

Appraisal Memorandum

Public Office: *Inland Revenue*

Scope: *GDA records*

Disposal Type: *Class Schedule*

File Ref:

Appraisal Circumstances:

This appraisal is being undertaken as schedules detailing records held by IRD had covered by GDAs are put into a format to match those used by the retention and disposal schedules created for business-specific records. At the same time, terms used by the business and specific examples are being included.

During this process, it has become clear that certain classes of records in the GDAs lack a level of granularity required for effective business operations and that some classes include examples of records imposing retention periods which are a) not required by legislation and b) are counter to effective business operations.

IRD does not wish to be non-compliant, however, so we seek approval to apply retention periods to certain types of records which are different from those specified in the GDAs.

[Name Removed], in the Appraisal Section, has advised that the best way to deal with this situation is to submit an Appraisal Memorandum covering the records in question.

Description:

Two classes of records are at issue:

1. GDA2 9.2 Audit administration (7 years)

Records created for regular internal control purposes or business-as-usual checks. These are a form of risk management and focus on controlling risks by having appropriate controls in place for systems, processes and procedures. In IRD, these are referred to as BMCs or business management controls. BMC checks are a self-audit of the quality and controls checks in place; they are a consistent, standard set of checks that teams/sites/functions complete to ensure that risks are minimised, objectives and outputs are achieved and the business is in a state of audit readiness. They include such things as test runs for mass mailouts and other regular processes. In many cases, a great deal of paper.

Audit NZ may wish to see these during the annual audit, but retention is not required beyond that. For core business records required by Audit NZ for similar reasons the retention period specified is one year after the financial year to which the records relate.

2. **GDA2 13 Stores, supplies, fixtures, fittings & plant/equipment**

Freight, consignment and delivery dockets. Normal business practice is to retain these until matched with the goods received and the invoice i.e. to check that the correct goods were received. There is no legislative requirement to retain them for tax purposes along with invoices.

(There are significant problems with this category, which appears to have 'lumped' in many disparate record types. It is, for example, not normal business practice to retain "sales brochures and information" for 7 years before destruction. A request is not being made for a different retention period for these documents, however, because they are considered under the category of reference information under GDA3 1.10 and not 'records'.)

Recommendations:

It is recommended that:

1. Internal control checks (BMC) records be retained for one year after the end of the financial year to which they relate, then destroyed.
2. Freight, consignment and delivery dockets be retained until matched with the goods received and invoice.

We also recommend that this memorandum be retained to inform future revision of GDAs.

Signed:

Name: [Name Removed]

Position Title: Appraisal Consultant

Date: 17.3.2010