

Office of the Internal Auditor

Advisory Memorandum

August 2022

Data Retention and
Destruction





Advisory Memorandum

Background

Data retention refers to the continued storage of Citizen's data for compliance or business reasons. Appropriate data retention processes ensures that records are kept for as long as legally and operationally required and that obsolete records are disposed of in a systematic and secured manner.

Citizens has adopted by policy the General Records Schedule GS1-SL issued by the Florida Department of State, which identified the minimum retention periods for the most common administrative records. Retention periods in the schedule are based upon federal and state laws and regulations, general administrative practices, and fiscal management principles. Citizens may choose to retain records longer due to operational practices or for legal purposes. Maintaining records for an indefinite period can present risks such as additional storage costs, lost time searching for documents, and legal or security risks associated with over-retained documents.

Business unit administrative and/or operational records are documented with retention periods aligned with the GS1-SL in manual inventories by business unit designees. Training of designees and periodic updates to the inventories are facilitated by the Records Management Department within Legal Services. Legacy systems decommissioning undergo an enhanced process and integrated enterprise approach that identifies the relevant stakeholders, includes training and guidance by the Records Management Department, impact analysis, cost/benefit analysis and approval by business units, enterprise governance committees and executive leadership.

Objectives and Scope

Internal Audit provided advisory support in assessing the current retention and destruction process for electronic data, in Citizens' systems, including the final disposition of the data/records prior to the planned retirement, and decommissioning of the legacy systems.

The scope of the advisory included an assessment of the adequacy of the period of time established for retention/deletion of electronic policy information stored in these systems and the retention/deletion processes implemented to either retain or destroy electronic policy data in these systems.

Results

Our review indicated that the record retention period established for electronic policy data complies with applicable federal and state laws, rules, and regulations. In addition, the workflow and checklist used to document the final disposition of electronic policy data aligns with current industry leading practices. Management is encouraged to take the following suggestions into consideration to enhance compliance with the records retention program and ensure proper disposition of data/records:

- Data retention and destruction checklists should be completed for each system to ensure consistency, adherence to standards and that all pertinent information, management approvals and supporting documentation is captured and stored in a designated file location for future easy access if needed.
- Consult with the Florida Department of State to identify whether more specific categories could be established that are unique to Citizens and better tailor our needs. For example, while record retention requirements for insurance contracts are outlined in the GS1-SL, they do not specifically apply to property insurers.



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- Periodically (every two years) review and update the record and retention policy to ensure the corporate record retention requirements complies with state laws, rules, and regulations.

We would like to thank management and staff for their cooperation and professional courtesy throughout the course of this audit.



Distribution

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