

**MODEL DOCUMENTS-RETENTION PROGRAM**

Prepared for The Society of  
Louisiana Certified Public Accountants

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## DOCUMENTS-RETENTION PROGRAM

In accordance with La. R.S. 37:90, the firm of \_\_\_\_\_  
\_\_\_\_\_ adopts this record-retention  
policy effective \_\_\_\_\_.

### I.

#### GENERAL RULES

1.1 At the conclusion of each audit, compilation, review, tax, MAS, or other engagement, the partner in charge of that engagement shall be responsible for reviewing the working papers and causing to be removed and destroyed any draft working papers, any duplicative or redundant working papers, any "to do" or miscellaneous lists which are extraneous to and not a required part of the working papers.

1.2 Upon completion of the engagement, the engagement partner, or his designee, shall review the working papers and determine if they contain any original client records. Any original client records shall be returned to the client and a copy of a transmittal letter identifying those records shall be placed in the client's permanent file.

1.3 Any documents necessary for future engagement work shall be removed from the engagement file and placed in the client's permanent file. Examples of items to be placed in the client's

permanent file include copies of audit reports and financial statements; cost-basis information for assets which may subsequently be disposed of; articles of incorporation; by-laws; leases or other long-term contracts.

1.4 After completion of this review, the working papers shall be placed in storage for a period of thirty-six (36) months from the date that the engagement was completed.

1.5 Thirty-six (36) months after the working papers are placed in storage, the file-room clerk shall send a memorandum to the engagement partner and the office managing partner advising them that thirty-six (36) months have passed since the completion of that engagement, and the working papers should be disposed of in accordance with La. R.S. 37:90. [A form memorandum is attached as Exhibit "A"]

1.6 The file-room clerk is not authorized to dispose of the working papers until the office managing partner has sent a memorandum to the file-room clerk stating that the firm has not received notice of the commencement of any judicial proceeding or ethical investigation, such as state-board inquiries referring or relating to the working papers in questions; or that the firm has received notice that any judicial proceeding or ethical investigation referring or relating to these working papers has been concluded. [A form memorandum is attached as Exhibit B]

1.7 Seven (7) days after receipt of such assurances from the office managing partner the file-room clerk shall deliver the working papers to a recycler and shall witness the shredding and recycling thereof.

## II.

### SPECIAL RULES FOR INSURANCE AUDITS

2.1 If the firm is engaged in the audit of any insurance company, the procedures set out in subpart 1 hereinabove shall apply except that the working papers shall be retained for a period of sixty (60) months after issuance of the audit report.

## III.

### INCOME TAX RETURNS

In accordance with Treasury Department income-tax regulation §1.6107-1(b), the firm shall retain a copy of any income-tax return or claim for refund prepared by the firm and a list of the name, the taxpayer identification number, the taxable year of the client for whom the return or claim for refund was prepared, the type of return or claim for refund prepared, and the name of the individual preparer required to sign the return or claim for refund, and shall make a copy of the return or claim for refund available for inspection by the District Director "for the 3-year period following the close of the return period during which the return

or claim for refund was presented for signature to the taxpayer...

. However, in the case of a return which becomes due (with extensions, if any) during a return period following the return period which the return was presented for signature, the material shall be retained and kept available for inspection for the 3-year period following the close of the later return period in which the return became due."

Exhibit "A"

MEMORANDUM

**TO:** Engagement partner and office managing partner  
**FROM:** File-room clerk  
**DATE:**  
**RE:** Disposal of working papers  
(client's name)

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This is to advise you that thirty-six (36) months have passed since the completion of the above engagement and that the working papers should be disposed of in accordance with La. R.S. 37:90.

Exhibit "B"

MEMORANDUM

TO: File-room clerk  
FROM: Office managing partner  
DATE:  
RE: Disposal of working papers  
(client's name)

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The firm has not received notice of commencement of any judicial proceeding or ethical investigation, such as state-board inquiries referring or relating to the working papers in question; or the firm has received notice that any judicial proceeding or ethical investigation referring or relating to these working papers has been concluded.

Seven (7) days after receipt of this memorandum the file-room clerk shall deliver the working papers to a recycler and shall witness the shredding and recycling thereof.