

Standard Operating Procedure (SOP): Record Retention and Audit Compliance Measures

This SOP details **record retention and audit compliance measures**, including the classification and secure storage of records, retention period guidelines, procedures for regular audits, compliance with legal and regulatory requirements, data privacy and confidentiality protocols, and responsibilities of personnel in maintaining accurate and accessible records. The objective is to ensure organizational accountability, transparency, and readiness for internal and external audits by implementing systematic record-keeping and compliance practices.

1. Purpose

To establish procedures for the systematic retention of records and ensure compliance with legal, regulatory, and organizational requirements for audit readiness and data protection.

2. Scope

This SOP applies to all employees, departments, and functions involved in the creation, management, and disposal of organizational records.

3. Definitions

- **Records:** Any documented information, regardless of format, which is created, received, and maintained as evidence of organizational activities.
- **Retention Period:** The designated length of time a record must be kept before disposal or destruction.
- **Audit:** A systematic review to ensure compliance with policies, procedures, and regulatory requirements.

4. Responsibilities

- **Records Manager:** Oversees implementation and enforcement of the SOP.
- **Department Heads:** Ensure departmental compliance with retention schedules and audit preparedness.
- **All Employees:** Maintain accurate, timely, and accessible records following this SOP.
- **IT Department:** Ensure security and backup of electronic records.
- **Compliance Officer:** Monitor adherence to legal and regulatory requirements.

5. Record Classification and Secure Storage

1. Identify and classify records based on type, sensitivity, and legal requirements (e.g., confidential, public, internal).
2. Store physical records in secure, access-controlled locations.
3. Store electronic records with appropriate access controls, encryption, and regular backups.
4. Maintain an inventory or register of all records held.

6. Retention Period Guidelines

Record Type	Retention Period	Reference
Financial Records	7 years	IRS Guidelines
Employee Records	6 years after termination	HR Regulations
Contracts	6 years after expiration	Statutory Law
General Correspondence	3 years	Internal Policy

7. Record Disposal Procedures

1. Review records due for disposal based on established retention schedules.
2. Obtain necessary approvals prior to destruction.
3. Ensure secure destruction (e.g., shredding paper records, deleting electronic records securely).
4. Document disposal with date, method, and responsible person(s).

8. Audit Procedures

1. Schedule regular internal audits (e.g., annually) to assess record-keeping compliance.
2. Prepare for external audits by maintaining audit trails and accessible records.
3. Address gaps or non-compliance issues with corrective actions and training.

9. Compliance with Legal and Regulatory Requirements

- Monitor updates to applicable laws, regulations, and standards.
- Update SOP and retention schedules as needed to maintain compliance.
- Document evidence of compliance for audit purposes.

10. Data Privacy and Confidentiality Protocols

- Restrict access to sensitive records to authorized personnel only.
- Ensure compliance with data privacy laws (e.g., GDPR, CCPA).
- Use secure methods for transmitting and storing confidential information.

11. Training and Communication

- Provide regular training on record retention policies and audit compliance procedures.
- Communicate updates or changes in procedures to all relevant personnel.

12. Review and Revision

- This SOP will be reviewed annually or as required.
- Revisions must be documented, approved, and communicated to all staff.

Document Control

SOP Number: [To be assigned]

Effective Date: [Date]

Next Review Date: [Date]

Approved by: [Name/Title]