

State Archives and Records Authority of New South Wales

Functional Retention and Disposal Authority: FA353

This authority covers records documenting the function of auditing the performance and financial administration of government

This functional retention and disposal authority is approved under section 21(2)c of the *State Records Act 1998* following prior approval by the Board of the State Archives and Records Authority of New South Wales in accordance with section 21(3) of the Act.

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Functional Retention and Disposal Authority

Authority no FA353

SR file no 03/0491

Scope

This functional retention and disposal authority covers records documenting the function of auditing the performance and financial administration of government.

Public office

Audit Office of NSW

Approval date

Geoff Hinchcliffe
Director
State Records Authority of New South Wales
Date 24/06/2014

Theresa Fairman
A/Executive Director
State Archives and Records Authority of NSW
Date 23/04/2018

Amended to incorporate coverage for local government audits, to change disposal trigger and include specific records examples (entries 2.1.1, 2.1.2, 4.1.1 & 4.1.2).

About the Functional Retention and Disposal Authority

Purpose of the authority

The purpose of this retention and disposal authority is to identify those records created and maintained by NSW public offices which are required as State archives and to provide approval for the destruction of certain other records created and maintained by NSW public offices, after minimum retention periods have been met.

The approval for disposal given by this authority is given under the provisions of the *State Records Act 1998* only and does not override any other obligations of an organisation to retain records.

The retention and disposal of State records

The records retention and disposal practices outlined in this authority are approved under section 21(2)(c) of the *State Records Act 1998 (NSW)*. Part 3 (Protection of State Records) of the Act provides that records are not to be disposed of without the consent of the State Archives and Records Authority of New South Wales (State Archives and Records NSW) with certain defined exceptions. These exceptions include an action of disposal which is positively required by law, or which takes place in accordance with a normal administrative practice (NAP) of which State Archives and Records NSW does not disapprove. Advice on the State Records Act can be obtained from State Archives and Records NSW.

The authority sets out how long the different classes of records generated by an organisation must be kept to meet its legal, operational and other requirements, and whether the records are to be kept as State archives. State Archives and Records NSW reviews and approves organisations' retention and disposal authorities under the *State Records Act*. It is the duty of a public office, in submitting a draft retention and disposal authority for approval, to disclose to State Archives and Records NSW any information which affects the retention of the records covered by the authority.

State Archives and Records NSW's decisions take into account both the administrative requirements of public offices in discharging their functional responsibilities and the potential research use of the records by the NSW Government and the public. One of State Archives and Records NSW's functions is to identify and preserve records as State archives. These are records which document the authority and functions of Government, its decision-making processes and the implementation and outcomes of those decisions, including the nature of their influence and effect on communities and individual lives. Criteria for the identification of State archives are listed in *Building the Archives: Policy on records appraisal and the identification of State archives*. The Policy also explains the roles and responsibilities of State Archives and Records NSW and of public offices in undertaking appraisal processes and disposal activities.

Implementing the authority

This retention and disposal authority covers records controlled by the public office and applies only to the records or classes of records described in the authority. The authority should be implemented as part of the records management program of the organisation. Two primary objectives of this program are to ensure that records are kept for as long as they are of value to the organisation and its stakeholders and to enable the destruction or other disposal of records once they are no longer required for business or operational purposes.

The implementation process entails use of the authority to sentence records. Sentencing is the examination of records in order to identify the disposal class in the authority to which they belong. This process enables the organisation to determine the appropriate retention period and disposal action for the records. For further advice see *Implementing a retention and disposal authority*.

Where the format of records has changed (for example, from paper-based to electronic) this does not prevent the disposal decisions in the authority from being applied to records

which perform the same function. The information contained in non paper-based or technology dependant records must be accessible for the periods prescribed in the classes. Where a record is copied, either onto microform or digitally imaged, the original should not be disposed of without authorisation (see the *General Retention and Disposal Authority – Original or source records that have been copied*). Public offices will need to ensure that any software, hardware or documentation required to gain continuing access to technology dependent records is available for the periods prescribed.

Disposal action

Records required as State archives

Records which are to be retained as State archives are identified with the disposal action 'Required as State archives'. Records that are identified as being required as State archives should be stored in controlled environmental conditions and control of these records should be transferred to State Archives and Records NSW when they are no longer in use for official purposes.

The transfer of control of records as State archives may, or may not, involve a change in custodial arrangements. Records can continue to be managed by the public office under a distributed management agreement. Public offices are encouraged to make arrangements with State Archives and Records NSW regarding the management of State archives.

Transferring records identified as State archives and no longer in use for official purposes to State Archives and Records NSW should be a routine and systematic part of a public office's records management program. If the records are more than 25 years old and are still in use for official purposes, then a 'still in use determination' should be made.

Records approved for destruction

Records that have been identified as being approved for destruction may only be destroyed once a public office has ensured that all other requirements for retaining the records are met. Retention periods set down in this authority are *minimum* periods only and a public office should keep records for a longer period if necessary. Reasons for longer retention can include legal requirements, administrative need, government directives and changing social or community expectations. A public office **must not** dispose of any records where the public office is aware of possible legal action (including legal discovery, court cases, formal applications for access) where the records may be required as evidence.

Once all requirements for retention have been met, destruction of records should be carried out in a secure and environmentally sound way. Relevant details of the destruction should be recorded. See *Destruction of records: a practical guide*.

Organisations should review functional retention and disposal authorities regularly to ensure that they remain relevant as the organisation's functions and activities, operating environment and requirements for records change. Retention requirements may change over time. This can occur when:

- business needs or practices change
- new laws, regulations or standards are introduced
- new technology is implemented
- government administration is restructured and functions are moved between entities, or
- unforeseen or new community expectations become apparent.

State Archives and Records NSW recommends that organisations check any functional retention and disposal authorities more than 5 years old to ensure that the retention periods and disposal actions remain relevant.

Regardless of whether a record has been approved for destruction or is required as a State archive, a public office or an officer of a public office **must not** permanently transfer possession or ownership of a State record to any person or organisation without the explicit approval of State Archives and Records NSW.

Administrative change

This retention and disposal authority has been designed to link records to the functions they document rather than to organisational structure. This provides for a stable retention and disposal authority that is less affected by administrative change. The movement of specified functions between branches or units within the public office does not require the authority to be resubmitted to State Archives and Records NSW for approval. However, when functions move from one public office to another the public office that inherits the new function should contact State Archives and Records NSW to discuss use of any existing retention and disposal authority approved for use by a predecessor organisation.

Amendment and review of this authority

State Archives and Records NSW must approve any amendment to this authority. Public offices that use the authority should advise State Archives and Records NSW of any proposed changes or amendments to the authority.

State Archives and Records NSW recommends a review of this authority after five years to establish whether its provisions are still appropriate. Either the public office or State Archives and Records NSW may propose a review of the authority at any other time, particularly in the case of change of administrative arrangements, procedures or to operating environments which are likely to affect the value of the records covered by this authority.

In all cases the process of review will involve consultation between State Archives Records NSW and the public office. If the process of review reveals that this authority requires amendment, the necessary amendments should be made and approved.

Contact Information

State Archives and Records NSW
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Kingswood NSW 2747
Telephone: (02) 9673 1788
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Functional Retention and Disposal Authority
Auditing the performance and financial administration of government

Authority number: FA353

Dates of coverage: Open

List of Functions and Activities covered

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No	Function/Activity	Description	Disposal Action
1.0.0	ALLEGATIONS OF WASTE	<p>The activity of receiving, assessing and investigating if required, allegations, complaints or disclosures of serious and substantial waste of public money.</p> <p>See PARLIAMENTARY REPORTING for the final report tabled in Parliament.</p> <p>See PERFORMANCE AUDIT for records relating to disclosures that have resulted in a performance audit being undertaken</p> <p>See General Retention and Disposal Authority <i>Administrative records</i> COMMUNITY RELATIONS - Public reaction for records relating to complaints against the Audit Office by a member of the public or by a client.</p> <p>See General Retention and Disposal Authority <i>Administrative records</i> GOVERNMENT RELATIONS - Reporting for records relating to the half yearly statistical report to the Ombudsman</p> <p>See General Retention and Disposal Authority <i>Administrative records</i> PERSONNEL for records relating to formal and informal grievances lodged by an employee</p>	
1.1.0	Investigation	The activity of assessing and examining public interest disclosures made by a public official or a member of the public to determine if an investigation is required.	
1.1.1		<p>Records relating to allegations, complaints or disclosures that are investigated and determined to involve a serious and substantial waste of public money. Records include:</p> <ul style="list-style-type: none"> • complaint and associated communications with the complainant • the collection and analysis of agency financial and procedural data, and • investigation/assessment report. 	Required as State archives
1.1.2		<p>Records relating to allegations or complaints that are:</p> <ul style="list-style-type: none"> • referred to another agency for investigation 	Retain minimum of 7 years after action completed, then

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<i>FINANCIAL AUDIT</i>			
		<ul style="list-style-type: none"> • assessed as not requiring further examination • investigated but do not result in a finding of substantial or serious waste of money. 	destroy
2.0.0	FINANCIAL AUDIT	<p>The function of undertaking audits of NSW government agencies' financial statements to identify whether they comply with accounting standards and relevant laws, regulations and government directions. Includes auditing the Total State Sector Accounts, a consolidation of all agencies' accounts.</p> <p>See PARLIAMENTARY REPORTING for final Auditor-General's report as tabled in Parliament.</p> <p>See General Retention and Disposal Authority <i>Administrative records CONTRACTING-OUT</i> for records relating to the contracting of audit agents.</p>	
2.1.0	Audit	The activity of auditing the financial report of an agency for compliance with accounting standards, controls, Treasurer's and Premier's Directions, the <i>Public Finance and Audit Act</i> and other legislation.	
2.1.1		The Statutory Audit Report from audits of NSW Government agencies, including a summary of all major points of the audit, whether the audit was qualified or unqualified and any major management issues; and records relating to local government audits where matters are reported to the Minister, e.g. under s421 and s426 of the Local Government Act 1993. Includes communications with the Minister and Councils. ¹	Required as State archives
2.1.2		Records relating to undertaking the financial audit, collecting evidence, analysing agency financial data and communicating with the client. Includes evidence files and working papers produced by the auditors, and documents, financial information and data provided by the agency. Records include:	Retain minimum of 7 years after signing of the independent audit

¹ Amended April 2018 to include audits of local government.

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No	Function/Activity	Description	Disposal Action
<i>FINANCIAL AUDIT - Advice</i>			
		<ul style="list-style-type: none"> • management letter, client service plan and associated correspondence • audit plan, procedures and scope changes • financial statements • revenue, expenditure and payroll records • liabilities, fixed assets, investments, borrowings, bank balances, creditors, accruals • independent audit report. 	report, then destroy ²
2.2.0	Advice	<p>The activity of providing advice on the application of professional standards, legislation and regulations.</p> <p>See General Retention and Disposal Authority <i>Administrative records</i> LEGAL SERVICES - Advice for records relating to the monitoring of legislation.</p>	
2.2.1		Records relating to advice regarding the interpretation of standards, and the implications of exposure drafts of accounting standards.	Retain minimum of 7 years after action completed, then destroy
3.0.0	PARLIAMENTARY REPORTING	<p>The function of reporting on the outcome of financial and performance audits to Parliament, including any special reports and public interest disclosure reports. Also includes the tabling of Better Practice Guides produced to assist agencies in the conduct of their activities.</p> <p>See General Retention and Disposal Authority <i>Administrative records</i> COMMUNITY RELATIONS - Media relations for records relating to media releases and interviews given when tabling the Auditor-General's Report.</p>	

² Amended April 2018 to change the disposal action from 7 years after the end of the financial year to which the audit relates to 7 years after signing of the independent audit report.

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No	Function/Activity	Description	Disposal Action
<i>PARLIAMENTARY REPORTING</i>			
		See QUALITY AND PERFORMANCE MANAGEMENT - Audit Methodology for records relating to the development of Better Practice Guidelines.	
3.0.1		<p>Reports tabled in Parliament. Includes:</p> <ul style="list-style-type: none"> • financial audit reports • performance audit reports, including the transmission letter and agency response to the report • special reviews and reports • public interest and protected disclosure reports • tabled guidance for agencies e.g. Better Practice Guides. 	Required as State archives
4.0.0	PERFORMANCE AUDIT	<p>The function of auditing activities to determine whether they are being carried out effectively, economically and in compliance with relevant legislation.</p> <p>See PARLIAMENTARY REPORTING for the final performance audit report that is tabled in Parliament.</p> <p>See General Retention and Disposal Authority <i>Administrative records</i> COMMITTEES for records relating to special interest group meetings and arrangements for the conduct of strategic planning meetings.</p> <p>See General Retention and Disposal Authority <i>Administrative records</i> STRATEGIC MANAGEMENT - Planning for records relating to identification and selection of audit topics.</p>	
4.1.0	Audit	The activity of auditing the efficiency, effectiveness, economy and compliance aspects of a government activity.	
4.1.1		<p>Records documenting the findings, recommendations and outcomes of performance audits. This includes:</p> <ul style="list-style-type: none"> • development of preliminary findings and conclusions 	Required as State archives

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<i>PERFORMANCE AUDIT - Audit</i>			
		<ul style="list-style-type: none"> • issue of the draft report to the agency • preparing the final report • issue of the final report • review of subsequent events and agency formal response • tabling of final audit report. <p>Includes correspondence with the agency, Minister or Treasurer regarding the preliminary findings, recommendations, draft and final report, and submissions or comments from the agency on proposed findings, recommendations or audit reports.³</p>	
4.1.2		<p>Working papers documenting the planning and execution of the performance audit. Includes:</p> <ul style="list-style-type: none"> • independence declarations • project initiation and understanding of the topic • developing audit scope and plan • quality control checklists • communication of terms of engagement • evidence • engagement of experts • preparation of draft reports • clearing the report for tabling 	Retain minimum of 7 years after audit completed, then destroy

³ Amended April 2018 to include more specific examples of records.

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No	Function/Activity	Description	Disposal Action
<i>QUALITY AND PERFORMANCE MANAGEMENT</i>			
		<ul style="list-style-type: none"> • audit monitoring and finalisation • copies of evidence from agencies.⁴ 	
5.0.0	QUALITY AND PERFORMANCE MANAGEMENT	<p>The function of ensuring that audits of NSW government agencies are planned, documented and controlled.</p> <p>See PARLIAMENTARY REPORTING for final copies of Better Practice Guidelines tabled in Parliament.</p> <p>See General Retention and Disposal Authority <i>Administrative records</i> GOVERNMENT RELATIONS - Advice for records relating to peer reviews of audits undertaken in other jurisdictions.</p> <p>See General Retention and Disposal Authority <i>Administrative records</i> STRATEGIC MANAGEMENT - Compliance for records relating to the assessment and certification of quality management systems</p> <p>See General Retention and Disposal Authority <i>Administrative records</i> STRATEGIC MANAGEMENT - Planning for records relating to the Audit Office strategic plan.</p> <p>See General Retention and Disposal Authority <i>Administrative records</i> STRATEGIC MANAGEMENT - Reporting 19.17.2 for the report of the results of the parliamentarian and audit client survey</p> <p>See General Retention and Disposal Authority <i>Administrative records</i> STRATEGIC MANAGEMENT - Reporting for records relating to preparation and review of the surveys and analysis of the results</p>	
5.1.0	Audit Methodology	<p>The development and issue of policies and procedures relating to the undertaking of financial and performance audits.</p> <p>See General Retention and Disposal Authority <i>Administrative records</i> STRATEGIC MANAGEMENT - Policy for records relating to cross functional corporate policies</p>	

⁴ Amended April 2018 to include more specific examples of records.

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QUALITY AND PERFORMANCE MANAGEMENT - Audit Methodology

		See General Retention and Disposal Authority <i>Administrative records</i> STRATEGIC MANAGEMENT - Procedures for records relating to cross functional procedures	
5.1.1		Records relating to the development, drafting, review and approval of operational policies, practice notes, checklists, structured forms and guidance required to carry out financial and performance audits.	Retain minimum of 7 years after superseded, then destroy