

# PAYMENT OF SUPPLIER INVOICES

## 2016

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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:	Payment of Supplier Invoices
Date Issued:	16 <sup>th</sup> November 2016
Date to be reviewed:	16 <sup>th</sup> November 2017

PAYMENT FOR SUPPLIER INVOICES (FINANCE) V2.0

<b>Policy Title:</b>	<b>Payment of Supplier Invoices</b>	
<b>Supersedes: (Please List)</b>	All previous versions of Payment of Supplier invoices policies	
<b>Description of Amendment(s):</b>	Reformatting to new policy template/ rewording as necessary / review of impact analysis	
<b>This policy will impact on:</b>	All Employees	
<b>Financial Implications:</b>	No Change	
<b>Policy Area:</b>	Finance	
<b>Version No:</b>	2.0	
<b>Issued By:</b>	Danny Storr, Deputy CFO	
<b>Author:</b>	Victoria Rimmington, Finance Manager	
<b>Document Reference:</b>	FIN006	
<b>Effective Date:</b>	16 <sup>th</sup> November 2016	
<b>Review Date:</b>	16 <sup>th</sup> November 2017	
<b>Impact Assessment Date:</b>	3 <sup>rd</sup> November 2016	
<b>APPROVAL RECORD</b>	Approved IAGC	15 <sup>th</sup> November 2016
<b>Consultation:</b>	IAGC 15 <sup>th</sup> November 2016	

## Contents

<b>Section</b>	<b>Page</b>
1. Policy Statement	4
2. Principles	4
3. Impact Analysis	4
4. Monitoring and Review	5
5. Responsibilities	5
6. NHS Constitution	5
7. Hull CCG Obligation	5
8. Payment of Invoices	6
9. Associated Documents	7
Appendix A Equality Impact Analysis	8

## 1. Policy Statement

The CCG incurs costs for the goods and services it consumes in order to deliver healthcare to its target population.

This policy is intended to provide guidance to employees and managers of the steps to take, and the controls in place to enable timely payments of invoices for goods and services supplied to the CCG.

This policy applies to all employees of the CCG, any staff who are seconded to the CCG, contracted and agency staff and any other individual working on CCG premises.

## 2. Principles

This policy is available on the internet for all staff.

Guidance and support will be provided as and when required by the CCG finance team.

## 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**

Monitoring compliance with and effectiveness of this policy will be accomplished via the accounts payable KPIs as outlined in the financial service specification with the Embed and periodic Internal Audit reviews of accounts payable systems.

This Policy will be reviewed on an annual basis from the date of implementation, more frequently if required.

#### **5. Responsibilities**

##### **Authorised Signatories**

Authorised signatories are responsible for ensuring that invoices are accurately coded and signed for within allocated limits.

##### **Embed staff**

Embed are responsible for the processing of invoices, ensuring systems and relationships are working to allow payments to suppliers to meet the 'better practice payment codes' target effectively and efficiently as possible.

##### **All Staff**

All staff are responsible for ensuring prompt authorisation and coding of invoices for payment targets to be met as in section 7.

#### **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. NHS Hull CCG Obligation**

As an NHS organisation, NHS Hull CCG has signed up to the Institute of Credit Management '*Prompt Payment Code*' whereby we undertake to pay suppliers within the terms agreed at the outset of the contract.

In addition, all CCG's must meet a 'Better Payment Practice Code' target of paying 95% of bills within contract terms or 30 days where no terms have been agreed. On a monthly basis Embed will furnish the CCG with statistics to this effect. This is reported to the Quality and Performance Committee on a monthly basis.

## 8. Payment of Invoices

### All Staff

All supplier invoices received by the CCG must be sent to Shared Business Services at the below address. This address also needs to be on the invoice. Invoices cannot be accepted to the site address.

**NHS Hull CCG**  
03F Payables L295  
PHOENIX HOUSE TOPCLIFFE LANE  
WAKEFIELD  
WF3 1WE

Where appropriate, invoices must be matched with relevant purchase orders/delivery notes.

Using Oracle system non-purchase order invoices must be distributed by SBS /Embed to the relevant checkers/budget holders of the CCG for coding and authorisation via Oracle (please refer to SBS guidance for details on how to do this). Each department is responsible for coding their own invoices according to the budget holder list. Invoices must not be returned without a financial code. For coding information please refer to the budget book or contact the CCG finance team.

All invoices should be checked by a person who can verify the goods/services have been received. Authorised signatories should then approve to authorise the payment of invoices.

All invoices relating to an individual must be signed by the line manager of the individual to which it relates. Individuals cannot authorise invoices relating to themselves.

Invoices should be split-coded where appropriate for example, in cases where multiple items on the invoice require different cost codes. Under no circumstances can invoices be split-coded to other organisations e.g. other CCGs. Similarly, other organisations have no authority to allocate expenditure to NHS Hull CCG.

It will not normally be acceptable to pay part-invoices where the amount payable has been amended by an officer of the CCG. If an invoice is incorrect, the supplier should be advised they should cancel/credit the original invoice and send a revised invoice for payment.

Mobile telephone invoices must be passed to the relevant budget holder for authorisation. For more information please see the 'Policy for Payment of Personal Mobile Phone Calls', available on the intranet.

Embed should be informed of any disputes with regards to invoices and the invoice should be forwarded to a member of the finance team at Embed to dispute with suppliers.

## **Embed / SBS Staff**

VAT for business activity and contracted out services must be claimed as per current HM Revenue and Customs rules and guidance. Invoices are assessed by SBS/VAT Liaison as to what can be reclaimed. This is then reviewed by the Embed and authorised by the CCG.

When invoices are authorised SBS will flag them for payment and Embed staff will confirm that sufficient funds are available before processing before being paid on the next available run.

At every meeting of the Integrated Audit & Governance Committee they will receive a report of all supplier invoices that are over £5,000 and have been outstanding for more than 6 months.

Monthly and/or quarterly meetings will be held between Embed and CCG staff to discuss the creditor's position (NHS & non-NHS).

Embed will provide training and support to oracle users as and when required.

## **9. Associated Documents**

Prompt Payment Code available at: [www.promptpaymentcode.org.uk](http://www.promptpaymentcode.org.uk)

<https://www.sbs.nhs.uk/home/working-with-suppliers/postal-invoicing/good-invoicing-practice>

Policy for Payment of Personal Mobile Phone Calls

Procedure for Raising Invoices to other Organisations (Debtor requests)

APPENDIX A

Equality Impact Analysis:									
<b>Policy / Project / Function:</b>	Financial Policy – Payment of Supplier Invoices V2.0								
<b>Date of Analysis:</b>	01 November 2016								
<b>This Equality Impact Analysis was completed by: (Name and Department)</b>	Victoria Rimmington Finance Manager Resources								
<b>What are the aims and intended effects of this policy, project or function?</b>	This policy is intended to provide guidance to employees and managers of the steps to take, and the controls in place to enable timely payments of invoices for goods and services supplied to the CCG								
<b>Please list any other policies that are related to or referred to as part of this analysis</b>	Policy for Payment of Personal Mobile Phone Calls  Procedure for Raising Invoices to other Organisations (Debtor requests)								
<b>Who does the policy, project or function affect ?</b>  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) Suppliers</td> <td style="text-align: center; padding: 5px;"><input checked="" 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) Suppliers	<input checked="" type="checkbox"/>
Employees	<input checked="" type="checkbox"/>								
Service Users	<input type="checkbox"/>								
Members of the Public	<input type="checkbox"/>								
Other (List Below) Suppliers	<input checked="" type="checkbox"/>								



<b>Equality Impact Analysis:</b>	
<b>Local Profile/Demography of the Groups affected</b> (population figures) Relevant data can be found in the attached Knowledge Management Toolkit (Employee data as at January 2016)	
<b>General</b>	Total number of employees in the CCG is 78
<b>Age</b>	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
<b>Race</b>	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
<b>Sex</b>	70.51% of staff employed are female 39.49% of staff employed are male
<b>Gender reassignment</b>	No information
<b>Disability</b>	57.69% of staff employed declared themselves as having no disability 38.46% of staff did not declare /undefined 3.85% of staff declared a disability
<b>Sexual Orientation</b>	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
<b>Religion, faith and belief</b>	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
<b>Marriage and civil partnership</b>	64.10% of employees are married. 25.64% are single 7.69% are divorced/legally separated 2.56% are undefined 0% of employees are in a civil partnership
<b>Pregnancy and maternity</b>	No information yet as the CCG has not been established long enough to build meaningful data

Equality Impact Analysis:	
<p><b>Is any Equality Data available relating to the use or implementation of this policy, project or function?</b>            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>’.            Examples of <i>Equality Data</i> include: (this list is not definitive)            1: Application success rates  <i>Equality Groups</i>            2: Complaints by <i>Equality Groups</i>            3: Service usage and withdrawal of services by <i>Equality Groups</i>            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><b>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</b></p>	
<p><b>Promoting Inclusivity</b>            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 policy 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.</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* ?**

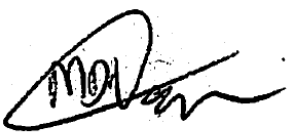
<b>Protected Characteristic:</b>	<b>No Impact:</b>	<b>Positive Impact:</b>	<b>Negative Impact:</b>	<b>Evidence of impact and if applicable, justification where a <i>Genuine Determining Reason</i> exists</b>
<b>Gender</b> (Men and Women)	✓			This has been considered and has a neutral impact. The policy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

<b>Identified Risk:</b>	<b>Recommended Actions:</b>	<b>Responsible Lead:</b>	<b>Completion Date:</b>	<b>Review Date:</b>
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

Equality Impact Findings:	
<b>Analysis Rating:</b>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> Red      Red/Amber      Amber      Green
<b>Red – Stop and remove the policy</b>	<b>Red:</b> 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.
<b>Red Amber – Continue the policy</b>	<b>Red Amber:</b> 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.
<b>Amber – Adjust the Policy</b>	<b>Amber:</b> 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.
<b>Green – No major change</b>	<b>Green:</b> 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.

<b>Other Comments:</b>	
<b>Confirmed by (Manager):</b> (Name and Title)	
<b>Date:</b>	03.11.16