

Bundle Finance Committee 29 September 2020

4.1

Financial Procedures

Presenter; Huw Thomas

4.1 Financial Procedures SBAR Sept 2020.docx

4.1 FP02 03 NHS Injury Costs Recovery Scheme v02.docx

4.1 FP12 01-Retention of Financial Records v4.docx



PWYLLGOR CYLLID FINANCE COMMITTEE

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| DYDDIAD Y CYFARFOD: DATE OF MEETING: | 29 September 2020 |
| TEITL YR ADRODDIAD: TITLE OF REPORT: | Financial Procedures |
| CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR: | Huw Thomas, Director of Finance |
| SWYDDOG ADRODD: REPORTING OFFICER: | Jennifer Thomas, Senior Finance Business Partner |

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:

FP02/03 Injury Costs Recovery Scheme
FP12/01 Retention of Financial Records

Asesiad / Assessment

The revised financial procedures covering the Injury Costs Recovery Scheme and Retention of Financial Records have been reviewed by key personnel within Finance Directorate, Counter Fraud and NWSSP.

The procedures have been updated to reflect current arrangements and any changes since they were last reviewed. Deletions made are indicated in strikethrough, and any additions are indicated by red font.

The procedures are covered by a specific Financial Procedures Equality Impact Assessment (EqIA), with no negative impact.

Argymhelliad / Recommendation

The Finance Committee is asked to approve the attached revised financial procedures.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

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| Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor: | 5.7 Review and approve financial procedure 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: Hyperlink to HDdUHB Well-being Statement | Improve efficiency and quality of services through collaboration with people, communities and partners |

Gwybodaeth Ychwanegol:

Further Information:

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| Ar sail tystiolaeth: Evidence Base: | Previous procedures, internal audit report recommendations, standing financial instructions |
| Rhestr Termiau: Glossary of Terms: | 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 Executive Team NWSSP |

Effaith: (rhaid cwblhau)

Impact: (must be completed)

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|---|---|
| Ariannol / Gwerth am Arian: Financial / Service: | Financial implications are inherent within the report |
| Ansawdd / Gofal Claf: Quality / Patient Care: | Not applicable |

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| Gweithlu: Workforce: | Not Applicable |
| Risg: Risk: | Financial risks are detailed in the report. |
| Cyfreithiol: Legal: | Not Applicable |
| Enw Da: Reputational: | Financial procedures are required to ensure good governance and sound financial control |
| Gyfrinachedd: Privacy: | Not Applicable |
| Cydraddoldeb: Equality: | <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. 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> |

HYWEL DDA UNIVERSITY HEALTH BOARD



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

FP 02/03

~~ROAD TRAFFIC ACCIDENTS ROAD TRAFFIC (NHS CHARGES) ACT 1999 PROCEDURE NHS INJURY COSTS RECOVERY SCHEME (ICR)~~

| | | | | | |
|-------------------|---------------|--------------|----------------|-------------------|--------------|
| Procedure Number: | 02/03 | Supersedes: | | Classification | Financial |
| Version No: | Date of EqIA: | Approved by: | Date Approved: | Date made active: | Review Date: |
| V02 | | | | | 3 years |

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| Brief Summary of Document: | This document is one in a series of financial procedures providing clear processes to be followed. |
| Scope | Health Board wide procedure |
| To be read in conjunction with: | Standing Orders Standing Financial Instructions Other Financial Procedures |
| Owning group | Finance Team |

HYWEL DDA UNIVERSITY HEALTH BOARD

| Reviews and updates | | |
|---------------------|--|----------------|
| Version no: | Summary of Amendments: | Date Approved: |
| V01 | Full review | |
| V02 | Procedure name changed Delete section 1 and replace with new content Updates made: <ul style="list-style-type: none">- section 5 bullet point 2- section 6 bullet points 1 to 6 | |

Glossary of terms

| Term | Definition |
|------|----------------------------|
| CRU | Compensation Recovery Unit |
| RTA | Road Traffic Accident |
| A&E | Accident & Emergency |

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| Keywords | CRU, Compensation Recovery Unit, financial procedures |
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HYWEL DDA UNIVERSITY HEALTH BOARD

1. INTRODUCTION

~~The Road Traffic (NHS Charges) Act 1999 provides:-~~

~~**Pre 29 January 2007**— that where an insurance company makes payment in respect of a person injured or killed in a motor accident and to the company's knowledge that person has received treatment at a hospital, the company must also make a payment to the NHS organisation in respect of the cost of that person's inpatient and outpatient treatment.~~

~~**Post 29 January 2007**— anyone who is, or is alleged to be liable for an injury (physical or psychological) and then makes a compensation payment is liable for the NHS charges, regardless of what that payment is for. This applies to individuals as well as businesses and other organisation.~~

~~Charges levied are those which appear in current Welsh Assembly Government circulars and apply to treatment with or without admission.~~

~~Insurers must apply to the Compensation Recovery Unit (CRU) for what is called a certificate of NHS charges when making a compensation payment. The insurer will be asked if the accident victim received hospital treatment and to name the NHS organisation. CRU will send an electronic RTA2 notification to hospitals named by insurers.~~

~~The fundamental principle behind the ICR scheme is that those responsible for causing injury to others should meet the cost of NHS treatment. NHS costs are recovered only where personal injury compensation is paid, for example after a road traffic accident.~~

~~The scheme is based on a simple average cost tariff system to allow efficient and cost effective recovery of monies while also keeping the running costs down in order to maximise the benefits for NHS services.~~

~~Day to day operation of the scheme is carried out by Compensation Recovery Unit (CRU) for the Department of Work and Pensions.~~

2. AIM

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. FINANCE DEPARTMENT PROCEDURE

- On receipt of the notification from CRU the details which it contains must be checked.
- Treatment without admission to be confirmed with A & E Department and/or **relevant Patient Administration System (Myrddin)** for outpatient's attendance **and/or X-Ray records**. Treatment with admission to be confirmed by reference to **relevant Myrddin the Patient Administration System**. ~~Treatment before the 5th April 1999 to be confirmed against existing RTA records (previous scheme).~~
- Confirmation must be returned electronically to CRU within **4 weeks**.

HYWEL DDA UNIVERSITY HEALTH BOARD

- Each claim must be recorded by the relevant Finance Officer.
- Payments from CRU will be transferred monthly to the Health Board's GBS Account. The accompanying schedule will detail the claims to which they refer. The payment received must be logged against each claim.

6. FINANCE DEPT DESK TOP INSTRUCTIONS

Upon receipt of electronic notification of RTA2 from CRU, details to be checked as follows:-

- Check against **relevant** Patient Administration System (Myrddin) **and manual books for pre 1993 A&E records** for evidence **or X-Ray records** of attendance and subsequent admission.
- Check **relevant** Myrddin for evidence of admission and follow up outpatient attendance, noting dates.
- Complete electronic details required on RTA2, **~~record claim appropriately on spread sheet~~**, and return to CRU within **4** weeks of receipt.
- **Record each claim with the appropriate costing on the CRU spread sheet.**
- Upon notification of receipt of funds, note relevant payment against each claim on the **CRU** spreadsheet maintained.
- **Process all transactions via the General Ledger.**
- Provide monthly report to the Financial Accounting Department showing claims registered, payments received and those remaining unpaid.

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FP 12/01 RETENTION OF FINANCIAL RECORDS PROCEDURE

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|--------------------|---------------|---|----------------|-------------------|--------------|
| Procedure Number: | 090 | Supersedes: | | Classification | Financial |
| LOCCSIP Reference: | | NATSSIP standard: | | | |
| Version No: | Date of EqlA: | Approved by: | Date Approved: | Date made active: | Review Date: |
| 3 | | Executive Team-Finance Committee | | | |

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| 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 |

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|---------------------------------|---|
| To be read in conjunction with: | Standing Orders Standing Financial Instructions Other Financial Procedures Records Management Policy |
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| Owning committee/group | Executive Team-Finance Committee |
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| Reviews and updates | | |
|---------------------|------------------------|----------------|
| Version no: | Summary of Amendments: | Date Approved: |
| 1 | New Procedure | 1/10/2009 |
| 2 | Revised | 3/5/2017 |
| 3 | Revised | 17/09/2020 |

Glossary of terms

| Term | Definition |
|-------|---------------------------------------|
| DoH | Department of Health |
| BSC | Business Services Centre |
| NWSSP | NHS Wales Shared Services Partnership |

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| Keywords | Retention of records |
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1. INTRODUCTION & AIM

Records of the NHS and its predecessor bodies are subject to the Public Records Act 1958, which imposes a statutory duty of care directly upon all individuals who have direct responsibility for any such records. This document defines the procedures that shall be in place to manage the retention of Hywel Dda University Health Board's (the HDdUHB) financial records.

In many cases the primary financial records of the dissolved/predecessor **Local Health Boards** (Ceredigion, Carmarthenshire & Pembrokeshire) were processed and subsequently stored, by the Mid and West Wales Business Services Centre (BSC). **This responsibility has transferred to NHS Wales Shared Services Partnership (NWSSP) after the BSC was dissolved.** This position remains extant for certain processes, eg, services aligned with primary care contractors. Where this is the case the HDdUHB Director of Finance, shall ensure that NWSSP, or any successor organisation, have procedures in place to ensure that such records are retained for the period laid down within this procedure.

2. SCOPE

This procedure is Hywel Dda University Health Board wide.

3. OBJECTIVES

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

4. PRINCIPLES

Due to legislation, enactment and regulations, various financial records should not be destroyed until a stipulated period has elapsed.

Records may be retained for longer than the minimum period. However large amounts of documents should not be retained for long periods of time in excess of the limits specified below without good reason.

Records should be kept in a structured orderly manner with a log maintained of the location of each item.

Each record store shall be the responsibility of a named designated officer. This officer shall check the store in question on, at least, an annual basis to ensure it is being maintained in an orderly manner.

5. PERIODS OF RETENTION

In order to ensure that all financial and supporting records are maintained for the appropriate period in order for the HDdUHB to discharge its statutory and audit requirements, the main reference for periods of required retention is Circular WHC 2000/71 (Managing Records). The Department of Health's (DoH) document 'Records Management: NHS Code of Practice (2nd Edition), January 2009, is also an additional source of information. Organisations should also remember that records containing personal information are subject to the Data Protection Act 1998.

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This procedure will tie in with ~~the~~ HDdUHB's Records Management policy and be regularly updated to take account of any changes.

~~The~~ HDdUHB's required periods of retention are as laid down in Appendix 1: 'Periods of Retention'.

The periods shown relate to financial years i.e. records should be retained to the 31st March of the year in question, not simply the day/month to which they relate.

6. DISPOSAL

Once identified as no longer required to be kept due to statutory requirement or administrative need and they have no long term historical or research value, records should be destroyed. The method of destruction should take into account the confidential and/or sensitive nature of some of the items involved. If in doubt items should be disposed of as 'confidential waste'.

7. INTERPRETATION

Any uncertainty or questions regarding the interpretation of this procedure and the above circular shall be referred to the Director of Finance.

8. AUDIT

The Internal Audit programme shall, from time to time, provide for random checks to ensure this procedure is being adhered to.

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9. APPENDIX 1 - PERIODS OF RETENTION

| | | |
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| Annual Accounts (final – one set only) | 30 Years | Destroy under confidential conditions |
| Accounts – minor records (pass books, paying-in slips, cheque counterfoils, cancelled/discharged cheques (for cheques bearing printed receipts, see Receipts), accounts of petty cash expenditure, travel and subsistence accounts, minor vouchers, duplicate receipt books, income records, laundry lists and receipts) | 2 years from completion of audit | Destroy under confidential conditions |
| Accounts – working papers | 3 years from completion of audit | Destroy under confidential conditions |
| Advice notes (payments) | 1.5 years | Destroy under confidential conditions |
| Audit records (internal & external audit) – Original documents | 2 years from completion of audit | Destroy under confidential conditions |
| Audit reports – internal and external (including management letters, value for money reports and system/final accounts memoranda) | 2 years after formal completion by statutory auditor | Destroy under confidential conditions |
| Bank Statements | 2 years from completion of audit | Destroy under confidential conditions |

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| Bank Automated Clearing System (BACS) records | 6 years after year end | Destroy under confidential conditions |
| Benefactions (records of) | 5 years after end of financial year in which the trust monies become finally spent or the gift in kind is accepted. In cases where the Benefaction Endowment Trust fund/capital/interest remains permanent, records should be permanently retained by the organisation | Destroy under confidential conditions |
| Bills, receipts and cleared cheques | 6 years | Destroy under confidential conditions |
| Budgets (including working papers, reports, virements and journals) | 2 years from completion of audit | Destroy under confidential conditions |
| Capital charges data | 2 years from completion of audit | Destroy under confidential conditions |
| Capital paid invoices (see Invoices) | | |
| Cash books | 6 years after end of financial year to which they relate | Destroy under confidential conditions |
| Cash sheets | 6 years after end of financial year to which they relate | Destroy under confidential conditions |
| Contracts – financial | Approval files – 15 years Approved suppliers lists – 11 years | Destroy under confidential conditions |
| Contracts – non sealed (property) on termination | 6 years after termination of contract | Destroy under confidential conditions |

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| Contracts – non sealed (other) on termination | 6 years after termination of contract | Destroy under confidential conditions |
| Contracts – sealed (and associated records) | Minimum of 15 years, after which they should be reviewed | Destroy under confidential conditions |
| Contractual arrangements with hospitals or other bodies outside the NHS, including papers relating to financial settlements made under the contract (e.g. waiting list initiative, private finance initiative) | 6 years after end of financial year to which they relate | Destroy under confidential conditions |
| Cost accounts | 3 years after end of financial year to which they relate | Destroy under confidential conditions |
| Creditors Payments | 3 years after end of financial year to which they relate | Destroy under confidential conditions |
| Debtors' records – cleared | 2 years from completion of audit | Destroy under confidential conditions |
| Debtors' records – uncleared | 6 years from completion of audit | Destroy under confidential conditions |
| Demand notes | 6 years after end of financial year to which they relate | Destroy under confidential conditions |
| Estimates, including supporting calculations and statistics | 3 years after end of financial year to which they relate | Destroy under confidential conditions |
| Excess fares | 2 years after end of financial year to which they relate | Destroy under confidential conditions |
| Expenses claims, including travel and subsistence claims, and claims and authorisations | 5 years after end of financial year to which they relate | Destroy under confidential conditions |

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| Fraud cases files/investigations | 6 years | Destroy under confidential conditions |
| Fraud national proactive exercises | 3 years | Destroy under confidential conditions |
| Fraud cases files/investigations – if an investigation has been undertaken (if an interview took place but no offences were identified) | 7 years after file closure | Destroy under confidential conditions |
| Fraud cases files/investigations – if an investigation has been undertaken (if an interview did not take place and no offences were identified) | 3 years after file closure | Destroy under confidential conditions |
| Fraud cases files/investigations – if an investigation has been undertaken (if an interview has taken place and offences were identified) | 7 years after file closure or 7 years after completion of sentence, whichever is the later | Destroy under confidential conditions |
| Fraud national proactive exercises – if an exercise was undertaken (if an interview took place and offences were identified) | 7 years after exercise closure | Destroy under confidential conditions |
| Fraud national proactive exercises – if an exercise was undertaken (if an interview did not take place but no offences were identified) | 3 years after exercise closure | Destroy under confidential conditions |
| If as a result of the exercise an investigation is commenced, then the rules associated with 'Fraud cases, files or investigations' will apply | | |
| Funding Data | 6 years after end of financial year to which they relate | Destroy under confidential conditions |

RESTRICTED UNTIL APPROVED

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| General Medical Services Payments | 6 years after year end | Destroy under confidential conditions |
| Invoices | 6 years after end of financial year to which they relate | Destroy under confidential conditions |
| Ledgers, including cash books, ledgers, income and expenditure journals, nominal rolls, non-exchequer funds records (patient monies) | 6 years after end of financial year to which they relate | Destroy under confidential conditions |
| Non-exchequer funds records (i.e. funding received by the organisation that does not directly relate to patient care e.g. charitable funds) | 30 years Company charities are required by company law to keep their accounts and accounting records for at least three years but the Charity Commission recommends that they be kept for at least 6 years. The majority of noncompany charities must keep their accounts and accounting records for six years (Part VI Charities Act 1993). | Although technically exempt from the Public Records Act, it would be appropriate for authorities to treat these records as if they were not exempt |
| Patient Monies (i.e. smaller sums of donated money) | 6 years | Destroy under confidential conditions |
| PAYE records | 6 years after termination of employment | Destroy under confidential conditions |
| Payments | 6 years after year end | Destroy under confidential conditions |

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| Payroll (i.e. list of staff in the pay of the organisation) | 6 years after termination of employment | Destroy under confidential conditions For superannuation purposes, organisations may wish to retain such records until the subject reaches benefit age |
| Positive predictive value Performance indicators | 3 years | Destroy under confidential conditions |
| Private Finance Initiative (PFI) | 30 years | Destroy under confidential conditions |
| Receipts | 6 years after end of financial year to which they relate | Destroy under confidential conditions |
| Salaries (see Wages) | | |
| Superannuation accounts | 10 years | Destroy under confidential conditions |
| Superannuation register | 10 years | Destroy under confidential conditions |
| Tax forms | 6 years | Destroy under confidential conditions |
| Transport (staff pool car documentation) | 3 years unless litigation ensues | Destroy under confidential conditions |
| Trust-LHB documents without permanent relevance/not otherwise mentioned | 6 years | Destroy under confidential conditions |
| VAT records | 6 years after end of financial year to which they relate | Destroy under confidential conditions |

RESTRICTED UNTIL APPROVED

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| Wages/salary records | 10 years after termination of employment | Destroy under confidential conditions For superannuation purposes, organisations may wish to retain such records until the subject reaches benefit age |
|----------------------|--|---|