

## PWYLLGOR CYLLID FINANCE COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	26 January 2021
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Financial Procedures
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Huw Thomas, Director of Finance

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Ar Gyfer Penderfyniad/For Decision

### ADRODDIAD SCAA

#### SBAR REPORT

##### Sefyllfa / Situation

Each year, planned reviews are undertaken of the financial procedures operated by Hywel Dda University Health Board (HDdUHB). The procedures, which set out the main financial system controls, are reviewed in terms of:

- Relevance
- Best practice
- Audit recommendations
- System change
- Health Board policy

A proposal for review was presented to the Finance Committee in February 2019.

##### Cefndir / Background

The following procedures have been reviewed and are presented to the Finance Committee for approval:

- Project Bank Accounts
- Cash Procedure

##### Asesiad / Assessment

The Project Bank Account (PBA) is a new procedure; its aim is to ensure that HDdUHB complies with Welsh Government legislation relating to the use of PBAs.

The procedure reflects current arrangements and provides details of the approval process and the steps required to set up a PBA, together with the requisite documentation and payment processes. It has been reviewed by key personnel within the Finance Directorate and Counter Fraud.

The revised Cash Financial Procedure is the amalgamation of three prior financial procedures - Loss of Cheques, Petty Cash and Banking Arrangements - into one overarching financial procedure. The procedure must be followed in the event of a loss of a cheque, and it provides details of banking arrangements and supports effective Financial and Budgetary Control within

the Health Board. The procedure has been reviewed by key personnel within the Finance Directorate and Counter Fraud.

### Argymhelliad / Recommendation

The Finance Committee is asked to approve the following procedures:

- Project Bank Accounts
- Cash Procedure

### Amcanion: (rhaid cwblhau)

#### Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	5.7 Review and approve financial procedures on behalf of the Health Board.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability 7. Staff and Resources
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	Improve efficiency and quality of services through collaboration with people, communities and partners

### Gwybodaeth Ychwanegol:

#### Further Information:

Ar sail tystiolaeth: Evidence Base:	Previous procedures, internal audit report recommendations, Standing Financial Instructions
Rhestr Termiau: Glossary of Terms:	An explanation of terms is Included within the body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee:	HDdUHB Finance Team Counter Fraud Team

### Effaith: (rhaid cwblhau)

#### Impact: (must be completed)

Ariannol / Gwerth am Arian: Financial / Service:	Financial implications are inherent within the report
Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable
Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Financial risks are detailed in the report.
Cyfreithiol: Legal:	Not Applicable

<b>Enw Da: Reputational:</b>	Financial procedures are required to ensure good governance and sound financial control
<b>Gyfrinachedd: Privacy:</b>	Not Applicable
<b>Cydraddoldeb: Equality:</b>	<p>EqlA has been undertaken with no negative impacts on those with protected characteristics</p> <p>Changes to the majority of financial policies and procedures to date have been assessed as having a low relevance to equality duties and have been mainly in relation to systems and responsibilities with no direct or indirect impact on individuals in relation to equality, diversity or human rights.</p> <p>Where policies and procedures have a more direct impact on patients, staff and service users in relation to their protected characteristics, e.g. those addressing the handling of patients monies, etc, more detailed EqlAs have been undertaken and are published alongside the relevant document.</p>



## Project Bank Accounts

**THIS IS A DRAFT DOCUMENT FOR CONSULTATION PURPOSES ONLY**  
**All comments on this document should be sent to the author by the consultation end date, using the comment form on the policy consultation pages.**  
**Approved Hywel Dda University Health Board policies can be found on the [Policies and Procedures Approved](#) section of the intranet**

**[SEE LINK - How to complete the written control documentation template](#)**

Procedure Number:	Issued following approval	Supersedes:		Classification	Financial	
LOCCSIP Reference:		NATSSIP standard:	List standard ( <a href="#">NATSSIPS Standards</a> )			
Version No:	Date of EqIA:	Approved by:		Date Approved:	Date made active:	Review Date:
1						

Brief Summary of Document:	This document is one of a series of financial procedures providing a clear process to be followed.
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Scope	Hywel Dda University Health Board Wide
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To be read in conjunction with:	Standing Orders. Standing Financial Instructions. Other Financial Procedures.
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Patient information:	Not Applicable
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Owning committee/group	Finance Committee
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# HYWEL DDA UNIVERSITY HEALTH BOARD

Reviews and updates		
Version no:	Summary of Amendments:	Date Approved:
1	New Procedure	

## Glossary of terms

Term	Definition
PBA	Project Bank Account
HDdUHB	Hywel Dda University Health Board
VAT	Value Added Tax
SCP	Supply Chain Partner – Provides a complete construction and refurbishment solution for Capital Investment Construction Schemes.
AW	All Wales

Keywords	Financial Procedures, Project Bank Accounts
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# HYWEL DDA UNIVERSITY HEALTH BOARD

## 1. Introduction

Project Bank Accounts (PBAs) represent best practice in ensuring fair and prompt payment in the supply chain. PBAs are ring-fenced bank accounts with trust status that act solely as a receptacle for transferring funds from the client to the lead contractor and supply chain. Whereas payments normally made direct to the lead contractor are paid onto the supply-chain later, PBAs allow simultaneous payments within 3-5 days from the deposit of money into the PBA to the lead contractor and supply chain partners. This alleviates cash flow pressures which can have a considerable impact on smaller companies who rely on cash flow to a greater extent than companies above them in a supply chain.

This financial procedure should be read in conjunction with NHS Building for Wales National & Regional Frameworks [Guidance Note: Implementation of Project bank Accounts v2.5 \(July 20\)](#)

## 2. Scope

The policy is applicable across the whole of Hywel Dda University Health Board (HDdUHB). It applies to all employees and Independent Members. The term “employees” includes all those who have a contract of employment or honorary contract with the HDdUHB, including volunteers and bank workers. It is also applicable to all contractors employed by the HDdUHB to undertake construction work, Project Management and Cost Advisor functions for construction schemes in excess of £2 million (excluding VAT).

## 3. Aim

The aim of this document is to ensure that the HDdUHB complies with Welsh Government legislation related to the use of PBAs.

## 4. Objectives

The aim will be achieved by outlining the:

- approval process in setting up a PBA
- steps required to set up a PBA
- documentation which must be completed in setting up a PBA
- payment process for PBA

## 5. PBA setup

- A PBA must be set up for all Welsh Government funded construction and infrastructure contracts valued at greater than £2m, with the exception of equipment replacements for example CT simulators or MRI scanners.
- The process of agreeing and setting up a Project Bank Account must be undertaken before submission of Stage 3 (Full Business Case Development or Business Justification Case) to

# HYWEL DDA UNIVERSITY HEALTH BOARD

Welsh Government for approval. All PBA documentation must be fully signed once funding approval has been issued by Welsh Government.

## Choosing a Bank Account Product

- HDdUHB must agree with Supply Chain Partner / Lead Contractor which Bank to choose.
- PBAs may be Joint or Sole Accounts as agreed between the HDdUHB and the SCP.
  - A Joint Account is where an account is opened in the name of HDdUHB and SCP. A Sole Account is where the lead contractor opens the account in their name only.
  - Regardless of which approach is chosen HDdUHB and the SCP should be trustees to the account and both HDdUHB and the SCP should jointly authorise payments at each payment cycle.
- The PBA produced must comply with the Cabinet Office PBA Minimum Requirements. See Appendix 1

## Opening a PBA

- Supply Chain Partner must complete and sign
  - Request to set up PBA form.
  - Account application form of chosen bank and adherence to any due diligence requirements
  - Trust Deed – incorporated within the NHS Building for Wales National and Regional Supply Chain Partner Contracts.
  - Bank Mandate to be signed in line with mandate requirements.
- Signed forms must be countersigned by The Director of Finance
- Participating Supply Chain members who are sub-contractors of the SCP can either join a PBA at commencement of Construction or later. Supply Chain members must sign a Deed of Adherence / Joining Deed which is counter-signed by the Trustees. Standard forms are incorporated within the NHS Building for Wales National and Regional Supply Chain Partner Contracts.

## PBA Payment Procedure

- Monthly Valuations are prepared by Supply Chain Partner / Lead Contractor and certified as correct by HDdUHB in collaboration with appointed consultants. Valuations will include details of payments to be made to Supply Chain Partner / Lead Contractor and each Supply Chain member from the PBA.
- Supply Chain Partner / Lead Contractor submits an invoice to HDdUHB and payment is made to PBA.
- Cost Advisor completes a Project Bank Account payment authorisation form listing payment to be made from the PBA to the Supply Chain Partner / Lead Contractor and Supply Chain Members each month.
- Payments are input onto PBA by Supply Chain Partner / Lead Contractor

## HYWEL DDA UNIVERSITY HEALTH BOARD

- Upon clearing of funds in the PBA, payment is authorised through the Bank's internet banking system by designated persons within HDdUHB and Supply Chain Partner and made to all parties listed on the payment authorisation.
- Payments made will be reconciled by HDdUHB to ensure payments have been made correctly

### Contractual Arrangements for requirement of PBA

- This financial procedure does not detail the activities required to ensure that the requirement for a PBA are built into contract notices with Supply Chain Partners / Lead Contractors. Further details on these requirements are available in <https://gov.wales/sites/default/files/publications/2019-09/guidelines-for-deploying-welsh-government-project-bank-account-policy.pdf>

## 6. FRAUD

All staff are required to comply with the Health Boards policies and procedures and apply best practice in order to prevent fraud, bribery and corruption. Staff should be made aware of their own responsibilities in protecting the Health Board from these crimes.

All staff have a duty to notify the Local Counter Fraud Department of any suspected fraud or inappropriate actions and are protected by the AW Raising Concerns (Whistleblowing) Policy. Anyone who suspects fraud or has any concerns reference Fraud Bribery and Corruption then they can make a referral by contacting the Local Counter Fraud Department by telephone on 01267 266268, by emailing HDUHB.CounterFraudTeam.HDD@wales.nhs.uk or by making an online referral at <https://reportfraud.cfa.nhs.uk>. An anonymous referral can also be made by telephoning Crimestoppers on 0800 028 40 60.

Those found not to be complying with the PBA procedure or are suspected of illegal activity may be referred to the Local Counter Fraud Department and risk disciplinary action.

### Fraud Act 2006

The Fraud Act 2006 came into force on 15 January 2007 and provided, for the first time, a general offence of fraud. The act sets out three ways in which an offence under the Act may be committed, which are:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

### Bribery Act 2010

This can be broadly defined as the offering or acceptance of inducements, gifts, favours, payment or benefit-in-kind which may influence the action of any person. Corruption does not always result in a loss. The corrupt person does not need benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another.



# HYWEL DDA UNIVERSITY HEALTH BOARD

Offences covered by the Fraud Act 2006, and the Bribery Act 2010, may be considered and investigated in accordance with the Health Boards Counter Fraud, Bribery and Corruption Policy.

## Money laundering

This is a process by which the proceeds of crime are converted into assets which appear to have a legitimate origin, so that they can be retained permanently or recycled into further criminal enterprises. Criminals will attempt to distance themselves from their crimes by finding safe havens for their profits where they can avoid confiscation orders, and where the proceeds can be made to appear legitimate.

Money Laundering Regulations 2017 apply to any high value dealer, i.e. any organisation that accepts cash transactions in excess of €10,000 (approximately £9,000). However, the Proceeds of Crime Act 2002 applies to all transactions and can include dealings with agents, third parties, property or equipment, cheques, cash or bank transfers.

Offences covered by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017 will be considered in accordance with the Health Boards Fraud, Bribery and Corruption Policy and referred to NHS Counter Fraud Services Wales team for investigation where appropriate.

## 7. References

NHS Building for Wales National & Regional Frameworks Guidance Note: Implementation of Project bank Accounts v2.5 (July 20)

# HYWEL DDA UNIVERSITY HEALTH BOARD

## Appendix 1: Minimum requirements for a Project Bank Account product

UK Government's Cabinet Office minimum requirements for the Project Bank Account.

These minimum requirements are based on recommendations made by the Government Construction Board (GCB) Fair payment user group and sets out some minimum requirements for the Project Bank Account:

1. The account needs to be linked to a Trust Deed so that the money is ring-fenced and can only operate with joint agreement of both parties.
2. The banking service provided should not materially alter the operation of the Trust Deed or the PBA.
3. To be a beneficiary of the PBA the Deed of Adherence must join the parties.
4. Dual agreement is to be required before the payment is to be made, i.e. the lead contractor / client knows that it can only act when both parties have agreed to the payment and one party can not alter the payment without the agreement of the other party.
5. The bank must be informed and acknowledge that a Trust Deed exists and that operation of the payments are governed by this Deed.
6. Transactions must be easily available for the client to view from the bank report no more than one day after payment.
7. All of the contractors and sub contractors signed up to the PBA Trust Deed should be paid at the same time. Once authorisation has been given by the Trustees, payments are made typically made within 3-5 working days.
8. Payments from the PBA should only be able to be made to the contractor and other named supplier beneficiaries.
9. No cheque facility is to be made available on the account.
10. No overdraft facility is to be available on the account.
11. Confirmation is to be obtained from the PBA bank that monies are held in Trust and that they cannot be used to offset any other contractor/supply chain liabilities.
12. There is an obligation on the Lead Contractor to inform the client and appropriate members of the supply chain and trustees of any changes to the PBA with respect to alteration to any terms and payment authorisations.



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Hywel Dda  
University Health Board

# CASH PROCEDURE

Procedure Number:		Supersedes:	Classification	Financial	
LOCCSIP Reference:		NATSSIP standard:			
Version No:	Date of EqIA:	Approved by:	Date Approved:	Date made active:	Review Date:
1		Finance Committee			

Brief Summary of Document:	This document is one of a series of financial procedures providing clear process to be followed.
Scope	Hywel Dda University Health Board Wide

To be read in conjunction with:	Standing Orders Standing Financial Instructions Other Financial Procedures
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Owning committee/group	Finance Directorate
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**RESTRICTED UNTIL APPROVED**

Reviews and updates		
Version no:	Summary of Amendments:	Date Approved:
1	New Procedure	

Glossary of terms

Term	Definition
GBS	Government Banking Service
HMRC	Her Majesty's Revenue and Customs

Keywords	Financial Procedures, Petty Cash, Banking
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# RESTRICTED UNTIL APPROVED

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## **RESTRICTED UNTIL APPROVED**

### **1. INTRODUCTION**

This procedure is an overarching cash procedure covering Loss of Cheques, Petty Cash and Banking Arrangements.

### **2. AIM**

This procedure is to be followed in the event of an individual or organisation losing a cheque, provides details of the banking arrangements and provide effective Financial and Budgetary Control within Hywel Dda University Health Board.

### **3. SCOPE**

This procedure is Hywel Dda University Health Board wide.

### **4. OBJECTIVES**

To ensure financial probity and clarity of accountability in the organisation.

### **5. LOSS OF CHEQUES**

The Officer responsible for the cash book must be notified of all cheques reported missing, mislaid etc via email to the Cash Book Officer.

Full details of the cheque must be obtained by the cashier or a colleague deputising for him/her and entered on a "Missing Cheque" register and recorded in Datix. It will be the responsibility of the Cash Book Officer to record the incident in Datix and the responsibility of the Finance Business Partner Statutory and Reporting to inform Counter Fraud if any fraud is suspected.

The officer responsible for the cash book must ensure from the bank statements held that the cheque has not been presented.

If the cheque has been cashed, the Local Counter Fraud Specialist must be informed of the facts of the occurrence.

If the cheque has not been cashed, the Officer responsible for the cash book must enter details of the cheque to be stopped into the Online Banking system. Once this process has been completed the cheque is stopped immediately. An indemnity form must be sent out to the recipient of the cheque.

Once the procedure has been followed, then a replacement cheque can be issued, subject to receipt of a signed indemnity form from the recipient of the cheque – Appendix A. The "Missing cheque" register must be updated with details of the replacement cheque.

**The replacement cheque must be drawn on the same account as the stopped cheque.**

### **6. PETTY CASH IMPRESTS**

A list of all cash imprest accounts showing the following details must be maintained within the Finance Department by an officer not concerned with the issue of such imprests: -

- Location of the cash.

## **RESTRICTED UNTIL APPROVED**

- The Designated Holder i.e. the officer nominated by the Chief Executive or Director of Finance to be responsible for the safe custody of the cash and the operation of the account.
- The Certifying Officer i.e. the officer responsible for checking and certifying claims for reimbursement submitted to the Director of Finance. There may be instances in General Offices where staff are collectively responsible.
- Amount held. The amount of the imprest held should be kept under constant scrutiny by the Certifying Officer.

Requests for new cash imprest accounts or to increase existing imprest accounts shall be made by the relevant manager via email to the Director of Finance (via the Finance Business Partner Statutory and Reporting) who will decide if the request is to be granted and if so the amount of the imprest account. In each case, justification and budgetary authorisation should be provided to the satisfaction of the Director of Finance.

### **7. BANKING ARRANGMENTS FOR PETTY CASH IMPRESTS**

The Director of Finance will keep the Health Board's bankers informed of Cash Holders who require Open Credit Facilities, detailing an estimated amount (either per cheque, per day, per week or per month), the Branch of the bank that will be used and specimen signatures.

At General Offices where a significant sum of petty cash is held the Health Board will employ the services of a security company to deliver petty cash directly to them. If staff at other locations are required to handle significant amounts of cash similar arrangements should be put into place.

### **8. SECURITY OF CASH & REGULATION OF ISSUING CASH**

The cash must be kept in a secure lockable cash box.

The cash box, when not in use, must be locked and stored in a safe or in a secure location if no safe available.

All disbursements from the cash must, wherever practicable, be supported by a Trader's receipt (authorised by a manager). An official petty cash voucher must be completed, together with a certification that the goods have been duly received.

Payments from the petty cash imprest must only be made in circumstances where alternative methods of payment are neither feasible nor practical and must not in any event exceed £25 for any individual payment; unless agreed with the Director of Finance. Petty cash floats are only used where appropriate and must not be used to bypass the tendering/ordering procedures.

Staff expenses will not be reimbursed through petty cash.

Residential units within the Learning Disability Service are allowed to draw larger amounts, as agreed with the Director of Finance to purchase items for Housekeeping. This takes the form of an advance see section 9.

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Wards and other departments within the Mental Health Service are allowed a fixed weekly amount for Patient Rehabilitation/ Occupational Therapy. This is issued by the relevant Patients' Welfare Department, see procedure 01/06.

If postage stamps are purchased from petty cash, a duplicate record must be maintained showing details of postage incurred.

The designated petty cash holder is personally responsible for the safe custody and proper disbursement of the cash. Wherever possible a register will be maintained, recording hand over. When the holder goes on annual leave, the cash should be checked and signed for. The register can also record a running balance of cash held. Petty cash balances must be checked by two staff team members at the beginning of every shift, with the petty cash books being signed by both to indicate that the amount balances. If the amount does not balance, the two staff team members are to repeat the process, and if the amount still does not balance, take note of the discrepancy and report it to their direct line manager via telephone and email. Details are to be entered into Datix as an incident.

Where more than one member of staff issues cash, it is vital that a register is maintained which records transactions made by each member of staff to ensure the security of the cash.

Payment to patients who are entitled to claim their travelling expenses will be made from the Patients Travel Imprest (if there is one), or the Petty Cash Imprest, in accordance with the procedure 01/06.

On no account must loans be made between imprest accounts e.g. from the petty cash imprest to patients' monies imprest.

The cash must be used for official purposes only. On no account should personal cheques be cashed or personal loans made from petty cash. No personal monies shall be kept in with the cash.

Ad hoc checking of the cash may be carried out by the Finance Department, Internal Audit or the Counter Fraud team. The cash holder will not have prior notice of the check and will not be left alone with the cash before counting. The cash will be counted in the presence of the cash holder and any anomalies investigated.

Any loss or shortfall of cash shall be reported immediately to the Senior Finance Business Partner, Accounting & Statutory Reporting in the Finance Department and the Counter Fraud Team.

### **9. METHOD OF ISSUING PETTY CASH**

When a request is made by a member of staff to the petty cash holder, for cash, the identity of the person making the request must be established. If they are not known to the petty cash holder, their identity badge shall be checked. The member of staff shall present a receipt, signed by an authorised approver, and with a financial code identified. The petty cash holder will then issue the cash and complete a petty cash voucher, which both he and the person requesting the cash will sign. The receipt is then attached to the voucher.



## **RESTRICTED UNTIL APPROVED**

An advance may be given to a member of staff, on the written request of the manager, to make a purchase. This will only be in exceptional circumstances. The fact that an advance has been made will be recorded on a petty cash voucher. When the goods have been purchased, a receipt and any change will be promptly provided to the petty cash holder, who will complete the petty cash voucher with the actual details of the expenditure and attach to the relevant petty cash claim.

Any Charitable Fund expenditure, requiring to be reimbursed from petty cash, must be accompanied by an authorised Charitable Fund request form, which will be attached to the petty cash voucher.

Staff Team Members' Personal Monies : Staff members are not permitted to use petty cash to purchase items for themselves, and then replenish the petty cash float with their own money.

### **10. PATIENTS' CASH**

Patients' cash will be issued, in line with the Patients' Property Financial Procedure 01/06, using the patients' monies imprest account if there is a separate one, or the petty cash imprest up to a limit of £50. Patients are to be encouraged to have a cheque sent to their home address for large amounts.

### **11. REIMBURSEMENT OF THE PETTY CASH IMPREST**

Petty cash imprest reimbursement sheets are used to request reimbursement of the expenditure up to the imprest amount. The main part of the sheet records details of the transaction cross-referenced to the petty cash voucher, the financial code, and amount.

The second section on the petty cash imprest reimbursement sheet identifies the Imprest amount, total value of expenditure, any outstanding claims for reimbursement, and the balance of cash. The amount of cash in hand plus the value of the claim and any outstanding claims will always equal the approved imprest amount.

The cash shall be counted to ensure it agrees to the balance on the form if there is a shortfall see section 8.

#### **For all reimbursements via cheque:-**

The imprest Sheet is then signed by the certifying officer and sent to the Accounts payable Section for reimbursement. All the appropriate vouchers and receipts shall be attached to the Imprest Sheet. All Sheets shall be sent to the Accounts Payable Section at reasonable intervals, (at least once per month). Any incomplete Sheets will be returned which may result in delays in reimbursement. Under no circumstances can the occurrence of reimbursement without documentation be allowed.

#### **For all reimbursements via security company:-**

The imprest sheet is then signed by the certifying officer. A Cash request form must also be completed, with the required cash amount, and phoned through to the Security company cash centre. All the appropriate vouchers and receipts shall be attached to the imprest sheet. The Sheet should be sent to the nominate Finance Office.

## **RESTRICTED UNTIL APPROVED**

Any incomplete forms will be returned. Under no circumstances can the occurrence of reimbursement without documentation be allowed.

All cheques issued by the Director of Finance to reimburse the cash must be cashed immediately.

The amount of the imprest held will be kept under constant scrutiny by the Director of Finance. A review will take place each year prior to year end. The Certifying Officer will ensure disbursements, any outstanding claims and cash in hand always agree to the authorised imprest amount.

### **12. GENERAL LEDGER RECONCILIATION**

The Director of Finance will nominate an officer from the Finance department, not concerned with the issue of such imprests, to ensure that all petty cash transactions are posted correctly to the General Ledger and reconciled to the imprest amount for each location. Any discrepancy should be investigated with the relevant site.

### **13. YEAR END**

End of year certificates of cash held will be completed on 31<sup>st</sup> March for each imprest account in accordance with the relevant guidance, which is issued by the Finance Department.

### **14. GOVERNMENT BANKING SERVICE ACCOUNT (GBS)**

The Health Board maintains a Government Banking Service (GBS) Account into which all sums due from NHS bodies & Welsh Government are paid. The account is used for:

- (a) The funding of the MAIN ACCOUNT.
- (b) Making same day payments to other NHS bodies, Superannuation contributions and HMRC contributions.

All sums transferred from the GBS Account are authorised by senior finance staff via online authorisation. This list of authorised signatures is held in the Finance department. The GBS Bank Account should never become overdrawn.

Online access for staff is administered by the Health Board. Two approvers must set up access in line with GBS guidelines and the Health Board's Bank Mandate to ensure segregation of duties is adhered to at all times. Any new staff or amendments to roles for current staff can only be authorised by both approvers. The approvers are the Senior Finance Business Partner and Finance Business Partner, Accounting and Statutory Reporting. All transactions processed for payment are input by an administrator and then authorised by an approver.

### **15. MAIN ACCOUNT**

All Health Board income excepting Charitable and NHS income is received into the MAIN ACCOUNT.

## **RESTRICTED UNTIL APPROVED**

The MAIN ACCOUNT is also funded by authorised transfers from the GBS Bank Account.

The MAIN ACCOUNT is also used to transfer funding to the GENERAL ACCOUNT.

The MAIN and GENERAL accounts may be held either with a commercial bank or within the Government Banking Service and are operated on a group basis, with one account permitted to be overdrawn only to the extent of any net credit balance on the other account.

Internal bank transfers are actioned by those listed on the bank mandate that have online access to system.

### **16. GENERAL ACCOUNT**

The GENERAL ACCOUNT is used for the payment of creditors (except same day payments to other NHS organisations and Welsh Government payments), salaries and wages and foreign payments.

GENERAL ACCOUNT cheques are prepared by the Accounts Payable team at their Cardiff site in accordance with the bank mandate.

No income is paid into the GENERAL ACCOUNT, which is funded by transfer from the MAIN ACCOUNT.

Online access for staff is administered by the Health Board. Two approvers are authorised to set up access in line with Banking guidelines and the Health Board's Bank Mandate to ensure segregation of duties is adhered to at all times. Any new staff or amendments to roles for current staff can only be authorised by one approvers in line with the Banking Mandate. The approvers are the Senior Finance Business Partner and Finance Business Partner, Accounting and Statutory Reporting. All transactions processed for payment are input by an administrator and then authorised by an approver.

### **17. CHARITABLE FUNDS CURRENT ACCOUNT**

The CHARITABLE FUNDS ACCOUNT is used for paying in all donations and legacy received by the Health Board.

### **18. CHARITABLE FUNDS INVESTMENT ACCOUNT**

The CHARITABLE FUNDS INVESTMENT ACCOUNT is used to generate bank interest.

No income is paid into the Investment Account, which is funded by transfer from the Current Account.

### **19. SIGNING PROCEDURE FOR CHEQUES**

Cheques are signed in accordance with the bank mandate.

## **RESTRICTED UNTIL APPROVED**

The GBS Bank and commercial bank must be advised in writing of any changes in officer(s) and/or member(s) authorised to release money from and draw cheques on each account and be notified promptly of any cancellation of any such authorisation. This should be done before the authorisation is revoked or on the same day if this is not possible.

### **20. BANKING OF CASH AND OTHER NEGOTIABLE INSTRUMENTS**

Banking must be carried out by a specifically designated officer or by our designated security carrier.

Cash must be banked on a weekly basis where there is an arrangement with a security carrier to do so.

In all other areas banking must be done within 5 days of receiving the cash.

All cheques, postal orders, cash etc, must be banked within five days of receipt, to the credit of the Health Boards MAIN ACCOUNT.

A triplicate paying-in book, provided by the Finance Department must be used as follows:

- (i) First copy retained by the bank; (when a security carrier is used, ensure that the counterfoil is not included with the banking)
- (ii) Second copy attached to the collector's account sheet and forwarded to the Finance Department;
- (iii) Third copy retained in the paying-in book.

Banking is undertaken by a security carrier on the Health Board's behalf on a regular basis from the General Offices at the main hospital sites.

### **21. BANK RECONCILIATIONS**

On a monthly basis the GBS account and commercial accounts must be reconciled by the Officer responsible for the cash book, and the reconciliation to be signed and dated by the preparer and reviewer on a timely basis.

### **22. BANK ACCOUNT SIGNATORIES**

All Signatories are per Bank Mandate.

A full list of Authorised signatories is available from the Finance Department.

### **23. REPORTING OF CONCERNS**

Should any suspicion of fraudulent activity be identified then this information must be brought to the attention of the Local Counter Fraud Department, the Finance Business Partner and the bank concerned. Where foul play is suspected, the Finance Business Partner and the Local Counter Fraud Department should be notified.

**RESTRICTED UNTIL APPROVED**

**APPENDIX 1 – FORM OF INDEMNITY**

**Cheque No:** .....

**Amount: £** .....

(Amount in words - .....

..... )

**Date:** .....

**Payee:** .....

**Details of Payment:** .....

**I/We (Name)** .....

**Of (Address)** .....

.....

.....

Hereby indemnify Hywel Dda University Health Board against any loss which may arise in the event of the above cheque being presented for payment.

**Signed:** .....

**Date:** .....

**Witness:** ..... (Print name)

..... (Signature)

**Address:** .....

.....

.....