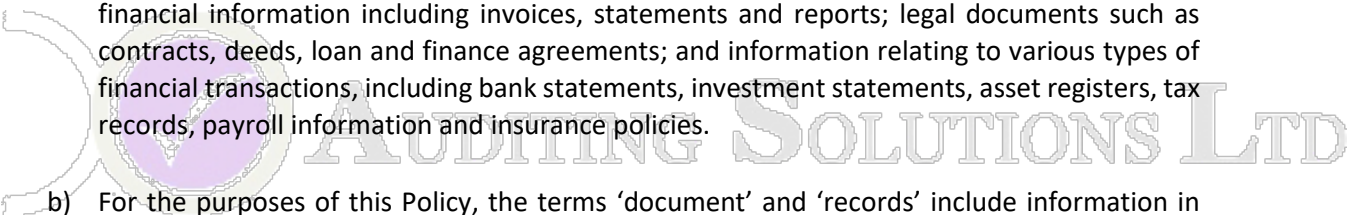

Document and Data Retention Policy

How Auditing Solutions responsibly safeguards Client data in electronic and paper formats ensuring that it is appropriately categorised, stored and erased for the purposes of Data Protection.

1. Introduction

1.1 Purpose

Information is one of Auditing Solutions' corporate assets; in the course of carrying out its auditing functions, Auditing Solutions accumulates information from both individuals and external organisations. Auditing Solutions also generates a wide range of data, which is recorded in documents and records.

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- a) These documents and records are in several different formats, examples of which include, (but are not limited to) communications such as letters, emails and attendance notes; financial information including invoices, statements and reports; legal documents such as contracts, deeds, loan and finance agreements; and information relating to various types of financial transactions, including bank statements, investment statements, asset registers, tax records, payroll information and insurance policies.
 - b) For the purposes of this Policy, the terms 'document' and 'records' include information in both hard copy and electronic form.
 - c) In certain circumstances it will be necessary to retain specific documents in order to fulfil statutory or regulatory requirements as auditors and also to meet operational needs. Document retention may also be useful to evidence audit findings in the case of anomalies being identified, and also to preserve information which has evidential value.
 - d) Premature destruction of documents could result in inability to defend litigious claims, operational difficulties and failure to comply with the Freedom of Information Act 2000 and the General Data Protection Regulation EU 2016/679.
 - e) The retention of all documents and records is impractical. Disposal assists Auditing Solutions to maintain sufficient electronic and office storage space and will de-clutter office accommodation, resulting in a more desirable working environment. It also ensures that Auditing Solutions complies with the General Data Protection Regulation EU 2016/679.
 - f) It is important for the above reasons that Auditing Solutions has in place systems for the timely and secure disposal of documents and records that are no longer required for business or statutory purposes.

2. Aims and Objectives

- a) The key objective of this Policy is to provide Auditing Solutions with a simple framework which will govern decisions on whether a particular document should be retained or disposed of. In the case of documents which are to be retained by Auditing Solutions, the Policy includes guidance on the format in which they should be retained and appropriate retention periods.
- b) Implementation of the Policy should save Auditing Solutions' officers time when retrieving information, in particular by reducing the amount of information that may be held unnecessarily.
- c) The Policy clarifies the different roles of Auditing Solutions officers in relation to document retention and disposal in order that they understand their responsibilities, and who to refer to if they are unsure about any document and require clarification.
- d) It is envisaged that this Policy will assist Auditing Solutions in securing compliance with legal and regulatory requirements, including the Freedom of Information Act 2000, the Environmental Information Regulations 2005, the General Data Protection Regulation EU 2016/679 and the Code of Practice on the Management of Records under Section 46 of the Freedom of Information Act 2000. In addition to assisting officers in their day to day business, this should also ensure that searches for information requested under the Freedom of Information legislation are as quick as possible.
- e) Additionally, the Policy should help to ensure that Auditing Solutions archives records and documents that are of historical value appropriately for the benefit of future generations.

3. Scope

- a) This Document Retention Policy applies to all information held by Auditing Solutions and any external service providers in the event that such an organisation is processing information on Auditing Solutions' behalf.

4. Policy Statement

- a) Auditing Solutions will ensure that information is not kept longer than is necessary and will retain the minimum amount of information that it requires to carry out its' statutory functions and the provision of its auditing services.

5. Retention and Disposal Policy

- a) Decisions relating to the retention and disposal of documentation should be taken in accordance with this Policy, in particular:-
 - Appendix 1 – Disposal and Retention Considerations – a checklist to be followed where the disposal of any document is being considered.

- Appendix 2 – Document Retention Schedules – Comprehensive guidance on the recommended and statutory minimum retention periods for specific types of documents and records.
- b) In circumstances where a retention period of a specific document has expired, a review should always be carried out prior to a decision being made to dispose of it. This review should not be particularly time consuming and should be straightforward. If the decision to dispose of a document is taken, then that document will be disposed of securely by shredding and subsequent destruction in relation to paper documents or deleted from electronic storage using a permanent delete application.

6. Roles and Responsibilities

- a) The Managing Director will be responsible for determining (in accordance with this Policy) whether to retain or dispose of specific documents within the remit of their service area.
- b) The Managing Director may delegate the operational aspect of this function to the Data Protection Officer.
- c) The Data Protection Officer should seek legal advice if they are uncertain as to whether minimum retention periods are prescribed by law, or whether the retention of a document is necessary to protect Auditing Solutions' position where a potential evidentiary issue has been identified.
- d) The Data Protection Officer should ensure that the Schedule in Appendix 2 which is relevant to Auditing Solutions' services is kept up to date.

7. Disposal

- a) Confidential waste documents should be made available for collection by use of the confidential waste sacks which are provided to consultants by Auditing Solutions in order that they can be destroyed. It is essential that any documents which are to be thrown away and contain confidential or personal data must be disposed of in this way, in order to avoid breaches of confidence or of the General Data Protection Regulation EU 2016/679.
- b) Disposal of documents other than those containing confidential or personal data may be disposed of by binning, recycling, and permanent deletion (in the case of electronic documents), and the transfer of documents to external bodies. Transfer of documents to external bodies will be unusual but could be relevant where documents are of evidentiary interest and may therefore be sent to the investigating authority, i.e. the Police or HMRC.
- c) Records of disposal should be maintained by the Data Protection Officer, and should detail the document disposed of, the date and the Consultant who provided the document for disposal.

Disposal and Retention Considerations

Each of the following questions and guidance underneath them should be considered prior to the disposal of any document.

1. Has the document been appraised?

- Check that the nature and contents of the document is suitable for disposal.

2. Is retention required to fulfil statutory obligations or other investigatory obligations?

- Specific legislation setting out mandatory retention periods for documentation held by local government is very limited, but includes the following:-
 - Tax legislation – minimum retention periods for certain financial information are stipulated by the VAT Act 1994 and the Taxes Management Act 1970.
 - The Audit Commission Act 1998 – Provides auditors with a right of access to every document relating to a Council Audit that appears necessary for the purposes of carrying out Auditing Solutions' function under the Act.
 - The Local Government Act 1972, Part VA – Governs public access to certain documents relating to Council's minutes and the management of Committee meetings.

3. Is retention required for evidence?

- Keep any documents which may be required for legal proceedings until the threat of proceedings has passed.
- The limitation period for commencing litigation should also be a key consideration. This is governed by the Limitation Act 1980 and the main time limits that apply directly to local government are:-
 - Contract or tort (such as negligence or nuisance) claims (other than personal injury) cannot be brought after six years from the date on which the cause of the action occurred.
 - Personal injury claims cannot be brought after three years from the date on which the cause of action occurred.
 - Claims based on provisions contained in documents that are 'under seal' cannot be brought after twelve years from the date on which the cause of action occurred.
- There is no statute of limitation for a criminal offence. Any document deemed to be evidentiary in nature in result of a criminal offence will be passed to the relevant investigating authority and a copy retained until the conclusion of the investigation.

Document Retention Schedules

1. Introduction

The following schedules provide guidance on the retention periods applicable to a wide range of Auditing Solutions' Internal Audit Documents and supporting evidential documents copied from the Audit subject. Copies may be retained electronically or in hard copy on the proviso that electronic copies of all documents should be acquired for retention where it is possible for the Auditor to do so.

2. Explanation of Retention Schedule Headings

- a) There is a Document Retention Schedule for each document type. The headings in each Schedule are as follows:
- b) **Reference Number** – This section provides ease of reference.
- c) **Function Description** – The Schedule provides notes that define each function in terms of related activities.
- d) **Retention Action** – This entry provides the guidance as to whether the document should be retained, and if so how long for. It also provides guidance regarding the method by which documents should eventually be disposed of.
- e) **Examples of Records** – This section provides common examples of the type of records included within the particular function. This list is not exhaustive.
- f) **Notes** – This indicates if the retention action is common practice or statutory.

3. Glossary of Terms

Archiving – The method of archiving selected may include, but will not be limited to, electronic storage on records management systems, storage in secure filing cabinets, strong rooms or other designated areas within Auditing Solutions' offices.

Administrative Use – When business use has been ended or the file has been closed.

Closure – 'Destroy 'x' years from closure'. A record/file is closed when it ceases to be active. After closure, no new papers/information should be added to the record. Triggers for closure of a file include: reaching an unmanageable size; covering a period of 'x' years or more; no records added for 'x' period of time; no action taken after 'x' period of time.

Closure Period – Specified period of time during which the record is subject to restrictions on provision of access to staff and/or the public may be dictated by statutory requirements or by the

authority's policy. Any closure period should comply with current legislation on access to local government information – including the General Data Protection Regulation EU 2016/679 and the Freedom of Information Act 2000.

Common Practice – Standard practice followed by Auditing Solutions and by those local authority records managers who are members of the Records Management Society.

Last Action – ‘Destroy ‘x’ years after last action.’ Date of most recent amendment / addition / deletion of information.

Permanent – Records which must be kept indefinitely for legal and/or administrative purposes, and/or are of enduring value for audit trail purposes and so suitable for transfer to Auditing Solutions' archive.



Data Retention Schedule – Client Audit				
Ref No.	Function Description	Examples of Records	Retention Action	Notes
INTERNAL AUDIT PROGRAMME				
IA1	Cashbook	Review	Retain	
	The process of making substantiated and structured observations in each area of the annual Internal Audit process	PERMANENT <ul style="list-style-type: none"> Findings of audit testing in each area of Internal Audit Review are recorded in Internal form ASL IA Programme for the corresponding financial year 	<ul style="list-style-type: none"> Auditors observations substantiated by information contained within the council's accounts system and supporting documentation 	Common practice
ACCOUNTING RECORDS				
AR1	Cashbook	Review	Retain	
	The process of examining the method by which councils maintain their accounting records.	<ul style="list-style-type: none"> Cashbook records for the audit period. Cost Centre and Coding schedule. Copy of current Year opening Trial Balance. Copy of Prior Year external audit report <p><i>NB: copies of intermediary Trial Balances, journals, etc., shall not be retained unless any significant reportable issues are identified</i></p>	<ul style="list-style-type: none"> Copy of Cashbook(s) Copy of external audit certificate and report 	Destroy after 12 months
GOVERNANCE & ACCOUNTABILITY				
GA1	The process of examining the conduct and operation of councils in relation to the proper uses of statutory powers and delegated authorities.	<ul style="list-style-type: none"> Review of minutes to be completed using Internal form ASL 2.2 Review of Minutes 	<ul style="list-style-type: none"> Anonymised extracts from Council minutes in the Annual Minute Review recorded in ASL 2.2 Review of Minutes. 	Destroy after 24 months

		<ul style="list-style-type: none"> • Current Standing Orders and Financial regulations • Financial procedures obtained in electronic format • ASL Internal form ASL 2.3 Governance Questionnaire 	<ul style="list-style-type: none"> • ASL 2.3 Corporate Governance Questionnaire 	
Payments and VAT				
PV1	Payments testing	Review	Retain	
	The process of examining the authenticity and accuracy of payments made by the council.	<ul style="list-style-type: none"> • Payment testing schedule (electronic format only): Internal form ASL 3.2 	<ul style="list-style-type: none"> • Tender registration number on contractsfinder.gov.uk • ASL 3.2 Payments Testing Schedule 	Destroy after 24 months
Risk Assessments & Insurance Schedules				
RAI1	Risk Assessments	Review	Retain	
	The process of examining councils' Financial and Health & Safety Risk Management procedures.	<ul style="list-style-type: none"> • Financial and Health & Safety Risk Assessments 	<ul style="list-style-type: none"> • LCRS or other Risk Register • Health & Safety Risk Register • Playground Risk Management Policy 	Destroy after 24 months
RAI2	The process of examining council's Insurance policies and schedules.	<ul style="list-style-type: none"> • Insurance schedule for the Financial Year being audited 	<ul style="list-style-type: none"> • Insurance policy/policies • Insurance schedule(s) 	Destroy after 12 months
Budgetary Control & Reserves				
BCR1	Budget setting and analysis of reserves	Review	Retain	
	The process of examining the Budget setting process and the testing of councils' reserve funds.	<ul style="list-style-type: none"> • Year-end budget outturn report • Annual fund reserve analysis including movement testing 	<ul style="list-style-type: none"> • Outturn report with headline data and comment • Schedule of Reserves detailing year on year movement 	Common Practice
Review of Sources of Income				

RI1	Income testing	Review	Retain	
	The process of examining councils' sources of income, ensuring that said income is collected and recorded appropriately and that fees and charges are being correctly reviewed, set and billed.	<ul style="list-style-type: none"> • Current years fees • Procedural notes on income stream(s) • Outstanding debt • Nominal ledger balances 	<ul style="list-style-type: none"> • Published fees • Nominal ledger income reports • Schedule of outstanding debts 	Destroy after 24 months
RI2	Income Analysis	Permanent <ul style="list-style-type: none"> • Copies of anonymised income streams with all personal details redacted: Internal Form ASL 6.2 • Internal Form ASL 6.3 Burials & Memorials Where appropriate 	<ul style="list-style-type: none"> • ASL 6.2 Income Stream Analysis • ASL 6.3 Burials & Memorials (Where appropriate) 	Common practice
Petty Cash & Bank Cards				
PCB1	Ad hoc expenditure	Review	Retain	
	The process of examining the authenticity and accuracy of councils' cash and credit / debit card payments.	<ul style="list-style-type: none"> • Copy of sample petty cash reclaim indicating balance at time of visit to be agreed to the physical cash holding. • Detail of petty cash holding • Detail of cash floats (bars, tills etc) • Detail of procedural documents for use and settlement of credit / debit cards. 	<ul style="list-style-type: none"> • Petty Cash statement • Cash float statement • 	Destroy after 24 months
Staff Salaries and Wages				
SSW1	Payroll analysis	Review	Retain	
	The process of examining the authenticity and accuracy of Salary, Wage and Agency payments made by or for and on behalf of the council.	<ul style="list-style-type: none"> • Schedule identifying staff name, post held, SCP scale point or approved annual salary and basic weekly hours • Variable pay documents 	<ul style="list-style-type: none"> • Internal form ASL 8.2 Payroll Analysis containing anonymised data only 	Destroy after 24 months

		<ul style="list-style-type: none"> Salary payment summary for month examined HMRC and Pensions submission for month examined 		
Asset Registers				
AR1	Asset Register(s)	Review	Retain	
	The process of examining the authenticity and accuracy of Council's Asset Register(s)	PERMANENT <ul style="list-style-type: none"> Asset Register containing headline detail of acquisitions and disposals to be reconciled to the previous year's Asset register. 	<ul style="list-style-type: none"> Asset Register 	Destroy after 24 months
Investments and Loans				
IL1	Investments			
	The process of examining the authenticity and accuracy of Councils' investments, ensuring that the returns are being received and accurately recorded.	PERMANENT <ul style="list-style-type: none"> Schedule of investments held at the Financial Year-End Investment strategy 	<ul style="list-style-type: none"> Investment statements confirming YE position only Investment strategy/policy 	Common practice
IL2	The process of examining the status of Loans obtained or let by Council's.	PERMANENT <ul style="list-style-type: none"> Examination of Loans approved or acquired in the Financial Year under examination. Examination of year-end liability/exposure Signed loan agreements where the council has issued a loan 	<ul style="list-style-type: none"> Loan Application & confirmation of draw down Year End balance statements (Loans acquired / issued) 	Common Practice
Bank Reconciliations				
BR1	Bank Reconciliations			

	The process of examining and verifying the accuracy of the accounting records held by Council's and the agreement of Opening and Year End balances.	<ul style="list-style-type: none"> • Reconciliations, by account, for each bank / building society held • Associated finance organisation statements for Year End date • Bank Statement for each Bank Account as at the 31st March in the year being audited 	<ul style="list-style-type: none"> • Internal Form ASL 11.2 Bank Reconciliations. 	Destroy after 24 months
Statement of Accounts / Annual Return				
SAAR1	Year End statutory information			
	The process of examining the authenticity and accuracy of Councils' Annual Accounts ensuring that the publish accounts are accurate to the fullest extent possible.	<p>PERMANENT</p> <ul style="list-style-type: none"> • AGAR Statement of Accounts for year being audited • Detailed Accounting statements • Year End Accruals • Stock Check reports • Year End Trial Balance • Headline finance information in Internal form ASL 12.2 Analytical Review • Internal Form ASL 12.3 Annual Return Data 	<ul style="list-style-type: none"> • Formal Statement of Accounts (where prepared) • Balance Sheet: I&E or R&P accounts • Debtors & Creditors YE reports • Stock Check reports • Year End Trial Balance • ASL 12.2 Analytical Review • ASL 12.3 Annual Return data 	Common practice

E-mail Retention Guidance

1. Introduction

To ensure fair Processing, E-mails will not be retained by Auditing Solutions for longer than necessary in relation to the purposes for which it was originally retained.

The length of time for which Auditing Solutions is required to retain E-mails is set out in the 'Data Retention Schedule – Client Audit' above. This takes into account the legal and contractual requirements, both minimum and maximum, that influence the retention periods set forth in the schedule. All E-mails shall be deleted or destroyed as soon as possible where it has been confirmed that there is no longer a need to retain them.

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