



**FINANCIAL CONTROL PROCEDURE:
LOSSES AND SPECIAL PAYMENTS**

Initiated by: Director of Finance and Procurement

Approved by: Audit and Risk Committee

Date approved:

Operational Date:

Date for review: February 2024

Distribution: Executive Directors
Board Secretary
Clinical Service Group ~~Directorate~~ Managers
Assistant Directors
SharePoint

Freedom of Information Status: Open

This policy has been subject to a full equality impact assessment.

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1 INTRODUCTION

- 2.2 This procedure details the principles underlying the reporting of condemnations and losses and the issue of special payments as covered in the Welsh Government Losses and Special Payments Manual (WHC 99) 33. In cases of doubt, reference should be made to the manual, a copy of which is held in the Finance Department.
- 1.2 This procedure should be read in conjunction with the UHB's Standing Orders, Standing Financial Instructions and other relevant Financial Control Procedures.
- 1.3 Losses refer to the loss of cash or property. Special Payments are those which fall outside the normal day to day business of Cwm Taf Morgannwg University Health Board (UHB) and for which no statutory authority to pay exists.
- 1.4 The Director of Finance and Procurement is responsible for ensuring proper financial control over the identification, reporting and investigation of losses and their "write-off".
- 1.5 **All members of staff have a general responsibility for the security of UHB property and for avoiding any loss.**
- 1.6 Any member of staff discovering or suspecting a loss of any kind must inform the Chief Executive and Director of Finance and Procurement, via their Clinical Service Group Directorate Managers-Manager (or equivalent) or Head of Department. The Director of Finance and Procurement is responsible for notifying the Statutory Auditor and the Welsh Government where necessary.
- 1.7 The Director of Finance and Procurement (DoF), via the UHB's Local Counter Fraud Specialist (LCFS), will arrange for an investigation to take place in cases of fraud, corruption, misappropriation or other financial irregularities. All investigations are performed in accordance with the UHB's Operational Policy on Fraud and Corruption.
- 1.8 Heads of Departments will be responsible for identifying and reporting to the Chief Executive Director of Finance and Procurement, in line with the Scheme of Delegation, any obsolete or condemned stock or equipment, (Appendix 4). The Director of Finance and Procurement will arrange for

appropriate "write-off" action. The Scheme Delegation can be found on the Intranet under Finance Policies.

- 1.9 Debts deemed to be irrecoverable will be "written off". Approval will be in accordance with the Financial Control Procedure on ~~Debtor and~~ Income and Debtors Control.
- 1.10 All requests for special payments must be referred in line with the Scheme of Delegation. ~~to the Chief Executive.~~ All losses and special payments, which are within the UHB's delegated limits (Appendix 1), will be authorised ~~by the Chief Executive or their Deputy.~~ in line with the Scheme of Delegation.
- 1.11 All losses or special payments greater than the UHB's delegated limit will be referred to the Welsh Government for authorisation prior to any "write-off" or payment being made.
- 1.12 All losses and special payments will be reported quarterly to the Audit and Risk Committee.
- 1.13 The Chief Executive, in conjunction with the Director of Finance and Procurement, shall decide what risks will be transferred to third parties via insurance.

2. CATEGORISATION OF LOSSES AND SPECIAL PAYMENTS

2.1 Losses fall into the following categories which will govern the way each individual case is handled:

Category 1 Losses of Cash

These may be due to:

- i. theft, fraud, arson, negligence of duty or gross carelessness,
- ii. overpayment of salaries, wages, fees and allowances,
- iii other causes not covered by i or ii.

Category 2 Fruitless Payments, Including Abandoned Capital Schemes

These are payments for which a liability should not have been incurred, or where the order for the goods and service could have been cancelled in time to avoid liability.

Category 3 Bad Debts and claims abandoned

Category 4 Damage to buildings, their fittings, furniture
and equipment and loss or theft of
equipment and property in stores and in
use.

2.2 Special Payments categories:

Category 5 Compensation Payments made under legal
obligation

Category 6 Ex-Gratia Payments

These are payments that the UHB is not obliged to make, but
which are made as an "act of grace" to compensate for financial
loss, hardship or damage resulting from an act or a failure of
the UHB or its staff which does not give rise to a legal liability.

Category 7 Extra Contractual Payments to Contractors

An extra contractual payment is one which, although not legally
due under the original contract appears to be an obligation
which the Courts are likely to uphold. Such an obligation will
usually be attributable to action or inaction by the UHB in
relation to the contract.

Category 8 Extra statutory or extra regularity payments

These are payments considered to be within the broad intention
of a statute or statutory regulation but which go beyond a strict
interpretation of its terms.

2.3. DELEGATED LIMITS

3.1 Welsh Government

Losses and special payments above the limits delegated to the UHB, as shown in Appendix 1, must be submitted to the Welsh Government for approval prior to any "write-off" or special payment. For compensation payments made under legal obligation **(other than for employment matters)** the Director of Nursing (or their representative) will be responsible for submitting details of the loss or proposed payment together with sufficient backing documentation to enable the Welsh

Government to reach a decision. For all other payments or losses details will be supplied initially to the Director of Finance and Procurement (or their representative) who will then be responsible for submitting the details of the loss or proposed payment together with sufficient backing documentation to enable the Welsh Government to reach a decision

Information, which the Welsh Government shall require, will include: -

- nature of the case and amount involved, together with the circumstances in which it arose;
- what recovery action has been taken;
- reasons why the body considers the “write-off” or special payment should be approved, whether legal advice has been sought and if so, its content;
- whether fraud, dereliction of duty or failure of supervision is involved;
- whether appropriate disciplinary action has been taken and if not, why not;
- whether investigation has shown defects in existing systems of control and if so, what remedy is proposed;
- whether any general lessons emerge of interest to other NHS bodies.

As an aid to ensure sufficient information is submitted, the Welsh Government has issued a checklist for each of the categories identified ~~in Section 2~~. Checklists for personal injury and medical negligence cases will be completed where necessary by the Director of Nursing (or their representative). All other checklists will be completed by the Head of Corporate Finance (or their representative). The checklist has to be completed within the Losses and Special Payments Register (LaSPaR) before a case can be closed.

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3.2 UHB Approval

All losses and special ~~payments~~ payments within the limits delegated to the UHB shall require approval in accordance with the UHB’s Scheme of Delegation.

~~of the Chief Executive or their Deputy with the exception of~~

~~*—Compensation payments made under legal obligation
(other than for employment matters) and redress
payments made under the NHS Concerns, Complaints
and Redress Arrangements (Wales) Regulations 2011—
Director of Nursing~~

~~*—Irrecoverable debts—Director of Finance~~

~~Approval shall be in accordance with the UHB's delegation
scheme.~~

4. REPORTING OF LOSSES

4.1 Any member of staff identifying a potential loss shall report the incident details to their Head of Department who will immediately take action to recover the loss if possible. The circumstances in which the loss arose should be investigated and where necessary tighter controls put in place.

4.2 The Head of Department must complete a losses form (Appendix 2) which should be forwarded to the ~~Directorate~~Clinical Service Group Manager ~~(or equivalent)~~, who will be responsible for contacting the police, if appropriate.

4.3 The ~~Clinical Service Group~~Directorate Manager ~~(or equivalent)~~ will record their comments on the incident on the losses form. The losses form will then be forwarded to the Director of Finance and Procurement ~~Chief Executive~~, who will need to be satisfied that all necessary steps have been taken and that the loss is within the UHB's delegated limits before considering that the loss be "written-off".

4.4 All details relating to the "write-off" will then be forwarded to the Head of Corporate Finance (or their representative) who shall enter the details in the UHB's Losses and Special Payments Register (LaSPaR).

4.5 The Chief Executive or their Deputy shall decide whether to undertake disciplinary or recovery proceedings as a result of losses arising from acts of employees of the UHB.

4.54.6 ~~In instances where suspected fraud has occurred the
University Health Board's Local Counter Fraud Specialist should~~

be informed immediately for the matter to be considered under the University Health Board's Counter Fraud, Bribery and Corruption Policy and Response Plan.

- ~~4.6 The Director of Finance and Procurement, in conjunction with the LCFS, will determine whether there is a case to answer where fraud is suspected to have occurred. In such instances the LCFS will then prepare a case file for submission to the Crown Prosecution Service. In all cases where fraud is found the case information will be entered on the Fraud Information Reporting System Toolkit (FIRST) by the LCFS. The Operational Fraud Manager (Wales) will issue a case number and allocate the case for investigation by the LCFS or NHS Counter Fraud Service (Wales).~~

~~It is the responsibility of individual employees to safeguard public funds and resources and to report details to their Manager immediately that they suspect a fraud has been committed or if they see any suspicious acts. This should be actioned in accordance with the UHB's policy on Fraud and Other Irregularities.~~

- ~~4.84.7 In cases of overpayment of salaries and wages where the Payroll Services of NWSPPayroll Department has been unable to obtain a repayment, an invoice shall be raised and the debt pursued in accordance with the Financial Control Procedure on Income and Debtors and Income Control. The circumstances of each individual case will dictate whether or not legal action shall be taken.~~

5. SPECIAL / EX-GRATIA PAYMENTS

- 5.1 Special compensation payments made under legal obligation will be recorded as such if there exists a clear liability as a result of a Court Order, legal advice or a settlement out of court.
- 5.2 For special compensation payments **(other than for employment matters)** and redress payments made under the NHS Concerns, Complaints and Redress Arrangements (Wales) Regulations 2011 the Director of Nursing (or their representative) shall refer all claims likely to enter into this category to the UHB's Legal Advisers.
- 5.3 The Director of Nursing (or their representative) will be responsible for collating and forwarding any information required by the Legal Advisers to enable them to provide

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appropriate advice. This shall include, for example, medical case and consultant notes on potential medical negligence claims or accident report forms and witness/investigating officer statements for personal injury claims.

- 5.4 Following receipt of advice from the UHB's Legal Advisors, the Director of Nursing (or their representative) will prepare a Claims Summary, together with a recommendation for the Chief Executive, who will authorise the action to be taken.
- 5.5 Special payments made above the threshold set by the Welsh Risk Pool will be reclaimed from them at the earliest point. For further details see section 8 on the Welsh Risk Pool.
- 5.6 For special compensation payments **relating to employment matters** the Director of Workforce and Organisational Development shall refer all claims likely to enter into this category to the UHB's Legal Advisors.
- 5.7 The Director of Workforce and Organisational Development (or their representative) will be responsible for collating and forwarding any information required by the Legal Advisors to enable them to provide appropriate advice.
- 5.8 Following receipt of advice from the UHB's Legal Advisors, the Director of Workforce and Organisational Development (or their representative) will prepare a Claims Summary, together with a recommendation for the Chief Executive, who will authorise the action to be taken
- 5.9 Ex-Gratia payments are payments that the UHB is not obliged to make, but which are made as an "act of grace" to compensate for hardship or damage resulting from act or failure of the UHB or its staff which does not give rise to legal liability.
- 5.10 Ex-Gratia payments involving loss of personal effects will be restricted to the value of actual loss. ~~Claims not involving actual cash loss must be referred to the Welsh Government if the Chief Executive considers it to be a sufficiently strong case.~~
- 5.11 Claimants of Ex-Gratia payments are required to complete the appropriate form (Appendix 3). This shall be forwarded to the ~~Clinical Service Group Directorate~~ Manager (or equivalent) who will investigate the circumstances of the claim and provide comments and recommendations on the form.

- 5.12 The claim shall be forwarded to the ~~Chief Executive~~ ILG Nurse Directors (up to the value of £10,000) or the Chief Executive/Deputy Chief Executive (>£10,000 to within delegated limits issued by Welsh Government - £50,000) who will decide whether to approve the claim and if so, the level of compensation to be paid.
- 5.13 In determining whether to approve the claim, due regard must be taken of the appropriateness of the claim, whether there is contributory negligence on behalf of the claimant and that actual loss has taken place (i.e. that the items lost or damaged are not covered by insurance or free replacement).
- 5.14 In determining the level of compensation to be paid, the repair value of the items damaged shall be reimbursed (supported where possible by receipts). Where items have been lost or damaged beyond repair, the amount paid shall reflect the replacement cost of the item less the estimated depreciation of the item since its purchase.
- 5.15 All compensation payments must be inferred as being necessary and incidental to the running of the service. Any proposal to make an extra statutory or extra-regulatory payment must be submitted to the Welsh Government for approval.
- 5.16 Details of all special payments, in whatever category, shall be forwarded to the Head of Corporate Finance (or their representative) for recording in the Losses and Special Payments Register (LaSPaR).

6. IRRECOVERABLE DEBTS

- 6.1 Where an account remains unpaid after all reasonable attempts to recover it have failed, the account will be "written-off" in accordance with the Financial Control Procedure on Income and Debtors ~~and Income Control~~, details of which will be submitted to the Audit and Risk Committee.
- 6.2 All debts that have been approved for "write-off" shall be entered into the Losses and Special Payments Register (LaSPaR) by the Head of Corporate Finance (or their representative).

6.3 Losses that are irrecoverable due to insolvency or liquidation shall be "written-off" and entered into LaSPaR by the Head of Corporate Finance (or their representative) annotated "claim abandoned".

6.4 Subsequent recoveries in respect of debts "written-off" will be shown as a contra-entry in the LaSPaR.

6.5 Debts "written-off" relating to an overpayment will be recorded as a loss of cash.

7. CONDEMNATIONS AND OBSOLESCENCE

7.1 All unserviceable articles should be disposed of or if necessary condemned.

7.2 Heads of Departments shall inform the Clinical Service Group Directorate Manager (or equivalent) who will record it, indicating the method of disposal.

7.3 Another officer will be required to countersign this record and then details of the loss shall be forwarded to the Head of Corporate Finance (or their representative) who will record it on the LaSPaR.

7.4 The Clinical Service Group Directorate Manager (or equivalent) needs to be satisfied whether or not there is evidence of negligence and will report any evidence to the Chief Executive who shall take appropriate action.

7.5 Obsolete equipment or stock must be reported indicating suitability for sale or disposal, together with a valuation, to the Head of Procurement, who will then arrange for the items to be sold or disposed of accordingly.

7.6 Unexplained discrepancies found when undertaking a stock-take will be notified in writing to the Head of Corporate Finance (or their representative) who will investigate the reason for such discrepancies and if appropriate shall recommend "write-off". Such losses will be recorded in the LaSPaR.

8. WELSH RISK POOL

8.1 The Welsh Risk Pool (WRP) is a mutual self-assurance scheme for all health bodies in Wales. The WRP has two principal functions:

1. Reimbursement of costs for approved cases over the agreed excess levels;

2. Provide support to Health Boards and Trusts in the development of robust risk management systems.

Under the terms of this pooling mechanism, the UHB is responsible for meeting the costs below the excess threshold, as determined by the WRP, of any successful claim.

8.2 Reimbursement Process

For cases valued at under £100,000 the UHB will make a claim to the WRP when the case has been completely resolved and all costs have been incurred by the UHB. A reimbursement request must be submitted within four calendar months of this occurring. The Director of Nursing (or their representative) will be responsible for submitting the claim in accordance with the requirements of the "WRP procedure for reimbursing Member Organisations".

For cases where total expenditure exceeds £100,000 the UHB will make an interim request for reimbursement for cases within four calendar months of this figure being reached unless alternative arrangements are agreed with the Treasury Manager.

9. LOSSES & SPECIAL PAYMENTS REGISTER (LaSPaR)

9.1 The computerised database version of the losses and special payments register (LaSPaR) will allow the UHB to:

- track all aspects of losses and special payments from initial registration to final outcome on a case to case basis.
- separately set up settlement/plaintiff cost provisions and defence/other administration costs provisions and action any subsequent adjustments.

- separately identify all payments and income recoveries and analyse these transactions.

Maintaining the Database

- 9.2 The Head of Corporate Finance (or their representative) will maintain the LaSPaR system in which **all** losses and special payments will be recorded together with any amounts subsequently recovered.
- 9.3 The database will be updated monthly with payment and provision data by the Head of Corporate Finance (or their representative).
- 9.4 The details should be recorded as per the Welsh Government guidance on the implementation and management of the LaSPaR.
- 9.5 Losses may be aggregated in instances where there are several identical losses. The description will include the number of individual losses.
- 9.6 The LaSPaR system will be used as a basis for reporting to the UHB's Audit and Risk Committee and the Welsh Government.

10. INSURANCE

- 10.1 The Chief Executive will be responsible for establishing the Risk Management strategy of the UHB. This should identify the risks and potential liabilities relating to the assets owned by the UHB, legal or contractual obligations, employees and third parties.
- 10.2 The Chief Executive, after taking advice from the Director of Finance and Procurement, shall decide what risks will be covered by insurance. Due regard will be taken of the value of possible losses and the frequency with which they are likely to arise. The costs and benefits of all available options for reducing risks should be appraised to establish what is most likely to provide the best value for money. Possible options are commercial insurance (except for medical negligence and business interruption claims), the Welsh Risk Pool, self-insurance or a combination of these.
- 10.3 All risks shall be taken into account in assessing insurance cover, including:

- Directors and Officers Liability
- Employer's Liability
- Health and Safety
- Public Liability
- Product Liability
- Third Party Liability
- Clinical Negligence (cannot be commercially insured)
- Vehicle Use
- Hazard Risks
- Business Interruption (for non-NHS business)
- Income Generation

10.4 The Director of Finance and Procurement will continually review insurance arrangements in the light of the actual number and value of losses experienced and premium rates and will advise the Chief Executive accordingly.

11. **EQUALITY IMPACT ASSESSMENT**

11.1 Following assessment, this policy is not felt to be discriminatory or detrimental in any way with regard to the following equality strands: Gender; Race; Disability; Age; Sexual Orientation; Religion or Belief; Welsh Language or Human Rights.

APPENDIX 1**CATEGORY OF LOSS/SPECIAL PAYMENT****DELEGATED LIMITS****£****Losses (except in respect of primary care provider services)**

- | | |
|--|---------|
| 1. Loss of cash due to: | |
| a. theft, fraud, etc. | 50,000 |
| b. overpayment of salaries, wages, fees and allowances | 50,000 |
| c. other causes, including un-vouched or incompletely vouched payments, overpayments other than those included under 1(b); physical losses of cash and cash equivalents e.g., stamps due to fire (other than arson), accident and similar causes | 50,000 |
| 2. Fruitless payments (including abandoned capital schemes) | 250,000 |
| 3. Bad debts and claims abandoned: | |
| a. private patients (Sections 65 and 66 NHS Act 1977) | 50,000 |
| b. overseas visitors (Section 121 NHS Act 1977) | 50,000 |
| c. cases other than a-b | 50,000 |
| 4. Damage to buildings, their fittings, furniture and equipment and loss of equipment and property in stores and in use due to: | |
| a. culpable causes e.g., theft, fraud, arson or sabotage whether proved or suspected, neglect of duty or gross carelessness | 50,000 |
| b. other causes | 50,000 |

DELEGATED LIMITS

£

Special payments (except in respect of primary care provider services)

5.	Compensation payments made under legal obligation	FULL *
	Extra contractual payments to contractors	50,000
7.	Ex-gratia payments	
a.	to patients and staff for loss of personal effects	50,000
b.	for clinical negligence (negotiated settlements following legal advice) where the guidance relating to such payments has been applied	1,000,000 including plaintiff's costs *
c.	for personal injury claims involving negligence where legal advice obtained and relevant guidance has been applied	1,000,000 including plaintiff's costs *
d.	other clinical negligence cases and personal injury claims	50,000 *
e.	other, except cases for maladministration where there was <u>no</u> financial loss by claimant	50,000
f.	maladministration where there was <u>no</u> financial loss by claimant	NIL
g.	patient referrals outside the UK and EEA guidelines	NIL

*** For all clinical negligence and personal injury cases (including court cases) the use of periodical payments should be considered for any settlement (exclusive of legal costs) involving costs to the NHS of £250,000 or more, or for lower awards when this represents good value for money. Proposed out of Court periodical payment awards require approval from the WG H&SSG FD.**

8.	Extra statutory and extra regulatory payments	NIL
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Losses and special payments in respect of provision of primary care provider services

Losses		Limit
		£
9.	a. Losses due to overpayments to practitioners of fees, allowances or salary	
	i. involving fraud	1,000
	ii. other	1,000
	b. unvouched or incompletely vouched payments	1,000
10.	Claims abandoned	1,000
Special Payments		
11.	Ex gratia payments	1,000
12.	Extra statutory and extra regulatory payments	
	a. to pharmacist contractors for drugs supplied in good faith in respect of forged, etc., prescriptions forms	1,000
	b. excusal of statutory charges for replacement dentures in certain circumstances	up to appropriate maximum statutory charge
	c. other	NIL
Losses: Fraud cases under investigation		
13.	a. Losses in cases investigated by the health body in respect of prescription fraud.	1,000
	b. Losses in cases investigated by the health body in respect of dental fraud.	1,000
	c. Losses in cases investigated by the health body in respect of ophthalmic fraud.	1,000

APPENDIX 2

CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD

**REPORT OF LOSS /THEFT OR FRAUD RELATING TO UHB
PROPERTY AND EQUIPMENT
(INCLUDING CRIMINAL DAMAGE/ARSON)**

SECTION A			
TO BE COMPLETED BY HEAD OF DEPARTMENT:			
Hospital/Clinic:			
Ward/Department:			
Financial Code:			
Date of Incident:		Approx. Time	
Details of Loss/Theft/Criminal Damage/Arson/Fraud (Please give full details of incident and items concerned)			
Total Value of Items		£	
Estimated Loss to UHB		£	
(estimated value immediately prior to the loss, less any sums recovered e. scrap value or insurance payments etc.)			
Have the Police been informed [or in the case of Fraud the DoF or LCFS]?		YES / NO	(Delete as appropriate)
If YES, give details:			
NOTE: The outcome of Police investigations must be notified to the Director of Finance when available.			
Any other relevant details to the incident:			
State below any corrective action or security measures which you feel could be implemented to help prevent a similar occurrence:			

Signed: _____ Name: _____ Ward/Departmental Head	Date
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SECTION B

TO BE COMPLETED BY THE ~~CLINICAL SERVICE GROUP~~**DIRECTORATE**
MANAGER ~~(or equivalent)~~

Results of Internal Investigation (if applicable)/Further Comments on Incident:

Signed: _____ Name: _____ Clinical Service Group Directorate Manager (or equivalent)	Date
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PLEASE FORWARD THIS FORM TO THE ~~CHIEF EXECUTIVE~~**DIRECTOR OF FINANCE**

SECTION C

TO BE COMPLETED BY THE ~~CHIEF EXECUTIVE~~**DIRECTOR OF FINANCE**

This form has been examined and the details reviewed and approved.

Signed: _____ Name: _____ Chief Executive Director of Finance	Date
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Signed: _____ **Date**

Name: _____

Chief Executive**SECTION D**

~~TO BE COMPLETED BY CHIEF EXECUTIVE IF OVER £25,000~~**TO BE COMPLETED BY FINANCE**

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~~The necessary details have been entered in the UHB's Losses and Special Payments Register (LaSPaR).~~

Signed: _____
Chief Executive
Title

Date

SECTION E

TO BE COMPLETED BY FINANCE

~~The necessary details have been entered in the UHB's Losses and Special Payments Register (LaSPaR).~~

Signed: _____
Title

Date

APPENDIX 3**CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD****LOSSES AND COMPENSATION: EX-GRATIA PAYMENT CLAIM FORM**

PART 1			
TO BE COMPLETED BY CLAIMANT AND RETURNED TO WARD/DIRECTORATE			
Hospital/Ward/Directorate:			
Name			
Private Address			
Telephone No			
Post Held (if employee)			
Date of Incident			
Value of Claim	£ (See note 2 at the foot of this claim form) Attach receipt or estimate if applicable		
Description of Item Covered by this Claim:			
Date Item was Purchased:			
Cost at Time of Purchase:			
Have you a personal property insurance policy on which a claim could be made?	YES/NO	(Delete as appropriate)	
Describe circumstances necessitating this Claim			
(Continue on a separate sheet if necessary)			
A. I CONFIRM THAT THE FACTS STATED ABOVE ARE CORRECT			
Signed: _____		Date: _____	
Name: _____			
Claimant			
Statement by Witness to the Incident			

Signed _____
 Name _____
 Post Held _____ (if employee)

PART 2 (a)

TO BE COMPLETED BY THE HEAD OF DEPARTMENT

Summary of Investigation:

State below any corrective action or security measures which you feel could be implemented to help prevent a similar occurrence:

Signed: _____

Date: _____

Name: _____

Head of Department**PART 2 (b)**TO BE COMPLETED BY THE ~~CLINICAL SERVICE~~ DIRECTORATE
MANAGER (or equivalent) \ DIRECTOR

Value of Claim £

Recommendation: Do Not Approve Claim [] Approve Claim []

Financial Code:

Reason:

Signed: _____

Date: _____

Name: _____

**Clinical Service Group Directorate Manager
(or equivalent) / Director****PART 2 (c)**TO BE COMPLETED BY THE ~~ILG NURSE DIRECTORS~~ / CHIEF EXECUTIVE

Claim Not Approved [] Claim Approved [] Value Approved £

Reason:

Signed: _____

Date: _____

Name: _____

ILG Nurse Directors / Chief Executive**PART 2 (d)**

TO BE COMPLETED BY FINANCE

Ex-Gratia Payment	[]	Cheque No.	_____
Losses/Compensation	[]		
Insurance	[]	Date Issued	_____
The necessary details have been entered in the UHB's Losses and Special Payments Register (LaSPaR).			
Signed: _____ Title		Date: _____	

NOTES:

1. Ex-gratia payments to staff for the loss of, or damage to their personal property may be only where:
 - The incident occurs during the course of their employment.
 - The articles lost or damaged are such as might reasonably be carried out during the course of their employment.
 - The articles are sufficiently robust for the treatment they might reasonably be expected to bear.
 - The loss or damage is not due to the officer's own negligence.
 - The loss or damage is not covered by insurance or by any provision or free replacement.
2. Where the article can be repaired, the payment made should cover the actual cost of repair, but where it is lost or damaged beyond repair, the value of the property immediately before the incident should be paid, i.e. the cost of replacement less the estimated amount by which the property had depreciated since purchase.

FOR HEALTH BODY USE

APPENDIX 4

Checklist to be used when compiling the summary of the case

Category –

Type of case -

Reference number -

Health Body (name and code) -

1. Record the amount involved and the reasons why the loss arose.

2. Detail the background of case giving full reason why payment is necessary. Have other alternatives to the payment been investigated? If not, why not? If so, provide details.

3. **Was fraud involved?** If so complete a fraud report and ensure that the LCFS, the relevant NHS CFS Wales team, Internal and External Auditors, and where relevant the police, are informed of the fraud in accordance with Welsh Government Directions to NHS Wales health bodies on Counter Fraud Measures and using the reporting system as specified by the NHS CFS Wales. Enter dates of completion of fraud report.

4. **Was theft or criminal damage involved?** If so have the police been informed? If not, give the reasons why not? All security related incidents must be reported to the Local Security Management Specialist once trained, accredited and in place in accordance with forthcoming guidance issued by NHS Security Management Service.

5. **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? Why was the scheme abandoned and by whom? Could the scheme have been aborted earlier? 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?

6. 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? Enclose report showing when invoices were raised and where relevant paid.

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 the future?

7. For rental cases only - did the tenant enter into lease agreements prior to occupation? If not, why not? If the lease was faulty investigate whether action can be taken against legal advisors who drew up the agreement? Provide an analysis of rent and services charges.

8. For private patients cases was an undertaking to pay signed? If not, why not? Was a full estimate of potential costs given and full deposit taken to cover these costs? If not, why not?

For overseas private patient's cases – have the relevant embassies been contacted for payment (if applicable)? For overseas visitors, are robust procedures in place in the NHS Body to identify and charge liable overseas visitors? If not, why not? Was the overseas visitor informed that he/she would be liable to pay for the full cost of treatment? Was treatment, in a clinical opinion, immediately necessary or urgent? If treatment was not urgent why was it given before obtaining a sizeable deposit?

9. Stores (only) - Are any linen losses calculated at 50% of the replacement value? Is this in accordance with the guidance? Is the total loss more than 5% of the total stock value? Confirm that the loss has been valued at book value less net disposal proceeds.

10. For extra contractual payments to contractors. Have other alternatives to the payment been investigated? If not, why not? If so, provide details. Provide detailed calculations on which the payment is based.

11. 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 occurred? If it does, why? In cases of hardship record what evidence exists on this? Provide detailed calculations to support the proposed payment and demonstrate why the proposed sum is in accordance with the relevant paragraphs of this guidance.

For settlements on termination of employment, has 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 for such cases been followed in all respects? If not, why not?

12. 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.

13. 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?

14. Identify any failings in the actions of employees, including supervisors. 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.

<p><u>15. Was there any apparent breakdown of procedures? Detail weakness or fault in system of control or supervision.</u></p>
<p><u>16. What proposed improvements have been put forward to correct defects in the existing systems or procedures? Include the timetable for implementation of the improvements. What monitoring measures have been introduced to ensure the improvements are working effectively?</u></p>
<p><u>17. Is it necessary to inform the board/chief executive? If not, why not?</u></p>
<p><u>18. Do your SFLs require a Board report for this case? If so, please enclose the report. If not, consider whether in the light of this case your SFLs should be amended to require a Board report in such cases.</u></p>
<p><u>19. 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 across the NHS the LCFS or the NHS CFS Wales should report the problem to NHS Protect using either the intranet fraud prevention referral system for fraud or the Area Security Management Specialist for security matters so that measures can be taken nationally to amend policy or systems.</u></p>
<p><u>20. Please give details of name and position of person forwarding this case for Welsh Government approval (if applicable). Give the date when this case was first brought to the attention of the Welsh Government H&SSG FD (if applicable).</u></p> <p><u>Name -</u></p> <p><u>Position -</u></p> <p><u>Date Welsh Government H&SSG FD notified -</u></p>

21. 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.

Signed by -

22. 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 offers the best value for money for this case.

* **Note:** Delete as appropriate.

* This case is not novel, contentious or repercussive. I therefore agree to write off of the loss.

* This case is novel, contentious or repercussive and I therefore request formal approval from the Welsh Government H&SSG FD

Signed by - Date -

Countersigned by - Date -

Please note this section must be signed by two senior officers in accordance with the delegated limits set by the board. Please print names and position held in the organisation.

Name - Position held -

Countersigned by - Position held -