THE MALTA INSTITUTE OF ACCOUNTANTS

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Guidance Notes

Document Retention

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These Guidance Notes are issued by the Malta Institute of Accountants (MIA) in January 2010 to assist Members in public practice in the drafting of a document retention policy. These Guidance Notes are intended to provide practical guidance to Members and are not, and should not be interpreted as, a substitute to any legislation, ISA, IFRS, Interpretations or parts thereof. These Guidance Notes should be read in conjunction with the relevant legislation and standards and the Institute recommends that, depending on the contentiousness of the underlying issues, Members seek legal advice ideally at the letter of engagement stage, wherever practicable and possible, and at every other appropriate stage, whenever necessary.

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Preface

In the conduct of their profession, Members in public practice provide an array of services in the course of which, unavoidably, they produce, prepare, acquire or bring into being various forms of engagement documentation, also as required by relevant professional standards and legislation. Similarly, in the conduct of their profession, Members in public practice might often rely on existing documentation, such as client-owned documentation, in carrying out procedures relevant to the respective engagement.

Legal and professional requirements on the retention of documentation are scattered in various pieces of legislation and professional standards. Acts such as the Companies Act (Chapter 386 of the Laws of Malta), the Income Tax Management Act (Chap. 372), the Value Added Tax Act (Chap. 406) and the Prevention of Money Laundering and Funding of Terrorism Act (Chap. 373), and professional standards such as International Standard on Quality Control (ISQC) 1 and International Standard on Auditing (ISA) 230, all contain provisions in that respect. One of the purposes of these Guidance Notes is therefore to identify such requirements and to set out guidance on their applicability or otherwise to Members in public practice.

Members in public practice very often, in the conduct of their profession, come in possession of client-owned documentation which they use or rely upon in the performance of the relevant engagements. At times a Member in public practice may also bring into being, on behalf of the client, documentation which, albeit indirectly related to the performance of the engagement, is ancillary to the latter and is used by the Member in the performance of the engagement. Such client-owned documentation is at times retained by the Member as part of the engagement's working papers. There being no local guidance on the management of such documentation, one of the purposes of these Guidance Notes is also to set out the Institute's recommendations in that regard. In providing such guidance, this technical pronouncement creates an important distinction between original and copies of client-owned documentation and clarifies that, for the purposes of these Guidance Notes, copies of client-owned documentation supplied to the Member by the client do not belong to the client but are deemed as documentation owned by the Member.

1 Scope

1.1 The purpose of these Guidance Notes is to assist Members in public practice in drafting a document retention policy which takes into account the following:

(a) The minimum period for the retention of documentation owned by the Member; and

(b) The management of client-owned documentation retained by the Member..

1.2 It is beyond the scope of these Guidance Notes to set out what forms of documentation are required in respect of engagements performed by a Member in public practice. Such requirements are found in professional standards, such as ISAs, in relevant pieces of legislation, and in relevant Technical Pronouncements issued by the Institute from time to time.

1.3 Although these Guidance Notes may draw upon relevant legislation, ISAs and ISQC 1, they are not a substitute to any of these, and the Guidance Notes should be read in conjunction with the aforementioned pronouncements.

2 Definitions

2.1 Throughout these Guidance Notes, the following terms and abbreviations are used in the context of the connotations set out in this paragraph:

(a) *Client-owned documentation* includes documentation which is prepared or brought into being by the client, original documents addressed to the client and other documentation which, in accordance with the provisions of Section 3 of these Guidance Notes, is deemed as belonging to the client. The definition of *client-owned documentation* does not include copies of client-owned documentation and such copies are deemed to belong to the Member.

(b) *Documentation* includes any information or data that is available, and which is stored on any electronic or other device or is readily available on paper.

(c) *Engagement documentation* is the record of work performed, results obtained, and conclusions the practitioner (Member) reached.

(d) *Mandate*: a contract of mandate is defined in article 1856 of the Civil Code (Chap. 16) as a contract whereby a person gives to another the power to do something for him.

(e) *Member* refers to a member of the Malta Institute of Accountants engaged in public practice.

3 Principles on the determination of Ownership

3.1 It is beyond the scope of these Guidance Notes to give engagement-specific guidance on the ownership of documentation. This Section identifies some ownership issues which may be relevant when a Member is drafting a document retention policy.

3.2 In principle, engagement documentation that is produced, prepared, acquired or brought into being for a Member's use and consumption, such as audit working papers, belong to the Member. On the other hand, documentation which is prepared or brought into being by the client, such as a fixed asset register, normally belongs to the client.

3.3 In principle, original documents addressed to the Member are deemed to be owned by the Member. Similarly, original documents addressed to the client belong to the client. For example any letters received by the Member from the client, as well as a file copy of a letter sent by the Member to the client, would both belong to the Member. On the other hand any correspondence obtained by the Member while acting under a contract of mandate for his or her client is owned by the client, whereas any correspondence obtained by the Member while acting as principal would belong to the Member.

3.4 For all intents and purposes of these Guidance Notes, copies of client-owned documentation do not belong to the client but are deemed to belong to the Member.

3.5 Ownership of documentation, however, is not always as clearly evident and paragraphs 3.6 – 3.8 of this Section are intended to identify issues that may further assist in the determination of ownership of documentation.

3.6 In the absence of an express agreement, a Member may consider the *capacity* in which he or she was acting for the client when bringing into being a document or coming in possession of a document, for the purpose of determining the ownership of the underlying document.

3.7 A Member may act for a client either in the capacity of a principal, or under a contract of mandate, or both, depending on the nature of the work covered by the engagement. This distinction should be taken into account in determining ownership of the underlying documents.

3.8 When acting as a principal the Member is acting in his own name. A Member acts as a principal when, for example, he or she:

(a) is performing an audit;

(b) is carrying out an engagement which will result in the delivery of an independent opinion, such as a review of financial statements; or

(c) is otherwise carrying out an engagement in an independent role, such as issuing a report on prospective financial information; or is issuing an independent report on share valuations or valuations of businesses; or is acting as a reporting accountant in a prospectus.

Any documentation that is produced, prepared, acquired or brought into being by a Member, in his capacity as principal, to support his or her independent opinion, report or similar deliverable belongs to the Member.

3.9 When acting under a contract of mandate, a Member is acting for and on behalf of a client. A Member acts for and on behalf of a client when, for example, he or she is arguing a client's case in a representative role in front of the Board of Special Commissioners, or is making verbal or written representations, for and on behalf of a client, upon the client's instructions. When carrying out such roles a Member is acting under a contract of mandate and any underlying documentation which is produced, prepared, acquired or brought into being by the Member in that capacity, belongs to the client.

3.10 When, in the conduct of an engagement, a Member acts both as a principal, as well as under a contract of mandate, the ownership of the underlying documentation will depend on the *purpose* for which such documentation was produced, prepared, acquired or brought into being by the Member. A Member acts both as a principal and under a contract of mandate when, for example, in the conduct of an audit (where the Member is acting as a principal) the Member is asked by the client to give assistance to the client in meeting its financial reporting obligations. The guidance in paragraphs 3.8 and 3.9 is also relevant in these circumstances. In principle, documentation that is produced, prepared or brought into being for the *purpose* of supporting a Member's independent opinion, report or similar deliverable, or for a Member's use and consumption, belongs to the Member. On the other hand, documentation that is produced, prepared, acquired or brought into being for the *purpose* of assisting the client in meeting its obligations, or for a client's use and consumption, belongs to the client.

3.11 The following is a non-exhaustive list of examples which are meant to elaborate on the principle in paragraph 3.10:

(a) The Member is carrying out an audit engagement and is asked by the client to give assistance in the preparation of disclosures required by International Financial Reporting Standards (IFRS). The obligation to prepare IFRS compliant financial statements rests with the client, rather than the auditor. Nonetheless, under certain circumstances as allowed by the Code of Ethics for Warrant Holders, the Member is allowed to give such assistance. In doing so, the Member is assisting the client in meeting its financial reporting obligations and any documentation prepared for that *purpose* belongs to the client.

(b) The Member is carrying out an audit engagement and is performing procedures the *purpose* of which is to obtain sufficient and appropriate evidence on the completeness of IFRS disclosures in the financial statements. As stated in paragraph 3.8 of these Guidance Notes, documentation which supports a Member's independent opinion belongs to the Member.

(c) The Member is carrying out an audit engagement and is asked by the client to perform a reconciliation or accruals computation. The obligation to keep proper accounting records rests with the client, rather than the auditor. Nonetheless, under certain circumstances as allowed by the Code of Ethics for Warrant Holders, the Member is allowed to give assistance in the preparation of accounting records. In this case, the Member is performing the reconciliation or accruals computation for the *purpose* of assisting the client in meeting its obligations and documentation prepared for that *purpose* belongs to the client.

(d) The Member is carrying out an audit engagement and has performed or re-performed a reconciliation or accruals computation, the *purpose* of which is to gather sufficient and appropriate evidence in support of his or her audit opinion. As stated in paragraph 3.8 of these Guidance Notes, documentation which supports a Member's independent opinion belongs to the Member

(e) The Member is carrying out an audit engagement and has identified, in the course of the audit, a material misstatement for which he or she is proposing an adjusting journal entry to the client. The obligation to prepare financial statements that comply with generally accepted accounting principles and practice (as defined in the Accountancy Profession (Accounting and Auditing Standards) Regulations, 2009) rests with the client, rather than the auditor. Nonetheless, under certain circumstances as allowed by the Code of Ethics for Warrant Holders, the Member is allowed to propose journal entries provided that an auditor's independence is appropriately safeguarded. In this case, the Member is making computations and proposing adjusting journal entries for the *purpose* of assisting the client in meeting its obligations and documentation prepared for that *purpose* belongs to the client.

(f) The Member is assisting the client in the preparation and submission of income tax and VAT returns and is preparing or producing documentation (for instance schedules and computations) in that regard. The obligation to file income tax and VAT returns rests with the client, rather than the Member. As stated in paragraph 3.10, documentation that is produced, prepared, acquired or brought into being for the *purpose* of assisting the client in meeting its obligations belongs to the client.

4 Principles to consider in drafting a document retention policy

4.1 Legal and professional requirements on the retention of documentation, which might be of relevance to services offered by Members in public practice, are scattered in various pieces of legislation and professional standards. The scope of this Section is:

(a) To identify and present a summary of legal and professional requirements on the retention of documentation embedded in:
   (i) The Companies Act;
   (ii) The Income Tax Management Act;
   (iii) The Value Added Tax Act;
   (iv) The Prevention of Money Laundering and Funding of Terrorism Regulations;
   (v) International Standard on Auditing 230; and
   (vi) International Standard on Quality Control 1;

(b) To set out guidance as to their applicability or otherwise to Members in public practice; and

(c) To set out the Institute's recommendations on other relevant issues that might need to be considered when a Member is drafting a document retention policy.

The Companies Act

4.2 Article 163 of the Companies Act requires a company to keep proper accounting records that are sufficient to show and explain the company's transactions and are such as to disclose with reasonable accuracy, at any time, the financial position of the company at that time and to enable the directors to ensure that any balance sheet and profit and loss account prepared for the company complies with the requirements of the Companies Act. Subarticle (5) of article 163 further requires such accounting records to be kept for a period of ten years, commencing from the date of the last entry made therein.

4.3 The obligations emanating from article 163 are imposed on the company and, in fact, subarticle (7) of article 163 holds every officer of the company (as defined in article 2 of the Companies Act) who is in default liable to a penalty in the event of non-compliance with the provisions of subarticle (5). Hence, unless the Member is acting under a contract of mandate as discussed below, the obligation to keep accounting records for the aforementioned period is an obligation on the client, rather than the Member.

The Income Tax Management Act

4.4 Article 19 of the Income Tax Management Act requires every person carrying on a trade, business, profession or vocation to keep proper and sufficient records of ***his*** income and expenditure to enable ***his*** income and allowable deductions to be readily ascertained. Such records include (i) proper accounts with respect to income and expenditure, sales, purchases and any other transaction pertaining to the trade, business, profession or vocation; (ii) a profit and loss account or equivalent annual statement; and (iii) a statement of the assets and liabilities as on the date on which the annual accounts of the trade, business, profession or vocation are made up or, in the case of a company, a balance sheet. Subarticle (5) of article 19 further requires such records to be retained

for a period of not less than nine years after the completion of the transactions, acts or operations to which they relate.

4.5 The obligations emanating from article 19 are couched in such terms as to impose on the *'person carrying on the trade, business, profession or vocation'* to keep proper records of *'his'* income and expenditure to enable *'his'* income and allowable deductions to be readily ascertained. The use of the possessive pronoun 'his' is instructive as to who must meet this obligation. Accordingly, unless the Member is acting under a contract of mandate as discussed below, the obligation to keep proper and sufficient records for the aforementioned period is an obligation on the client, rather than the Member.

The Value Added Tax Act

4.6 Article 48 of the Value Added Tax Act requires every registered taxable person established in Malta (as defined in article 2 of that act) to keep full and proper records of all transactions carried out in the course or furtherance of his economic activity. Subarticle (4) of article 48 further requires the relevant records, information, documents and accounts to be retained for a period of at least six years from the end of the year to which they relate, unless otherwise prescribed in special cases by regulations.

4.7 The obligations emanating from article 48 are imposed on the *'registered taxable person'* hence, unless the Member is acting under a contract of mandate as discussed below, the obligation to keep full and proper records of all transactions carried out in the course or furtherance of a taxable person's economic activity for the aforementioned period is an obligation on the client, rather than the Member.

The Prevention of Money Laundering and Funding of Terrorism Regulations

4.8 The Prevention of Money Laundering and Funding of Terrorism Regulations (the "Regulations") are directly applicable to Members exercising their profession as auditors, external accountants or tax advisors as these activities fall directly within the scope of the Regulations (included in the definition of 'relevant activity').

4.9 While it is beyond the scope of these Guidance Notes to delve in detail into the record-keeping obligations embedded in the Regulations[1], it is pertinent to point out that regulation 13 requires Members engaged in a relevant activity to keep the following:

(a) When a business relationship is formed or an occasional transaction is carried out, the Member must retain due diligence documents (including evidence required to identify the client);

(b) Any documents containing details relating to the business relationship between the Member and the client, and to all transactions carried out in the course of the established business relationship or occasional transaction that took place. These must include original documents or copies that may be produced in court proceedings;

(c) In the following cases: (i) where the Member is engaged to examine the background and purpose of a complex or large transaction and any transaction

[1] Members are advised to refer to the Institute's Technical Pronouncements on the prevention of money laundering and funding of terrorism when drafting their document retention policy.

which, by nature, is likely to be related to money laundering or the funding of terrorism, or (ii) where the Member is engaged by a client who does not come from a reputable jurisdiction[2] the Members are required to keep record of the findings of their examination of the background and purpose of the relationships and transactions.

4.10 Subregulation (3) of regulation 13 requires such records to be kept for a minimum period of five years, commencing as follows:

(a) For customer due diligence documents (that relate to any business relationship that is formed or an occasional transaction that is carried out), the five year period commences on the date on which the relevant financial business or the relevant activity of the Member was completed;

(b) For documents referred to in 4.9(b) and (c) above, the five year period commences on the date on which all dealings taking place in the course of the transaction in question were completed.

However, where records relating to an occasional transaction or a series of occasional transactions must be maintained, this five-year period runs from the day on which the occasional transaction or the last of a series of occasional transactions took place.

International Standard on Auditing (ISA) 230

4.11 ISA 230 *Audit Documentation* defines 'audit documentation' as the 'record of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached. That ISA requires the auditor to prepare documentation that is sufficient to enable an experienced auditor, having no previous connection with the audit, to understand:

(a) The nature, timing and extent of the audit procedures performed to comply with the ISAs and applicable legal and regulatory requirements;

(b) The results of the audit procedures performed, and the audit evidence obtained; and

(c) Significant matters arising during the audit, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions.

4.12 Amongst others, ISA 230 prohibits an auditor from deleting or discarding audit documentation of any nature before the end of its retention period. The standard further clarifies that the retention period for audit engagements ordinarily is no shorter than five years from the date of the auditor's report, or, if later, the date of the group auditor's report. In the Institute's view, the aforementioned period should not be less than five years.

International Standard on Quality Control (ISQC) 1

4.13 ISQC 1 applies to all firms (ISQC 1 defines a 'firm' as a sole practitioner, partnership or corporation or other entity of professional accountants[3]) in respect of:

(a) Audits and reviews of financial statements; and

(b) Other assurance and related services engagements.

[2] A reputable jurisdiction is defined in the Regulations as any country having appropriate legislative measures for the prevention of money laundering and the funding of terrorism, and which ensures compliance with such measures.

[3] Collectively referred to in these Guidance Notes as 'Members'.

The document retention requirements in ISQC 1 therefore extend to the aforementioned services provided by Members.

4.14 ISQC 1 requires firms to establish policies and procedures for the retention of engagement documentation for a period sufficient to meet the needs of the firm or as required by law or regulation.

4.15 ISQC 1 acknowledges the fact that the needs of the firm for retention of engagement documentation, and the period of such retention, will vary with the nature of the engagement and the firm's circumstances, for example, whether the engagement documentation is needed to provide a record of matters of continuing significance to future engagements, such as would be the case with documentation filed in the permanent section of an engagement file.

4.16 The Application and Other Explanatory Material in ISQC 1 further clarifies that the retention period may also depend on other factors, such as:

(a) whether local law or regulation prescribes specific retention periods for certain types of engagements, such as:
    (i) the requirements identified in paragraphs 4.2 – 4.7, as and when applicable to Members as discussed in paragraphs 4.20 – 4.22, of these Guidance Notes; and
    (ii) the requirements identified in paragraphs 4.8 – 4.10 of these Guidance Notes; or
(b) whether there are generally accepted retention periods in the jurisdiction in the absence of specific legal or regulatory requirements. Members may consider referring to this Technical Pronouncement in that regard.

4.17 When drafting a document retention policy, Members should have regard to the aforementioned requirements in ISQC 1, which also make direct reference to the requirements embedded in local law or regulation or in best practice guidance.

Special considerations when acting under a contract of mandate

4.18 At times Members act under a contract of mandate for a client. A contract of mandate is defined in article 1856 of the Civil Code (Chap. 16) as a contract whereby a person gives to another the power to do something for him. For example, a Member acts under a contract of mandate for a client when he or she has assumed fiduciary obligations, or when representing a client in a representative role, amongst others.

4.19 In line with article 1857 of the Civil Code 'a mandate can be granted by a public deed, by a private writing, by letter, or verbally, or even tacitly.' In the Accountancy Profession, a mandate is generally but not solely granted by the letter of engagement. A mandate may be granted verbally or tacitly when, for example, as contemplated in paragraphs 3.10 and 3.11 of these Guidance Notes, a Member is acting in the capacity of a principal under the relevant letter of engagement yet, in the performance of the engagement, the Member is asked by the client to give assistance to the client in meeting its obligations.

4.20 Members are advised to deal with issues such as ownership, retention, management and disposal of the underlying documentation that is produced, prepared, acquired or brought into being by the Member under the contract of mandate unambiguously in the letter of engagement. In particular, the letter of engagement should explicitly and

clearly convey the duty to retain documentation on either of the parties to the contract, which party would consequently assume the obligation to comply with legal requirements already covered in paragraphs 4.2 – 4.7 of these Guidance Notes.

4.21 In the absence of an agreement regulating retention of documentation, it is arguable that when a Member is acting under a contract of mandate, he or she has an implied duty to observe the principal's (i.e. client's) statutory document retention obligations and, as a consequence, the obligation to retain the underlying documentation for the duration of the relevant retention period might be bestowed on the Member. This obligation relates to documentation which is produced, prepared, acquired or brought into being by the Member under the contract of mandate, and any documentation which is rightfully entrusted to the Member under the terms of the contract. The Member can relieve himself or herself of the said obligation (if it exists) by returning the documents to the client, at which point the Member might consider it appropriate to seek a declaration from the client which, amongst others, confirms receipt of the respective documentation and discharges the Member from any further obligations to forward documentation relating to that specific engagement. The Member might also consider excluding any such potentially implied duty in his or her engagement letter.

4.22 Members should have in place appropriate policies and procedures, embedded in their document retention policy, when the circumstances contemplated in the preceding paragraph apply. Such policies and procedures might relate to, amongst others:

(a) The identification of documentation retained under a contract of mandate;
(b) The period for which such documentation is to be retained in satisfaction of legal requirements emanating from relevant legislation;
(c) The period after which, if applicable, any documentation is to be returned to the client;
(d) Any declarations to be signed by the client when documentation is returned by the Member to the client;
(e) The manner in which such documentation is to be disposed of in the event that a client fails to claim possession within the applicable prescriptive period (see Section 5 of these Guidance Notes).

4.23 Article 1885 of the Civil Code gives a person acting under a contract of mandate the right to retain documentation so long as he or she is not paid what is due to him or her in consequence of the mandate. Members are advised to seek legal advice prior to exercising the right to retain documentation on these grounds. This right of retention applies only to documentation that is produced, prepared, acquired or brought into being by the Member under a contract of mandate and does not extent to other circumstances.

Other relevant issues

4.24 It is the sole responsibility of the Member to ensure that the length of the period for which documents are retained is appropriate. For additional guidance, Members might consider obtaining further professional or legal advice when drafting a document retention policy. This sub-section sets out other issues which Members are advised to consider in the drafting process.

4.25 Paragraphs 4.2 – 4.17 of these Guidance Notes summarise the minimum document retention periods embedded in relevant legal and professional pronouncements, as well as their applicability or otherwise to Members. Nonetheless, in drafting an appropriate document retention policy a Member should primarily have regard to the nature and characteristics of specific engagements as well as any potential future reliance on documentation which might go beyond the Member's standard document retention period. For example, in circumstances where there are pending tax disputes between the client and the tax authorities or open tax investigations, prior to disposing of the underlying documentation a Member should exercise due care and actively consider his potential future involvement and hence any potential future reliance on the underlying documentation. Moreover, in instances where, for example, a Member is providing corporate advisory services and the nature of the engagement covers an underlying period, the relevant documentation should, at least, be retained for the duration of that period irrespective of the Members' standard document retention policy.

4.26 Members should ensure that their document retention policies are in compliance with the applicable legal and professional requirements already identified in this Section of these Guidance Notes. The Institute recommends that, in the absence of specific circumstances dictating otherwise, documentation is not kept for a period that is longer than the minimum prescribed for the relative engagement.

4.27 When drafting a document retention policy, Members should also consider applicable prescription periods. Actions for damages in tort are barred by the lapse of two years, while actions for damages in contract are barred by the lapse of five years. Hence it is advisable that documentation is retained, as it might be required in order to defend an action, for at least five years commencing from the date on which the engagement is completed. The period might be interrupted by one or more subsequent events, such as the client's filing of a judicial letter, in which case the five years would start running afresh (hereinafter the 'extended period'). A Member's document retention policy should therefore have appropriate procedures in place to detect actions for damages, and to retain relevant documentation for the applicable period, or the extended period, as the case may be.

4.28 A complete document retention policy should also set out policies on the disposal of the underlying documents upon the expiration of the relevant retention period.

5 Management of client-owned documentation

5.1 The scope of this Section is to set out guidance on the management of client-owned documentation retained by the Member. The principles in Section 3 of these Guidance Notes assist Members in determining the ownership of the relevant documentation.

5.2 An appropriate document retention policy should have in place policies and procedures on the management of client-owned documentation that is produced, prepared, acquired or brought into being by a Member while acting in the capacity of a principal, but for the purpose of assisting the client in meeting its obligations, or for a client's use and consumption (which documentation belongs to the client as stated in paragraph 3.10). In these circumstances, engagement files might include client-owned documentation. When this is the case the Institute recommends that an appropriate document retention policy should require such documentation to be returned to the client without undue delay, for example during the assembly of the final engagement files[4], and in any case before archiving the engagement files.

5.3 An appropriate document retention policy should also have in place policies and procedures whereby any client-owned documentation coming into the Member's possession in the performance of his or her duties is returned to the client without undue delay, for example upon completion of the relevant engagement.

5.4 Copies of client-owned documentation retained by the Member do not belong to the client but are deemed as documentation owned by the Member for all intents and purposes. Good practice would also suggest that copies of client-owned documentation retained by the Member:

(a) are identified as "copies" or "true copies";
(b) are denoted with the date on which they were received;
(c) are signed by the Member or the Member's staff who received such copies; and
(d) are denoted with the source, for example the client's official, who supplied those copies.

5.5 An appropriate document retention policy should have in place procedures whereby, upon returning client-owned engagement documentation, a declaration from the client is sought which, amongst others, confirms receipt of the respective documentation and discharges the Member from any further obligations to forward documentation emanating from that specific engagement.

5.6 At times a Member cannot return client-owned documentation to the client, for example because the client cannot be traced. In that event, a Member should note that he or she cannot be obliged to hand over client-owned documentation after the expiration of thirty years from the completion of the relevant engagement. In the aforementioned circumstances, if a Member wishes to dispose of such documentation earlier, but cannot trace the client, it is advisable that a Member deposits the documentation in Court.

[4] ISQC 1 requires the assembly of final engagement files to be done on a timely basis after the engagement reports have been finalised and, in the case of an audit, ISQC1 states that such a time limit would ordinarily not be more than 60 days after the date of the auditor's report.