

LOSSES AND SPECIAL PAYMENTS

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Name of originator/author:	David Skelton, Financial Controller
Name of responsible committee/individual:	Staffordshire CCGs Audit Committees Meetings in Common
Date approved by Committee/individual	CCG Audit Group
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Target audience:	All employees, members, committee and sub- committee members of the group and members of the Governing Body and its committees.

CONSULTATION SCHEDULE

Name and Title of Individual	Groups consulted	Date Consulted
David Skelton, Financial Controller	Audit Committees of Staffordshire CCGs meeting in Common	19/02/19
David Skelton, Financial Controller	PriceWaterhouseCooper – Internal Audit	26/03/19

RATIFICATION SCHEDULE

Name of Committee approving Policy	Date
Audit Committees of Staffordshire CCGs meeting in Common	19/02/19
Governing Bodies meeting in Common	30/05/19

VERSION CONTROL

Version	Version/Description of amendments	Date	Author/amended by
1	New Policy		
2	Policy updated to include East Staffs CCG, North Staffs CCG and Stoke on Trent CCG sign off	Feb 2019	David Skelton

Impact Assessments – available on request

	Stage	Complete	Comments
Equality Impact Assessment	N/A		
Quality Impact Assessment	N/A		
Privacy Impact Assessment	N/A		

Losses and Special Payments Policy

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1 INTRODUCTION

This policy is to document the procedure for Losses and Special Payments.

During the course of the CCG's day to day business, the need to make payment in respect of losses and special items which fall outside the normal day to day business of the CCG may arise.

As per NHS England guidance "such transactions include payments misappropriated through fraud, payments made without legal authority, loss or damage to property.

The purpose of this document is to provide guidance to staff on how to document the criteria and procedure for making a payment to a third party under the category of "Losses and Special Payments".

This policy applies to all employees of the CCG, any staff that are seconded to the CCG, contract and agency staff and any other individual working on CCG premises including embed employees.

2 IMPACT ANALYSES

2.1 Equality

As a result of performing the screening analysis, the policy does not appear to have any adverse effects on people who share Protected Characteristics and no further actions are recommended at this stage.

2.2 Sustainability

A Sustainability Impact Assessment has been undertaken. No positive or negative impacts were identified against the twelve sustainability themes.

2.3 Bribery Act

This Policy is designed to contribute to the CCG's obligation to ensure adequate measures are in place to prevent acts of bribery within the meaning of the Bribery Act 2010.

3 SCOPE

This policy applies to:

- All CCG employees, including all full and part-time staff, staff on sessional or short term contracts, Lay members, students and trainees (including apprentices), agency staff, seconded staff
- Members of the CCG's Board, Committees, Sub Committees and Sub Groups, including co-opted members, appointed deputies and members of committees/groups from other organisations
- Members of the CCG (Council of members) – defined as GP partners (or where the practice is a company, each director) and any individual directly involved

with the business or decision making of the CCG e.g. representatives at the Council of Members, GP portfolio lead.

4 RESPONSIBILITIES

All Staff

All staff are responsible for reporting a loss or request for a special payment to the Chief Finance Officer / Deputy Chief Finance Officer

Directors

Directors are responsible for authorising the checklist which records the details arising from the loss or special payment.

Finance Team

Embed are responsible for processing the payment request, accurate coding of the transaction and maintaining a register of all payments with full supporting documentation.

5 REPORTING LOSSES AND REQUESTS FOR SPECIAL PAYMENTS

All losses and requests for special payments must be reported to the Chief Finance Officer / Deputy Chief Finance Officer immediately.

Once established then the loss or special payment is to be reported at the next available Audit Committee.

Categories of Loss:

- Loss of cash – due to theft, fraud, arson, overpayment of salary, fees and allowances and other causes including accidents.
- Fruitless payments – a fruitless payment can't be avoided because the recipient is entitled to it, even though the CCG will get nothing in return. In assessing a fruitless payment, there will always be a degree of blame. For example, payment for travel tickets or accommodation that has been wrongly booked.
- Bad debts – refer to the CCG's Writing off Bad Debts procedure.
- Damage to buildings, fittings, furniture and equipment – examples of losses under this category are: losses by fire (other than arson) and losses by weather damage or accident beyond the control of any responsible person.

Categories of Special Payment

- Compensation payments made under legal obligation – liability under a Court Order or legally binding arbitration award. This includes compensation for injuries to persons, damage to property and unfair dismissal.
- Extra contractual payments to contractors – these are payments which are not legally due under the original contract but where there appears to be an obligation which the courts may uphold.

- Ex-gratia payments – these are payments the CCG is not obliged to make or for which there is no legal liability. Examples of ex-gratia payments are: loss of personal effects, clinical negligence/personal injury, and settlement on termination of employment and maladministration cases.
- Special Severance Payments – these are paid to employees, contractors and others outside of normal statutory or contractual requirements when leaving employment in public service whether they resign, are dismissed or reach an agreed termination of contract

Where an individual payment or loss exceeds £300,000 this must be disclosed in the year end accounts.

Further detailed guidance on any of the above categories is available in the CCG Annual Reporting Guidance.

6 PROCEDURE FOR A LOSS OR NEED FOR A SPECIAL PAYMENT

Establish the category of the loss or special payment.

Report the loss or request for special payment to the Chief Finance Officer / Deputy Chief Finance officer.

The CCG's Finance team will raise a payment request if appropriate and ensure that the appropriate financial code is used. A separate section in the Chart of Accounts relates to Losses and Special payments. It is very important that this coding is correct to ensure that the expenditure is picked up correctly in the Annual Accounts.

The CCG Finance team will reference and record all payments under this category in a register and will keep copies of all supporting documentation.

All losses and special payments are subject to Internal and/or External Audit Review.