

- It would accelerate a staff man's progress in the development and attainment of auditing techniques and skills.
  - The training could be given in progressive stages or phases. A new staff assistant might cover in his first year only that phase of an audit which he would normally be expected to perform during his first year in the field. Later on in his second year with the firm he would complete the entire audit.
  - More than one staff man could be assigned to work on different phases of the audit at the same time.
  - The training can be phased in during the firm's slack periods.
  - The caliber of service rendered by staff men should be greatly improved.
  - New staff members would have more confidence in their ability and would command more respect from clients if their initial "rawness" could be removed in the office.
  - Additional accounting systems could be constructed for specialized types of businesses, incorporating more complex auditing and accounting problems, thereby providing an opportunity to extend this concept of on the job training to all staff levels.
- It is readily admitted that constructing such a realistic set or sets of ac-

counting records is a time consuming and somewhat costly project, even if it is taken into consideration that source documents and journals need only be required for one particular month in the year. It is therefore suggested that this approach to on-the-job training—in the office could possibly be a joint undertaking on the part of interested public accounting firms.

In summary, this type of training, if perfected, should make it possible to turn a college graduate into a practiced accountant before he undertakes his first field assignment, that is, practiced with respect to the work he would ordinarily be expected to perform in his first year in the field. It should likewise permit seniors and semi-seniors to acquire a practiced knowledge in the office of selected types of assignments that will be encountered in the field. When this day arrives, the public accounting profession will have taken a major step forward in the perfection of its staff training methods.

#### RETENTION OF ACCOUNTING FIRM'S RECORDS

Every accounting firm, sooner or later, is faced with a problem regarding the retention of its own records and files. The following program, adopted by one firm should provide a useful guide for most firms whose retention procedures have not been formalized.

Description	Retention Period (Years)		Final Disposition
	Office(c)	Storage	
<i>Accounting Records</i>			
General Ledger, General Journals and Cash Journals.....	Permanently	—	—
Accounts Receivable, Ledgers and Clients' Invoices .....	3	7	Cremate
Payroll Journals and Ledgers.....	3	Perm'ly	—

Description	Retention Period (Years)		Final Disposition
	Office(c)	Storage	
<b>Annual Financial Reports</b>			
Partnership Tax Returns, Annual Statements and Workpapers—Operating Offices and Consolidated .....	Permanently	—	—
<b>Monthly or Periodic Financial Reports</b>			
Monthly Statements—Operating Offices .....	3	—	Cremate
Interim Statements—Consolidated....	3	7	Cremate
<b>Supplemental Accounting Data</b>			
Daily Cash Reports, Remittance Advices and Bank Deposit Slips.....	1	—	Cremate
Time and Expense Reports.....	3	7	Cremate
Vendors' Invoices, Cancelled Checks and Petty Cash Slips.....	3	7(a)	Cremate
Interoffice Billing Memoranda.....	3	Perm'y	—
<b>Current Legal Documents</b>			
Partnership Agreements .....	Permanently	—	—
Leases and Insurance Policies.....	Permanently	—	—
Special Contracts .....	Permanently	—	—
<b>Noncurrent Legal Documents</b>			
Partnership Agreements—Superseded .....	10	Perm'y	—
Leases and Insurance Policies—Expired .....	3	7(b)	Cremate
Special Contracts—Terminated.....	3	Perm'y	—
<b>Personnel Data</b>			
Personnel Data, Applications and Contracts—Present Employees....	Permanently	—	—
Personnel Data—Former Employees	3	7	Cremate
Employment Applications—Rejected .....	3	—	Cremate
<b>Miscellaneous</b>			
Partnership Meeting Files (Annual and Special Meetings) .....	3	7	Cremate
Daily Mail and Attendance Records	1	—	Cremate
New Business Reports .....	3	Perm'y(d)	—
Interoffice Correspondence .....	3	Perm'y	—
Bulletins to Clients, Partners and Staff .....	3	Perm'y(d)	—

**NOTES:**

(a) Ordinarily cancelled checks and paid vendors' invoices should be cremated after the expiration of the ten-year period. However, checks and invoices involved in the purchase of assets where the determination of basis might be important in the future should be retained indefinitely.

(b) The retention period for expired leases and insurance policies has been arbitrarily established to coordinate with other items. It should be noted that these retention periods are, therefore, suggestions. Retention in storage would be necessary only until there is reasonable assurance that no further claims or disputes exist under the particular contract.

(c) Retention period in the office should always include the portion of the current year plus the specified number of years.

(d) Retain permanently one copy only—destroy balance.