

PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	29 August 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Financial Procedures
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	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

Cefndir / Background

The following procedure has been reviewed and is presented to the Sustainable Resources Committee for approval:

- **FP090 Retention of Financial Records**

The following procedure has been reviewed and deemed not applicable, therefore the Sustainable Resources Committee approval is requested for removal:

- **FP1001 Injury Costs Recovery Scheme**

Asesiad / Assessment

FP090 Retention of Financial Records

The purpose of this document is to outline the key processes to be followed by Health Board staff in connection with the Retention of Financial Records and to set out associated roles and

responsibilities. This procedure has been updated to be in line with the latest Financial Procedure format (Appendix 1).

The procedure is covered by a specific Financial Procedures Equality Impact Assessment (EqIA) with no negative impact (Appendix 2).

FP1001 Injury Costs Recovery Scheme

This document has been reviewed and deemed to be more appropriately classified as an internal standard operating procedure.

Argymhelliad / Recommendation

The Sustainable Resources Committee is asked to approve the following updated financial procedure:

FP090 Retention of Financial Records and

approve the removal of FP1001 Injury Costs Recovery Scheme.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	5.7 Review and approve financial procedures on behalf of the Health Board.
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Previous procedures, internal audit report recommendations, standing financial instructions
Rhestr Termau: Glossary of Terms:	Included within the body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	HDdUHB Finance HDdUHB Local Counter Fraud Service HDdUHB Workforce & OD NHS Wales Shared Services Partnership (NWSSP)

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Financial procedures are required to ensure sound financial control
Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable
Gweithlu: Workforce:	Not applicable
Risg: Risk:	Financial procedures are required to ensure good governance and therefore minimise risk
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>EqIA 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 EqIAs have been undertaken and are published alongside the relevant document.</p>

RETENTION OF FINANCIAL RECORDS PROCEDURE

Procedure information

Procedure number: 090 FP 12/01

Classification:

Financial

Supersedes:

Version 3

National Safety Standards for Invasive Procedures (NatSSIPs) standards:

Not applicable

Version number:

4

Date of Equality Impact Assessment:

07/2023

Approval information

Approved by:

Sustainable Resources Committee

Date of approval:

Enter approval date

Date made active:

Enter date made active (completion by policy team)

Review date:

Enter review date

Enter review date (normally three years from approval date)

Summary of document:

The purpose of this document is to outline the key processes to be followed by Health Board staff in connection with the retention of financial records and to set out associated roles and responsibilities.

Scope:

The procedure applies to all Health Board staff.

To be read in conjunction with:

[Standing Orders and Standing Financial Instructions](#)
[Other Financial Procedures and Records Management Policy](#)

Patient information:

[Patient Information Library](#)

Owning group:

Sustainable Resources Committee
Date signed off by owning group

Executive Director job title:

Director of Finance

Reviews and updates:

Version 4

Keywords:

Retention of records

Glossary of terms

Term	Definition
DoH	Department of Health
NWSSP	NHS Wales Shared Services Partnership

FRAUD, BRIBERY AND CORRUPTION

All staff are required to comply with the Health Board's 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 can make a referral by contacting the Counter Fraud Department by either of the following methods;

- Telephoning the office on 01267 266268,
- Emailing HDUHB.CounterFraudTeam.HDD@wales.nhs.uk,
- Making an online referral at <https://reportfraud.cfa.nhs.uk> or
- Making an anonymous referral by telephoning Crimestoppers on 0800 028 40 60.

Staff should refer to the Counter Fraud, Bribery and Corruption Policy for further information.

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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 (HDdUHB) financial records.

OBJECTIVES

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

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.

PERIODS OF RETENTION

In order to ensure that all financial and supporting records are maintained for the appropriate period in order for HDdUHB to discharge its statutory and audit requirements, the main reference for periods of required retention is Records Management Code of Practice for Health and Social Care 2022 (WHC/2022/008). Organisations should also remember that records containing personal information are subject to the UK General Data Protection Regulation 2016 and Data Protection Act 2018

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

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 31 March of the year in question, not simply the day/month to which they relate.

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'.

INTERPRETATION

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

AUDIT

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

APPENDIX 1 - PERIODS OF RETENTION

Annual Accounts (final – one set only)	20 Years	
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 * ¹	Destroy under confidential conditions

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

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

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 no 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
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	6 years	Destroy under confidential conditions
PAYE records	10 years after termination of employment.	Destroy under confidential conditions
Payments	6 years after year end	Destroy under confidential conditions
Payroll (i.e. list of staff in the pay of the organisation)	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
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
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
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

*1 NWSSP request copy statements for the period 1 April 2020 to 31 August 2022 until 31 December 2030 to support European Social Fund Audit of COVID expenditure on staff and PPE.

SUMMARY EQUALITY IMPACT ASSESSMENT – 090 - FP12/01 Retention of Financial Records Procedure

Organisation:	Hywel Dda Health Board
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Proposal Sponsored by:	Name:	Timothy John
	Title:	Senior Finance Business Partner
	Department:	Finance

Policy Title:	FP12/01 Retention of Financial Records Procedure
	Update September 2020
	Update to: FP 12/01 Retention of Financial Records Procedure

Brief Aims and Objectives of Policy:	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 (HDdUHB) financial records.
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Was the decision reached to proceed to full Equality Impact Assessment?	Yes	✓ No
		The procedures required by the Finance Dept of the Health Board are for the most part mandated by the Dept of Health and the Treasury. Research of other Health Boards and an analysis of complaints received regarding previous procedures has shown that there is no impact on service users, staff or external bodies in relation to protected characteristics or human rights. Financial procedures are relevant to all those affected and apply equally to all regardless of protected characteristics. The procedures were drawn up by the Director of Finance with appropriate assistance from designated colleagues and were based on predecessor procedures.

	<p>If any policy/procedure is found to require a full impact assessment, this will be undertaken as appropriate.</p> <p>Update 8 September 2020 Changes made to the revised Retention of Financial Records were assessed as having a low relevance to equality duties and a neutral impact on protected groups.</p> <p>Update July 2023 Nil required</p>	
If no, are there any issues to be addressed?	Yes	✓ No
	<p>Provision of copies of policies/procedures in alternative formats on request.</p> <p>If anyone identified any difficulty complying with any procedure or in carrying out the procedure as prescribed, appropriate assistance would be given on a case-by-case basis.</p>	

Is the Policy Lawful?	Yes ✓	Complies with DoH and Treasury mandates
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Will the Policy be adopted?	Yes ✓	This is an update to existing policies and procedures
	If no, please record the reason and any further action required:	

Are monitoring arrangements in place?	Yes ✓	
	Any complaints received around equality, diversity or human rights issues following implementation of the reviewed and revised procedures will be addressed on an individual basis and appropriate action taken	

Who is the Lead Officer?	Name:	Timothy John
	Title:	Senior Finance Business Partner
	Department:	Finance
Review Date of Policy:	3 Yearly or earlier if required	

Signature of all parties:	Name	Title	Signature
	Helen Rathbone	Finance Analyst	27-05-21
	Timothy John	Senior Finance Business Partner	Reviewed - 08/08/2023
	Alan Winter	Senior Diversity & Inclusion Officer	28/5/2021 10/8/2023

Please Note: An Action Plan should be attached to this Outcome Report prior to signature

N/A