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1. Introduction

This best practice document will help businesses and individuals understand the basics of records management in order to prevent identity fraud and corporate identity theft.

Identity theft costs the UK economy £5.4 billion and in 2016 there were 169,592 cases of identity fraud, representing an increase 49% over the previous year.

Records management is an essential part of running a business, enabling a company to operate within the law. This information mainly consists of paper records and now includes emails, microfilm, computer media and online e-trading. Criminals have developed simple yet effective methods for obtaining this information from bin raiding, adopting deceased people's records, internet sites etc. With this information criminals can open accounts in your business' name, obtain credit, acquire contracts, drain banks accounts of funds, access public registers and change company's details etc.

The solution is simple, but first a company must identify:

1. What records need secure storage?
2. Length of time they must be stored?
3. Policy for secure shredding and recycling for all company record?
4. Obtaining an approved information destruction service provider, preferably one that provides this service to a British Standard, such as the BS EN 15713.

Note: This is an outline of the position at the time of writing. This guide offers general guidance only and should not be regarded as a complete or authoritative statement of law. This guide is not a substitute for obtaining legal advice.

Further assistance can be sourced from the following professional bodies websites:

www.hmrc.gov.uk

www.ico.org.uk

www.acas.org.uk

www.nationalarchives.gov.uk

www.lawsociety.org.uk

www.fraudadvisorypanel.org

www.met.police.uk

www.bsigroup.com

2. Retention & Disposal of Records

The BSIA Information Destruction Section has developed this best practice document, as an aid to all businesses trying to establish a simple, secure and workable records management system. The following information is a useful guide to be used in support of the General Data Protection Regulations (GDPR) and in conjunction with the Companies Act, Data Protection Act, and the Freedom of Information Act.

2.1 Retention Key and Matrix

Key

Category	Identifies the main type of business activity.
Retention period	Time scale required for secure storage.
Reason	Legal compliance, relating to an Act or Regulation. Commercially sensitive information. Company policy, which varies from business to business.

3. Data Protection Act

The UK's first Data Protection Act was enacted in 1984, followed by a second Act in 1998 and revised in 2018 in support of GDPR. The Acts provide a regime for the holding and processing of data. Those who hold data are obliged to register with the regulator, who is the Information Commissioner. The Acts introduced a number of criminal offences for failing to comply with the legislation, and a system of compensation for those caused damage by non-compliance. A person whose data is held, or data subject, has the right to access to any personal data that is held by the data user. A copy of your personal data should be provided free of charge; however an organisation may charge for additional copies but it can only charge a fee if it thinks the request is 'manifestly unfounded or excessive'. If so, it may ask for a reasonable fee for administrative costs associated with the request.

Under GDPR and the DPA 2018, there are six principles as opposed to eight under the DPA 1998. Everyone responsible for using personal data has to follow strict rules called 'data protection principles'.

They must make sure the information is:

1. used fairly, lawfully and transparently
2. used specified, explicit purposes
3. used in a way that is adequate, relevant and limited to only what is necessary
4. accurate and, when necessary, kept up to date
5. kept for no longer than is necessary
6. handled in a way that ensures appropriate security, including protection against unlawful or unauthorised processing, access, loss, destruction or damage

The data protection provisions apply to manual files as they do electronic information. There are additional and stricter controls on the processing of 'sensitive personal data', such as data from which a subject's racial group can be identified. Data may not generally be transferred outside the European Economic Area, and data processing must comply with certain minimum security requirements.

Further information on data protection can be obtained from the information commissioner at www.ico.org.uk.

4. Freedom of Information Act

The Freedom of Information Act 2000 deals with access to official information.

The Act provides individuals or companies with the right to request information held by a public authority, and therefore imposes a similar duty on such public authorities to provide such information.

There are two distinct rights granted under the Act. The first is the right to receive confirmation or denial that the public authority holds information, and the second to communication of that information. The public must normally supply it within 20 working days, in the format requested.

However, the public authority does not have to confirm or deny the existence of the information or provide it if an exemption applies, the request is vexatious or similar to a previous request, or if the cost of compliance exceeds an appropriate limit.

There are a number of absolute exemptions, such as that the information is reasonably accessible by other means, or that the information was provided in confidence.

There are also what are termed qualified exemptions. This means that the public authority must decide whether the public interest in using the exemption outweighs the public interest in releasing the information.

If an applicant is unhappy with a refusal to disclose information, they can complain to the Information Commissioner, after first exhausting any internal review procedure. The Commissioner will investigate the case and either uphold the authority's use of an exemption or decide that the information must be disclosed. Further guidance can be obtained via the Information Commissioner's Office at [www.ico.org.uk/your-data-matters/official information](http://www.ico.org.uk/your-data-matters/official-information)

5. Companies Act

The Companies (Audit, Investigations and Community Enterprise) Act 2004, as amended by the Companies (Miscellaneous Reporting) Regulations 2018, significantly strengthens the auditing and company investigation regimes.

The Act improves the reliability of financial reporting and the independence of auditors and auditor regulation in the following ways:

- . Requiring professional accountancy bodies to adhere to independent standards.
- . Giving the Financial Reporting Panel powers to require companies to provide documents.
- . Allowing Revenue and Customs to pass information about suspect accounts to the FRP
- . Making it a criminal offence to fail to provide information or explanations required by the auditor.
- . Allowing the auditor to require information or explanations from employees of a company in addition to directors.
- . Requiring that a director's report contain a statement that the directors of a company are not aware of any relevant information that has not been given to the auditor.
- . Granting immunity from Prosecution for those providing information in certain circumstances.
- . Improving access for investigation by giving investigators powers of entry to premises.

Effective and accurate document management is therefore essential, as a failure to disclose or find a document could lead to a fine, or may in certain circumstances constitute an offence.

6. Clarification of requirements of BS EN 15713

It is essential that a company checks their shred and recycle service provider to ensure the company's records are destroyed correctly. This could otherwise have a devastating effect of undoing the above hard work. We recommend using a company that is ISO 9001 or ISO 27001 certified and vetted to BS EN 15713 with all material being shredded and recycled.

Please contact the BSIA directly to obtain a list of approved information destruction providers or visit www.bsia.co.uk/find-a-security-company.aspx.

Appendix A

Document retention classification

Administration

Category	Retention period	Reason
Asset registers	Current period, and six preceding years	Commercial
Stock adjustment sheets	Two years	Audit
Inventories	Current audit period.	Commercial
Complaints	Three to six years	Commercial
Contractor time sheets	One year following transfer to accounting system	Commercial
Contractor time sheets required for revenue purposes	Six years	Legal
Copy purchase orders	Three years following payment	Commercial
Copy correspondence	Three years	Commercial
Correspondence other than that required for tax purposes	Three years	Commercial
Goods received/dispatched book	Current period, and six preceding years	Legal

Company records

Category	Retention Period	Reason
Proxies, polling and voting records	12 months	Commercial
Copyright protection	Varies according to type; default period of 25 years	Legal
Articles of incorporation and constitutional documents.	Lifetime of the undertaking	Legal
Annual report, notices to shareholders	Retain one copy	Commercial
Minutes and resolutions of meetings	Lifetime of the organisation	Legal
Share dealing and administration	12 years after the date of the transaction	Legal
Trade and service marks documents	10 years after the end of the registration	Legal
Company registers, organisational papers, policy papers and seal.	Lifetime of the organisation	Legal

Accounting and monetary records.

Category	Retention Period	Reason
Cheques, invoices and similar	Six years after audit	Legal
Capital invoices	10 years after audit	Commercial
Purchase orders	Current year and preceding three years	Audit
Successful quotations	Until payment of the invoice and audit	Audit
Unsuccessful quotations	One year	Commercial
Revenue and Customs returns	Six years	Legal
VAT records	Six years	Legal
Shipping documents	Six years	Legal
Expense claims	Six years after audit	Legal
Redundancy payments	Six years after payment	Legal
Accounts required by section 386 of the Companies Act	Three years – Private Limited Company Six years – Public Limited Company	Legal
Donations	Current year, and preceding six years	Legal
Bank instruction	Six years after ceasing to be effective	Legal
Bank paying in counterfoils, statements, reconciliations and returns.	Six years	Legal
Petty cash records	Current year and six preceding years	Legal
Main cash book	Six years after audit	Commercial
Debtor accounts control report	Six years	Legal
Loan account statements	Six years	Commercial
Wage deductions	Three years	Audit
Debtor accounts	Three years following repayment	Legal
Arrears schedule	Six years	Legal

Health and safety

Category	Retention Period	Reason
Policies and guidance	One year, or until reviewed	Commercial
Inspection records	At least six years	Legal
Geotechnical quarry assessments	At least six years	Legal
EC conformity declaration	10 years	Legal
Asbestos records	Five years from inspection	Legal
Asbestos health records	40 years	Legal
Radioactivity monitoring	Six years	Legal
Radioactivity dose assessment	Until the subject reaches the age of 75, and for a minimum of 50 years.	Legal
Control of substances hazardous to health (COSHH)	40 years	Legal
RIDDOR notifications	Three years	Legal
Risk assessments	All current assessments.	Legal
Permit to work systems	At least one year	Commercial
Compressed air health records	40 years	Legal
Lifts, and lift examinations, and machine maintenance	The lifetime of the equipment	Legal
Gas maintenance records	Two years	Legal
Safe systems of work	Six months after conclusion of related work	Commercial
Accident books	Six years from last entry	Legal

Human resources

Category	Retention Period	Reason
Personnel records	Seven years after termination of employment	Legal
Training course, and CPD records	Six years	Commercial
Staff appraisals	Current and preceding three years	Commercial
Labour agreements	Current agreements, and those expiring in preceding 12 months	Commercial
Health and accident policies	12 years following the end of the benefit	Legal
Patent/confidentiality agreements	25 years following the termination of employment	Commercial
Sickness records	Current year and three preceding years unless required as Health and Safety records	Legal/ Commercial
Unsuccessful job applications	12 months	Commercial
Employment termination records	Six years following termination	Legal
Breach of trust agreements	Lifetime of the agreement plus one year	Legal
Disciplinary records	Unsubstantiated – destroy Minor – 12 months Significant – three years	Legal/ Commercial
Leave	Current and preceding year	Commercial

Insurance

Category	Retention Period	Reason
Policies and certificates	Six years following lapse	Commercial
Public/employers/product liability	Three years after lapse	Commercial/ Legal
Claims correspondence	Three years following settlement	Commercial
Settlements	Seven years	Legal
Infant settlements	Until subject reaches 24	Legal
Insurance schedules	10 years	Commercial

Legal

Category	Retention Period	Reason
Deeds	12 years after termination/expiry	Legal
Other agreements/contracts	Six years after termination/expiry	Legal
Trade marks, and expired patents	12 years after expiry	Commercial/ Legal
Leases	12 years after expiry	Legal
Planning consents/leasehold consents	12 years after expiry of consent	Legal
Construction agreements	Six or 12 years after expiry	Legal
Property Deeds	Retain until sold/retain copy indefinitely	Legal

Pensions

Category	Retention Period	Reason
Trust deeds, rules, minute books	12 years following cessation	Legal
Payment records	Six years following payment	Legal
Member records, valuation papers and actuarial certificates	10 yearly review	Audit
Superannuation adjustments and reports	Current and preceding six years	Legal

Salary and wages

Category	Retention Period	Reason
Revenue forms	Six years plus the current year	Legal
All records other than revenue forms	Six years	Legal

Transport records

Category	Retention Period	Reason
Drivers record books	12 months	Legal
MOT, mileage, and vehicles maintenance records	Two years after disposal of vehicle	Legal / Commercial
Tachograph records	Two years	Legal

Sales records

Category	Retention Period	Reason
Customer orders	Six years	Legal
Complaints	12 months if satisfied, otherwise three years	Commercial
Ledgers	10 years	Legal
Invoices, credit notes	Six years	Legal
Delivery notes	Current year and two preceding years	Audit