



London Ambulance Service **NHS**  
NHS Trust

## Transaction Management Policy

## **DOCUMENT PROFILE and CONTROL.**

### **Purpose of the document:**

The purpose of this Transaction Management Policy is to clearly define and document effective financial controls and processes for the London Ambulance Service NHS Trust. It informs those involved in the financial aspects of managing the Trust what is expected of them, thus reducing the risk of procedures not being implemented properly.

Rather than provide detailed guidance on how financial processes should be managed this policy provides;

- A high level outline of the range of procedures that should be maintained.
- A minimum level of disclose that should be within each procedure note.
- Who is responsible for producing, maintaining and applying them?
- Timescales for review.

Producing such a document also provides the following benefits:

- Provides high level guidance finance staff regarding where detailed procedures and guidance should be maintained.
- Provides flexibility between policies (which require formal committee approval) and procedures (which need to be flexible to reflect the need to change and improve operational practices).
- Reduce the administrative burden in maintaining an effective control environment.
- Allows continuity and consistency in the absence of or charges to key personnel.
- Documents the financial procedures and internal controls within those procedures.
- Reduces audit time in testing systems, procedures and controls, because they are properly recorded.
- Allows an opportunity to consider whether the existing systems at the Trust meet the Department of Health's financial control objectives, and whether the procedures are being implemented in the way intended.

This policy ensures that the Trust follows best practice in financial management.

**Sponsor Department:** Finance

**Author/Reviewer:** Head of Financial Services. To be reviewed by May 2020.

**Document Status:** Final

<b>Amendment History</b>			
Date	*Version	Author/Contributor	Amendment Details
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24/01/2017	2.1	IG Manager	Reformatting
08/04/2016	1.2	IG Manager	Editing and Document Profile and Control update
09/03/2016	1.1	Head of Financial Services	Addition of Implementation Plan
21/01/2016	0.2	Head of Financial Services	Whole document reviewed by Finance.
26/01/2015	0.1	Deputy Director of Finance	Whole document reviewed by Finance.

**\*Version Control Note:** All documents in development are indicated by minor versions i.e. 0.1; 0.2 etc. The first version of a document to be approved for release is given major version 1.0. Upon review the first version of a revised document is given the designation 1.1, the second 1.2 etc. until the revised

version is approved, whereupon it becomes version 2.0. The system continues in numerical order each time a document is reviewed and approved.

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Links to Related documents or references providing additional information		
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## 1. Introduction

Robust financial management is a key component in the delivery of high quality care to the community. The primary financial focus for a Trust is to deliver sustainable financial performance and as part of this, the management of financial resources is of critical importance to ensuring that services are able to run smoothly.

## 2. Scope

This policy identifies the approach that the Trust is expected to follow in the financial management of its resources. The policy follows guidance set out in the following documents:

- The Trusts standing financial instructions, standing orders and scheme of delegation.
- The Department of Health Group Accounting Manual (GAM).
- The accounting standards issued by the IASB (International Accounting Standards Body).
- HM Treasury Managing Public Money
- Introduction to Cash Management for NHS Trusts issued by the NHSI (NHS Improvements).

## 3. Objectives

NHS organisations are expected to operate in a climate of strong corporate governance and to ensure that public monies are used efficiently and effectively. In delivering this expectation the Trust needs to set out formally its approach to managing its financial function and minimising the risks to which that the Trust is exposed in providing financial management for the organisation.

## 4. Responsibilities

4.1 The Trust Board, under guidance from the Audit Committee and Finance and Investment Committee, will:

- approve the Standing Financial Instructions, Standing Orders and Scheme of Delegated Limits on a regular basis;
- approve the Transaction Management Policy; and
- delegate responsibility for financial management to the Director of Finance

4.2 The Director of Finance is responsible to the Board for all aspects of financial management in the Trust. The Director of Finance will:

- ensure that financial management is carried out in line with this policy;
- ensure that proper internal controls are in place;
- ensure proper safeguards are in place for ensuring the security of the Trust's assets.

#### 4.3 The Deputy Director of Finance will:

- fulfil the role of the Director of Finance, in respect of the above, in the absence of the Director of Finance;
- ensure that the staff working in the finance function are adequately experienced, trained and supported to carry out their role; and
- oversee the management of the finance function.

#### 4.4 The Head of Financial Services will:

- Provide management and leadership to the financial accounting team, ensuring that policies and procedures are adhered to;
- update the transaction policy and relevant financial procedures, when necessary, for approval by the Finance & Investment Committee; and
- make recommendations and escalate issues, when necessary, to the Director and Deputy Director of Finance.

#### 4.5 The Head of Management Accounting will:

- Provide management and leadership to the management accounting team, ensuring that policies and procedures are adhered to;
- update the relevant financial procedures; and
- make recommendations and escalate issues, when necessary, to the Director and Deputy Director of Finance.

### 5. Content

Finance will maintain procedures relating to the processing of transactions across all the disciplines for which they are responsible. These disciplines comprise:

- Fixed assets accounting
- Property revaluations
- Accounts Payable
- Treasury and debtors
- Accruals and Prepayments
- Stock
- Provisions
- Payroll interface
- Monthly reporting to NHSI/DH
- Year-end reporting to NHSI/DH

- Budgets and budget adjustments
- Outsourcing
- Reconciliations
- Journal preparation and approval
- Sales invoice processing
- Purchase invoice processing
- Agreement of Balances
- Nominal Roll
- Purchasing Cards

This policy sets out the minimum standards that should be detailed within these procedures, who is responsible for maintaining them and the frequency of renewal. This document does not seek to provide the detailed procedures.

The Director of Finance is responsible for ensuring this policy is complied with, and regular reports should be provided to the Finance and Investment Committee either demonstrating that or outlining actions to ensure compliance.

This document should be read in conjunction with the SFIs/SOs and SoD. In any matters of confusion the SFIs, SOs or SoD will take precedence.

## **6. Fixed assets accounting**

Procedures will be maintained by the Head of Financial Services to ensure that assets are properly recorded and controlled. The procedures will cover:

- The recording and capitalisation of assets in line with the Trust's accounting policies
- The reconciliations of the fixed asset accounts in the financial ledger to the Fixed Assets Register (FAR)
- The regular verification of physical existence of the assets in the FAR
- The regular valuation of the assets in accordance with the requirements of DH and the Trust's accounting policies.

The Trust will maintain a fixed asset register to support its fixed asset accounting system. The Head of Financial Services is responsible for the correct use and operation of both systems.

Capital expenditure will be reported to the Trust Board and the Finance & Investment Committee monthly within the Finance Report. Reports will cover actual spend by project for the year to date against budget, the projected spend for the year against budget and the progress of milestone plans.

The Head of Financial Services will be responsible for maintaining fixed asset procedures and ensuring that they are followed. He/she will bring to the attention of the Deputy Director of Finance and Director of Finance any material risks or concerns regarding the Trust's fixed assets as soon as they are known.

Processes for the effective recording and control of fixed assets will be reviewed at least

every 2 years to ensure they are robust and relevant.

## **7. Property revaluations**

Procedures will be maintained by the Head of Financial Services to ensure that assets are revaluations are properly recorded, controlled and in accordance with the accounting standards. The procedures will cover:

- The procedure for obtaining the information required from estates.
- The process for validating the information supplied by the valuation office.
- The methodically used to calculate the revalued assets and impairments.
- The procedure for updating the accounts and fixed asset register (FAR).

The Trust will revalue its land and buildings on an annual basis to ensure an up to date value is included in the annual accounts. The Head of Financial Services is responsible for ensuring this is done every year.

The Head of Financial Services will be responsible for maintaining property revaluation procedures and ensuring that they are followed. He/he will bring to the attention of the Deputy Director of Finance and Director of Finance any material risks or concerns regarding the Trust's property revaluation as soon as they are known.

Processes for the effective revaluation of properties will be reviewed at least every 2 years to ensure they are robust and relevant.

## **8. Accounts payable**

The accounts payable procedure includes the following sections trade and other creditors, procurement interface and purchase invoice processing.

### **8.1 Trade and other creditors**

Procedures will be maintained by the Head of Financial Services to ensure that all suppliers are paid for goods and services delivered in a timely manner with the aim of adhering to the Better Payment Practice Code (BPPC). The procedures will cover:

- The raising of purchase requisitions in accordance with the Scheme of Delegation leading to the issues of purchase orders by Procurement.
- The booking of suppliers' invoices onto the Finance system.
- The receipting of goods/services in the Basware system in accordance with the Scheme of Delegation.
- The authorisation of suppliers' invoices in the Basware system in accordance with the Scheme of Delegation where not subject to a purchase order.
- The payment of suppliers' invoices via payment runs or faster payment to meet BPPC criteria.

LAS utilises an outsourced financial services provider to provide systems for the generation of purchase requisitions and the booking/processing/payment of supplier invoices within the finance systems provided. The effective operation of the agreed processes operated by the outsourced provider remains the responsibility of the Head of Financial Services and it is his/her responsibility to ensure that invoices are processed and settled in a timely manner.

The Head of Financial Services or his/her nominated lead is required to undertake regular liaison with officers and staff across the Trust to support proactively the generation of purchase requisitions and the timely processing and settlement of supplier invoices. It is the responsibility of the Head of Financial Services and the Head of Procurement to ensure that staff that require goods/services are aware of the correct processes to be followed.

The Head of Financial Services is responsible for producing a monthly report on outstanding creditors for inclusion within the Finance Report, and to bring to the attention of the Deputy Director of Finance and Director of Finance any material risks or concerns regarding the operation of supplier invoice processes within the Trust and/or any individual supplier as soon as they are known.

## **8.2 Procurement interface**

Procedures will be maintained by the Head of Financial Services to ensure that Procurement requirements which have an impact on Finance are correctly documented. The procedures will cover:

- Raising a purchase requisition
- Authorising a purchase requisition
- Receipting for goods/services received and authorising invoices in Basware
- Maintaining a list of personnel with permissions to authorise purchase requisitions and invoices

LAS utilises an outsourced financial services provider to run the E-Procurement system. The effective operation of the agreed processes operated by the outsourced provider remains the responsibility of the Head of Financial Services and it is his/her responsibility to ensure that all requisitions are raised and approved in the correct manner. The Head of Financial Services or his/her nominated lead is required to undertake regular liaison with officers and staff across the Trust to support proactively the generation of purchase requisitions and the timely receipting and authorisation of supplier invoices. It is the responsibility of the Head of Financial Services to ensure that staff who require goods/services are aware of the correct processes to be followed.

## **8.3 Purchase invoice processing**

Procedures will be maintained by the Head of Financial Services to ensure that purchase invoices are processed under proper controls. The procedures will cover:

- Generation of purchase requisitions
- E-Proc catalogue and non-catalogue items
- Non purchase order items
- Receipting of goods/services in Basware
- Approval of invoices for goods/services in Basware

LAS utilises an outsourced financial services provider for the generation of purchase requisitions and the booking/processing/payment of supplier invoices. The effective

operation of the agreed processes operated by the outsourced provider remains the responsibility of the Head of Financial Services and it is his/her responsibility to ensure that invoices are processed in a timely manner. The Head of Financial Services or his/her nominated lead is required to undertake regular liaison with officers and staff across the Trust to support proactively the generation of purchase requisitions and the timely processing of supplier invoices. It is the responsibility of the Head of Financial Services to ensure that staff who require goods/services are aware of the correct processes to be followed.

Procedures for the operation of accounts payable processes will be reviewed at least every 2 years to ensure they are robust and relevant.

## **9.0 Treasury and debtors**

The treasury and debtors procedure includes cash and banking, sales invoicing processing and trade and other debtors.

### **9.1 Cash and banking**

Procedures will be maintained by the Head of Financial Services to ensure that bank accounts and cash funds are operated in a safe and effective manner in accordance with guidance issued by the NHSI/DH and the Trust's Policy on Cash Management & Investment. The procedures will cover:

- Authorisation of bank accounts and the maintenance of approved signatories.
- Appropriate authorisation of outgoing payments by designated signatories
- Payments to suppliers in accordance with properly authorised invoices.
- Prompt banking of incoming receipts.
- Daily bank reconciliations performed by appropriate personnel.
- Investment of surplus cash funds in accordance with the restrictions placed on NHS Trusts.
- The preparation of rolling daily, thirteen weeks and twelve month cash flow forecasts.
- Management of cash position to achieve required External Financing Limit at year end.

LAS utilises an outsourced financial services provider for the management of its bank accounts and the payment of authorised suppliers invoices. The effective operation of agreed banking processes performed by the outsourced provider is the responsibility of the Head of Financial Services and it is his/her responsibility to ensure that all banking routines meet the Trust's internal control requirements. The Head of Financial Services or his/her nominated lead will undertake regular liaison with officers and staff across the Trust to ensure that payment requirements are understood and that incoming monies are properly controlled.

The Head of Financial Services is responsible for producing i) a monthly cash flow statement analysing receipts and payments with a commentary on major movements ii) a monthly 13 week cash flow forecast; these reports are included in the Finance Report. The Head of Financial Services is required to bring to the attention of the Deputy Director of Finance and Director of Finance any material risks or concerns regarding the operation of the Trust's bank accounts as soon as they are known.

## 9.2 Sales invoice processing

Procedures will be maintained by the Head of Financial Services to ensure that sales invoices are raised under proper controls. The procedures will cover:

- Listing of the business activities requiring sales invoice generation
- Sales invoicing requirements for each business activity
- Generation of sales invoice requests
- Issue of invoice by ELFS
- Receipt of purchase orders to cover sales activities

LAS utilises an outsourced financial services provider for the production of sales invoices. It is the responsibility of the Head of Financial Services to ensure that sales invoices are generated in accordance with agreed procedures and sent to counterparties in a timely manner. The Head of Financial Services or his/her nominated lead is required to undertake regular liaison with officers and staff across the Trust to support proactively the timely generation of sales invoices. It is the responsibility of the Head of Financial Services to ensure that staff who require invoices to be raised are aware of the correct processes to be followed.

## 9.3 Trade and other debtors

Procedures will be maintained by the Head of Financial Services to ensure that all debt is correctly recorded and collected in a timely manner. The procedures will cover:

- The raising of debt via sales invoices and the maintenance of accurate and complete supporting information.
- The chasing of debt when past due for payment
- The issue of reminder letters.
- Receipting of payments.
- Issuing credit notes to amend a debt if it is found to be inaccurate.
- Issuing credit notes for the reduction or cancellation of debt.

LAS utilises an outsourced financial services provider for the generation, chasing and receipting of debtors. The effective operation of the agreed processes operated by the outsourced provider remains the responsibility of the Head of Financial Services and it is his/her responsibility to ensure that invoices are raised in accordance with required processes and that old debts are chased for settlement in a timely manner. The Head of Financial Services or his/her nominated lead is required to undertake regular liaison with officers and staff across the Trust to support proactively the timely generation and settlement of debtors' invoices. It is the responsibility of the Head of Financial Services to ensure that staff that require invoices to be raised are aware of the correct processes to be followed.

The Head of Financial Services is responsible for producing a monthly report on outstanding debts for inclusion within the Finance Report, and to bring to the attention of the Deputy Director of Finance and Director of Finance any material risks or concerns regarding the operation of the debt collection processes within the Trust and/or any individual debt as soon as they are known.

Procedures for the operation of effective treasury and debtors will be reviewed at least every 2 years to ensure they are robust and relevant.

Ref. TP101	Title: Transaction Management Policy	Page 10 of 18
------------	--------------------------------------	---------------

## 10. Accruals & Prepayments

The accruals and prepayment procedures include sections on preparation of accruals and prepayment journals for the accounts.

### 10.1 Accruals

Procedures will be maintained by the Head of Financial Services and the Head of Management Accounts to ensure that appropriate accruals are raised on a monthly basis. An accrual is defined as a liability resulting from a past economic event which can be reliably assessed as to timing and value. The procedures will cover:

- The raising of the journal voucher, including narrative explanations
- The attachment of adequate backing documentation where necessary to substantiate the accrual
- The posting of the journal voucher
- The authorisation of the journal voucher by designated personnel

Accruals are generally estimated based on expenditure arising on past invoices which give a major degree of estimating certainty. In the absence of invoices other documents (e.g. contracts, e-mails) will be used to inform the calculation of the accrual. The audit trail behind the accrual will always be available to validate the accrual.

LAS utilises an outsourced financial services provider for the operation of the financial ledger, who maintain the list of approved journal authorisers based on names advised by the Head of Financial Services and the Head of Management Accounts and who ensure within the system that journals can only be raised or approved by relevant personnel. The operation of the financial ledger remains the responsibility of the Head of Financial Services and it is his/her responsibility to ensure the financial integrity of the ledger.

A number of procedures for individual expense types are maintained by the Head of Financial Services and the Head of Management Accounts.

### 10.2 Prepayments

Procedures will be maintained by the Head of Financial Services and the Head of Management Accounts to ensure that appropriate prepayments are raised on a monthly basis. A prepayment is defined as an expense paid in advance but which has not yet been incurred. The procedures will cover:

- The raising of the journal voucher, including narrative explanations
- The attachment of adequate backing documentation where necessary to substantiate the prepayment
- The posting of the journal voucher
- The authorisation of the journal voucher by designated personnel

LAS utilises an outsourced financial services provider for the operation of the financial ledger, who maintain the list of approved journal authorisers based on names advised by the Head of Financial Services and the Head of Management Accounts and who ensure

within the system that journals can only be raised or approved by relevant personnel. The operation of the financial ledger remains the responsibility of the Head of Financial Services and it is his/her responsibility to ensure the financial integrity of the ledger.

A number of procedures for individual expense types are maintained by the Head of Financial Services and the Head of Management Accounts.

Procedures for the operation of effective accruals and prepayments processes will be reviewed at least every 2 years to ensure they are robust and relevant.

## 11. Stock

Procedures will be maintained by the Head of Financial Services to ensure that the value of stocks is correctly reflected in the financial ledger. The procedures will cover:

- Physical stocktaking requirements, including frequency
- Stock system

LAS utilises an outsourced financial services provider for the operation of the financial ledger and the interfacing of the stock system. The effective operation of the agreed processes operated by the outsourced provider remains the responsibility of the Head of Financial Services and it is his/her responsibility to ensure that stocks are correctly counted at regular intervals and correctly valued in the financial ledger. The Head of Financial Services or his/her nominated lead is required to undertake regular liaison with depot staff across the Trust to ensure that stock taking routines are properly performed.

Procedures for the operation of effective stock processes will be reviewed at least every 2 years to ensure they are robust and relevant.

## 12. Provisions

Procedures will be maintained by the Head of Financial Services to ensure that provisions are reviewed on a monthly basis to ensure that they reflect the financial obligations of the Trust. A provision is defined as a liability of uncertain timing or amount resulting from a past economic event. The procedures will cover:

- Liaison with directorates and external organisations to assess the requirements for provisions
- The raising of the journal voucher, including narrative explanations
- The attachment of adequate backing documentation where necessary to substantiate the provision
- The posting of the journal voucher
- The authorisation of the journal voucher by designated personnel
- Accounting for provisions in line with DH and NHSI guidelines

It is the responsibility of the Head of Financial Services to understand the DH accounting requirements for provisions, and to liaise with the relevant internal directorates and external organisations to obtain the data which forms the basis of the provisions.

Provisions are reported as part of the Trust's balance sheet within the monthly Finance

Ref. TP101	Title: Transaction Management Policy	Page 12 of 18
------------	--------------------------------------	---------------

Report; provision movements are reported to the NHSI. Both these tasks are the responsibility of the Head of Financial Services.

Procedures for the accounting for provisions will be reviewed at least every 2 years to ensure they are robust and relevant.

### **13. Payroll interface**

Procedures will be maintained by the Head of Financial Services to ensure that Payroll actions which have an impact on Finance are correctly documented. The procedures will cover:

- The role of Finance in Payroll processing
- Payroll reconciliation routines
- Payment and processing of Tax/NI contributions arising on benefits-in-kind
- Validation of pension contributions to the NHS Pensions Agency

The effective operation of the above processes is the responsibility of the Head of Financial Services and it is his/her responsibility to undertake regular liaison with Payroll and the outsourced financial services provider to ensure that Finance is able to fulfill their duties.

Procedures for the interfaces with Payroll will be reviewed at least every 2 years to ensure they are robust and relevant.

### **14. Monthly reporting to NHSI/DH and Monthly Finance Reports**

Procedures will be maintained by the Head of Financial Services and Head of Management Accounts to ensure that the monthly reporting requirements to NHSI/DH and the Trust Board/FIC are documented. The procedures will cover:

- Population of the NHSI Finance Return
- Review of explanations for material figures and movements
- Population of the Part 1 and Part 2 Finance Reports

Procedures for the production of monthly Finance reports will be reviewed at least every 2 years to ensure they are robust and relevant.

### **15. Year-end reporting to NHSI/DH**

Procedures will be maintained by the Head of Financial Services and Head of Management Accounts to ensure that the year-end accounts reporting requirements to NHSI/DH and the Trust Board/FIC are documented. The procedures will cover:

- Management of the year-end process
- Population of the TFMS return
- Population of the Annual Accounts templates
- Management of the year-end stock count
- Signing of the certificates required by the auditors

Procedures for the production of yearly annual accounts will be reviewed at least every 2

Ref. TP101	Title: Transaction Management Policy	Page 13 of 18
------------	--------------------------------------	---------------

years to ensure they are robust and relevant.

## 16. Budgets and budget adjustments

Procedures will be maintained by the Head of Management Accounts to ensure that the annual budgeting exercise is properly controlled to enable robust budgets to be generated and reported to the Trust Board and NHSI/DH. The procedures will cover:

- Planning guidance and timetable
- Communication with budget holders on budget setting
- Collation of revenue income and expenditure data
- Workforce planning
- Collation of capital expenditure requirements
- Formulation of Cost Improvement Programmes
- Generation of Cash Flow plan
- Sign-off by budget holders following agreement of budgets by Trust Board

Procedures for the effective production the Annual Budget will be reviewed at least every 2 years to ensure they are robust and relevant.

## 17. Outsourcing

LAS utilises an outsourced financial services provider (ELFS) for the operation of systems covering all aspects of the financial ledger. Procedures will be maintained by the Head of Financial Services to ensure that the processing responsibilities undertaken by ELFS are documented to avoid misunderstandings. The procedures will cover:

- E-Financials, Business Objects, Basware, Excel Uploader, E-procurement
- Accounts Payable
- Accounts Receivable
- Agreement of Balances
- Treasury
- Payroll
- VAT
- Control Account Reconciliations

Procedures for the effective operation of the outsourcing arrangements will be reviewed at least every 2 years to ensure they are robust and relevant.

## 18. Reconciliations

Procedures will be maintained by the Head of Financial Services to ensure that all balance sheet nominal ledger accounts are reconciled on an appropriate regular basis. The procedures cover:

- Responsibility for preparation of reconciliations
- Frequency of reconciliations (daily/monthly)
- Review and sign-off by a senior Finance team member
- Chasing and clearance of reconciling items

LAS utilises an outsourced financial services provider for the production of many of the

Ref. TP101	Title: Transaction Management Policy	Page 14 of 18
------------	--------------------------------------	---------------

reconciliations. It is the responsibility of the Head of Financial Services to ensure that the reconciliations are regularly undertaken and that Finance staff then review and clear reconciling items.

Procedures for the effective reconciliation of all balance sheet accounts will be reviewed at least every 2 years to ensure they are robust and relevant.

## **19. Journal preparation and approvals**

Procedures will be maintained by the Head of Financial Services and Head of Management Accounts to ensure that journal vouchers are raised under proper controls. The procedures will cover:

- The raising of the journal voucher, including narrative explanations
- The attachment of adequate backing documentation where necessary to substantiate the entry
- The posting of the journal voucher
- The authorisation of the journal voucher by designated personnel

Procedures for the effective control of journal entries will be reviewed at least every 2 years to ensure they are robust and relevant.

## **20. Agreement of Balances**

Procedures will be maintained by the Head of Financial Services to ensure that the quarterly exercises to agree with NHS counterparty debtor/creditor balances and income/expenditure figures are carried out in accordance with NHSI/DH requirements. The procedures will cover:

- Sending of data on balances to counterparties
- Maintenance of counterparty contact details
- Requirements for agreement of relevant balances
- Requirements for adjustment of balances where appropriate

LAS utilises an outsourced financial services provider for advising counterparties of the debtor/creditor balances and income/expenditure figures. The effective operation of the agreed processes operated by the outsourced provider remains the responsibility of the Head of Financial Services and it is his/her responsibility to ensure that these are followed correctly. The Head of Financial Services or his/her nominated lead is required to ensure that relevant Finance staff understand the processes for the agreement of balances exercise.

Procedures for the agreement of balances exercises will be reviewed every quarter to ensure they meet NHSI/DH requirements.

## **21. Nominal Roll**

Procedures will be maintained by the Head of Management Accounts to ensure that budget holders liaise with management accountants on the accuracy of the Nominal Roll and that required changes are advised by budget holders to HR. The procedures cover:

Ref. TP101	Title: Transaction Management Policy	Page 15 of 18
------------	--------------------------------------	---------------

- Liaison with budget holders

LAS utilises an outsourced financial services provider to process the interface of the Nominal Roll to the ledger. The effective operation of the agreed processes operated by the outsourced provider remains the responsibility of the Head of Management Accounts and it is his/her responsibility to ensure that these are followed correctly.

Procedures for the use of the Nominal Roll will be reviewed every 2 years to ensure they meet current requirements.

## 22. Purchasing Cards

Procedures will be maintained by the Head of Financial services to ensure that purchasing cards are used in accordance with the purposes for which they are given to users. The procedures will cover:

- List of permissible areas of spend
- The changing of purchasing limits
- Issue of cards
- Withdrawal of cards

LAS utilises an outsourced financial services provider to prepare the monthly purchasing card expense journal. The effective operation of the agreed processes operated by the outsourced provider remains the responsibility of the Head of Financial Services and it is his/her responsibility to ensure that agreed procedures are followed. The Head of Financial Services or his/her nominated lead is required to undertake regular liaison with users across the Trust to ensure that they understand the rules for the use of purchasing cards.

Procedures for the use of purchasing cards will be reviewed every 2 years to ensure they meet current requirements.

## 23. Losses & Special Payments

Procedures will be maintained by the Head of Financial services to ensure that losses and special payments are recorded in accordance with the guidance issued by the Government.

The Integrated Governance Handbook, and the principles set out in Managing Public Money requires health bodies to have systems for:

- The control and safe custody of health service property
- Administration of a patients' and the NHS body's property, and
- Recording, reporting and investigation of losses.

The prevention of loss is a prime requirement of sound financial control, and control systems should be designed to achieve this. Losses do nevertheless occur, and internal checks, regular supervision and internal audit must be used to ensure these are minimised.

This procedure informs all Trust employees of what constitutes a loss or special payment, and what to do if they discover a loss or have a requirement for special payment.

Ref. TP101	Title: Transaction Management Policy	Page 16 of 18
------------	--------------------------------------	---------------

On discovery of a loss with the exception of suspected fraud, any officer discovering or suspecting a loss of any kind shall immediately report it to the Finance Director who will be responsible for ensuring the necessary action is taken.

For losses apparently caused by theft, arson, neglect of duty or gross carelessness (except if trivial) the Finance Director must immediately notify the Trust Board and the External Auditor. If any level of theft or criminal damage is suspected, the Finance Director will consider informing the police and take recovery action. In all cases of alleged fraud or corruption, the Finance Director must inform NHS Protect in accordance with Secretary of State Directions. Disciplinary and recovery action should also taken, where appropriate.

The implementation and use of this procedure will be monitored by the Audit Committee.

Procedures for the losses and special payments will be reviewed every year to ensure they meet current guidance.

## **24. Procedures List**

A list of existing procedures covering all the above activities is available from Finance on request.

Ref. TP101	Title: Transaction Management Policy	Page 17 of 18
------------	--------------------------------------	---------------

**IMPLEMENTATION PLAN**

<b>Intended Audience</b>	Finance & Trust Managers and Staff
<b>Dissemination</b>	The document will be made available on the pulse.
<b>Communications</b>	The finance & other relevant staff will be made aware by email and team briefings.
<b>Training</b>	Training will be provided by the relevant finance managers and staff.

**Monitoring:**

<b>Aspect to be monitored</b>	<b>Frequency of monitoring AND Tool used</b>	<b>Individual/ team responsible for carrying out monitoring AND Committee/ group where results are reported</b>	<b>Committee/ group responsible for monitoring outcomes/ recommendations</b>	<b>How learning will take place</b>
Compliance with the Policy	Once a year the internal auditors will carry out a review of our compliance by doing sample testing.	Internal Auditors KPMG and reported to the Audit Committee.	Audit Committee	Dissemination of findings and action to be taken where change to practice is required