

WRITING OFF BAD DEBT

2016

Important: This document can only be considered valid when viewed on the CCG's website.

If this document has been printed or saved to another location, you must check that the version number on your copy matches that of the document online.

Name of Policy:	Writing off Bad Debt
Date Issued:	16 th November 2016
Date to be reviewed:	16 th November 2017

Policy Title:	Writing off bad debt	
Supersedes: (Please List)	All previous versions of Writing off bad debt policies	
Description of Amendment(s):	Reformatting to new policy template/ rewording as necessary / review of impact analysis	
This policy will impact on:	All Employees	
Financial Implications:	No Change	
Policy Area:	Finance	
Version No:	2.0	
Issued By:	Danny Storr, Deputy CFO	
Author:	Victoria Rimmington, Finance Manager	
Document Reference:	FIN011	
Effective Date:	16 th November 2016	
Review Date:	16 th November 2017	
Impact Assessment Date:	3 rd November 2016	
APPROVAL RECORD	Approved IAGC	15 th November 2016
Consultation:	IAGC 15th November 2016	

Contents

Section	Page
1. Policy Statement	4
2. Principles	4
3. Impact Analysis	4
4. Monitoring and Review	5
5. Responsibilities	5
6. NHS Constitution	5
7. Writing off bad debt procedure	5
Appendix A – Equality Impact Analysis	7

1. Policy Statement

This policy is to document the procedure for writing off debts owed by non-NHS organisations where the CCG assesses that it is unlikely that payment will be received.

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

2. Principles

This policy is available on the internet for all staff.

3. Impact Analysis

Equality

The CCG is committed to:

- Eliminating discrimination and promoting equality and diversity in its policies, procedures and guidelines, and
- Designing and implementing services, policies and measures that meet the diverse needs of its population and workforce, ensuring that no individual or group is disadvantaged.

To ensure the above this policy has been Equality Impact Assessed (see Appendix A)

Bribery Act 2010

The CCG follows good NHS business practice as outlined in the Business Conduct Policy and has robust controls in place to prevent bribery.

Under the Bribery Act 2010, it is a criminal offence to:

- Bribe another person by offering, promising or giving a financial or other advantage to induce them to perform improperly a relevant function or activity, or as a reward for already having done so; and
- Be bribed by another person by requesting, agreeing to receive or accepting a financial or other advantage with the intention that a relevant function or activity would then be performed improperly, or as a reward for having already done so.

Due consideration has been given to the Bribery Act 2010 in the development of this policy document and consistent application of this policy will mitigate bribery in relation to this policy.

4. Monitoring and Review

This policy will be monitored with regular reviewing of the aged debtor report.

5. Responsibilities

Every effort must be made to receive payment for the invoices raised by both CCG and Embed finance teams.

Authorised signatories should try to seek agreement from other party before invoice is raised to prevent any disputes, and should assist the finance teams to get any disputes resolved efficiently

6. NHS Constitution

The CCG is committed to:

- The achievement of the principles, values, rights, pledges and responsibilities detailed in the NHS Constitution, and
- Ensuring they are taken account of in the production of its Policies Procedures and Guidelines.

This policy supports the NHS Constitution by committing to use NHS resources responsibly and fairly and providing best value for taxpayer's money.

7. Writing off bad debts procedure

This procedure is only applicable to debts with non-NHS organisations. NHS debts are never written off as bad debts.

The Debtors Clerk from Embed will advise the CCG when all credit control letters have been sent out and any follow up telephone calls have been made, where amounts due are outstanding in excess of 90 days.

The CCG Deputy CFO will review the aged debt and decide which debtors will be credit managed and which will be referred to external debt collectors.

On a monthly/quarterly basis Embed will compile a list of debtors to be referred to external debt collectors and forwarded to the CCG for review and approval.

Embed will make an assessment regarding individual debts based on any other information available and a recommendation will be made to the CCG's Deputy CFO regarding write off.

Before any write off is approved the CCG's Deputy CFO must be satisfied that all efforts have been made to recover the debt and that there are no outstanding queries from the customer giving reason for non-settlement.

The appropriate accounting transactions will be undertaken by the Embed finance team and details of any bad debts written off will be filed with the Annual Accounts working papers for the relevant financial year.

For amounts over £1,000 a '*losses and special payments form*' will need to be completed and authorised and it is good practice to complete these for all losses. (See separate '*Losses and Special Payments*' policy for details).

APPENDIX A

Equality Impact Analysis:									
Policy / Project / Function:	Writing off Bad Debts V2.0								
Date of Analysis:	November 2016								
This Equality Impact Analysis was completed by: (Name and Department)	Victoria Rimmington Finance Manager Resources								
What are the aims and intended effects of this policy, project or function?	This procedure is intended to inform employees and managers of the steps and controls in place to write off any bad debt.								
Please list any other policies that are related to or referred to as part of this analysis	Financial Policy - Losses and Special Payments								
Who does the policy, project or function affect ? Please Tick ✓	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Employees</td> <td style="text-align: center; padding: 5px;"><input checked="" type="checkbox"/></td> </tr> <tr> <td style="padding: 5px;">Service Users</td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> </tr> <tr> <td style="padding: 5px;">Members of the Public</td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> </tr> <tr> <td style="padding: 5px;">Other (List Below)</td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> </tr> </table>	Employees	<input checked="" type="checkbox"/>	Service Users	<input type="checkbox"/>	Members of the Public	<input type="checkbox"/>	Other (List Below)	<input type="checkbox"/>
Employees	<input checked="" type="checkbox"/>								
Service Users	<input type="checkbox"/>								
Members of the Public	<input type="checkbox"/>								
Other (List Below)	<input type="checkbox"/>								

Equality Impact Analysis:	
Local Profile/Demography of the Groups affected (population figures) Relevant data can be found in the attached Knowledge Management Toolkit(Employee data as at January 2016)	
General	Total number of employees in the CCG is 78
Age	73.07% of staff are aged 30-55 20.51% of staff are over 55 6.41% of staff employed are aged 30 or under
Race	94.87% of staff employed in the CCG declared themselves white 3.85% of staff are not stated/undefined 1.27% of staff declared themselves Asian
Sex	70.51% of staff employed are female 39.49% of staff employed are male
Gender reassignment	No information available
Disability	57.69% of staff employed declared themselves as having no disability 38.46% of staff did not declare /undefined0 3.85% of staff declared a disability
Sexual Orientation	56.41% of staff described themselves as heterosexual 43.59% did not wish to respond /undefined No staff described themselves as gay, lesbian or bisexual
Religion, faith and belief	47.44% were undefined or did not wish to declare – the largest group 35.90 of staff declared themselves Christian 11.54% declared themselves Atheist 5.13% of staff declared their faith as 'other' Zero staff declared as Islam, Buddhism, Hindu, Judaism or Sikhism
Marriage and civil partnership	64.10% of employees are married. 25.64% are single 7.69% are divorced/legally separated 2.56% are undefined0% of employees are in a civil partnership
Pregnancy and maternity	No information yet as the CCG has not been established long enough to build meaningful data

Equality Impact Analysis:	
<p>Is any Equality Data available relating to the use or implementation of this policy, project or function ?</p> <p>Equality data is internal or external information that may indicate how the activity being analysed can affect different groups of people who share the nine <i>Protected Characteristics</i> – referred to hereafter as ‘<i>Equality Groups</i>’.</p> <p>Examples of <i>Equality Data</i> include: (this list is not definitive)</p> <p>1: Application success rates <i>Equality Groups</i></p> <p>2: Complaints by <i>Equality Groups</i></p> <p>3: Service usage and withdrawal of services by <i>Equality Groups</i></p> <p>4: Grievances or decisions upheld and dismissed by <i>Equality Groups</i></p>	<p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p> <p>Where you have answered yes, please incorporate this data when performing the <i>Equality Impact Assessment Test</i> (the next section of this document).</p>
<p>List any Consultation e.g. with employees, service users, Unions or members of the public that has taken place in the development or implementation of this policy, project or function</p>	
<p>Promoting Inclusivity How does the project, service or function contribute towards our aims of eliminating discrimination and promoting equality and diversity within our organisation</p>	<p>This procedure applies to all employees of the CCG, any staff who are seconded to the CCG, contract and agency staff and any other individual working on CCG premises including Embed employees.</p>

Equality Impact Assessment Test:

What impact will the implementation of this policy, project or function have on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?

Protected Characteristic:	No Impact:	Positive Impact:	Negative Impact:	Evidence of impact and if applicable, justification where a <i>Genuine Determining Reason</i> exists
Gender (Men and Women)	✓			This has been considered and has a neutral impact. The policy applies equally to all staff regardless of gender
Race (All Racial Groups)			✓	Potential Language barrier. Policies can be translated as necessary by using the "policies in different format" form available on the intranet
Disability (Mental and Physical)			✓	Potential Visual Impairment barrier. Policy and forms can be changed into suitable format using "policies in different format" form available on the intranet.
Religion or Belief	✓			This has been considered and has a neutral impact. The policy applies equally to all staff regardless of religion or belief
Sexual Orientation (Heterosexual, Homosexual and Bisexual)	✓			This has been considered and has a neutral impact. The policy applies equally to all staff regardless of sexual orientation.
Pregnancy and Maternity	✓			This has been considered and has a neutral impact. The policy applies equally to all staff.
Transgender	✓			This has been considered and has a neutral impact. The policy applies equally to all staff.
Marital Status	✓			This has been considered and has a neutral impact. The policy applies equally to all staff.
Age	✓			This has been considered and has a neutral impact. The policy applies equally to all staff.

Action Planning:

As a result of performing this analysis, what actions are proposed to remove or reduce any risks of adverse outcomes identified on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?

Identified Risk:	Recommended Actions:	Responsible Lead:	Completion Date:	Review Date:
Potential language barrier where employees first language is not English.	The CCG's Communication Team has developed the 'portal' to signpost individuals to alternative formats	CCG Communication s Team	End 2014	End 2016
Potential disability barrier where employee has visual impairment	The CCG's Communication Team has developed the 'portal' to signpost individuals to alternative formats	CCG Communication s Team	End 2014	End 2016

FINANCIAL PROCEDURE


WRITING OFF BAD DEBTS

Equality Impact Findings:	
Analysis Rating:	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> Red Red Amber Green Amber
Red – Stop and remove the policy	Red: As a result of performing the analysis, it is evident that a risk of discrimination exists (direct, indirect, unintentional or otherwise) to one or more of the nine groups of people who share <i>Protected Characteristics</i> . It is recommended that the use of the policy be suspended until further work or analysis is performed.
Red Amber – Continue the policy	Red Amber: As a result of performing the analysis, it is evident that a risk of discrimination exists (direct, indirect, unintentional or otherwise) to one or more of the nine groups of people who share <i>Protected Characteristics</i> . However, a genuine determining reason may exist that could legitimise or justify the use of this policy and further professional advice should be taken.
Amber – Adjust the Policy	Amber: As a result of performing the analysis, it is evident that a risk of discrimination (as described above) exists and this risk may be removed or reduced by implementing the actions detailed within the <i>Action Planning</i> section of this document.
Green – No major change	Green: As a result of performing the analysis, the policy, project or function does not appear to have any adverse effects on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.

Other Comments:	
------------------------	--

FINANCIAL PROCEDURE

WRITING OFF BAD DEBTS

Confirmed by (Manager): (Name and Title)	
Date:	03.11.16