

[2009]

Retention & Destruction of Records



Finance Department Cardiff and Vale LHB

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Introduction

This paper is written in order to provide definitive guidance to the Finance Department of Cardiff and Vale NHS Trust in relation to the retention and destruction of records. In writing this paper, reference is made to the Trust's policy and strategy on Records Management, which can be found on the Intranet Pages under policies.

Standing Financial Instruction

"The Chief Executive shall be responsible for maintaining archives for all documents required to be retained under directions issued by the Welsh Assembly Government. The documents held in archives shall be capable of retrieval by authorised persons. Documents held shall only be destroyed at the express instigation of the relevant Clinical Director or Head of Department and records shall be maintained of documents so destroyed."

Background

Data retention concerns keeping the department's business information for legal, financial and management purposes.

To comply properly, the department needs to do a full audit of its business information, and understand, what data is retained, why data is retained, where retained data is stored, when the retained data is finally destroyed.

The department will also need to consider who is authorised to have access to retained data both now and in the future. This may include internal managers, outside regulators, organisations and members of the public.

Where retained data contains personal information, care must also be taken to ensure that it is not kept longer than is necessary and breaks the provisions of the ¹Data Protection Act.

Specific provisions in the Data Protection Act state that [Data must be fairly and lawfully processed, processed for limited purposes, adequate, relevant

and not excessive, accurate and up to date, not kept longer than necessary, processed in accordance to individual's rights, kept safe and secure and transferred with adequate protection.] Corporate governance requires all organisations to keep data and information for legal, taxation, financial and management purposes.

The UK's Financial Services Authority requires all financial records to be kept for at least 3 years, emails for 6 years, and records of pensions transfers indefinitely (payroll and pension records are not covered in this paper).

Under the Freedom of Information Act ² it is possible that the Finance Department will need to supply information on financial aspects such as budgets and papers supporting financial decision-making.

Therefore, staff should be similarly aware of their responsibility to keep financial records beyond those supporting the financial statements. The Freedom of Information Act has however allowed the NHS in Wales to determine a policy on the retention period for these types of records, this is prescribed in the ³ NHS Circular on Records Management.

Guidance

The Finance Department should retain information where it continues to serve the administrative needs of the Office. For example, financial documents must be retained for at least as long as they might be required as evidence in court.

Notwithstanding the above, financial records, such as documents supporting payment of claims, are generally destroyed six years plus one year after the end of the financial year to which they relate.

² Freedom of Information Act 2000

³ NHS Circular WHC (2000) (71) Appendix B Records Management Strategy for NHS Trusts and Health Authorities.

¹ Data Protection Act 1998

The Finance Department should dispose of information, which serves no purpose, to reduce storage costs and to improve accessibility to information, which does need to be retained.

Records, or any part of them, must not be destroyed without the appropriate authority. The unauthorised destruction of any records may be a disciplinary offence. The method of destruction will depend upon the type of record but every care must be made to ensure that sensitive or confidential information is protected. Where large quantities are to be disposed of, or specialist equipment is required, and an approved contractor is used it is important to ensure that the methods will provide adequate safeguard against accidental loss or disclosure of contents. Contractors should be required to produce written certification as proof of destruction.

Records that are for permanent preservation must be retained in good condition, care must be taken to ensure that robust procedures are in place to ensure effective ongoing care of the records despite changes in administration or management.

⁴Under the Public Records Act a record becomes a 'historical record' thirty years from the date of its creation, and in most cases must then be transferred to the appropriate Public Records Office.

The table below provides details of type of records and periods of retention. It is impossible to be prescriptive about every type of financial record that may be generated and retained, therefore, discretion and judgement is required by management to categorise the document within the broad headings and apply the retention period applicable to those areas.

The recommended minimum retention periods apply to both paper and computerised records, though extra care needs to be taken to prevent corruption or deterioration of the data.

Re-recording and migration of data will also need to be considered as equipment and software become obsolete. For guidance, refer to the ⁵Public Record Office guidance, Management and Appraisal of Electronic Records.

It is appropriate to archive information onto electronic media to reduce paper copies whilst firstly encrypting sensitive data but the department must still adhere to the required retention periods identified in the table below.[For example, we should still retain a record for two years but 1 year may be on paper media and 1 year on electronic media.]

⁴ Public Records Act 1958

⁵ Management & Appraisal of Electronic Records 1998

**Retention and Destruction of Records in accordance with Appendix B to NHS Circular
WHC (2000) 71- reference to Managing records in NHS Trusts & HA's**

TYPE	FURTHER DESCRIPTION	Retention C&V	Notes
Accounts Minor Records	Pass Books, Paying-in slips, cheque counterfolios, cancelled and disbursed cheques, accounts of petty cash expenditure, receipt books, income records	2 Years	From completion of the Audit
Annual Accounts		Permanent	1 copy of each year only
Annual Accounts Working Papers		3 Years	From completion of the Audit
Audit Reports	These are reports that are routinely produced for the Finance Department	2 Years	
Bank Records	Bank statements	2 Years	From completion of the Audit
Bank Records	Cash Books, Cash Sheets, Bills, Receipts and Cleared Cheques	6 Years	From completion of the Audit
Budgets		2 Years	After the end of the year to which they relate
Capital Charges Data		2 Years	From completion of the Audit
Costing Returns and Accounts	Costing records,	3 Years	After the end of the year to which they relate
Creditor Payment Lists	Revenue	3 Years	
Debtor Records	Uncleared Records	6 Years	
Debtors Records	Cleared Records	2 Years	After the end of the year to which they relate but at least 6 years for any unpaid account which has not been written off
Invoices	Capital Paid Invoices	10 Years	
Non-Exchequer records	Although technically exempt from the Public Records Acts, it would be appropriate for authorities to treat these records as if they were not so exempt.	Treat key letters, Donors wishes, Title Deeds etc as Permanent	Comply with Revenue area guidelines for document types
Payroll Files	Financial Data, Records and listings	6 Years	
Principal Accounting Records	Companies Act, including ledgers and journals, General & subsidiary ledgers, Journals, Trial balances & reconciliations	6 Years	After the end of the year to which they relate
Stores and services records		6 Years	
VAT Records		6 Years	In some instances a shorter period may be allowed with agreement from Customs