

A view from higher ground



A view from higher ground.



To navigate your way through the maze of regulations governing how organisations manage their records, a view from higher ground is essential. Iron Mountain takes this perspective to help you to see across complex interrelationships between different record types, business functions and governing legislation. Using our range of records management and disaster recovery support services, Iron Mountain brings order to your records management programme in an increasingly complicated world.

Since 1951, Iron Mountain has helped over 235,000 companies to take this view to meet the records management challenges they face. This guide outlines what you need to know about records classification and retention. As you will see in the tables and advice within this guide, the reasons for compliant records management are more compelling and vital than ever before.



Records Classification and Retention Guide

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What is Records Management?

Records

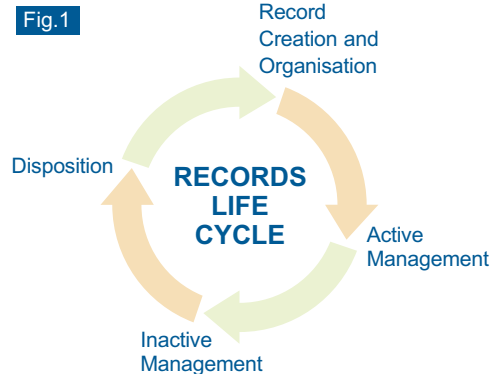
Information is one of an organisation's most important assets. As well as traditional paper documents, this information now includes emails, microfilm, computer tape, digital images, and maps, to name just a few. Any information that contributes to the operation of a business constitutes a record.

Records Management

Records management is the name for the process of planning, organising and controlling all the steps involved in the life of a record, from the time it is created, through its active and inactive periods, until its final destruction or permanent storage. Records management has the dual goals of promoting the efficient retrieval and use of information and keeping records management costs to a minimum.

The Records Life Cycle Concept

The Records Life Cycle offers a logical framework for the development of a records management programme.



Record Creation and Organisation

The first step in a records management programme (see Fig.1) is to create an inventory of all the organisation's records. This will help the company to understand the types of records it has and enable it to destroy unnecessary records.

Active Records Management

Depending on the type of record and its intended use, the period of active records storage can range from days to several years. Companies select filing methods and media formats depending on how frequently the record will be referenced and how quickly access is required.

Inactive Records Management

The frequency of use of different types of records varies and some records need to

be close to hand even though they are referenced infrequently. Others need to be kept due to regulatory needs. Inactive records are maintained because companies find it difficult to predict which records will become needed in the future.

Disposition

The final stage of a record's life cycle involves either destruction or permanent storage, and is commonly referred to as Disposition.



The landscape
is changing.
You need a much
clearer view.



Retention Schedule

Records are eligible for destruction when an organisation no longer needs the records and is no longer required by law to keep them. However, some records will be archived permanently due to their historical value to the company.

A retention schedule recognises the different types of information that are created in or received by an organisation, and lists the required retention period and reason for the records' retention. Using a retention schedule ensures that information is only kept for as long as needed, which saves costs by preventing the storage of redundant information. The scheduled destruction of information minimises business risk and the chance

of costly litigation caused either by retaining information beyond the legal requirement or destroying it accidentally ahead of its legal retention period. Both the Data Protection Act 1998 and the Freedom of Information Act 2000 require good information management and retention schedules in order to be able to find the requested information and to ensure the information is not kept for longer than necessary.



Benefits of Compliant Records Management

Establishing a comprehensive records management programme offers both immediate and long-term benefits to companies, including:

- **Controlling the volume of records** – Implementing a records retention schedule and destroying unnecessary records can reduce the space now occupied by records by as much as 40%. Managing the number

of records that are created internally will reduce the costs of organising, maintaining and disposing of records.

- **Improving access to information** – When appropriate systems and procedures are in place, an organisation can respond faster to business challenges, provide better customer service and make more informed decisions.
- **Reducing litigation risks** – A records management programme, as part of a company's larger risk management strategy, provides insurance against the threat of

litigation, government investigation or audit. This insulates the company from potential risk associated with the premature disposal of information. A well designed programme ensures that a company can easily retrieve the information it needs to plan a proper defence if legal problems do occur.

- **Ensuring regulatory compliance** – Organisations must adhere to a multitude of European, national and industry regulations concerning the maintenance and retention of records. A records management programme determines which records must

be kept and for how long to ensure regulatory compliance. This avoids the risk of destroying records too soon and not being able to produce them when legally required, or saving everything and anything. Without this programme, the organisation could be at risk for exposing potentially incriminating records that could and should have been destroyed.

- **Improving efficiency and productivity** – Ineffective record keeping and poorly managed or non-integrated systems lead to wasted time spent searching for misfiled records.

- **Safeguarding vital information** – It is estimated that more than one third of all businesses that suffer a disaster never resume operations. A vital records programme ensures that companies have protected copies of those records needed to resume operation after a disaster situation.

- **Assimilating new information technologies** – A comprehensive records management programme allows companies to integrate cost effective and high performance systems and equipment to assist in protecting and managing records, which

facilitates the standardisation of information processing and control.

- **Preserving the corporate memory** – Companies depend on records to document the past and provide information for future events. Accurate records are necessary to provide appropriate background information when planning for the future.

Compliant Records Management.
See the bigger picture from one viewpoint.



How To Use This Guide

To use this guide, you need to ask yourself two questions:

1. **What area of business does a particular record relate to?**
2. **What type of record is it?**

Then using the Key opposite you can find out how long a particular record needs to be kept and why within the tables that follow.

Key

- **Business Function** eg. Administration, reflects the area within an organisation where a record is created.
- **Category** highlights the main types of record created within the Business Function.
- **Retention Period** advises the length of time a particular type of record should be kept for, since at the end of its business life the information may need to be kept for archival or research purposes.
- **Reason** indicates why a particular type of record should be kept:
 - Legal reasons indicate accordance with the appropriate Act or Regulation.
 - Commercial is according to company policy and will vary from organisation to organisation.
 - Audit indicates usual practice but may vary from organisation to organisation.

Recommended Classification Scheme

Listing for business information.

Administration

Category	Retention Period	Reason
Goods In / Out Record Book	Current plus 6 years	Legal
Stock Adjustment Sheets	2 years	Audit
Inventories	Until superseded and new inventory has been audited	Commercial
Asset Registers	Current plus 6 years	Commercial
Contractor Time Sheets	1 year after transfer to accounting systems unless required for VAT / tax purposes	Commercial / Legal
Copy Purchase Orders	3 years after original sent for payment	Commercial
Copy Correspondence	3 years after date of correspondence	Commercial
Correspondence Files	3 to 6 years	Commercial
Complaints	3 years unless it results in major changes in policy or working practices, then archive	Commercial

Corporate Documents

Category	Retention Period	Reason
Minutes of Committees or Board Meetings (Official Copy)	The life of the organisation	Legal
Written Resolutions	The life of the organisation	Legal
Company Registers	The life of the organisation	Legal
Company Organisation Papers (If significant)	The life of the organisation	Commercial
Significant Policy Papers	The life of the organisation	Commercial
Register of Seals	The life of the organisation	Legal
Legal Documents	<i>See Legal Section</i>	
Articles of Association or Incorporation	The life of the organisation	Legal
Change of Name	The life of the organisation	Legal
Annual Reports	Archive one copy	Commercial
Circulars to Shareholders	Archive one copy	Commercial
Annual Meeting Proxy and Polling Cards	Recommend 3 months after meeting if no poll demanded, 1 year if poll is demanded or meeting convened by court	Commercial
Share Dealing and Administration	12 years after action has ended	Legal
Trade and Service Marks Documents	10 years after cessation of registration	Legal
Copyright Protection	Varies according to type	Copyright Act

Financial: Accounting Records

Category	Retention Period	Reason
Cheques	6 years after audit	Legal
Invoices	6 years after audit	Legal
Invoices (Capital)	10 years after audit	Commercial
Purchase Orders	Current plus 3 years	Audit
Quotations (Successful)	Until invoice settled and audited	Audit
Quotations (Unsuccessful)	6 months to 1 year	Commercial
Customs & Excise Returns	6 years	Legal
VAT Deferments	6 years	Legal
Shipping Documents	6 years	Legal
Expense Claims	6 years after audit	Legal
Redundancy Payments	6 years after payment	Legal
Accounts required under Section 221 of the Companies Act	3 years from date on which made (Private Company) 6 years from date on which made (Public Company)]	Legal (Subject also to Section 411 of the Insolvency Act 1986)
Donations – all types	Current plus 6 years	Legal
Bank Instruction	6 years after ceasing to be effective	Legal

Financial: Cash Records

Category	Retention Period	Reason
Bank Paying In Counterfoils	6 years (Unless cross checked with statement then 3 years)	Legal
Bank Statements	6 years	Legal
Bank Reconciliation	6 years	Legal
Banking Returns	6 years	Legal
Petty Cash Records	Current plus 6 years	Legal
Main Cash Book	6 years after audit	Legal
Cash Received Sheets	Current plus 6 years	Legal

Financial: Loan Records

Category	Retention Period	Reason
Debtor Accounts Control Report	6 years	Legal
Arrears Schedule	6 years	Legal
Individual Debtor Accounts	6 years after clearance of debt	Legal
Listing of Wage Deductions	3 years	Audit
Statement of Loan Account	6 years	Commercial

Health and Safety

Category	Retention Period	Reason
Accident Books	3 years from date of last entry	Legal
Equipment Inspection Records	Varies according to equipment	Legal
Geotechnical Assessment of Quarry	At least 3 years from date record was made	Legal
Copy of Declaration of EC Conformity including Final Inspection Certificate	10 years from date when safety component was last manufactured	Legal
Asbestos (Health records)	5 years from date of monitoring or 40 years if health record required	Legal
Radioactivity (Monitoring results)	2 years from the date on which they were made	Legal
Radioactivity (Dose Assessment and Recording of Classified Person Approved Dosimetry Service)	Until the person to which it relates has or would have reached 75, but for at least 50 years from the date made.	Legal
Control of Substances Hazardous to Health (COSHH)	40 years from date of last incident	Legal
RIDDOR Reports	3 years from date of notification	Legal
Risk Assessments	Until superseded (Should be reviewed at a maximum of 3 years – earlier if circumstances change)	Legal
Safe Systems of Work	At least 6 months after completion of work	Commercial
Permit to Work Systems	A minimum of 12 months	Commercial
Compressed Air Health Records	40 years from date of last entry	Legal
Lifting Operations – Thorough Examinations	For as long as equipment is operated	Legal
Machine Maintenance Books	Life of equipment	Legal
Construction – Agents Written Declaration	Life of health and safety file	Legal
Gas Maintenance of Residential Properties	2 years from date of check	Legal
Statements / Policies / Guides	Annual review	Commercial

Human Resources

Category	Retention Period	Reason
Personnel Records (including directors' contracts)	7 years after employment ceases	Legal
Training Course Details	6 years after course	Commercial
Training Course Attendees	6 years after course	Commercial
Training and Continuous Personal Development Records	Add to personnel file	Legal
Staff Appraisals	Current plus 1 year	Commercial
Labour Agreements	Until superseded	Commercial
Group Health / Accident Policies	12 years after benefit ends	Legal
Patent / Secrecy Agreements	20 years after employment ceases	Commercial
Consolidated Sickness Records	Current plus 3 years unless falling under health and safety legislation	Commercial / Legal
Vacancies and Applications (Unsuccessful)	6 months	Commercial
Early Retirement / Redundancy Documents	6 years after date of retirement	Legal
Secrecy and Breach of Trust Agreements	Length of time stated in agreement	Legal
Disciplinary	Unfounded – destroy immediately Minor – 1 year from date of action Major / final warning – 3 years from date of action	Commercial (DPA)
Leave (Adoption, Annual, Flexi, Maternity / Paternity, Sick, Special, Time Off In Lieu.)	Current plus 1 year	Commercial

Insurance

Category	Retention Period	Reason
Policies	3 years after lapse	Commercial
Public / Employers / Product Liability	Until superseded	Commercial
Claims Correspondence	3 years after settlement	Commercial
Settlements	7 years after claim	Legal
Infant Settlements	Until 24th birthday (In some cases infants are able to place a claim up to 6 years after their 18th birthday)	Legal
Insurance Schedules	10 years	Commercial

Legal

Category	Retention Period	Reason
Contracts / Agreements Under Seal	12 years after expiry	Legal
Contracts / Agreements Other	6 years after expiry	Legal
Major Agreements	Consider archiving for research	Commercial
Trade Marks	Review at regular intervals	Commercial
Expired Patents	12 years	Legal
Leases	12 years after expiry of lease	Legal
Planning Permission	12 years after property interest ceased	Legal
Architect / Builder Agreements	6 / 12 years after contract end (<i>See Contracts above</i>)	Legal
Title Deeds	Until transferred to purchaser	Legal

Pensions

Category	Retention Period	Reason
Trust Deeds and Rules	Until fund ceases or merges plus 12 years	Legal
Minute Books	Until fund ceases or merges plus 12 years	Legal
Pension Payments	6 years after last payment of benefits	Legal
Members' Records	Review every 10 years	Audit
Valuation Working Papers	Review every 10 years	Audit
Actuarial Certificates	Review every 10 years	Audit
Superannuation Adjustments	Current plus 6 years	Legal
Superannuation Reports	Current plus 6 years	Legal

Plans

Various retention periods depending on terms of contract or health and safety and other legislation.

Salary and Wages

Category	Retention Period	Reason
Tax Forms P6 / P45 / P48 / P11 / P11D / P35 / P60	At least 3 years after the end of the tax year to which they apply. (Originals must be retained in paper/electronic format. Employees are required to retain their copies for 22 months after the current tax year)	Legal (Inland Revenue Booklet 490 refers)
Payroll and Salary Records	6 years after audit	Legal
NI Contributions	6 years	Legal
Monthly Superannuation	6 years	Legal
Annual Superannuation	6 years	Legal
Annual Earnings Summary	6 years	Legal

Sales Records

Category	Retention Period	Reason
Customer Orders	3 - 6 years	Commercial
Customer Complaints	Not less than 3 months, depending on organisation	Commercial
Nominal and Private Ledgers	10 years	Legal
Sales Ledger	10 years	Legal
Sales Invoices / Credit Notes	6 years	Legal
Customer File	6 years after last entry	Legal
Delivery Documentation	Current plus 2 years	Audit

Transport

Category	Retention Period	Reason
Drivers' Record Books	Not less than 12 months	Legal
MOT Test Records	2 years after vehicle disposed of	Commercial
Mileage Records	2 years after vehicle disposed of	Commercial
Vehicle Maintenance Records	2 years after vehicle disposed of	Commercial
Tachograph Records	12 months	Legal

Example of Retention of Record Schedule

This schedule has been updated according to Acts of Parliament, Statutory Instruments and current business practices. It carries the authorisation of Internal Audit. Any additions, deletions or amendments should be forwarded to _____ . Any queries should be forwarded to _____ .

The information will be used by Main Registry to ensure records are properly maintained.

The retention period specified applies whatever the format – paper, microfilm, electronic.

Disposal at the end of the retention period should be as follows:

- Paper – via the confidential waste paper system.
- Microforms – via the Main Registry for shredding.
- Electronic – deletion from disk or via the Main Registry for shredding of the floppy disk.

Notes

Title of Record

Should be the official name. Colloquial names should appear in square brackets. []

Current Format

Gives guidance on the current storage format.

Authority – Commercial

Indicates the organisation's decision that may be in excess of the legal time scale.

P / M

Indicates Prime or Management documentation (some organisations use Vital / Management). Prime records must always be backed up and retained for statutory / audit reasons. A prime record is one which, if lost would cause considerable embarrassment to the organisation. Duplicates are not prime records. Management records, in general, should be kept for the current plus 2 years.

To Be in Writing

Under more recent legislation this may also include electronic communication, which has been recorded and is capable of being reproduced – as defined in the Electronic Communications Act 2003.

In cases of investigation by Police or Auditors all destruction procedures on the information concerned must cease immediately.

If you require a retention schedule designed for your organisation then please email:

IMConsultancy@ironmountain.co.uk

Example of Health and Safety Record

Ref No	Title of Record	Retention Period	Current Format	Authority	Notes / Access	P / M
4.1	Accident Records					
4.1.1	Accident forms / reports	Current plus 6 years	Paper / electronic	Commercial	Includes associated papers	P
4.1.2	Accident books BI 510	3 years after last entry	Paper	Statutory	Social Security (Claims and Payments) Regulations 1979 Regulation 25, Social Security Administration Act 1992 Section 8	P
4.1.3	RIDDOR F2508 F2508A	3 years from date of notification	Paper / microfilm	Statutory	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 Regulation 7: Records	P
4.1.4	Written plan detailing how major accidents will be dealt with	For duration of the activity with updating for significant changes	Paper / electronic	Statutory	The Control of Major Accident Hazards Regulations 1999. SI 1999 No 743	P

The 'Current Format' column will have to be changed to suit those in use by your organisation. It is designed to inform readers as to what format the information is stored in a particular moment in the life of the information. It may state for example, '3 years paper then electronic'. Employees then know not to look for the paper version after 3 years. It is not intended to suggest a particular format must be used.

SPECIMEN

Data Protection Act

The Data Protection Act 1998 came into force 1st March 2000 to protect living individuals with regard to the way personal data is collected, stored and disclosed. The Act that supersedes the DPA 1984 covers all Personal Data on living individuals held in electronic and manual systems. This includes paper, film (CCTV and microfilm), electronic tapes, disks etc, (there are some exemptions for personal use). Although there are various transition periods up to 2007 it is best practice to assume the Act applies from day 1 and endeavour to comply in all respects.

Personal Data is any data which relates to a living individual who can be identified by the data. It includes information such as home address, status, salary, race, politics, religion, health, offences etc.

The Act requires compliance with 8 principles. Data must:

1. Be fairly and lawfully processed.
2. Be processed for a limited purpose.
3. Be adequate, relevant and not excessive.
4. Be accurate.
5. Be kept no longer than necessary.

6. Be processed in accordance with data subjects rights.
7. Be secure.
8. Not be transferred to countries that do not have adequate protection.

Further information

This is only an outline to the Act and additional information is available at:
www.informationcommissioner.gov.uk



Freedom of Information Act (FOIA)

The FOIA came into effect on the 1st January 2005 and affects public body organisations or companies who deal with public bodies such as local authorities and the NHS, for example. In addition to the Act covering England and Wales, there is also a Scottish version of the FOIA.

The Act gives the right for individuals to make a request for information from a public body which must be supplied within 20 working days, starting from the day after the request was received in writing. There are some exceptions to this timescale.

There are also a number of exemptions the public body may be able to make use of.

The fact that the information concerns another party supplying goods or services to a public body does not necessarily make that information exempt. Therefore certain contract and service details may have to be released into the public domain.

Organisations are therefore advised to consider the following actions:

- Consult with the public body on the type of information that may be requested and have to be released.

- Ensure a good records management system is in place to retrieve information quickly.

- Ensure a retention policy is in place and acted on.

- Consult the company's legal representative on any protective measures that might be needed to ensure business is not harmed.

Further information

The above is only an outline to the Act and additional information is available at: www.informationcommissioner.gov.uk



Companies Act

The Companies (Audit, Investigations and Community Enterprise) Act 2004 was introduced to update the Companies Act 1989 and address shortcomings highlighted by recent auditing scandals.

The main provisions of the Act that concern records management are:

- Strengthen the system of regulating auditors by assigning additional powers and resources to the Financial Reporting Council.
 - Ensure that all data relating to transactions and accounting practices is auditable so that auditors can now request information from all relevant employees. Withholding information is now an offence, with Directors required to state that information has not been withheld from auditors in the accounts.
 - Financial Reporting Review Panel's (FRRP) remit is extended to cover interim statements and makes provision for the Inland Revenue to pass information to the FRRP if they suspect accounting practices are not being followed.
 - Improved access for investigators to both company premises and information during their investigations, with immunity for individuals providing information to investigators under certain circumstances that would otherwise breach their employee confidentiality rules.
 - Requires companies to disclose non-audit services specifically provided by their auditors and their associates to increase transparency and remove conflicts of interest issues from the auditing process.
- The failure of companies to disclose or find requested information will be viewed very seriously and lead to the imposition of financial penalties.



UK companies will need to address the issues identified and bring their internal systems into line which should make recent auditing scandals virtually impossible to repeat. Of particular concern to businesses is the need to address the interface between technology and records management, which involves managing electronic records including email, according to statutory and legal rules and guidelines which also apply to paper-based records.

Further information

The above is only an outline to the Act and additional information is available at: www.dti.gov.uk/cld



Iron Mountain. A view from higher ground.

Iron Mountain Incorporated (NYSE: IRM) is the world's trusted partner for outsourced records and information management services. The Company's mission is to protect its customers' information and protect its customers through compliant information management. Founded in 1951, Iron Mountain has grown to service more than 235,000 customer accounts throughout Europe and North and Latin America. The Company offers records management services for both physical and digital media, disaster recovery support services, and consulting – services that help businesses save money and manage risks associated with legal and regulatory compliance, protection of vital information, and business continuity challenges.

For more information, visit the Company's website at www.ironmountain.co.uk



Protecting and Managing
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