

# CASH AND TREASURY MANAGEMENT POLICY

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### REVIEW DATES AND DETAILS OF CHANGES MADE DURING THE REVIEW

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#### New Policy

This policy will be reviewed every three years. The Trust Board has delegated the responsibility for approval of the Trust's investment procedures, controls, and detailed policies to the Audit Committee.

### KEY WORDS

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National Loans Fund, Investments, Cash, Treasury, Risk Appetite, Bank Accounts, Capital, and Revenue support.

This policy has been written to set the framework for the efficient and effective management of the cash resources of the University Hospitals NHS Trust. It describes the risk adverse approach to the use of public funding to ensure that the Trust adheres to the regulations set for public sector finance. The policy provides assurance to the Trust Board that Treasury and Cash Management function has the necessary delegated oversight and robust governance within its procedures.

In order to fully realise the benefits, it is essential that this Policy is kept up to date to reflect any future changes or developments. The Policy will therefore be subject to an annual review and formal revision every three years.

This Policy identifies the approach that the University of Leicester NHS Trust (“The Trust”) is expected to follow in the management of its cash resources and establishes the relationship between the Trust and the Department of Health and Social Care (DHSC), NHS Improvement (NHSI), HM Treasury and the Government Banking Service (GBS), in relation to these matters. The Trust is expected to operate in a climate of strong corporate governance and probity in conducting its treasury activities to ensure that public monies are used efficiently and effectively. Therefore, the overriding aim in this policy is to ensure responsible, properly authorised, and controlled cash and treasury management, and the use of prudent investments and other financial instruments, and to ensure that this does not compromise effective, efficient, and economic delivery of services.

This document sets out the Trust’s approach to cash and treasury management in order to minimise any Trust exposure to cash flow risk. Having sufficient cash resources available for at least 12 months is also essential for the Trust to be classified operationally as a ‘going concern.’ to support on-going operations and meet liquidity requirements. The key operational objective of the treasury management function is therefore to ensure that the Trust always has sufficient ‘liquid’ resources available to it to meet its current and future outgoings on an ongoing basis. The Trust must also comply with its statutory, regulatory and performance management obligations in managing its cash position, including meeting its External Financing Limit (EFL) target. The Trust is required to maintain a bank account with their appointed bankers, through Government Banking Services (GBS), and work within their regulations. The Trust may also see financial support from the Government, within procedures and guidance established by NHSE and the DHSC, when the financial position determines that sufficient cash resources are not available to meet its obligations.

This Policy may be supplemented by detailed operational guidelines setting out how particular transactions or issues are to be handled, but nothing in those guidelines may override this Policy, and no investments or financial instruments may be used which are not authorised in this Policy.

## 2 POLICY SCOPE

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This Policy effects all the fiscal arrangements of the Trust relating to cash and treasury management (see section 4 for roles and responsibilities) and focuses on the need to maintain cash and liquid funds to support ongoing operations.

The purpose of this policy is to describe the approach taken by the Trust in Treasury and Cash Management, the regime that it operates within, and the roles and responsibilities in place to protect the Trust's ability to meet its current and future obligations as a publicly funded organisation.

Adherence to this Policy will ensure that the Trust complies with all statutory, regulatory and performance management obligations. It will define roles, responsibilities and maintain segregation of duties, regularly monitor the effectiveness of cash management, and ensure that strict controls are enforced over authorisation limits.

Specifically:

- Compliance with this Policy is an obligation for all Trust staff.
- No Treasury management operations may be undertaken except by designated staff within the Finance Directorate.
- No treasury management operations may be undertaken outside this Policy and any operational guidelines established under it.
- All investment of surplus cash must be reported to the Working Capital Steering Group, Finance and Investment Committee and the Trust Board.

## 3 DEFINITIONS

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- **External Financing Limit (EFL)** – is a cash limit on “net external financing” and is a statutory financial duty which the Trust is required to meet. Its purpose is to control the cash expenditure of the NHS as a whole to the level agreed by Parliament.
- **Government Banking Service (GBS)** – GBS is part of HM Revenue and Customs and is the banking shared service provider to government and the wider public sector. It is responsible for holding the working balances of Government Departments and other public bodies in high level accounts at the Bank of England. These working balances are made available overnight to the National Loans Fund to reduce the government's borrowing costs.
- **National Loans Fund (NLF) Temporary Deposit Facility** – this is a facility operated by HM Treasury. Deposits under this facility are accepted by virtue of the fact that this is an approved investment under Pt 2 Ch5 s46(4) and Sch 5 para 9(1) of The National Health Service Act 2006. Deposits of over £1,000,000 may be accepted for any period from 7 days up to 6 months.
- **Revenue Support Process** - The DHSC has developed a revenue support process to support provider revenue requirements. They have been developed to provide medium term financial support.

- **Better Practice Payment Code (BPPC)** – The requirement by Trusts to achieve a target of 95% of creditor invoices paid within contract terms.
- **Prudent Liquidity Amount** Daily cash balances should not fall below £3m on any given day and cash flow management should ensure that sufficient cash balances are always available to meet liabilities as they fall due, most notably the monthly payroll and bi-weekly payment of suppliers.
- **Public Dividend Capital (PDC)** Long-term government finance which was initially provided to NHS trusts when they were first formed to enable them to purchase the Trust's assets from the Secretary of State. Public dividend capital (PDC) represents the Department of Health's (DH's) equity interest in defined public assets across the NHS and is issued annually for centrally funded capital schemes and in exceptional circumstances to support Trust's cash position.
- **Surplus Cash Balances** Current liquid balances more than the Prudent Liquidity Amount.

## 4 ROLES – WHO DOES WHAT

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### 4.1 The Chief Executive is the Accountable Officer of the Trust and with the Trust Board is responsible for:

- Approval of external funding requirements, including approving any applications for finance funding support from NHSI.
- Approving the opening and closing of bank accounts.
- Approval of overall Treasury policy.
- Delegates responsibility for approval of the cash and treasury procedures, controls, and detailed procedures to the Chief Financial Officer.

### 4.2 The Chief Financial Officer is responsible for:

- Define the Trust's approach to cash and treasury management and the investment of surplus cash for approval by the Audit Committee.
- Put systems, controls, and resources in place to ensure that:
  - The liquidity of the Trust is optimised, and that cash management processes and controls deliver value for money for the Trust and associated risks are mitigated appropriately.
  - Key banking relations are properly managed.
  - Reviewing and monitoring of investment and funding support policy, ensuring investment and cash activities are managed within the agreed policies and procedures and these activities are reported on a timely and accurate basis.
  - Regularly review reports on the operations of the cash and treasury performance and the Trust's risk exposure and ensure that matters of concern are brought to the attention of the Audit Committee.

Effectively, responsibility for these treasury operations is delegated to the Deputy Director of Finance.

**4.3 Deputy Director of Finance** is responsible for:

- Defining UHL's detailed treasury management approach and developing relevant operating procedures.
- Managing cash, banking and treasury activities within the agreed policies and procedures.
- Maintaining separation of duties throughout to ensure that financial controls are maintained, and no single officer is responsible for investing monies, authorising, placing, and reconciliation.
- Managing relationships with the banks, NHSI and investment institutions.
- Reconciliation of bank accounts and treasury deposits.
- Reporting of cash and treasury activities on a timely and accurate basis.

**4.4 Lead Accountant for Transaction Services** is responsible for:

- Managing the treasury management function and ensuring that all policies and procedures are followed, all transactions recorded, and relevant cash flow and transactions reports prepared.
- Responsible for ensuring the policy is disseminated and communicated to all relevant parties.
- Ensuring treasury activities are reported on regularly and accurately.
- Managing key banking relationships.

**4.5 Lead Accountant Financial Reporting** is responsible for:

- Accurate and timely recording in the accounting records of all the treasury transactions, including ensuring bank account reconciliations are promptly prepared and reviewed and investment transaction documentation is maintained.
- Develop and maintain a robust, agile, and effective cash reporting process to the Trust and NHSI, including preparing a robust rolling 12-month daily cash flow projection to enable the accurate and timely management of cash investment and support. This includes identifying any requirement for cash support at the earliest opportunity to obtain Trust Board approval to apply for finance funding support from NHSI and advising on the likely instances of surplus funds available for investment.
- Actioning investment and funding support decisions, ensuring that any investment activities have been recorded on an accurate and timely basis in the Trust's accounting records.
- Managing investment activities within agreed policies and procedures, driven by

the daily cash flow forecast.

#### **4.6 The Treasury Team** has a responsibility for:

- Defining the systems to ensure that the liquidity of the Trust is optimised and that cash management processes and controls deliver value for money for the Trust and associated risks are mitigated appropriately for approval by the Audit Committee.
- Defining the Trust's investment approach for approval by the Chief Finance Officer and the Audit Committee.
- Maintaining the Trust's 'Cash Book.'
- Managing key banking relationships including the opening of any required bank accounts.
- Reconciling the Trust's bank accounts to the Trust's cash book.

#### **4.7 Accounts Payable Team** has a responsibility to:

- Paying valid invoices in accordance with the payment terms agreed.
- Work with other finance staff to ensure that the Trust's payment profile is matched, as far as possible, by the Trust's receipts profile.
- Work with suppliers to encourage consolidation of invoices.

#### **4.8 The Accounts Receivable Team** has a responsibility to:

- Raising invoices for valid charges as soon as practicable.
- Ensuring that robust credit control procedures are consistently applied to ensure that cash receipts are recovered by the due date and non-payment is escalated in a timely manner.
- Make recommendations for the write-off of any income which can't be collected.

#### **4.9 The Audit Committee** is responsible for:

- Approving and monitoring compliance with this Cash and Treasury Management Policy.
- Receiving and reviews the reports of work undertaken by Internal and External Auditors in respect of Treasury Management operations.
- Approving the Trust's investment and funding support strategy and policies in line with its appetite for risk.
- Approving the relevant benchmarks for measuring performance.
- Reviewing and monitor investment and borrowing policy and performance against the relevant benchmarks in respect of all Trust funds.
- Ensuring proper safeguards are in place for security of the Trust 's funds
- Approving external funding arrangements within delegated authority.

- Ensuring Trust Staff implement all recommendations made and implement appropriate measures to protect the Trust's resources.

**4.10 External and Internal Audit** are responsible for ensuring the Trust's Cash and Treasury Management Policy and procedures will be subject to periodic review by the Auditors as part of their audit undertakings and any significant deviations from agreed policies and procedures will be reported to the Audit Committee and where appropriate to the main Board.

**4.11 The Finance and Investment Committee** is responsible for:

- Monitoring cash, liquidity and working capital.
- Approving relevant benchmarks for monitoring investment performance and the trust's cash position.
- Reviewing and monitoring investment performance.
- Monitoring compliance with Treasury and Cash Management Policy and procedures in respect of limits, approved counterparties, and types of investment.

**4.12 The Working Capital Steering Group** is responsible for:

- Monitoring the cash levels of the Trust in the short, medium, and longer term.
- Developing a set of Key Performance Indicators to monitor the cash position and investment income of the Trust and take appropriate action to minimise risk. These KPIs will be reviewed at least on an annual basis prior to the start of the financial year, or more frequently if required.
- Reviewing and monitoring the Trust/s working capital controls and investment and funding support policy and performance against the relevant benchmarks in respect of all the Trust's funds.
- Ensuring proper safeguards are in place for security of the Trust's funds.
- Reviewing and monitoring compliance with the Cash and Treasury management Policy.



## 5. POLICY IMPLEMENTATION—WHAT TO DO AND HOW TO DO IT

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### 5.1 Cash and Treasury Objectives

The overall treasury management objectives are to ensure that:

- Cash is managed such that the liquidity of the Trust is optimised and cash management processes and controls deliver value for money for the Trust and associated risks are mitigated appropriately, with adequate working capital available at all times to meet ongoing liabilities and commitments, by:
  - Ensuring that all creditors receive settlement of their invoices in accordance with contractual terms, aligned to the Better Payment Practice Code.
  - Minimise the level of funds owed to the Trust by effective credit control and debt recovery.
- Approved institutions are used for the investment of surplus cash, by obtaining the most competitive deposit rates primarily using a group of relationship banks, in line with deposit guidelines ratified by the Working Capital Steering Group.
- Identifying and managing the financial risks, including interest rate and foreign currency risks, arising from operational activities.
- Ensuring compliance with all banking arrangements as set out in the Trust's Standing Financial Instructions and its banking mandates.
- Financial support requirements are managed in accordance with predetermined guidelines, ensuring cash support is accurately forecast and minimised to meet the Trust's current and future requirements.
- The Trust Board is kept fully aware of the Trust's ongoing cash position by regular and thorough reporting.
- All transactions and reviews are carried out within the appropriate timeframe and by the appropriate person.
- Procedures are in place for dealing with banks, and any other external party to the Trust's Treasury management operation, and strong, long-term relationships are maintained with a core group of quality banks (Government banking Service and Commercial banks) that can meet current and future funding requirements.

### 5.2 Treasury Activities

In line with the above treasury objectives, the Trust's treasury activities will be undertaken to achieve the following key outcomes:

- Accurate and timely reporting and forecasting of receipts and payments on a daily, weekly, monthly, and rolling annual cycle, to ensure liquid funds are available to meet the Trust's current and future liabilities.
- Securing the most competitive deposit rates, commensurate with DHSC and Treasury guidance, to maximise interest receivable.
- Management of creditor payment procedures to achieve the BPPC target.
- Management of credit control of debtor balances to maintain cash flow and minimise bad debts.
- Oversee the monthly reconciliation all bank accounts.
- Ensure that procedures are in place for the adequate control of cash, including petty cash, floats, and foreign currency

### 5.3 Attitude to Risk

The Trust takes a prudent and conservative approach to risk and will not make any investments that represent a financial risk to the Trust. Under no circumstances will the Trust undertake trading for purely speculative investment reasons.

Specifically, the Trust's attitude to key risks identified by the Trust and the key controls set up to mitigate those risks are:

#### 5.3.1 Funding

The key funding objective is to ensure the availability of funding in perpetuity to meet the Trust's current and future revenue and capital expenditure requirements. Internally generated cash shall be used to fund capital investments wherever possible. It is prohibited to arrange long term financial support for service developments without an approved business case, authorised in accordance with DHSC delegated limits and the Trust's Scheme of Delegation.

The Trust must maintain adequate free funds to finance its day-to-day operations. The risk that the Trust fails to accurately identify a positive cash balance that is sufficient to pay creditors or staff is managed using cash flow forecasts and related monitoring systems. The Trust has its own internal target of keeping a minimum daily cash balance of at least £3m.

##### ▪ Revenue Support

Revenue support is available for exceptional short-term cash flow requirements and longer-term revenue support for providers in financial distress. This support is provided as PDC which does not require principal repayment but carries the dividend payable at the current PDC rate (3.5%).

##### • Capital Support

The capital program is prepared annually for approval by the Capital Monitoring and Investment Committee (CMIC) and Finance and Investment Committee (FIC), prior to approval at the Trust Board. CMIC and FIC reviews of the annual program, of work and makes consideration of:

- Objectives of the service development strategy and business plans (Strategic capital schemes are supported by a full business cases).
- Compliance and service risks of not proceeding with the scheme.
- Affordability in revenue terms
- Value for money.
- Funding sources – See below

Capital funding sources include:

- **ICS Envelope** - The capital regime is based on affordable capital envelopes being allocated to ICSs for local prioritisation of system driven operational capital expenditure. This is primarily self-financed from the depreciation element of tariff and self-financed cash balances as an element of discretionary capital allocated to each system for the purpose of dealing with the most pressing maintenance needs for trusts that are cash constrained.

- **Centrally Funded PDC Schemes** – Public Dividend capital is provided for schemes which are nationally approved (via an approved business case) or through national allocations for specific initiatives. This includes emergency capital allocations available for applications that meet the criteria. Applications must demonstrate urgent and essential capital expenditure that has been prioritised by their STP/ICS and NHSE/ I regional team but are unaffordable to individual organisations. Where approved, applications will receive PDC. This is a temporary measure intended to be phased out over several years as the sector returns to financial balance.
- **IFRS 16** – Currently capital schemes which now come onto the Trust’s balance sheet as Finance leases as a consequence of IFRS16, sit outside of the ICS funding envelope and subject to inclusion within the plan submission are provided with capital resource limit coverage, following annual plan approval.
- **Charity Funded Schemes** – the Trust receives donations from the UHL Charity and other charity partners and organisations in support of its capital program.
- **DHSC Loan** - There also remains the possibility for providers being able to receive a capital loan from DHSC. However, this facility will be by exception and the provider must demonstrate that it is clearly affordable within the ICS envelope through guaranteed underspends from other providers across the area.

### 5.3.2 Investments

Surplus cash investments need to be safe and liquid, so that the risk to Trust assets is minimised and funds can be realised quickly.

All cash balances should remain in a liquid form and should be instantly accessible. Cash deposits may only be invested overnight by the GBS banking partner or placed in the National Loans Fund Temporary Deposit facility with HM Treasury on a short-term basis if available, and in accordance with their Terms and Conditions.

### 5.3.3 Foreign exchange management

The Trust is not exposed to any exchange rate movements, as virtually all its business is denominated in pounds sterling. In the few circumstances where any purchases are made for a small range of goods and services from overseas suppliers, the Trust purchases foreign currency at spot rate to settle these liabilities.

## 5.4 Bank Accounts and Relationship Banking

The Trust’s Standing Financial Instructions set out the principles determining how the Trust’s bank accounts should be operated. It should be noted that as set out in Section three, the Trust ‘s main banking partner is one which operates within the Government Banking System, minimising any exposure the risk and minimise any transaction costs. The Treasury Department maintain the bank mandate and a list of authorised signatures. A suite of procedural notes is also maintained by the Finance department, including instructions on the operation of the bank accounts, and a list of these procedures is set out in **Appendix A**

## **5.5 Treasury Controls**

The treasury controls outlined in this Policy are designed to ensure the Trust's treasury activities are undertaken in a controlled and appropriately executed manner.

The key components of the overall treasury operating environment shall include the following:

- Clearly defined roles and responsibilities for treasury activities for the Trust Board, the Finance and Investment Committee, the Chief Financial Officer and the Trust's Financial Services and Financial Accounts Sections. These are set out in Section 4.
- Regular reporting of treasury activities.
- Controls on who can operate bank accounts and authorisation limits.
- Segregation of duties between those who make investments, initiate payment, authorise and account for treasury activities.
- Strict limitations in accordance with DHSC and Treasury guidance on the types of investments and the circumstances in which they may be used by the Trust.

### **5.5.1 Daily Cash Book**

The cashbook is maintained by the Treasury team, recording daily receipts and payments by key category. The cashbook provides the basis for the preparation of the rolling 12-month daily cash forecast by the Lead Accountant – Financial reporting. This forecast is updated daily in accordance with receipts and payments made (via the daily cash book report) and triangulates with the monthly and annual receipts and payments forecast used for the reporting purposes to FIC and NHSI.

### **5.5.2 Authorisation of Payments**

The Trust makes supplier payments twice weekly. These are predominantly electronic BACS payments paid directly into a supplier's bank account once an invoice has been appropriately processed and authorized for payment. Some sundry payments by cheque are also made where the recipient is not able to receive electronic bank payments.

All payment runs must be approved by a Deputy Director of Finance before being transacted. Prior to authorising, the Deputy Director of Finance will review the proposed payments list of supplier payments to identify any 'abnormal' or 'unusual' payments for further review or to seek further assurance from the budget holder, as required. This may require these payments to be extracted from the payment run before it is processed if assurance cannot be secured.

On occasion, there will be a requirement to make an urgent or same day payment. Such payments can only be processed in accordance with the Trust's bank mandate of authorised signatures.

### **5.5.3 Authorisation of Investments**

As a default position, all daily cash balances held with the Trust's GBS Account is invested overnight by the banking provider. As indicated in 5.3.2, the Trust is also able to investment surplus cash with NLF for a longer period (up to 1 month) to secure a better return, as long as this does not jeopardise its ability to meet liabilities as they fall due, given a proportion of cash would be tied up as a short-term investment and not

accessible. The daily cash book forecast is the critical tool that drives the judgement of how much and for how long a cash balance can be invested

The procedure for investing cash surpluses outside of GBS (through the NLF temporary deposit facility) are set out below:

- The Lead Accountant for Financial Reporting reviews the rolling cash forecast and recommends excess cash for investment to the Working Capital Steering Group.
- Following approval from the Working Capital Steering Group, the Treasury team will follow the steps on investing the cash:
  - Treasury complete the investment authorisation form, with supporting evidence i.e., bank statement, daily cashflow forecast and opportunity cost calculation.
  - The investment authorisation form will require authorisation from a Deputy Director of Finance before transacting.
  - The investment will be placed by the Lead Accountant for Financial Reporting with NLF, who maintain a list of approved authorising trust Officers.

## **5.6 Reporting**

The regular reporting of treasury activities is crucial in allowing all relevant parties to be aware of transactions undertaken, appreciate the Trust's financial position and assess the on-going appropriateness of treasury objectives. The following reports are produced to meet these criteria.

### **5.6.1 Medium Term and Annual Financial Plan**

Potential revenue support funding needs will be based upon the medium-term cash forecast, linked to an integral to the Trust's 5-year medium term financial plan, with detailed projections for the next 12 months.

The annual financial plan will include a forecast cash flow which shows the forecast overall cash balances on the final day of each month over the financial year, aligned to the agreed Income and expenditure plan. This is produced on a receipts and payments basis and in an Accounts cashflow statement format, which triangulate with each other.

### **5.6.2 Daily Cashflow Reporting**

The Treasury team will produce a daily cashflow report for the Lead Accountant - Financial Reporting to facilitate the production of the rolling 2-month daily cash flow forecast.

### **5.6.3 Monthly Cashflow Reporting**

Preparation of cash flow reports is provided to the Working Capital Steering Group for consideration and include the following information:

- Details of all investments and the returns achieved.
- Cash flow statements showing performance against plan.
- Actual monthly flows to date and future cash forecasts for the following twelve months.

The Working Capital Steering Group will be responsible for the scrutiny, monitoring, forecasting and validation of cash position and forecast of the Trust in the short, medium, and longer term and in particular review the Trust's quarterly cash flow ensuring the Trust retains sufficient cash to fulfil its obligations, before onward submission to FIC. This will include consideration of the sensitivity of baseline and forecast income and expenditure assumptions, through the preparation of best, worst, and most likely cash scenarios, to determine the value and timing of access to potential revenue and capital funding requirements.

**5.7 Performance Management**

Performance management is an important part of the control environment from a corporate governance perspective. A performance framework is a mechanism for the Board to approve and monitor the effectiveness policy.

The Working Capital Steering Group receives a set of key performance indicators to monitor the working capital, cashflow and investment income position of the Trust and take appropriate action to minimise risk. These KPIs are reviewed at least on an annual basis prior to the start of the financial year, or more frequently if required.

Significant over or under achievement against KPI benchmarks should be closely scrutinised by Finance and Investment Committee and the Board as part of the monthly Finance reporting cycle.

**6. EDUCATION AND TRAINING REQUIREMENTS**

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The Trust invests in training for staff members involved with or supervising treasury and cash flow management functions with the aim of ensuring an appropriate degree of competence to carry out duties and that staff have the knowledge and experience to critically examine policies and proposals.

There is no specific training requirement for this Policy. Managers and staff may seek advice from the Deputy Director of Finance. This Policy will be included in the Trust Policy Document Library for reference by staff as appropriate.

There is no mandatory training associated with this policy. Individuals' training needs will be identified through annual appraisal and supervision.

**7. PROCESS FOR MONITORING COMPLIANCE**

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**POLICY MONITORING TABLE**

Compliance with the policy will be monitored in the following ways.

Element to be monitored	Lead	Tool	Frequency	Reporting arrangements
Review of practices and control environment to ensure compliance with this Policy.	Internal Audit	Internal Audit Report – Key Finance Systems Report	Annual	Reporting to Audit Committee

The Policy reviewed to ensure it is compatible with current best practice guidance	Lead Accountants – Financial Services and Reporting	Horizon scanning, in particular reviewing new NHS guidance in relation to treasury and cashflow management	Annual	Bi-Monthly reporting to Working Capital Steering Group
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## **8. EQUALITY IMPACT ASSESSMENT**

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As part of its development, this policy and its impact on equality has been reviewed. The purpose of the assessment is to minimise and if possible, remove any disproportionate impact on the grounds of race, gender, disability, age, sexual orientation, or religious belief. No detriment was identified.

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**

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This Policy should be read in conjunction with:

- The Trust’s Corporate Governance Framework (Standing Financial Instructions, Standing orders
- The Trust’s Cash and Treasury Management Procedure
- Department of Health Group Accounting Manual – Department of Health
- National Loans Fund Temporary Deposit facility – Terms and Conditions – HM Treasury
- Secretary of State’s Guidance under section 42A of the National Health Service Act 2006 – Department of Health (July 2020 update Appendix F)
- Reforms to the NHS Cash Regime effective from 1 April 2020
- Financial support available to NHS providers Published (July 2020).
- NHS foundation trusts: managing operating cash –Monitor (Dec 2005)

## **10. PROCESS FOR VERSION CONTROL, DOCUMENT ARCHIVING AND REVIEW**

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The Policy will be systematically reviewed every 3 years by the Lead Accountants for Financial reporting and Transaction Services to ensure it continues to reflect the latest regulations and remains fit for purpose. However, any significant change in national regulation during this period will require the Policy to be updated before the review date.

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

## Appendix A

### INSTRUCTIONS ON THE OPERATION OF THE BANK ACCOUNTS

#### **Bank Administration**

The Treasury Team led by the Transactional Services Manager and Treasury Assistant are responsible for administering bank transactions, for subsequent approval in accordance with the bank mandate. These includes inputting payment request, view and print statements, user setup, ordering stationery and Logging queries.

#### **Bank Point of Contact**

This includes Deputy Director of Finance - Financial services and Assistant Deputy Director of Finance, Lead Accountant Financial services, and Transactional services Manager.

#### **Bank Mandate Approver**

The Deputy Director of Finance - Financial services is responsible for i.e., approver and their limits

#### **Treasury Procedure Notes**

<b>Number</b>	<b>Treasury Procedure Notes</b>
1	Reconciliation of Cashbook NatWest
2	Reconciliation of Cashbook RBS
3	Reconciliation of Cashbook TMP
4	Recording of Income on Daily BACs Credits
5	Posting of Income to GL Codes
6	Posting of Income to Sales Ledger
7	Posting of Catering/Car Park Monies
8	Posting of Credit Card Income
9	Reconciliation of Trust Credit Card
10	Processing of CHAPS and Faster Payments
11	BACs Recall and BACs Traces
12	Bank Reconciliations
13	Block Payment Spreadsheets
14	Cashflow