

LOSSES AND SPECIAL PAYMENTS POLICY

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REVIEW DATES AND DETAILS OF CHANGES MADE DURING THE REVIEW

Department of Health Policy has been included in this Policy.

KEY WORDS

Losses, special payments, fraud, ex-gratia payments, fruitless payments, maladministration

1 INTRODUCTION AND OVERVIEW

1.1 The Integrated Governance Handbook requires health bodies to have systems for:

- the control and safe custody of health service property.
- administration of a patients' and the body's property.
- recording, reporting and investigation of losses.

This document sets out the University Hospitals of Leicester NHS Trust's (the Trust's) Policy to ensure compliance with the Integrated Governance Handbook and losses and special payments policy issued by the Department of Health and Social Care.

1.2 Losses and special payments are items that could not reasonably have been contemplated and are, by their nature, items that ideally should not arise. They are subject to special control procedures compared with the generality of payments and special notation in the accounts to draw them to the attention of Parliament. They are divided into different categories which govern the way each individual case is handled.

1.3 This Policy is not applicable to any losses or special payments that arise from inter NHS transactions. They are divided into different categories, which govern the way each individual case is handled.

1.6 In considering losses and special payments, it is important always to look beyond whether the proposed write off or payment represents value for money. The need for corrective action must also be carefully assessed, including any wider lessons for the NHS as a whole, to minimise the number (and cost) of future cases.

1.7 This policy defines this expenditure in greater detail and describes the action to be taken when they occur. It also sets out the expected actions to be taken and procedures to be followed, to enable the Trust to discharge its responsibilities in this area.

2 POLICY SCOPE

- 2.1 This policy applies to all members of staff.
- 2.2 The prevention of loss is a prime requirement of sound financial control and the Trust's control systems are designed to achieve this. Losses do nevertheless occur. However key system controls are applied to ensure these occurrences are minimised.
- 2.3 Special payments should only be authorised after a careful appraisal of the facts. The Trust should satisfy itself that there is no feasible alternative to making a special payment. In dealing with individual cases, the Trust must always consider the soundness of its control systems, the efficiency with which they have been operated and take any necessary steps to put failings right. The terms of this Policy will apply to all staff and extend to the management of all losses and expenses except that it will **not** apply to any claims or losses from the following insofar and to the extent that the Trust will be reimbursed by either commercial insurers or through the relevant NHS Litigation Authority Scheme.
- 1 Medical Negligence Claims
 - 2 Personal Injury Claims
 - 3 Employers Liability
 - 4 Public Liability
 - 5 Products Liability
 - 6 Professional Indemnity
 - 7 Income Generation
 - 8 Trust Property and Contents
 - 9 Motor Vehicle Incidents
 - 10 Any Other Insurance Policies which the Trust may effect from time to time.
- 2.4 This Policy will apply to any excesses as notified from time to time under the relevant insurance/scheme rules and for any matters which the Trust is liable and to which the insurance/scheme cover does not respond.
- 2.5 The security of staff and patient's property sits outside the scope of this Policy, All patients and staff should be advised on admission that the Trust does not accept responsibility for any item of personal property. The only exception will be in the case of property deposited for safe keeping in accordance with the Patients Property Policy (B24/2007). The Trust should arrange for the safekeeping of valuables of unaccompanied patients who are admitted to hospital in an unconscious or not fully conscious state. Responsibility for personal effects and property not handed in for safekeeping under approved procedures should be disclaimed by notices or other means. Only in exceptional circumstances will the Trust consider making an ex-gratia payment.

3 DEFINITIONS

- 3.1 This policy applies to losses of money or property belonging to the NHS Trust itself. Special payments are those which fall outside the normal day-to-day business of the NHS Trust, or those for which exceptionally and with the approval of the Department and Social Care, no statutory authority exists.

Losses and special payments are defined and categorised as follows:

3.2 Losses

Applies to losses of money or property belonging to the Trust which are to be written off in the Accounts. Losses are divided into four categories and reporting requirements vary with the category.

3.2.1 Category 1 – Losses of cash

These may be due to:-

- a. Theft, fraud, arson, sabotage, neglect of duty or gross carelessness.
- b. Overpayments of salaries, wages, fees and allowances.
- c. Other causes, including un-vouched payments, overpayments other than those included above, physical losses of cash and cash equivalents, e.g. stamps due to fire (other than arson), accident or similar causes.

3.2.2 Category 2 – Fruitless payments (including abandoned capital schemes and constructive losses)

This represents a payment which cannot be avoided because the recipient is entitled to it, even though the Trust will receive nothing in return, should be classified as a fruitless payment or a constructive loss.

a. *Fruitless Payments*

A 'fruitless payment' is a payment for which liability ought not to have been incurred, or where the demand for the goods and service in question could have been cancelled in time to avoid liability. There must have been a degree of blame. The criterion is not whether the error is considered serious enough to warrant disciplinary action, but simply whether the Trust was at fault in incurring, or not avoiding, the liability to make the payment.

b. *Constructive Losses*

If there is no element of blame the payment should be classified as a 'constructive loss'. Costs associated with abandoned works should, however, be treated as fruitless payments if the Trust was at fault in incurring, or not avoiding the liability to make payments.

3.2.3 Category 3 – Bad debts and claims abandoned

These cover cases involving:-

- a. Private patients
- b. Overseas visitors

c. Losses other than in a or b

3.2.4 **Category 4 – Damage to buildings (their fittings, furniture and equipment and loss of equipment and property in stores and in use)**

These may be due to:-

- a. Culpable causes, e.g. theft, fraud, arson or sabotage, neglect of duty or gross carelessness.
- b. Other causes, e.g. fire (excluding arson), weather damage, deterioration in use or in store due to some defect in administration.

3.3 **Special Payments** (also referred to as compensations)

Applies to those payments which fall outside the normal day to day business of the Trust or those for which exceptionally, no statutory authority exists. They fall into one of four main categories:

- compensation payments made under legal obligation;
- extra contractual payments to contractors;
- ex gratia payments;
- extra statutory or extra regulatory payments.

3.3.1 **Category 1 – Compensation payments made under legal obligation**

Payments fall into this category only if a clear liability exists as a result of a court order or a legally binding arbitration award. Payments into court and out of court settlements are **NOT** payments made under legal obligation. The category can include compensation for injuries to persons, damage to property and unfair dismissal.

3.3.2 **Category 2 – Extra contractual payments to contractors**

An extra contractual payment is one which, although not legally due under the original contract or subsequent amendments, appears to be an obligation which a court may uphold. Such an obligation will usually be attributable to action or inaction by the Trust in relation to the contract.

3.3.3 **Category 3 – Ex-gratia payments**

Ex-gratia payments are those which the Trust is not obliged to make or for which there is no statutory or legal liability. An example is a payment to compensate for financial loss resulting from an act or failure of the Trust which does not give rise to a legal liability or the payment of compensation claims or damages. Such payments must be clearly related to and arise from the services which the Trust is authorised or required to provide. Types of ex-gratia payments are:-

- maladministration
- loss of personal effects
- personal injury and other negligence and injury cases
- settlements on termination of employment

▪ **Maladministration**

These may arise:-

- a. As a result of a recommendation by the Health Service Commissioner.
- b. Other cases where the Trust considers that the effect of official failure may justify an ex-gratia payment to compensate for:
 - i) Reasonable additional expense incurred in demonstrating that the Trust made an error.
 - ii) Fruitless or wasted expenditure or reasonable additional expenditure incurred as a result of maladministration.

Financial compensation in cases where the complainant has suffered **no** financial loss can only be justified in very exceptional circumstances

▪ **Loss of Personal Effects**

a. Staff

Staff should be warned by public notice and on taking up appointment that no liability for loss or damage to personal effects will be accepted save for those items handed in for safe keeping and for which a receipt is obtained.

Ex-gratia payments to staff for the loss of, or damage to, their personal property may be made only where all of the following criteria apply:

- i) The incident occurred during the course of the employee's duty.
- ii) The articles lost, damaged or destroyed were reasonable to be carried in the course of duty.
- iii) The articles were sufficiently robust for the treatment they might reasonably be expected to bear.
- iv) The loss or damage is not due to the officer's own negligence.
- v) The loss or damage is not covered by insurance or by any provision for free replacement.

b. Patients

All patients, or their next of kin in the case of those patients incapable of managing their own affairs, should be advised on admission that the Trust does not accept responsibility for any item of personal property.

The only exception will be in the case of property deposited for safe keeping in accordance with the Patients Property Policy and Procedure. The Trust should arrange for the safekeeping of valuables of unaccompanied patients who are admitted to hospital in an unconscious, not fully conscious state or immobile state that inhibit the patients ability to communicate. Responsibility for personal effects and property not handed in for safekeeping under approved procedures should be disclaimed by notices or other means.

However, in **exceptional circumstances** the Trust **may** consider making an ex-gratia payment where one of the following criteria is satisfied:

- That the loss or damage occurred as a consequence of the actions or omissions of a member of Trust staff acting in the course of their employment.
- That to refuse the claim would cause genuine hardship or inconvenience to the patient or result in adverse publicity.

c. General

The purpose of making special payments to patients, visitors, members of the public or staff is to place the individual in the position they were in before the loss or damage took place.

▪ **Personal injury and other negligence and injury cases**

Many personal injury cases are settled out of court and are, therefore, classified as ex-gratia payments. These claims are handled by both the NHS Litigation Authority and the Trust Claims Manager and reported to the Audit Committee.

▪ **Settlements on Termination of Employment**

Most payments to staff on termination of their employment will be contractual, but ex-gratia payments may exceptionally arise (e.g. to settle a claim against the Trust for breach of contract). The Trust has no authority to make such payments and must obtain HM Treasury approval before any offer is made.

3.3.4 Category 4 – Extra statutory or extra regulatory 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. In some cases where NHS Trusts have followed departmental policy, such as payments in respect of oxygen services, the Department of Health will advise the NHS Trusts to classify the payments as extra statutory.

In all other cases where the Trust would be acting, or believe it has acted, beyond the strict interpretation of statute or statutory regulation the Trust must inform the Department of Health who will advise as to whether the payments may be treated as extra statutory or that the payments are beyond our powers (*ultra vires*).

Extra statutory or extra regulatory payments must not be classified as ex gratia.

4.1 The Trust Board

Has responsibility from the Department of Health and Social Care for the management of all payments except for claims arising from novel, contentious or repercussive features which will be referred to the Department of Health and Social Care for approval.

4.2 Chief Financial Officer

This financial responsibility will be delegated in the first instance to the Chief Financial Officer, who shall be responsible for delegating operational issues concerning the implementation of the Policy. The Trust's Standing Financial Instructions stipulate that the Chief Financial Officer is responsible for establishing systems and preparing procedural instructions for the recording of and accounting of losses and special payments.

The Chief Finance Officer shall in particular:

- Notify the Counter Fraud Specialist who will advise NHS Counter Fraud Authority via the Fraud, Bribery and Corruption and Information Reporting Toolkit.
- Report any losses of caused by theft, arson, neglect of duty or gross carelessness to the Trust Board and External Auditor.
- Inform the Police and the Trust's Security Officer in those cases where theft or criminal damage is involved.
- Inform the Department of Health where novel, contentious or repercussive losses and special payments are incurred.
- Take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- Consider whether any insurance claim could be made.
- Maintain a Losses and Special Payments Register in which write-off action is recorded.
- Report all losses and special payments to the Audit Committee.

4.3 Deputy Director of Finance – Financial Services

The Chief Financial Officer effectively delegates responsibility for these duties to the Deputy Director of Finance – Financial Services and his or her team to ensure their appropriate application within the Trust. The Deputy Director of Finance in turn delegates operational and administrative responsibility to the Lead Accountant for Financial Reporting.

4.4 Lead Accountant – Financial Reporting

Responsible for maintaining a Losses and Special Payments Register, which details of losses and special payments are entered as they become known. An estimated value is inserted where the actual value cannot be immediately

determined. Financial Services has responsibility for the management and reporting of debt write offs, ensuring all write offs over £50,000 have audit committee approval. The Lead Accountant is also responsible for preparing a bi-annual losses and special payments report to the Audit Committee, which is reviewed by the Assistant Director of Finance, prior to submission.

4.5 All Trust Staff

All Trust staff have responsibility, on discovering or suspecting a loss of any kind, to immediately notify their supervisor, line manager or head of department, except where fraud, bribery and/or corruption is suspected in which case the officer should take action in accordance with the Trust's Policy on Fraud, Bribery and Corruption. Wherever a loss occurs, the manager responsible for that area must report it in writing on a Losses Notification form, for investigation and appropriate action in accordance with the procedures outlined below and with the Scheme of Delegation as it applies to the category of loss. Any suspicion of a security breach or knowledge of a security related incident should be reported to the Local Security Management Specialist or to the NHS Security Management Service.

The Counter Fraud Specialist and the Chief Financial Officer should be informed as soon as a case of fraud, bribery and corruption arises. If an individual member of staff has suspicion of fraud taking place, this should be reported to the Counter Fraud Specialist or to NHS Counter Fraud Authority.

4.6 NHS Counter Fraud Authority

NHS Counter Fraud Authority represents the single expert intelligence-led organisation for the NHS, providing strategic direction, national policy and centralised capacity for investigations into complex crime matters and having oversight of and responsibility for monitoring anti-crime work across the NHS. This includes the definition of anti-crime standards and assessment of performance against them, as well as the provision of comparative data and resources to drive improvement in anti-crime work.

4.7 Counter Fraud Specialist (CFS)

The CFS will ensure that a full report is provided on each case to the Chief Financial Officer, the Audit Committee and to the Trust's Internal and External Auditors. This should include an assessment of the systems weakness that allowed the fraud, bribery and/or corruption to be perpetrated where fraud, bribery and/or corruption is present.

The Trust will consider possible gaps / weaknesses and in liaison with the CFS take corrective steps to strengthen internal governance arrangements. Positive outcomes and fraud, bribery and/or corruption prevented will be reported back to the Chief Financial Officer and the Audit Committee.

If the system weakness has possible implications across the NHS, the CFS should report the problem to NHS Counter Fraud Authority using the intranet

fraud, bribery and corruption prevention referral system so that measures can be taken nationally to amend policy or systems.

4.8 The Local Security Management Specialist (LSMS)

NHS Counter Fraud Authority and Department of Health and Social Care policy and directions have placed a greater emphasis and obligation on NHS organisations to review security arrangements. NHS Standards of counter fraud and security for providers are set out by NHS Counter Fraud Authority under Service Condition 24 and place obligations on service provider, including clause 24.1, which requires all providers to put in place and maintain counter fraud and security management arrangements, having regard to NHS Counter Fraud Authority standards.

In accordance with Secretary of State Direction to NHS Bodies NUH has an accredited Local Security Management Specialists (LSMS). The LSMS operates within the clear legal framework set by NHS Counter Fraud Authority, with clearly defined duties and responsibilities.

The Trust must ensure that there are suitable arrangements in place for the management of such security incidents in accordance with national policy issued by the NHS Counter Fraud Authority. The Trust must also ensure that all security related incidents are reported to the LSMS and Police (if required) for a full investigation and considered for the appropriate application of sanctions.

The LSMS must ensure that any investigation undertaken is done in accordance with the NHS Security Management Manual. The LSMS should inform NHS Counter Fraud Authority of the commencement and outcome of any investigation into a security related incident using the reporting system as specified by the NHS Counter Fraud Authority.

Where security related incidents expose a system weakness that has possible implications across the NHS, the LSMS should report the problem to the NHS Counter Fraud Authority so that measures can be taken nationally to amend policy or systems or to alert other NHS bodies.

4.9 Assistant Director of Legal Services

The Corporate and Legal directorate has delegated responsibility for claims for loss of or damage to patient property and for maladministration claims.

The Assistant Director of Legal Services will ensure implementation of the Policy and approve, or recommend for approval, all payments arising. All losses should be reported through to the Head of Claims and Inquests by the responsible manager. The Claims and Inquests Office hold the Losses and Notification Forms which are sequentially numbered.

5 POLICY STATEMENTS, STANDARDS*, PROCESSES*, PROCEDURES* AND ASSOCIATED DOCUMENTS

5.1 Notification of Losses

5.1.1 With the exception of suspected fraud, any officer discovering or suspecting a loss of any kind shall immediately:

- a. inform his/her Ward Manager / Service Manager;
- b. take any reasonable action to end the loss and attempt to recover it other than where fraud is suspected;
- c. find out the cause and take appropriate corrective action including;
 - correcting any weakness in controls or supervision;
 - establishing responsibility insofar as it involves inadequate supervision, negligence or misconduct, and taking appropriate disciplinary action;
 - ensure that any general lessons are picked up and applied in future;
- d. report the loss and action taken to the appropriate bodies;
- e. if it is not fully recovered at once, record the loss and all stages of subsequent action; and
- f. seek write-off approval.

On becoming aware of any loss where a criminal offence is suspected, the Police and the Trust Local Security Management Specialist should immediately be informed by the Ward Manager / Service Manager. The only exception to this is where fraud is suspected.

On becoming aware of any loss the Ward Manager / Service Manager should promptly notify the Chief Finance Officer. Initial notification should be by telephone, subsequently in writing on the appropriate form (Appendix 1 or 2).

5.1.2 Where fraud is suspected

All losses arising from fraud should be notified to the Directorate of Counter Fraud Services (DCFS) and the relevant Counter Fraud Operational Service team and actioned in accordance with the Secretary of State Directions and the Counter Fraud Services Fraud and Corruption Manual. No officer or Director of the Trust shall take any further action without the express approval of the Chief Finance Officer.

5.1.3 Security incidents

All security related incidents apparently caused by theft, criminal damage, arson, neglect of duty or gross carelessness, except if trivial, must be reported in accordance with Secretary of State Directions and the Local Security Management Specialist.

If the Trust suspects a criminal offence such as arson or theft of any amounts has occurred the Chief Finance Officer must at once inform the police. The Trust should also take appropriate disciplinary and recovery action, as set out in the Trust's disciplinary procedures.

5.2 Processing of Special Payments

5.2.1 Compensation payments made under legal obligation

The Director handling the case must keep the Chief Finance Officer informed of the progress of all legal proceedings and advise of the potential financial outcome.

The circumstances of each case will determine the payment procedure.

5.2.2 Extra contractual payments to suppliers/maladministration/personal injury cases

As soon as a payment is considered possible by the appropriate officer, the Chief Finance Officer must be informed of the likely financial impact. When the outcome is known the appropriate officer will forward a report and request for payment to the Chief Finance Officer. Where appropriate the report will include a copy of the checklist.

5.2.3 Loss of personal effects

Before patients are advised to make a claim the nurse in charge of the ward or department area must ensure that a thorough search has been conducted for the item in question including at any previous ward or department where the patient has been cared for.

If the patient makes any statement to the effect that their property has been stolen the matter must immediately be reported to the Police who will then assume responsibility for dealing with the matter.

Only once this search has been conducted and the item not found should a claim form then be given to the patient.

It is recommended that a record of the reported loss and action taken to find the item is recorded within the patients nursing records.

Where an article can be repaired the payment should cover the actual cost of the repair. However, where it is lost or damaged beyond repair the value of the property immediately before the incident should be paid (the cost of replacement less the estimated amount by which the property had depreciated since purchase).

The Trust should take steps to minimise the risk of loss, damage to personal effects and property of patients. However, cases will arise justifying payment where there is no legal liability on the Trust's part.

Responsibility for personal effects and property not handed in for safe keeping under approved procedures may be disclaimed by notices or other means. The

appropriateness of displaying disclaimers is to be determined locally as appropriate to the care setting. Where disclaimers are deemed inappropriate, notices to encourage the deposit of cash / property for safekeeping must be displayed instead.

The Trust should arrange for the safekeeping of valuables on the person of unaccompanied patients who are admitted to hospital in an unconscious or not fully conscious state.

Where the article is lost, or the cost of repair is authorised, then payment may be made as soon as approval, in accordance with these procedures, is obtained. Where the article is damaged but repair is not possible or appropriate, then the damaged article must first be inspected prior to disposal before payment is authorised and released.

Where the article can be repaired the payment 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.

5.3 Recording and Reporting Losses and Special Payments

- 5.3.1 Losses and special payments will be entered onto the losses and special payments register and supporting documentation filed within the supporting file, both of which are maintained within Financial Services.
- 5.3.2 All losses and special payments will be routinely reported to the Trust's Audit Committee.
- 5.3.3 If, in the judgement of the Chief Finance Officer, the NHS could benefit by wider dissemination of the facts of an individual case, then the Department of Health will be notified.

5.4 Delegated Limits

There are no delegated limits to losses and compensation payments and therefore the Trust can authorise any payments, however any novel, contentious or repercussive cases must be referred to the Department of Health for approval.

It is the responsibility of the Manager recommending to the Executive Director that a special payment to ensure that the amount to be paid is in all cases reasonable. The question of what is reasonable must take into account not only the age and quality of the article in question, but also what a reasonable person would pay for a replacement. The maximum compensation payable by the Trust in relation to spectacles is £250.

However, at the discretion of the relevant Executive Director, claims in excess of this limit may be awarded once the facts have been considered.

For claims of less than £1,000 an application for special payment (Appendix 1) should be completed, recommended by the appropriate Head of Operations and approved by the responsible Executive Director (refer to Standing Financial Instructions for delegated approval limits).

Completed forms should be sent to the Litigation Department, Belgrave House, Leicester General Hospital.

5.4.1 **Losses and special payments exceeding £1,000**

In exceptional circumstances, the form at Appendix 2 should be completed and authorised in accordance with Trust Standing Financial Instructions.

For all Losses and special payments that exceed, or are likely to exceed £1,000, a checklist (refer Appendix 2) must be completed and signed by the responsible Executive Director. Checklists are required for the following categories:-

Category 1: Loss of Cash

Category 2: Fruitless Payments (including abandoned capital scheme)

Category 3: Bad Debts and Claims Abandoned

Category 4: Damage to Buildings – their furniture, fittings and equipment and loss of equipment and property in stores and in use

Category 6: Extra Contractual Payment to Contractors

Category 7: Ex-gratia payment

Note: No checklist is required for Category 5 compensation payments made under legal obligation.

Entries will only be expected against category specific checks where the loss/special payment is within that category. For any prospective payment below £1,000 the checklist need not be completed but the principles included in them should be applied before approving any payments or submitting a loss for write-off.

The checklists shall be completed by the appropriate person responsible for investigating the loss and/or special payment.

Checklists do not require completion for any personal injury cases managed by the NHSLA.

If you have any queries regarding the completion of the checklist, please contact the Financial Controller.

5.5 **Severance Payments**

The Trust must obtain explicit permission from the Treasury before making any staff severance payments that exceed legal or contractual obligations. There is no delegated authority for the Trust to make such payments, regardless of the value.

The cost of staff excluded from duty due to disciplinary proceedings must also now be in as a loss to NHSE/I

5.6 **Accounting for losses and special payments**

The accounting treatment of losses and special payments is set out in the current manual of accounts. The Directorate of Finance and Procurement shall maintain a losses and special payments register in which details of all losses and special payments are entered.

5.7 **Audit Committee review**

The Chief Finance Officer will ensure that the Audit Committee

- is kept informed of any material losses and special payments;
- authorises any bad debt write offs exceeding £50,000; and
- receives and reviews a report of losses and special payments each six months including a year-end report covering all losses and special payments in the full financial year.

6 EDUCATION AND TRAINING REQUIREMENTS

- 6.1 Managers and staff may seek advice from the Deputy Director of Finance or Assistant Director of Legal Services in the case of a query. This Policy will be included in the Trust Policy Document Library for reference by staff as appropriate. There are no formal training requirements in relation to this Policy.

7 PROCESS FOR MONITORING COMPLIANCE

- 7.1 The following elements of the policy will be monitored via routine reporting to the Audit Committee by the Deputy Director of Finance:
- completeness of Losses and Special Payments Register;
 - correct classification of losses and special payments; and
 - correct reporting of fraud and security management incidents.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 The Trust recognises the diversity of the local community it serves. Our aim therefore is to provide a safe environment free from discrimination and treat all individuals fairly with dignity and appropriately according to their needs.
- 8.2 As part of its development, this policy and its impact on equality have been reviewed and no detriment was identified.

9 SUPPORTING REFERENCES, EVIDENCE BASE AND RELATED POLICIES

- 9.1 Department of Health NHS Finance Manual
- 9.2 The Integrated Governance Handbook
- 9.3 NHS Counter Fraud and Corruption Manual
- 9.4 Managing Public Money
- 9.5 Trust Patient Property Policy (B24/2007)

10 PROCESS FOR VERSION CONTROL, DOCUMENT ARCHIVING AND REVIEW

- 10.1 This document will be uploaded onto SharePoint and available for access by Staff through INsite. It will be stored and archived through this system.
- 10.2 This policy will be reviewed in 3 years or in the light of any legislative or organisational changes.

Report of Loss or Damage to Personal Property and application for special payment (ex-gratia payment) by Patients, Visitors or Employees

Section 1 - This section is to be completed at the time of the loss by the person suffering the loss or damage and claiming compensation. When completed it should be handed to the Ward Manager or Ward Manager / Service Manager.

1 Personal Details		
Surname:	First Name:	Title:
Date of Birth:	NHS Number:	
Address:		
Phone Number(s):		
E-mail:		
2 If you wish to authorise a friend or family member to deal with this claim on your behalf, please provide their details below		
Surname:	First Name:	Title:
Date of Birth:	NHS Number:	
Address:		
Phone Number(s):		
E-mail:		
3 Circumstances of Loss		
Hospital (delete as appropriate):	LRI / LGH / Glenfield Hospital /Alliance	
Ward(s) where loss occurred: (whilst being transferred please state the Ward you were transferred from)		
Date of loss:		
How loss or damage occurred:		
To whom was it reported?		
4 Items lost or damaged		
Description (to include colour, brand, size etc):		
Date of Purchase:		
Estimated Cost (with receipt or estimate):		
5 Who was the loss reported to?		
Name of staff:		
Name of Ward Sister or manager on duty:		
Where possible please ensure staff complete Section 2 of this form at the time the loss is reported		

Section 2 - This section is to be completed by the Ward Manager or Ward Manager / Service Manager and then forwarded to the Complaints & Litigation Officer.

Damaged Articles Only:		(delete as applicable)	
Has the article been inspected?		YES / NO	
Can it be repaired?		YES / NO	
Was the property taken into temporary custody?		YES / NO	
Was the patient capable of monitoring his/her belongings?		YES / NO	
Was the patient's property recorded when they arrived on the ward?		YES / NO	
If Yes , please advise where this was recorded:			
Was a Patient Disclaimer form completed when this patient was admitted?		YES / NO	
Was the patient's property checked when they were discharged from the ward?		YES / NO	
If Yes , please advise where this information was recorded:			
Please give details of any circumstances that may have affected a capable person from monitoring their belongings when they were lost/damage:		YES / NO	
Details of action taken to prevent re-occurrence of similar loss or damage:			
Please add any further comments that may help with the decision to be made regarding the level of compensation offered to the claimant:			
Certification and Recommended Compensation: <i>(Please attach receipts or quotes as appropriate)</i>			
I certify that I have examined the articles and have disposed of them (where applicable). I have also satisfied myself that:- (tick as appropriate)			
<ul style="list-style-type: none"> • The incident occurred during the course of the employee's duty <input type="checkbox"/> • The article(s) lost, damaged or destroyed were reasonable to be carried in the course of duty <input type="checkbox"/> • The articles were sufficiently robust for the treatment they might reasonably be expected to bear <input type="checkbox"/> • The loss or damage is not due to the officer's own negligence <input type="checkbox"/> • The loss or damage is not covered by insurance or by any provision for free replacement <input type="checkbox"/> • The article(s) cannot be repaired at a lesser cost than replacement <input type="checkbox"/> • The cost of the repair is reasonable to reinstate the article to its former condition <input type="checkbox"/> • The article(s) lost/destroyed did exist as described in the claim and were in a satisfactory condition prior to the incident <input type="checkbox"/> • The owner did have the authority to send the articles for laundering <input type="checkbox"/> 			
I recommend that this claim be paid in the sum of £_____ which has taken into account the age of the article(s) and wear and tear.			
Budget Holder's Signature:			
Job Title:			
Extension Number:		Cost Centre:	
		Date:	

For Completion by Complaints & Litigation Officer:	
Decision following investigation:	
Signed:	Date:

For Finance Use Only:	
Payment Request Voucher Number :	Date:
Reference Number:	

<p>Upon completion, please send form as soon as possible to:</p> <p>Litigation Department Leicester General Hospital Belgrave House Gwendolen Road Leicester LE5 4PW</p>
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<p align="center">PLEASE NOTE THAT COMPLETION OF THIS FORM BY THE CLAIMANT DOES NOT SIGNIFY ACCEPTANCE OF LIABILITY BY THE TRUST</p>

Checklist to be used when compiling the summary of all cases of £1,000 and above

<p>Category –</p> <p>Type of case -</p> <p>Reference number –</p> <p>University Hospitals of Leicester NHS Trust (RWE)</p>
<p>1. Record the amount involved and the reasons why the loss arose.</p>
<p>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.</p>
<p>3. Was fraud involved? If so complete a fraud report and ensure that the LCFS, the relevant CFSMS team, Internal and External Auditors, and where relevant the police, are informed of the fraud in accordance with SofS Directions and using the reporting system as specified by the CFSMS. Enter dates of completion of fraud report.</p>
<p>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 policy issued by NHS Security Management Service.</p>
<p>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?</p>

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

15. Was there any apparent breakdown of procedures? Detail weakness or fault in system of control or supervision.

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?

17. Is it necessary to inform the board/chief executive? If not, why not?

18. Do SFIs require a Board report for this case? If so, please enclose the report. If not, consider whether in the light of this case SFIs should be amended to require a Board report in such cases.

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 LSMS should report the problem to CFSMS 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.

20. Please give details of name and position of person forwarding this case for Department of Health approval (if applicable). Give the date when this case was first brought to the attention of the Department of Health (if applicable).

Name -

Position -

Date Department of Health notified –

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 Department of Health.

Signed by - Date -

Name - Position held –

POLICY MONITORING TABLE

The top row of the table provides information and descriptors and is to be removed in the final version of the document

Element to be monitored	Lead	Tool	Frequency	Reporting arrangements	Lead(s) for acting on recommendations	Change in practice and lessons to be shared
Completeness of Losses and Special Payments Register	Financial Controller	Review of register against financial cost information.	Every six months	Audit Committee – meeting minutes will demonstrate review and discussion	Audit Committee	Recommendations will be identified by the audit committee and financial services will be tasked with their implementation
Correct classification of losses and special payments	Financial Controller	Review of entries in register against supporting documentation.	Every six months	Audit Committee – meeting minutes will demonstrate review and discussion	Audit Committee	Recommendations will be identified by the audit committee and financial services will be tasked with their implementation
Correct reporting of fraud and security management incidents	Financial Controller	Follow up of all applicable entries with relevant Ward Manager / Service Manager to ensure correct reporting has been undertaken.	Every six months	Audit Committee – meeting minutes will demonstrate review and discussion	Audit Committee	Recommendations will be identified by the audit committee and financial services will be tasked with their implementation