

LOSSES AND SPECIAL PAYMENTS PROCEDURE

February 2015

Authorship :	CSU Corporate Strategy & Policy Manager
Committee Approved :	Finance, Performance & Commissioning Committee
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The on-line version is the only version that is maintained. Any printed copies should, therefore, be viewed as ‘uncontrolled’ and as such may not necessarily contain the latest updates and amendments.

AMENDMENTS

Amendments to the policy guidance and template document may be issued from time to time. A new amendment history will be issued with each change.

New Version Number	Issued by	Nature of Amendment	Approved by and Date	Date on Intranet

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1 INTRODUCTION

1.1 The Integrated Governance Handbook and HM Treasury's *Managing Public Money* requires all health bodies to have systems in place for :

- the control and safe custody of health service property;
- administration of patients' and the CCG's property; and
- recording, reporting and investigation of losses and special payments.

In addition, NHS England has agreed that CCGs will be required to comply with the Manual for Accounts.

1.2 Parliament does not agree or approve advance provision for potential future losses when voting money or passing specific legislation. Parliament also does not and cannot approve special payments outside the normal range of departmental activity. When they arise, such transactions are, therefore, subject to greater scrutiny and control than other payments.

1.3 By their nature, losses and special payments are items that ideally should not arise. They are divided into different categories which govern the way that individual cases are handled.

1.4 Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis in the accounts.

1.5 Annex 4.10 of HM Treasury's *Managing Public Money* sets out what is expected when organisations incur losses or write off the values of assets, including details of when to notify Parliament and Annex 4.13 provides the relevant requirements and guidance for special payments. These requirements must be followed at all times when dealing with losses and special payments.

1.6 The CCG will only consider accepting losses, write-offs and special payments after careful appraisal of the facts (including whether all reasonable action has been taken to effect recovery) and must be satisfied that there is no feasible alternative. The CCG will always look beyond whether the proposed write-off or payment represents value for money. The need for corrective action will also be carefully assessed to minimise the number (and cost) of future cases. This includes any wider lessons for the NHS as a whole.

1.7 In dealing with individual cases, the CCG will always consider the soundness of its internal control systems, the efficiency with which it has operated and take any necessary steps to put failings right.

2 ENGAGEMENT

2.1 This procedure was drafted by the CSU's Corporate Strategy & Policy Manager, in light of the HM Treasury's *Managing Public Money*, the Manual for Accounts 2013-14 and the CCG Annual Reporting Guidance 2013-14 and localised by the Head of Finance and Contracting.

2.2 The procedure was approved by the CCG's Finance, Performance & Commissioning Committee.

3 IMPACT ANALYSES

3.1 Equality

This is not a policy and therefore it was not appropriate and relevant to carry out an Equality Impact Assessment for this procedure.

3.2 Sustainability

This is not a policy and therefore it was not appropriate and relevant to carry out a Sustainability Impact Assessment for this procedure.

3.3 Anti-Fraud, Bribery and Corruption

The CCG follows good NHS business practice as outlined in the Business Conduct Policy and the Conflicts of Interest Policy and has robust controls in place to prevent bribery including a Local Anti-Fraud, Bribery and Corruption Policy.

In all cases the potential that fraud has occurred should be considered. A referral to NHS Protect should be made if there is any evidence or suspicion of fraud.

To raise any suspicions of fraud and / or corruption please contact the Local Counter Fraud Specialist (LCFS) or the Counter Fraud Manager via the North Yorkshire Audit Services, York Teaching Hospital, Park House, Wigginton Road, York or 01904 725145.

The LCFS will inform the Chief Finance Officer if the suspicion seems well founded and will conduct a thorough investigation.

Concerns may also be discussed with the Chief Finance Officer or the Audit Committee Chair.

If staff prefer, they may call the NHS Fraud & Corruption Reporting Line on 0800 028 40 60 between 08:00–18:00 Monday-Friday or report online at www.reportnhsfraud.nhs.uk. This would be the suggested contact if there is a concern that the LCFS or the Chief Finance Officer themselves may be implicated in suspected fraud, bribery or corruption.

4 SCOPE

4.1 This procedure applies to CCG Members, Lay Members and all staff employed by and seconded to the CCG.

4.2 This procedure does not apply to clinical negligence liabilities for which the NHS Litigation Authority has financial responsibility.

5 PURPOSE AND AIMS

This procedure provides guidance to staff on how to deal with and report losses and make requests for special payments, in line with requirements in HM Treasury's *Managing Public Money*, the NHS Manual for Accounts 2013-14 and the CCG Annual Reporting Guidance 2013-14.

6 GUIDANCE, REQUIREMENTS AND PROCEDURES

6.1 The Head of Finance & Contracting, on behalf of the CCG, will maintain a register of losses and special payments, split by the categories specified in *Managing Public Money*. The register will show :

- The nature, gross amount (or estimate where an accurate value is unavailable) and cause of each loss.
- The action taken, total recoveries and date of write-off where appropriate.
- The annual accounts in which each loss is to be noted.

Any losses and special payments will be reported to the Audit Committee.

6.2 To demonstrate that a full review of the circumstances of the loss or special payment has occurred and all possible lessons have been learned, the checklists at Appendix 1a-1c should be completed for all losses and special payments.

6.3 When to Consult NHS England

6.3.1 NHS England should be consulted, irrespective of the money concerned, if the case (whether a loss or special payment) :

- Involves important questions of principle;
- Raises doubts about the effectiveness of existing systems;
- Contains lessons which might be of wider interest;
- Are novel or contentious;
- Might create a precedent for other departments in similar circumstances;
- Arise because of obscure or ambiguous instructions issued centrally.

6.3.2 The special payments on which the Treasury may need to be consulted are summarised in Box A4.13A in Annex 4.13 of *Managing Public Money*. The list is not exhaustive and if there is any doubt, NHS England will consult the Treasury.

6.3.3 NHS England has delegated authority to deal with all losses, within its delegated limit from DH (see 6.3.1 above).

6.4 Severance Payments

6.4.1 Special severance payments when staff leave a public sector employer (i.e., payments that are not made under either legal or contractual obligation) should only rarely be considered. They will always require, the Department of Health Governance & Assurance Committee (GAC) approval before HM Treasury approval because they are usually novel, contentious and potentially repercussive, so government departments should always consult the Treasury in advance when considering a special severance payment, whether or not the proposed amount falls within its delegated limit. CCGs have no delegated authority to make such payments unless so approved.

- 6.4.2 HM Treasury has issued specific guidance on severance payments which is now included in *Managing Public Money* Annex 4.13. This provides the relevant requirements and guidance and must be adhered to when considering a severance payment.
- 6.4.3 NHS Employers have issued two guidance documents that are also relevant:
- The use of compromise agreements and confidentiality clauses;
 - Guidance for employers within the NHS on the process for making severance payments.
- 6.4.4 The guidance referred to in 6.4.2-6.4.3 above should be followed when considering making a severance payment and contact made with the CCG's sponsor at NHS England to discuss the proposed payment and arrange approval for amounts beyond the delegated sum. CCGs should not contact HM Treasury direct.
- 6.4.5 When requesting formal authorisation, the template letter contained at Appendix 2 of *Guidance for employers within the NHS on the process for making severance payment* should be used (copy at Appendix 3 of this guidance for ease of reference). Plenty of time needs to be allowed to obtain HM Treasury approval as this can be a lengthy process.

7 DEFINITIONS

7.1 Losses and Write offs

Annex 4.10 of *Managing Public Money* provides detailed explanations of the following examples of losses and how the separate categories of loss should be accounted for :

- Cash
- Bookkeeping losses
- Exchange rate fluctuations
- Pay, allowances and superannuation benefits
- Overpayments
- Failure to make adequate charges
- Losses of accountable stores - through fraud, theft, arson or any other deliberate act and those arising from other causes
- Fruitless payments and constructive losses
- Claims waived or abandoned
- Lost travel tickets or unused hotel bookings

7.2 Special Payments

Explanations of the possible categories of special payments are listed in Annex 4.13 in *Managing Public Money*, but the list is not exhaustive :

- Extra-contractual payments

- Extra-statutory and extra-regulatory payments
- Compensation payments
- Special severance payments
- Ex gratia payments

Annex 4.13 also provides advice on how to deal with special payments and how they should be accounted for and reported.

8 ROLES / RESPONSIBILITIES / DUTIES

All staff, Members and Lay Members are responsible for reporting any losses. Discovery of loss of any kind must be reported immediately to either the relevant Director or the Chief Finance Officer.

Heads of Service are responsible for investigating losses and instigating corrective action to prevent a repeat of the occurrence.

Heads of Service are also responsible for formally reporting any losses and/or applying for special payments to be made in line with this procedure and for completing the checklist at Appendix 1.

The Chief Finance Officer is responsible for :

- Ensuring the correct procedures are followed for approval of any losses and special payments.
- Reporting any novel, contentious or repercussive losses to NHS England.
- Seeking approval from DH GAC and HM Treasury via NHS England for any potential severance payments.
- Reporting any cases involving fraud to the Local Counter Fraud Specialist and NHS Protect.
- Notifying the Governing Body of losses caused by theft, arson, neglect of duty or gross carelessness.

Finance staff will arrange payment of any approved payments (after obtaining authorisation).

The Head of Finance & Contracting is responsible for :

- Reviewing the procedure in line with any future guidance.
- Maintaining a register of losses and special payments on behalf of the CCG.
- Adding the procedure to the CCG's policy database.
- Reporting the contents of the register to the Audit Committee.

The Head of Finance & Contracting is responsible for :

- Seeking approval for the procedure in line with the approval process.
- Disseminating the procedure to all staff.
- Ensuring the procedure is added to the Intranet.

9 LIMITS OF AUTHORITY

The delegated limits for writing off losses and making special payments are shown in Appendix 2. (Please note that payments beyond the NHS England approval limits cannot be authorised locally).

10 IMPLEMENTATION

The procedure will be made available to all staff and will be placed on the Intranet.

11 TRAINING AND AWARENESS

If any training and awareness needs are identified, these should be discussed in the first instance with the Head of Finance & Contracting.

12 MONITORING AND AUDIT

The Audit Committee will keep this procedure under review and receive regular reports on the contents of the Losses and Special Payments Register.

Details of losses and special payments are included in the Annual Accounts.

13 REVIEW

This procedure will be reviewed in two years (on ad hoc basis as based on FRem, MoA and DH manual which now incorporates CCG Annual Reporting Guidance). Earlier review may be required in response to exceptional circumstances, organisational change or relevant changes in legislation / guidance, as instructed by the senior manager responsible for this procedure.

14 REFERENCES

Manual of Accounts 2013-14
HM Treasury's *Managing Public Money*
CCG Annual Reporting Guidance 2013-14.

15 ASSOCIATED DOCUMENTS

Standing Orders Reservation & Delegation of Powers & Prime Financial Policies
Local Anti-Fraud, Bribery & Corruption Policy

APPENDICES

Appendix 1a – Checklist for applications up to £5,000
Appendix 1b – Checklist for applications £5,001-£50,000
Appendix 1c Checklist for applications over £50,000
Appendix 2 - Authorisation of Losses, Write-Offs and Compensation Payments
Appendix 3 – Template for Template for HM Treasury approval for special severance cases.

Checklist for Cases up to £5,000 in value

To be completed by the relevant Head of Service and taken to FPCC for approval

(Taken from Annex 1 to Chapter 17: Loss or Special Payment Record of CCG Annual Reporting Guidance)

Reference Number:
LOSS or SPECIAL PAYMENT
Type of Case:
<ul style="list-style-type: none"> Record the amount involved and the reason(s) why the loss arose
<ul style="list-style-type: none"> Detail the background of the case giving full reason(s) why payment is necessary. Have other alternatives to payment been investigated? If so, provide details. If not, explain why not.
<ul style="list-style-type: none"> Was Fraud Involved? Provide details of referral to Local Counter Fraud Specialist or NHS Protect and action taken.
<ul style="list-style-type: none"> Was theft or criminal damage involved? If so have the police been informed? If not, give the reason why not. Provide details of referral to NHS Protect and action taken.
<ul style="list-style-type: none"> For abandoned works. Were detailed specifications identified before the scheme went ahead? How did the projected work compare to these detailed specifications? At what level, by whom, and why was the scheme approved? Was the scheme joint financed? If so, was any agreement signed? Was legal advice taken in the drawing up of an agreement? Is the other party prepared to pay half of the costs of the scheme?

Reference Number:

- **For bad debts and claims abandoned.** Were invoices raised on a regular basis? Was the debt monitored and chased regularly? Were services withdrawn upon continued non-payment?
- For cases involving businesses: has the business gone into liquidation / receivership? If so are you listed as a creditor and do you have confirmation of this from the liquidator / receiver? If not, why not? Are any dividends being paid out? Was the financial integrity of the business looked into before goods or services were supplied? If not, why not and have procedures been revised to ensure this is carried out in future?
- **For rental cases.** Did the tenant enter into a lease agreement prior to occupation? If not, why not? If the lease was faulty have you investigated whether action can be taken against legal advisors who drew up the agreement?
- **For stores losses.** Is the total loss more than 50% of the total stock value? Confirm that the loss has been valued at book value less net disposal proceeds.
- **For extra contractual payments to contractors.** Have other alternatives to the payment been investigated? If not, why not? If so, provide details. Provide detailed calculation on which the payment is based.
- **For ex-gratia payments.** Have other options been considered? If not, why not? Explain why an ex-gratia payment offers the best value for money. Confirm that the proposed payment does not place the claimant in a better position than if the error had not

Reference Number:

occurred. If it does, why? In cases of hardship record what evidence exists on this?
Provide detailed calculations to support the proposed payment.

- For settlements on termination of employment, has the relevant central guidance on such payments been followed in all respects? If not, why not?
- For clinical negligence and personal injury cases has the relevant central guidance on such payments been followed in all respects? If not, why not?

- Is the value of the loss reduced by insurance? If so, record the value of the gross loss and the value of the amount recovered by insurance.

- Have all reasonable steps been taken to recover the loss? Provide details of the attempts that have been made to recover the loss or explain why no action has been taken. Has appropriate legal advice been sought? If not, why not? If advice has been sought, what recommendations were made and have these been followed? If not, why not?

- Identify any failings in actions of employees, including supervisors and managers. Having considered this, is there a need for disciplinary action? Record what action has been taken or is proposed, or if no action is to be taken, explain why. Include dates, names of individuals and positions.

- Was there an apparent breakdown of procedures? Detail weakness or fault in system(s) of control or supervision.

Reference Number:

- What proposed improvements have been put forward to correct defects in the existing systems or procedures? Include the timetable for implementation of improvements. What monitoring measures have been introduced to ensure the improvements are working effectively? What review is proposed for further breakdowns before improvements are implemented?

- Is it necessary to inform the Governing Body/Chief Executive/Accountable Officer? If not, why not?

- Do Standing Orders and Prime Financial Policies require a Governing Body report for this case? If so, attach report. If not, consider whether a report would be appropriate, and whether Standing Orders and Prime Financial Policies should be amended to require such a report in future.

- Having completed the above steps, detail the general lessons that can be drawn from this case. If a system weakness has been identified which has possible implications wider than the clinical commissioning group have these been raised with relevant bodies (NHS England, NHS Protect, etc.)?

- I have considered fully each point on this checklist and my findings are recorded in the attached case summary and/or in the spaces above. I confirm that the details recorded above and on the attached case summary are complete and accurate, and that all aspects of the checklist have been properly considered and actioned.

Reference Number:

Name:

Date:

- I confirm that the above details are complete and accurate and all aspects of the checklist have been properly considered and actioned. I agree that write off of this loss / payment of this special payment [delete as appropriate] offers the best value for money for this case.

[Delete as appropriate]

This case is not novel, contentious or repercussive and is not a special severance payment. I therefore agree to the write off of this loss / the making of this special payment

[Delete as appropriate]

This case is novel, contentious or repercussive or is a special severance payment and approval has been obtained from HM Treasury via NHS England for the write off / special payment [delete as appropriate]. I therefore agree to the write off of this loss / the making of this special payment [delete as appropriate].

Name of the Head of Service completing the form:

Signature:

Position:

Date:

Name:

Signature:

Position: Chief Finance Officer

Checklist for Cases £5,001 - £50,000 in value

To be completed by the relevant Head of Service and taken to FPCC for approval

(Taken from Annex 1 to Chapter 17: Loss or Special Payment Record of CCG Annual Reporting Guidance)

Reference Number:
LOSS or SPECIAL PAYMENT
Type of Case:
<ul style="list-style-type: none"> Record the amount involved and the reason(s) why the loss arose
<ul style="list-style-type: none"> Detail the background of the case giving full reason(s) why payment is necessary. Have other alternatives to payment been investigated? If so, provide details. If not, explain why not.
<ul style="list-style-type: none"> Was Fraud Involved? Provide details of referral to NHS Protect and action taken.
<ul style="list-style-type: none"> Was theft or criminal damage involved? If so have the police been informed? If not, give the reason why not. Provide details of referral to NHS Protect and action taken.
<ul style="list-style-type: none"> For abandoned works. Were detailed specifications identified before the scheme went ahead? How did the projected work compare to these detailed specifications? At what level, by whom, and why was the scheme approved? Was the scheme joint financed? If so, was any agreement signed? Was legal advice taken in the drawing up of an agreement? Is the other party prepared to pay half of the costs of the scheme?

Reference Number:

- **For bad debts and claims abandoned.** Were invoices raised on a regular basis? Was the debt monitored and chased regularly? Were services withdrawn upon continued non-payment?
- For cases involving businesses: has the business gone into liquidation / receivership? If so are you listed as a creditor and do you have confirmation of this from the liquidator / receiver? If not, why not? Are any dividends being paid out? Was the financial integrity of the business looked into before goods or services were supplied? If not, why not and have procedures been revised to ensure this is carried out in future?
- **For rental cases.** Did the tenant enter into a lease agreement prior to occupation? If not, why not? If the lease was faulty have you investigated whether action can be taken against legal advisors who drew up the agreement?
- **For stores losses.** Is the total loss more than 50% of the total stock value? Confirm that the loss has been valued at book value less net disposal proceeds.
- **For extra contractual payments to contractors.** Have other alternatives to the payment been investigated? If not, why not? If so, provide details. Provide detailed calculation on which the payment is based.
- **For ex-gratia payments.** Have other options been considered? If not, why not? Explain why an ex-gratia payment offers the best value for money. Confirm that the proposed payment does not place the claimant in a better position than if the error had not

Reference Number:

occurred. If it does, why? In cases of hardship record what evidence exists on this?
Provide detailed calculations to support the proposed payment.

- For settlements on termination of employment, has the relevant central guidance on such payments been followed in all respects? If not, why not?
- For clinical negligence and personal injury cases has the relevant central guidance on such payments been followed in all respects? If not, why not?

- Is the value of the loss reduced by insurance? If so, record the value of the gross loss and the value of the amount recovered by insurance.

- Have all reasonable steps been taken to recover the loss? Provide details of the attempts that have been made to recover the loss or explain why no action has been taken. Has appropriate legal advice been sought? If not, why not? If advice has been sought, what recommendations were made and have these been followed? If not, why not?

- Identify any failings in actions of employees, including supervisors and managers. Having considered this, is there a need for disciplinary action? Record what action has been taken or is proposed, or if no action is to be taken, explain why. Include dates, names of individuals and positions.

- Was there an apparent breakdown of procedures? Detail weakness or fault in system(s) of control or supervision.

Reference Number:

- What proposed improvements have been put forward to correct defects in the existing systems or procedures? Include the timetable for implementation of improvements. What monitoring measures have been introduced to ensure the improvements are working effectively? What review is proposed for further breakdowns before improvements are implemented?
- Is it necessary to inform the Governing Body/Chief Executive/Accountable Officer? If not, why not?
- Do Standing Orders and Prime Financial Policies require a Governing Body report for this case? If so, attach report. If not, consider whether a report would be appropriate, and whether Standing Orders and Prime Financial Policies should be amended to require such a report in future.
- Having completed the above steps, detail the general lessons that can be drawn from this case. If a system weakness has been identified which has possible implications wider than the clinical commissioning group have these been raised with relevant bodies (NHS England, NHS Protect, etc.)?
- I have considered fully each point on this checklist and my findings are recorded in the attached case summary and/or in the spaces above. I confirm that the details recorded above and on the attached case summary are complete and accurate, and that all aspects of the checklist have been properly considered and actioned.

Reference Number:

Name:

Date:

- I confirm that the above details are complete and accurate and all aspects of the checklist have been properly considered and actioned. I agree that write off of this loss / payment of this special payment [delete as appropriate] offers the best value for money for this case.

[Delete as appropriate]

This case is not novel, contentious or repercussive and is not a special severance payment. I therefore agree to the write off of this loss / the making of this special payment

[Delete as appropriate]

This case is novel, contentious or repercussive or is a special severance payment and approval has been obtained from HM Treasury via NHS England for the write off / special payment [delete as appropriate]. I therefore agree to the write off of this loss / the making of this special payment [delete as appropriate].

Name of the Head of Service completing the form:

Signature:

Position:

Date:

Name:

Signature:

Position: Chief Finance Officer

Date:

Name:

Signature:

Position: Chief Officer

Date:

Checklist for Cases £50,000 and over in value

To be completed by relevant the Head of Service and taken to FPCC for approval

(Taken from Annex 1 to Chapter 17: Loss or Special Payment Record of CCG Annual Reporting Guidance)

Reference Number:
LOSS or SPECIAL PAYMENT
Type of Case:
<ul style="list-style-type: none"> Record the amount involved and the reason(s) why the loss arose
<ul style="list-style-type: none"> Detail the background of the case giving full reason(s) why payment is necessary. Have other alternatives to payment been investigated? If so, provide details. If not, explain why not.
<ul style="list-style-type: none"> Was Fraud Involved? Provide details of referral to NHS Protect and action taken.
<ul style="list-style-type: none"> Was theft or criminal damage involved? If so have the police been informed? If not, give the reason why not. Provide details of referral to NHS Protect and action taken.
<ul style="list-style-type: none"> For abandoned works. Were detailed specifications identified before the scheme went ahead? How did the projected work compare to these detailed specifications? At what level, by whom, and why was the scheme approved? Was the scheme joint financed? If so, was any agreement signed ? Was legal advice taken in the drawing up of an agreement? Is the other party prepared to pay half of the costs of the scheme?

Reference Number:

- **For bad debts and claims abandoned.** Were invoices raised on a regular basis? Was the debt monitored and chased regularly? Were services withdrawn upon continued non-payment?
- For cases involving businesses: has the business gone into liquidation / receivership? If so are you listed as a creditor and do you have confirmation of this from the liquidator / receiver? If not, why not? Are any dividends being paid out? Was the financial integrity of the business looked into before goods or services were supplied? If not, why not and have procedures been revised to ensure this is carried out in future?
- **For rental cases.** Did the tenant enter into a lease agreement prior to occupation? If not, why not? If the lease was faulty have you investigated whether action can be taken against legal advisors who drew up the agreement?
- **For stores losses.** Is the total loss more than 50% of the total stock value? Confirm that the loss has been valued at book value less net disposal proceeds.
- **For extra contractual payments to contractors.** Have other alternatives to the payment been investigated? If not, why not? If so, provide details. Provide detailed calculation on which the payment is based.
- **For ex-gratia payments.** Have other options been considered? If not, why not? Explain why an ex-gratia payment offers the best value for money. Confirm that the proposed payment does not place the claimant in a better position than if the error had not

Reference Number:

occurred. If it does, why? In cases of hardship record what evidence exists on this?
Provide detailed calculations to support the proposed payment.

- For settlements on termination of employment, has the relevant central guidance on such payments been followed in all respects? If not, why not?
- For clinical negligence and personal injury cases has the relevant central guidance on such payments been followed in all respects? If not, why not?

- Is the value of the loss reduced by insurance? If so, record the value of the gross loss and the value of the amount recovered by insurance.

- Have all reasonable steps been taken to recover the loss? Provide details of the attempts that have been made to recover the loss or explain why no action has been taken. Has appropriate legal advice been sought? If not, why not? If advice has been sought, what recommendations were made and have these been followed? If not, why not?

- Identify any failings in actions of employees, including supervisors and managers. Having considered this, is there a need for disciplinary action? Record what action has been taken or is proposed, or if no action is to be taken, explain why. Include dates, names of individuals and positions.

- Was there an apparent breakdown of procedures? Detail weakness or fault in system(s) of control or supervision.

Reference Number:

- What proposed improvements have been put forward to correct defects in the existing systems or procedures? Include the timetable for implementation of improvements. What monitoring measures have been introduced to ensure the improvements are working effectively? What review is proposed for further breakdowns before improvements are implemented?
- Is it necessary to inform the Governing Body/Chief Executive/Accountable Officer? If not, why not?
- Do Standing Orders and Prime Financial Policies require a Governing Body report for this case? If so, attach report. If not, consider whether a report would be appropriate, and whether Standing Orders and Prime Financial Policies should be amended to require such a report in future.
- Having completed the above steps, detail the general lessons that can be drawn from this case. If a system weakness has been identified which has possible implications wider than the clinical commissioning group have these been raised with relevant bodies (NHS England, NHS Protect, etc.)?
- I have considered fully each point on this checklist and my findings are recorded in the attached case summary and/or in the spaces above. I confirm that the details recorded above and on the attached case summary are complete and accurate, and that all aspects of the checklist have been properly considered and actioned.

Reference Number:

- I confirm that the above details are complete and accurate and all aspects of the checklist have been properly considered and actioned. I agree that write off of this loss / payment of this special payment [delete as appropriate] offers the best value for money for this case.

[Delete as appropriate]

This case is not novel, contentious or repercussive and is not a special severance payment. I therefore agree to the write off of this loss / the making of this special payment.

[Delete as appropriate]

This case is novel, contentious or repercussive or is a special severance payment and approval has been obtained from HM Treasury via NHS England for the write off / special payment [delete as appropriate]. I therefore agree to the write off of this loss / the making of this special payment [delete as appropriate].

Name of the Head of Service completing the form:

Signature:

Position:

Date:

Name:

Signature:

Position: Chief Finance Officer

Date:

Name:

Signature:

Position: Chief Officer

Date:

Name:

Signature:

Position: On behalf of Governing Body:

Date:

Authorisation of Losses, Write-Offs and Compensation Payments

Delegated Matter	Up to £5,000	£5,000 - £49,999	£50,000 and over
All categories of losses, special payments and write-offs	Finance, Performance & Contracting Committee	Finance, Performance & Contracting Committee	The Governing Body
Novel, contentious and potentially repercussive cases	Not delegated, HM Treasury approval required	Not delegated, HM Treasury approval required	Not delegated, HM Treasury approval required
Severance cases	Not delegated, HM Treasury approval required	Not delegated, HM Treasury approval required	Not delegated, HM Treasury approval required

Template for HM Treasury approval for special severance cases

Please read Managing Public Money Annex 4.13 before completing the proforma. You should be aware that we cannot approve special severance payments that reward, or will be seen to reward, failure, dishonesty or inappropriate behaviour.

This template is to be used for all special severance cases to be submitted to HMT for approval. We will only be able to give approval if all aspects are answered.

Contact in sponsor Department:	
Name of organisation:	
Initials/name/number of case:	
Date case is submitted:	
Date decision is needed and why:	
Case history and details Please provide a brief case history, with dates, summarising how the situation has come about. What are individual's terms of employment (age, length of service, current salary, contractual notice period, type of contract (e.g. fixed term, part time), whether member of PCS/PS)?	
Management procedures Explain what procedures have been followed; or why relevant procedures have not been followed.	
Proposed ways of proceeding What is the individual's contractual entitlement, and why do you propose to make a special severance payment? What is the scope for reference to tribunal (incl. summary of the legal assessment of the chances of winning or losing the case, potential consequences). Other options considered?	

Value for money consideration underlying the proposed settlement

Set out break-down of costs, including legal costs; potential tribunal awards. Provide rationale for proposed level of settlement (with pay comparison i.e. x months' pay / y% of salary); costs of alternative options, and why proposed settlement offers best (incl. best value for money) solution. When considering vfm, non-financial costs (i.e. effect on staff morale, achievement of business objectives) can also be taken into account.

Please confirm that any compromise agreements or undertakings about confidentiality leave severance transactions open to adequate public scrutiny, including by the NAO and the PAC.

Please confirm that your Accounting Officer is aware of and satisfied with the proposed settlement.

Wider impact and potential precedents

Explain whether this case might have an impact on or set a precedent for other existing or future cases, both within own organisation, or for other public sector bodies.

Other useful information

Lessons learnt from this case

Explain what lessons have been learned and how management systems have been / will be improved to avoid future occurrences of similar cases.

FOR HMT USE:

Approval given by:

Date:

Advice taken from (TOA/ WPP):

Rationale for approval and any conditions: