begun a thorough review of records not listed or fully described in the Archives Descriptive Database. We have also developed selection criteria for prioritizing these projects. Work has already begun on the high-priority projects and a multi-year plan is in development for the remaining collections. Resourcing affects the rate at which the Archives is able to address these collections.

## STORAGE FACILITIES

Government records that are deemed by the Archivist to be archival need to be preserved indefinitely. Most of the Archives' collections are made of organic materials such as paper, leather (in book bindings), and parchment or consist of other fragile media such as photographic and magnetic media. The environment that they are stored in can significantly affect the rate of deterioration of and damage to the records. Standards for archival storage are published by national and international archival associations and recognized by the Archives. Paper and other records are susceptible to deterioration when not stored properly, such as at the correct temperature and humidity, and protected from fire, smoke, water, insects, and dust. Some archival items, such as videos, microfilms, and photographs, are best preserved in cool or cold storage.

Before 2006, the Archives' collections had been stored in up to six separate locations throughout the Greater Toronto Area, including its head office and ISR warehouses. None of these locations provided effective temperature or humidity control and may not have had adequate measures for fire suppression, security, or air quality. We noted that the Archives' new environmentally controlled storage facility was designed to state-of-the-art standards for archival storage and that it includes

standard storage, cool storage, and cold storage areas. These facilities were at least comparable to new archival facilities used by the City of Toronto and the federal government.

The head office is used by the Archives to store many of its more fragile and valuable collections, but it does not have adequate temperature, humidity, and fire controls. However, arrangements have also been made for a new head office and, in 2009, the Archives will move to a new building to be constructed to its specifications. We identified storage improvements for artwork that would be possible at the Archives' head office until the new building is available.

With respect to ISR's storage facilities, we believe there is a risk of deterioration to archival records because of the inadequate facilities and the long periods that archival records remain there.

### Records Stored at ISR That Are Destined for the Archives

As of March 31, 2007, over 60% of the records stored at the ISR facilities were to be transferred to the Archives at the end of their retention periods. These records usually remain at the ISR facilities for five to 25 years, but they can remain for up to 100 years. The volumes of records in ISR holdings was shown in Figure 2.

By way of comparison, the City of Toronto Archives gives preferential treatment to records destined for its archival collections once they are transferred from departments into semi-active storage. City of Toronto archival records that are semi-active are stored immediately in environmentally sound archival storage areas. This results in better environmental storage at an earlier date and less disruption and movement of containers to multiple storage areas.

The Archives' new private storage facility is designed to meet the storage needs of the Archives for the next 25 years, and it can accommodate double its current volume of records or more. While the

costs of storing items at the facility are significantly greater—about seven times the cost of using ISR facilities—the benefits of better storage of records during their semi-active retention periods may well justify the higher cost. We questioned, however, why the Archives' efforts to protect archival records after the semi-active retention period and reasons for doing so would not apply equally to the records' storage during the semi-active period.

We also compared the efficiency of the Archives' and ISR's retrieval services and noted that the Archives' private contractor provided retrieval services that were comparable to ISR both in terms of turnaround times and costs.

### Quality of Storage Facilities in Use

We compared the environmental controls and building structures of the storage facilities that were in use by ISR and the Archives' present head office with the high standards achieved with the Archives' new private storage facility and identified significant differences and risks to archival records posed by the older buildings (see Figure 3). Although environmental and building deficiencies in the Archives' head office will be corrected in 2009 with the move to a new building, our discussions with Archives and ISR staff did not note any plans for major improvements to the facilities in use by ISR.

The two government-owned buildings used by ISR were brought into service in 1968 and 1990 and were never designed for long-term archival storage. Similarly, none of the contractors used by ISR for storage since the early 1980s had facilities designed to archival standards.

The use of basement storage increases the risk of water damage from flooding. In 1997, a serious flood in the basement of one of the government-owned facilities resulted in \$2 million in cleanup and restoration costs and damage to approximately 25,000 containers, including records with archival value. Despite efforts by the Ontario Realty Corporation, which is the property manager, to correct the

problem, there were two small water incidents in the same location in 2003 and 2005. In addition, there were no electronic water-monitoring systems in the area that could provide early warning of the presence of water, although we were informed that security staff now patrol the area regularly to check for flooding. The basement area continues to be used for the storage of approximately 50,000 containers, of which almost 80% are scheduled for transfer to the Archives because of their historical significance.

### Inspections

The directive requires ISR to provide storage facilities in accordance with standards developed by the Archives. The Archives inspects ISR's three facilities twice a year to ensure that a proper environment has been maintained for the storage of records, and reports on the temperature and humidity in each location. Of the inspections carried out over the last three years, 89% and 28% found that the temperature and humidity, respectively, were out of the minimum and maximum range specified by the Archives.

Moreover, only the two most recent reports noted the outside temperature and humidity, which could be useful information for comparison with the indoor test results. The inspections were not done when the outdoor weather was extreme, say, on very humid and hot days. If they had been done in that kind of weather, they would have allowed for a better assessment of the actual performance of the building systems, the need for upgrades, and compliance with the standards.

In addition, we noted that the Archives requires the private-sector provider of its environmentally controlled storage facility to monitor and report to the Archives the daily environmental readings from the storage areas. These reports allow the Archives to know if its service provider is meeting the requirement that temperature and humidity not fluctuate significantly from day to day. The Archives

**Figure 3: Quality of the Five Storage Facilities Currently in Use**

Source of data: Archives of Ontario; Information Storage and Retrieval unit

	ISR Facilities <sup>1</sup>			Archival Facilities	
	Gov't-owned, #1	Gov't-owned, #2	Contracted Service Provider	Head Office	Contracted Service Provider
<b># of Containers</b>	<b>170,000</b>	<b>202,000</b>	<b>601,000</b>	<b>67,000</b>	<b>357,000</b>
<b>Environmental Controls</b>					
heat	✓	✓	✓	✓	✓
air conditioning <sup>2</sup>	✓	✓		✓	✓
dust				✓	✓
fire sprinkler, water pressure monitored	✓	✓	✓ <sup>3</sup>		✓
groundwater flood detection					✓
cool/cold storage for special media					✓
standby back-up power system for environmental controls					✓
<b>Building Structure</b>					
all record storage areas at/above ground	✓		✓		✓
separate storage vaults for fire protection	4				✓
no unnecessary water-supply pipes in storage areas	✓		✓		✓
<b>Security Controls</b>					
24-hr security monitoring/alarm system	✓	✓	✓	✓	✓
controlled access to storage areas	✓	✓	✓	✓ <sup>5</sup>	✓

1. 60% of records in ISR facilities will eventually go to archival facilities

2. to reduce high temperatures and help control humidity

3. except for temporary holding area

4. no separate storage vaults for fire protection except for microfilm storage

5. but basement storage in adjacent Queen's Park building secured only by locked doors

also keeps daily records of the temperature and humidity of the storage areas in its head office. However, daily monitoring reports are not available for ISR's three storage facilities.

Since daily readings were not available, the inspection reports on ISR's facilities compared the temperature and humidity readings from the two previous inspections, which were about six months apart, to assess whether the daily-variation standards had been met, even though this approach did not provide any information about actual daily variations.

We understand that, despite the poor inspection results, no further action was taken. In fact, we

were told by ISR and the Archives that the contractor could not maintain specific temperature and humidity levels because its building systems were not capable of doing so.

In addition, ISR's facilities have air conditioning, which helps to control humidity and temperature in the storage areas. ISR had no procedures or policies for storing records destined for the Archives any differently from records scheduled to be destroyed at the end of the retention period. Regardless of their archival value and the type of medium, records were stored in general warehouse space in any of its three warehouses.

## Artwork Stored at Archives' Head Office

We were concerned that artwork was not stored properly at the Archives' head office. Over 600 government of Ontario artworks with an estimated appraised value of over \$1 million were stored in a basement of a Queen's Park building. In 2006, Archives staff reported that the basement was unsuitable for storage. The report mentioned that the environment in the storage area was poor and that there were security and light problems because of the sharing of the storage room, which was divided by a temporary plywood wall. There were 106 artworks in storage that were judged to be in poor condition or at risk, in some cases because of mould.

### RECOMMENDATION 7

In order to better protect and preserve records that are destined for the Archives and that are normally not stored in facilities with suitable environment and building conditions, the Archives should:

- conduct a cost-benefit and feasibility analysis to determine if it should make greater and earlier use of its environmentally sound storage facility;
- examine ISR's storage policies, procedures, and facilities to identify changes that would improve the environment and building conditions for records in their facilities that are scheduled to be transferred to the Archives; and
- evaluate and make improvements to its inspection program and reporting requirements for ISR's storage facilities and establish policies and procedures for requiring corrective action when inspection results are unsatisfactory.

In addition, the Archives should ensure that government of Ontario artworks are protected

and preserved by storing them in environmentally sound and secure facilities.

### ARCHIVES' RESPONSE

The Archives agrees that protecting and preserving records is of prime importance. We acted immediately on the Auditor's observations about environmental controls and monitoring. We installed temperature and humidity data-capture devices throughout both the provincially owned and private-sector facilities and are developing the protocols for monitoring and acting on the results. We have taken corrective action in the artworks storage area and increased the monitoring of that area.

We will be assessing options for storage of records prior to their acquisition by the Archives. The new York University facility will contain a vault specifically for the storage of artworks to ensure that their temperature and humidity requirements are met.

### PRIVACY CONTROLS OVER RECORDS

To ensure the confidentiality of the government records in storage, comprehensive security and privacy controls are necessary. We expected that ISR would have established key controls over its private storage-facility provider when it first awarded a contract in 1994. New guidelines, issued during the 2006/07 fiscal year by the Information and Privacy Commissioner of Ontario and the Chief Information and Privacy Officer, now recommend that when ministries contract with private firms, a thorough risk assessment should be conducted. Moreover, any specific privacy requirements should be stated in service contracts and the contractor's compliance with the contractual privacy obligations should be monitored.

However, no security or privacy risk assessment was conducted for the ISR facility that used a private company to store records. As a result, government records stored could be exposed to loss, theft, or unauthorized access.

Although bonding of employees and confidentiality requirements were included in the agreements signed with ISR's private contractor, there was no periodic monitoring of the contractor to ensure that it met and continued to meet these requirements. Inspections by Archives staff did not include a review of the contractor's staffing arrangements, such as whether there were records for all staff confirming security checks, bonding, and confidentiality declarations; and premises security controls were reviewed only informally and without checklists when the inspection staff were taking temperature and humidity readings.

As well as contractual requirements, other measures could have been taken to enhance confidentiality. We noted from our visits and tests that some of the records in storage contained confidential information: for example, we saw student loan applications with financial and social insurance numbers, employment-related data, applications for disability devices with the applicants' medical information, and court records. As mentioned previously, none of the containers were required to be sealed when in storage or in transit. In many cases, containers of records had labels on the outside describing the contents.

In addition, ISR permits its clients to request individual files instead of the whole container. This practice requires the contractor's staff to open a container and look through the contents to find the files requested. Similarly, in the 2003/04 and 2004/05 fiscal years, the Archives paid ISR's contractor to inspect the contents of approximately 87,000 containers of archival records. The contract required the service provider to open the containers, briefly document the contents, and give this information to the Archives, which would use it

for updating its container-tracking system. Over the last two years the Archives also paid its private company to inspect another 19,000 boxes and create a detailed list for more than 81,000 boxes.

ISR's private facility contractor was permitted to store government records throughout its facility together with records of its other clients, even on the same shelves. The more than 600,000 containers of Ontario government records at this facility represent approximately 30% of the total holding at this contractor's facilities. We believe that the risk of loss and security breaches could be minimized if government records were stored and controlled separately from the records of the contractor's other clients.

Neither the City of Toronto nor the federal government used contract suppliers to store its records. We were informed that ISR was asked by four of its clients not to store their records in a private facility because of the sensitive nature of the information, and ISR agreed not to. We understand that the Archives recently established a government-wide file-classification plan that will promote consistency across the government in the identification and organization of records and will classify information according to its sensitivity. This file plan could be used in the future to designate records that should remain in facilities with adequate security arrangements.

## RECOMMENDATION 8

In order to ensure that the confidentiality of records in storage is protected and that service providers are in compliance with the security and confidentiality requirements of their contracts, the Archives should:

- conduct a thorough privacy risk assessment of its storage facilities operated by private-sector contractors;
- restrict activities and impose security controls at storage facilities that will minimize the exposure of confidential records;

- revise its inspection program of storage facilities to include formal assessments of its security and privacy controls; and
- develop classification criteria for confidentiality and security levels and establish special storage arrangements for the most sensitive records.

## ARCHIVES' RESPONSE

We take very seriously the Auditor's observations that confidentiality of stored records must be improved and have taken immediate action to address this issue. A privacy risk assessment is under way that will examine both the government-run and private-sector storage facilities. New contracts are under development for private-sector storage, and those contracts will incorporate the recommendations, including periodic monitoring.

Modifications are being made to the guidelines provided to ministries on preparing records for shipment to storage and to the protocols used in accepting records. Recent introduction of the Government-wide File Classification Plan, which includes instructions on applying security classifications, will also increase security and confidentiality.

## CONTRACT MANAGEMENT

We noted several areas where ISR could improve its contract and procedure management practices to ensure that government-mandate policies, procedures, and document-retention requirements are followed:

- ISR's private storage service provider, which was paid approximately \$1 million for the 2006/07 fiscal year, has provided storage services since 1994. With more than 600,000 containers now in this storage facility, the

cost of moving the containers to a new facility would be very high. Consequently, ISR does not re-tender these services frequently. We were informed that, instead, the contract was usually renewed at five-year intervals on the basis of financial and performance assessments of the contractor. In addition, when additional storage space for approximately 325,000 containers was needed in 2000, a competitive tendering process was used. The contract was awarded to the same provider. However, the Ministry could not provide us with documents showing that a formal financial and performance assessment had taken place for the 1999 and 2006 renewals when the 1999 and 2000 contracts were amalgamated.

- Documents related to the request for proposals, including unsuccessful bids and bid evaluations, could not be found to support ISR's awarding of a contract, worth about \$150,000 a year from 2004 to 2007, for transporting containers between client ministries and the storage facilities.
- When ISR contracted for additional storage space in 2000, the rates it obtained from its contractor through a competitive process were lower than the renewal rate agreed to in 1999. The 1999 renewal contract with the same contractor specified that the rate charged ISR must be the lowest rate that the contractor charges its best customers. In 2004, a consultant hired to review ISR's storage arrangements pointed out that a lower rate might be possible because of that clause in the 1999 contract; however, we were informed that this issue was not pursued by the Ministry, though as much as \$700,000 might have been saved in lower fees for the period 2000 to 2006.
- ISR did not conduct any performance evaluations of the two contracted suppliers for

storage and transportation services even though, for instance, periodic inspections by the Archives found repeatedly that the private storage facilities did not have building systems that would allow them to meet suitable temperature and humidity levels.

- We noted several differences between the volumes reported by ISR's container-tracking system and its contractor's monthly billings for storage services. ISR was not reconciling these invoices with its system, and we found discrepancies as high as 17% of storage volumes, or up to \$7,000 a month.

In addition, we attempted to review the procurement documents for the long-term contract entered into by the Archives for environmentally controlled storage. Most of the documents were available, and they showed that the lowest bid was accepted. However, the selection committee's financial analysis, which was a key consideration in the final selection of a contractor, could not be found.

## RECOMMENDATION 9

In order to ensure that contracts with service providers are managed properly and that procurement processes are documented properly, ISR and the Archives should evaluate the way in which they manage procurement documents, and ISR should ensure that payments are made only for amounts and services that are in accordance with contractual requirements.

## ARCHIVES' RESPONSE

The Archives agrees with this recommendation. New contracts are being developed for private-sector storage of records. Internal protocols for the procurement process, with particular attention to the management of procurement documents, will be revised and enhanced. In addition, protocols for ensuring adherence to contractual requirements will be developed and will be part of the contract.