

Case Study – Records & Information Management

Retention Scheduling – Small Client

Client:

Three closely inter-related New York subsidiaries of a large European banking institution that provides financial services for the public sector, with a combined total of approximately 125 local employees. The client's businesses included public and project finance and credit enhancement, structured finance advisory services, and capital market activities.

Issues:

In late 2002, banking regulators requested as part of an upcoming audit to see the firm's records retention policies, procedures and schedules for its New York credit and banking entities, none of which had ever been compiled. The audit schedule gave the client a short window in which to develop and implement policies demonstrating their full compliance with regulatory and statutory information retention requirements in the United States.

Methodology:

HMC proposed a review of all records and information resources for the United States operations in New York. A team of three consultants conducted departmental meetings to understand the work of each business unit. These were followed by detailed records sampling in all file cabinets and shelves, plus discussions about information that existed as electronic documents, databases, or scanned images. Data collected during the records inventory process was entered into a custom database for generation of project deliverables. In order to provide proper retention recommendations, HMC undertook a comprehensive review of Federal and New York State retention requirements that applied to the client's financial services businesses in the United States.

Deliverables:

HMC delivered a set of 21 draft retention schedules divided by entity name and then by business unit or department. In addition to suggesting office and storage retention periods, plus offices of record designations where appropriate, the schedules included notes for each records series title giving a retention justification or specific regulation citation by statute and paragraph number. Although a short engagement, HMC delivered a wide range of work products in addition to the retention schedules:

- Alternative report iterations of the retention schedule data arranged alphabetically by record series titles to support the review and approval process.
- A spreadsheet containing additional information collected on every record series title indicating format, systems or applications that generated it, offices of record if a duplicate or use copy, and whether hard copies duplicated the electronic format.

- An extensive report containing the exact text of United States Federal and New York State laws and regulations concerning records and information retention that applied to the businesses of the client.
- A report summarizing records and information retention requirements from the texts above in a uniform matrix format.
- A draft set of review instructions describing how to read a retention schedule, and explaining the logic behind some of the more common record series titles, retention periods, and footnotes.
- A presentation for use during the schedules review and approval process.
- The retention schedule data for uploading into the client's records and information management system.

Our team also edited an existing draft Records Retention Policy statement. At the conclusion of the project HMC gave a formal presentation to Management reviewing the conduct of the project, our methodologies and findings, and deliverables.

Results:

HMC completed this project in two working weeks, thereby meeting the strict audit schedule deadlines of the client. A detailed departmental review of the proposed schedules was followed by approval from executive management. The client was able to demonstrate to regulatory auditors full compliance with Federal and State information retention regulations in the banking industry.