



# **Information Governance & Records Management**

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## **Unstructured Electronically Stored Information:**

### *Retention and Disposition Survey Project*

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# *Records Management Phase 1 Project: Retention and Disposition Survey*

## **Executive Summary**

In response to feedback from members, FSTC has prioritized the topic of *Retention and Disposition of Unstructured Electronically Stored Information (U-ESI)*. The technical challenges, direct costs and operational risks associated with over-retention were initially described in the FSTC Records Management Definition Phase (Phase 0) document, completed in the fall of 2008 in collaboration with the ABA.

Now, with the support of Citibank, JPMorganChase, ABA, and BITS, the FSTC will launch Phase I of our Information Governance and Records Management Initiative, with the goal of gathering information on how financial institutions currently manage the retention and disposition of U-ESI.

The project will launch in February with a set of survey questions to be completed during one-on-one interviews with CIO's, Senior IT Management and Records Managers. The survey questionnaire is designed to capture selected retention and disposition practices from a broad range of financial institutions. The responses (**to be kept confidential**) will provide insight to participants as to how their peers are handling these challenges.

In addition to the survey, FSTC will set up a restricted project information web site, hold weekly standing meetings for the exchange of information, and run two workshops to report on and discuss results.

Insight gained from the final FSTC draft report to be completed in April 2009 will aid participants in the development of their own internal practices, with the goal of significantly reducing over-retention costs and related operational risk.

***FSTC is now calling for participation in this important Records Management Phase I Survey as a first step toward realizing the goals of the FSTC Records Management Initiative, outlined in the FSTC Records Management Definition Phase Report. The resulting data is expected to reap short term benefits for participants.***

# *Records Management Phase 1 Project: Retention and Disposition Survey*

## *Introduction and Background Information*

The Security and Infrastructure Standing Committee sets the information security agenda for the FSTC by identifying issues, forming interest groups, and driving collaborative projects on information security topics of interest to the financial services community. The Committee has active participation from senior business and technology managers in over 20 US and global financial institutions and over 50 top technology and service provider firms. Our charter includes all aspects of enterprise security risk management, end-to-end systems security risk, together with related technology, business, and operations issues. Our charter as a non-profit industry organization (.org) enables us to manage collaborative projects “on neutral ground” with members sharing project management and related costs. FSTC often aligns closely with BITS and we will hold a joint conference with BITS March 3-5, 2009 (see [www.fstc.org](http://www.fstc.org) for the full program). FSTC also collaborates with other financial services professional associations and standards bodies as required. BITS and the ABA are collaborating with FSTC on this project.

## *FSTC Records Management Phase 0 (Definition Phase) History*

FSTC’s Security and Infrastructure Committee completed the “Definition Phase” (or Phase 0) of its Records Management Initiative in the fall of 2008. The resulting document, available to members, defined and prioritized the topics, issues, and project tasks for possible future research and potential technology pilots related to U-ESI.

Project members included major financial institutions and vendors, as well as the ABA Records Management Workgroup. We are now ready to move forward with Phase I, focusing on Retention and Disposition Practices for U-ESI.

## *Short Term Benefits of Participation in FSTC Records Management Phase I - 2009*

Project members identified the need to focus on the challenges in managing unstructured, electronically stored information, and in particular, the risks associated with current retention and disposition practices. Most of the financial enterprises that collaborated with FSTC in Phase 0 acknowledge major problems associated with over-retention. Typical operational approaches have produced duplication rates of 20 to 1 for unstructured electronic content, whether required for retention or not. In addition to direct and indirect costs associated with over-retention, we may add related operational risk challenges such as the potential for fraud, legal, privacy and compliance risks, and reputational risk.

Learning about retention and disposition practices in the financial services industry, particularly in areas not clearly described by laws and regulations, promises to yield enormous benefits on all of these fronts. This information will enable management to make significant cost-saving decisions regarding internal practices and related technology solutions. We view the opportunity to gather this critical information in a short-term, three month project (February to April 2009) as low-hanging fruit.

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## *Survey Audience and Time Commitment*

The intended audience for the survey questionnaire will consist of CIO's, Senior IT managers and IT managers of systems that support email systems, records repositories and related solutions. In some firms the most appropriate participant will have the title of Records Manager.

We anticipate the survey may be partially completed, resulting in a *first draft of responses*, with approximately 2 hours of effort prior to follow-on interviews. Some additional internal research may be required by the participant, depending on the organization of the firm.

*Individual interviews* will be conducted after participants have developed their first draft of responses and are estimated to take approximately one hour. Interviews will include an information exchange, providing participants with the background and issues behind each question. The primary contact at any firm may include other functional managers to provide additional information as required.

We plan to hold *standing information exchange calls* for one hour each week. Participants may select which weeks are most convenient and use the time to ask any questions regarding the survey, share experiences and offer suggestions.

Project participants will also need to plan for *two workshops* lasting ½ day each. We are suggesting the March workshop take place in conjunction with the FSTC – BITS Summit in Sarasota.

## *Next Steps and Timeline*

- ***Survey Completion in February 2009***

The survey questionnaire has been drafted and will be completed by a core group of financial institutions in early February 2009.

The final draft survey will be sent to a broad range of financial institutions in February 2009, to be followed by one-on-one interviews with participants throughout February and March 2009.

- ***Workshop at FSTC- BITS Summit March 3-5***

We are planning a Records Management Panel focused on *retention and disposition challenges and opportunities* at our FSTC – BITS March 3-5 Summit in Sarasota. The panel will include participants in the survey and other experts in this field. Provided a sufficient number of Phase I participants attend, we will hold a workshop during the summit to review preliminary results. (The full Summit program is available at [www.fstc.org](http://www.fstc.org) .)

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- ***Completion of Survey and Final Workshop Planned for April, 2009***

Answers to the survey questionnaire will be collected by FSTC and summarized anonymously in an FSTC draft industry report by April 2009. A second workshop will be held in April to review the responses and to exchange additional information as a group. These exchanges will be included with the final report.

- ***Final Report Planned for End April-Early May 2009***

The end deliverable will be an FSTC Final Report, with an executive summary and the full text of anonymous responses to the questionnaire. We will also include a summary of feedback from the weekly meetings and workshops.

## ***FSTC Project Participation Model***

FSTC membership is required for participation in projects. Provisional membership may be purchased on a pro-rata basis over the life of the project. Details on membership are available at [www.fstc.org](http://www.fstc.org).

Special arrangements have been made for members of BITS and the ABA. Please contact Roger Lang – [roger.lang@fstc.org](mailto:roger.lang@fstc.org) – for additional information if your firm is in this category.

## ***Fees for ABA Members and Contact Information***

Project Fees are as follows

- FSTC charges \$5,000 for Financial Institution Members with assets over \$100 B.
- FSTC charges \$2,500 for Financial Institution Members with assets between \$50B and \$100B
- FSTC charges \$1,000 for Financial Institution Members with assets under \$50 billion

Non-Members of both the FSTC and ABA organization will pay a provisional FSTC membership fee based on the size of the firm. The membership fee structure is posted at [www.fstc.org](http://www.fstc.org) and typically prorated for the period of the project (in this case 3 mos.).

Fees for Associate member non-profits, and Advisory Members, including government agencies, along with Non-Members interested in joining the project and FSTC, will be determined individually.

**Please contact Roger Lang – [Roger.Lang@fstc.org](mailto:Roger.Lang@fstc.org) – for further information on project fees.**