



# Financial Instructions for Bermuda Health Council

*Version 2: June 2012*

# Financial Instructions for the Bermuda Health Council

## **Contact us:**

If you would like any further information about the Bermuda Health Council, or if you would like to bring a healthcare matter to our attention, we look forward to hearing from you.

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## **Produced by:**

The Bermuda Health Council (Version 2, June 2012)  
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## Introduction

Financial Instructions (FI) have been amended in order to improve and clarify the standards of financial control within the Bermuda Health Council (BHeC). The Board Committee (the Committee) responsible for audit and finance may from time to time amend Financial Instructions on such a basis as it may determine.

In cases where, in the opinion of the Accounting Officer, Financial Instructions require changes the Board Committee responsible for audit and finance shall be consulted for approval and this approval shall be obtained in writing.

These Financial Instructions are required to ensure that financial transactions are properly recorded and controlled on a consistent basis. The instructions state the minimum standard of financial controls procedures for employees of the BHeC to understand and follow.

Any questions relating to the application or interpretation of Financial Instructions should be referred to the Accounting Officer.

The Bermuda Health Council's financial instructions (Version 2, 2012) have been derived from the Financial Instructions of the Accountant General December 2008.

## 1. Definitions

### 1.1 Bermuda Health Council Employees

For the purposes of the financial instructions, Health Council employees will be all employees gainfully employed by the BHeC on a full or part-time basis.

### 1.2 The Bermuda Health Council (BHeC) Board

The **Board** is responsible for all financial accounting functions and financial statements required by Parliament of the Minister of Finance. The Board delegates this responsibility to the Board Committee responsible for audit and finance.

### 1.3 Accounting Officer

The **Accounting Officer** is the Chief Executive Officer (CEO) of the BHeC, whom the Board regards as responsible for the custody and control of funds and the collection of revenue received by the BHeC. The Accounting Officer may delegate certain activities to the Manager of Corporate Office.

#### 1.3.1 Responsible for 'signing off' on accounts

The Accounting Officer and/or the Manager of Corporate Office are responsible for 'signing off' on the accounts under his / her responsibility. In the absence of either party, the Chairman or a Director may fulfil these roles.

#### 1.4 Executive Committee

The Board Committee comprised of the Council Chairman, Deputy-Chairman and the Chief Executive Officer (CEO).

#### 1.5 Secretariat

The employed staff of the Bermuda Health Council, including the CEO.

#### 1.6 Listing of Accountant General Contacts

Section	Position	Contact	Email address
Benefits	Management Accountant or Supervisor	279-2612	<a href="mailto:acgbenefits@gov.bm">acgbenefits@gov.bm</a>
Cashiers	Management Accountant or Supervisor	297-7721	<a href="mailto:acgcashier@gov.bm">acgcashier@gov.bm</a>
Compensation	Management Accountant or Supervisor	279-2620	<a href="mailto:acgcompqry@gov.bm">acgcompqry@gov.bm</a>
Financial Reporting	Management Accountants	279-2636or 279-2638	
GEHI	Management Accountant	279-2617	<a href="mailto:acggehiqry@gov.bm">acggehiqry@gov.bm</a>
Internal Audit	Internal Audit Manager	279-2647	<a href="mailto:acginternalaudit@gov.bm">acginternalaudit@gov.bm</a>
Payments	Management Accountant or Supervisor	279-2625	<a href="mailto:acgquery@gov.bm">acgquery@gov.bm</a>
Ministry of Health	Comptroller – Shivon Washington	278-4914	<a href="mailto:swashington@gov.bm">swashington@gov.bm</a>
Benefits Administrator	Donna Tucker	279-2605	<a href="mailto:dtucker@gov.bm">dtucker@gov.bm</a>

\*See the internal Accountant General web page for the latest and complete version of this listing.

## **2. Financial Responsibilities**

### **2.1 Implementation**

These Financial Instructions take effect from 28<sup>th</sup> May 2012 and revoke all previous instructions and circulars.

### **2.2 Legal Authority**

The BHeC Board has assigned responsibility for financial administration to the Chief Executive Officer, under the oversight of the Board Committee responsible for audit and finance, which has authority to issue these instructions.

### **2.3 Application**

These Financial Instructions apply to every person concerned in or responsible for executing any financial transaction including, but not limited to, the collection, receipt, custody, issue or payment of public money, stores, stamps, investments, securities, negotiable instruments or any other asset.

### **2.4 Duties**

#### **2.4.1 Accounting Officer**

It is the duty of the Accounting Officer to ensure that:

- (1) Up-to-date Financial Instructions are readily available to all Bermuda Health Council employees,
- (2) Staff comply with Financial Instructions on a continuous basis,
- (3) Staff are fully aware of their responsibilities under Financial Instructions,
- (4) They comply with all applicable legislation.

#### **2.4.2 Bermuda Health Council Employees**

It is the duty of all Bermuda Health Council employees to be thoroughly acquainted with Financial Instructions.

### **2.5 Amendments**

Amendments may be made from time to time by the Board Committee responsible for audit and finance. Amendments will be minuted as approved by the Committee and will be disseminated in writing to all staff. Financial Instructions will be updated annually, with any revisions approved by the Council.

### **2.6 Interpretation**

Any questions arising from the interpretation of these Financial Instructions will be determined by the Board Committee responsible for audit and finance.

## **2.7 Delegation of Accounting Officers' Responsibility**

Accounting Officers (AO) may delegate departmental financial accounting functions, but they will ***not be relieved of accountability and responsibility*** by such delegation. As such, if there is a loss in the department, the Accounting Officer is responsible for ensuring the Bermuda Health Council's funds are repaid; in some cases this may be from the Accounting Officer's personal funds. Infractions of Financial Instructions in an area under their purview can be noted in the Accounting Officer's personnel file and/or disciplinary action may be taken. The action to be taken will be based on the level of severity as well as the level to which the Accounting Officer is or should have been aware to ensure the infraction did not occur or was detected on a timely basis.

Any concerns noted by the Government's Internal Audit section or the Office of the Auditor General that remain unaddressed when a follow-up review is performed, maybe noted as a deficiency in the Accounting Officer's Performance Appraisal which is included in the Officer's personnel file, and/or disciplinary action may be taken as appropriate.

## **2.8 Financial Responsibilities**

All BHeC employees having financial responsibilities shall:

### **2.8.1 Accounting System**

Ensure that any accounting or internal control system prescribed under the authority of the Accounting Officer is maintained. Backups will be performed by ITO on the departmental server overall. In addition, local QuickBooks backups will be completed internally on a weekly basis on flash drives, on a rotation basis every 2 months.

### **2.8.2 Income Collection**

Ensure timely collection of and supervise proper accounting for all Bermuda Health Council revenue.

### **2.8.3 Account Classification**

Promptly account for all expenditure and revenue under the proper account code or other approved classifications.

### **2.8.4 Physical Security**

Ensure that proper controls are in place for the safekeeping of the BHeC money, securities, stamps, purchase order books, receipts, licenses and any other valuable property, document, data or item.

### **2.8.5 Supervision**

The Accounting Officer shall supervise all employees entrusted with the receipt and expenditure of BHeC money, and maintain and monitor systems of internal control.

### **2.8.6 Payment Authorisation**

Ensure that all payments are properly authorised.

### **2.8.7 Budgetary Control**

Exercise budgetary control to ensure that revenues are collected and expenditures disbursed according to approved appropriations and limits. It is the responsibility of the Accounting Officer to monitor expenditure and revenue of the organization and to ensure that the expenditure approved by the Board is not exceeded and that the estimated revenue is received. The Accounting Officer shall monitor the budgets under his / her control. Due regard must be paid to the level of service being achieved for the money expended.

### **2.8.8 Reconciliation**

Check all cash, stamps and forms under their control and reconcile them with the appropriate accounting records. Promptly bring to account as a receipt any cash or stamps in excess of the balances shown in the accounting records. Promptly make good any minor deficiency not caused by theft or fraud in the cash or stamps for which they are responsible.

### **2.8.9 Access to Records**

Produce for examination all cash, cheques, bank statements, stamps, securities, accounting records, books and vouchers, when requested the Auditor General. Notice of inspection is required.

### **2.8.10 Prompt Response to Enquiries**

Reply **within two weeks** to enquiries addressed to them by the Accountant General or the Auditor General, providing full disclosure of requested information. If a response cannot be provided within two weeks, the Accountant General or the Auditor General must be notified to arrange a subsequent response date.

## **2.9 Penalties for Non-Compliance**

Where the Accounting Officer, the Board or the Board Committee responsible for audit and finance determines that a BHeC employee has not complied with Financial Instructions, any or all of the following actions may be taken:

- (1) Disciplinary proceedings against the employee and/or the Accounting Officer,
- (2) Withdrawal of financial signing authority,
- (3) Termination of employment

## **2.10 Responsibility to Implement Checks**

The Accounting Officer will cause periodic (e.g. weekly, monthly) checks to be made on the accounts. Any system defects or weaknesses discovered must be corrected and reported to the Board Committee responsible for audit and finance immediately.

## **2.11 Departure from Instructions**

Permission to depart from Financial Instructions must be requested from the Accounting Officer in writing. If the Accounting Officer supports the request, it will be taken to the Board Committee responsible for audit and finance for approval. Departure from these instructions without the written permission of the Board Committee responsible for audit and finance is not

permitted.

### **2.12 Notification of Breach of Financial Instructions**

The Accounting Officer and/or the Board Committee responsible for audit and finance must be notified immediately of any breach of Financial Instructions, which comes to the attention of a BHeC employee. Notification is required irrespective of whether or not the breach results in financial loss to the Council.

## **3. Business Conduct**

### **3.1 Purpose**

The Bermuda Health Council is committed to a policy of fair dealing and integrity in the conduct of all aspects of its business and operations. This commitment is based on a fundamental belief in law, honesty and fairness. BHeC expects its employees to share its commitment to high legal, ethical and moral standards.

Further information on conduct is provided in Conditions of Employment and Code of Conduct.

### **3.2 Conflict of Interest**

Employees must perform their duties conscientiously, honestly and in accordance with the best interests of the Bermuda Health Council.

Employees must not use their position or the knowledge gained through it, for private or personal advantage, or in such a manner that a conflict or the appearance of a conflict arises between the BHeC's interest and their personal interest. A conflict of interest is created when an obligation, interest or distraction exists which could interfere with the independent exercise of judgement in the BHeC's best interest.

### **3.3 Bermuda Health Council Funds and Property**

Employees with access to BHeC funds or property in any form must follow the prescribed procedures for recording, handling and protecting funds or property as detailed in these Financial Instructions. Standard instructions are imposed to help prevent fraud and dishonesty and where an employee is aware of any evidence that fraud or dishonesty may have occurred, they should immediately advise the Accounting Officer or the Board Committee responsible for audit and finance, so that further investigation can be promptly initiated.

The Bermuda Health Council's funds or property should only be used for BHeC purposes and must not be used for personal reasons.

### **3.4 Privacy and Confidentiality**

When handling financial information, only such information as is necessary to the Bermuda Health Council's business should be collected, used and retained. Information should only be retained as long as it is needed or as required by law, and the physical security of such information should be protected.

## **4. Internal Control**

### **4.1 Definition and Purpose**

Internal control is the whole system of controls, financial and otherwise, established by the Accounting Officer in order to carry on the operations of the BHeC in an orderly manner, to safeguard its assets and secure, as far as possible, the accuracy and reliability of its records.

Internal control includes controls designed to improve operational efficiency and to ensure adherence to all Financial Instructions, policies and procedures.

### **4.2 Responsibility of Accounting Officer**

The Accounting Officer is responsible for:

- (1) Maintaining adequate systems of internal control,
- (2) Stewardship of the resources committed to their care. Stewardship requires that assets be properly safeguarded, managed and accounted for,
- (3) Seeking the advice of the Board Committee responsible for audit and finance when reviewing / implementing financial or internal control systems.

### **4.3 Required Elements**

The Accounting Officer is responsible for ensuring that the accounting system achieves certain control objectives and that control procedures provide reasonable assurance that financial information is accurate and complete.

#### **4.3.1 Control Environment**

The Accounting Officer is responsible for ensuring that the Secretariat operates exhibiting the following characteristics:

- (1) The importance of internal controls that is communicated to employees at all levels,
- (2) A well-defined organizational structure that clearly assigns responsibility and accountability to individual employees,
- (3) Periodic review of financial procedures to satisfy themselves that employees are conscientiously carrying out their duties in the internal control process.

#### **4.3.2 Accounting System**

An accounting system should satisfy the following internal control objectives:

- (1) **Existence and occurrence:** All of the assets and liabilities recorded in the accounting system must actually exist, and all of the reported transactions must have actually occurred.

- (2) **Completeness and validity:** All existing transactions must be recorded and all recorded transactions must be valid.
- (3) **Valuation:** Recorded transactions must be properly valued at the various stages in the recording process (e.g. the adjustment of inventory values due to obsolescence).
- (4) **Timing:** All transactions must be recorded in the proper period of the financial year. Late recording of a transaction may result in improper cut-off, which may cause financial information to be misleading and could cause budget overspends.
- (5) **Ownership rights and obligations:** All of the assets and liabilities recorded in the accounting system must be, in fact, assets and liabilities of the BHeC (e.g. rented equipment in the custody of the BHeC should not be reported as an asset of the department).
- (6) **Presentation and disclosure:** All financial transactions must be properly described, presented and disclosed.

#### 4.3.3 Control Procedures

The Accounting Officers' control policies and procedures should include:

- (1) **Authorization:** Transactions must be authorized and executed in accordance with Financial Instructions.
- (2) **Segregation of Duties:** To prevent intentional or unintentional misstatements, separate people must be responsible for authorizing and recording.
- (3) **Recording:** Accounting records and documents must be properly designed and maintained.
- (4) **Safeguarding:** Safeguarding is achieved through both physical security and reconciliation of assets to records. Access to assets should be limited to designated authorized personnel.
- (5) **Reconciliation:** Reconciliation includes independent checks on performance, proper verification of recorded amounts and procedures to prove that the above four control procedures are achieved. Records should be compared with related assets documents, or control accounts periodically by persons independent from the individuals originally responsible for preparing the data (e.g. the Accounting Officer's review of an accounts payable ageing prepared by an Accounts Clerk).

#### 4.4 Documentation

All systems, procedures and controls in effect should be adequately documented. Initials or signature of the reviewer should evidence review or check of work and reports. Proper documentation provides evidence that a particular review procedure has been performed.

#### 4.5 Internal Audit

The Bermuda Health Council falls under the authority of the Bermuda Government's Internal Audit Department and is required, when asked, to provide information on the efficiency and effectiveness of the Bermuda Health Council's operations and resources and to ensure that adequate controls are in place for the production of reliable, timely and accurate information.

## 5. Budget Management

### 5.1 Budget Preparation

#### 5.1.1 Preparation

Estimates of revenue, current expenditure and capital expenditure (the “Budget”) shall be prepared by the Accounting Officer who will present the Budget to the Board Committee responsible for audit and finance. Following review by the Committee, the Budget shall be presented to the Board for final approval.

#### 5.1.2 Approval

Upon the approval of the Budget by the Board and on the commencement of the financial year, the Secretariat shall (subject to these Instructions and any directions by the Board) be authorized to incur expenditure and collect revenue in accordance with the Budget.

### 5.2 Responsibility of Accounting Officer

The Accounting Officer must monitor the total expenditure and revenue and ensure that the expenditure approved by the Board is not exceeded and the estimated revenue is achieved except as so authorized by these Instructions and the Board.

### 5.3 Budgetary Control

#### 5.3.1 Control Systems

The BHeC shall use its Accounting System to:

- Maintain adequate accounting and budget control systems and records,
- Closely monitor budgeted vs. actual revenue and expenditure,
- Ensure that appropriation limits are not exceeded

The BHeC is responsible for assuring that adequate controls are in place to monitor and report variances and to ensure proper authorization of any budget amendments. When faced with unanticipated increased costs, the Accounting Officer must obtain the approval of the Board Committee responsible for audit and finance before either offsetting savings in other areas of the budget or committing to the budgeted overspend.

#### 5.3.2 Current Account Variances – Report to Board

Reports of revenue and expenditure comparing actual with budget shall be presented to the Board Committee responsible for audit and finance on at least a quarterly basis, together with explanations of the following variances:

- (1) **Expenditure** – where actual for the year is expected to exceed the approved annual estimate by 10%,
- (2) **Revenue** – where actual for the year is expected to be less than the approved annual estimate by 10%.

## **6. Financial Signing Authority**

### **6.1 Duty of the Accounting Officer**

It is the duty of the Accounting Officer to ensure that the financial signing authority listing is current and complete.

### **6.2 Delegation**

The Accounting Officer may delegate the following financial signing authorities:

#### **6.2.1 Purchase Orders**

Signing of BHeC purchase orders to authorize purchase of departmental goods or services.

#### **6.2.2 Payment Vouchers**

Signing of payments certification stamp or copy stamp to approve an invoice for payment or initials on the invoice.

#### **6.2.3 Monthly Payroll**

Signing of monthly payroll proof and register to certify as correct and to approve payment of monthly payroll or initials on the pay slips. This function may only be delegated to the Office Manager.

#### **6.2.4 Revenue Receipts**

The collection and handling of BHeC revenue, either by issuing manual revenue receipts or computerized receipts and the reconciliation of receipts issued to revenue collected.

### **6.3 Duty of Care**

The Accounting Officer has a duty of care to ensure that delegates who review and authorize documents are aware of their responsibility.

### **6.4 General Restriction**

All financial signing authority signatures must be originals, Signature applied by a rubber stamp is not permitted.

## 7. Purchase of Goods and Services

### 7.1 Objectives

The BHeC aim is to maintain a consistent approach to purchasing goods and or services to achieve the following objectives:

- Value for money,
- Fairness, i.e. quotations and/or tenders will be treated equally,
- Compliance with Financial Instructions.

### 7.2 Procedures

To ensure consistency the BHeC must comply with the procedures outlined below:

#### 7.2.1 Goods and Services up to \$10,000

- (1) Goods and services with an estimated value of up to \$10,000 may be obtained on the basis of a single quotation in writing, with approval of the Accounting Officer. Goods and services under \$200 can be obtained by a single quote by telephone.
- (2) Alternative prices should be sought wherever possible and employees shall ensure that, over the course of time, the range of suppliers requested to provide quotations is as wide as practicable.
- (3) The same supplier should not be used repeatedly without good reason, e.g. consistently better prices or quality, service or a centrally tendered supply, such as photocopy paper.
- (4) The employee initiating the request shall clearly state all the relevant information necessary to secure an accurate price.
- (5) The Manager of Corporate Office shall authorize the purchase of goods and services to the value of \$2,000 on the basis of a single quote.
- (6) The Chief Executive Officer (CEO) / Accounting Officer shall authorize goods and services to the value of \$2,001 to \$10,000.

#### 7.2.2 Goods and Services in Excess of \$10,001

Goods and services with an estimated value in excess \$10,001 shall be obtained on the basis of authorization levels and procedures outlined in 7.2.3.

### 7.2.3 Goods and Services Authorization Limits

Authorization	Up to \$10,000	\$10,001 - \$20,000	\$20,001 - \$50,000	\$50,001
<b>CEO</b>	Approve			
<b>Executive Committee</b>	Approve			
<b>Audit Committee*</b>	Approve			
<b>Board</b>	Approve			

*\*Board Committee responsible for audit & Finance*

- (1) Goods and services with an estimated value in excess of \$10,001 and up to \$20,000 shall be obtained on the basis of at least 3 quotations and must be authorized by the Executive Committee.
- (2) Goods and services with an estimated value in excess of \$20,001 and up to \$50,000 shall be obtained on the basis of at least 3 quotations and must be authorized by the Board Committee responsible for audit and finance.
- (3) Goods and services with an estimated value in excess of \$50,001 shall be obtained on the basis of at least 3 quotations, following a tender process and must be authorized by the Board.
- (4) Approvals and ratification may be obtained via an email but must be duly noted in the official minutes of the Board.
- (5) The range of suppliers requested to provide quotations must be as wide as practicable.
- (6) The Accounting Officer is responsible for ensuring that these procedures are followed and may be called upon to justify the tendering process.
- (7) The employee initiating the request shall clearly state all the relevant information necessary to secure an accurate price.
- (8) Quotations must be submitted in writing and retained.
- (9) When conducting a tender process closing date/time for submission of quotations must be stated and observed.
- (10) The best value for money must be accepted and reasons for not accepting the lowest price must be documented.
- (11) Successful and unsuccessful suppliers should be notified in writing.
- (12) When requesting quotations from foreign suppliers, ensure that total landed cost is used to compare to local quotations. Landed cost should include purchase price, exchange, freight, duty and all handling costs.

## 8. Expenditure

### 8.1 Responsibility of Accounting Officer

The Accounting Officer or his/her authorized delegate shall certify the validity and correctness of every payment to be made by the Health Council.

The Accounting Officer or his/her authorized delegate shall:

- (1) ensure payment is made in accordance with Financial Instructions,
- (2) carefully review supporting documentation prior to approval for payment,
- (3) ensure that appropriate documentation is attached for all payments prior to signoff.
- (4) exercise care and implement proper controls to prevent duplicate payments by ensuring that invoices have not been previously presented for payment.

### 8.2 Supporting Documentation

#### 8.2.1 Required Information

Invoices or other supporting documents shall contain the following information:

- (1) name and address of the supplier or payee,
- (2) date of the invoice or other claim for payment,
- (3) description of goods or services being charged or nature of payment,
- (4) total amount payable.

LEASES – any leases entered into must be presented to the Board Committee responsible for audit and finance for review of financial propriety and value for money prior to final approval or entering into the lease.

#### 8.2.3 Invoices must not be combined when entering into the Accounting System

Invoices must not be grouped but must be entered individually into the Accounting System. Payments are made to suppliers by statement after invoices are reconciled to supplier statements.

### 8.3 Payments In Advance

Some suppliers require payment in advance of receipt of goods or services. All payments in advance must be properly controlled and monitored to ensure that goods or services are received.

### 8.4 Segregation of Duties

An individual who signs a purchase order shall not certify for payment an invoice relating thereto.

A financial signing authority must not sign a purchase order or certify an invoice for payment where he is the recipient of the goods or services expended (e.g. travel, conferences, etc.).

## **8.5 Making Payments**

### **8.5.1 Payments to Be Made Electronically Wherever Possible**

All payments should be made by electronic means if possible, especially in the cases of overseas vendors and recurring monthly payments (such as lease payments). Direction should be obtained from the Manager of Corporate Office

### **8.5.2 Payment by Cheque**

Payment by cheque is very inefficient and is used only in instances where the payee cannot be paid or requests not to be paid by Electronic Funds Transfer.

All cheques should be mailed to the Payee.

### **8.5.3 Payment by Purchasing Card**

Payment by Vendor Credit card / Store Purchase Card for local purchases do not require a purchase order. The card can be used for goods totalling no more than \$100.00 at time of purchase. Only the following goods can be obtained with a purchasing card: printer supplies, computer supplies, food supplies, kitchen supplies and general office supplies.

## **8.6 Cancelling and Replacing Cheques**

Cheques that require replacement or cancellation should be approved by the Accounting Officer or Manager of Corporate Office who will sign off on appropriate bank documentation as per signing authorization limits (7.2.1 and 7.2.2). All voided cheques shall be retained.

## **8.7 Rejection of Payments**

The BHeC may reject any request for payment that does not comply with Financial Instructions.

## **8.8 Use of Bermuda Health Council Purchase Orders**

A BHeC Purchase Order (PO) must be completed for goods and services other than those specified in Section 8.9. POs must give full details of the requirements, including quantities, description and quoted or estimated price.

The purchase order establishes and quantifies BHeC's commitment and is a legal agreement with the supplier.

Purchase Orders less than or equal to \$200.00 can be signed by an administrative employee of the Corporate Office. The scope of purchases will include only the following items: printer supplies, computer supplies, food supplies, kitchen supplies and general office supplies.

### **8.8.1 Copies**

The standard BHeC purchase order is a three-part document:

- (1) First part (white original) is sent to the supplier,
- (2) Second part (pink copy) is matched and attached to the invoice for payment,
- (3) Third part (yellow copy) is retained numerically in the order book.

The pink and yellow copies must note the corresponding invoice number at the bottom of the purchase order to prevent duplicate payments.

For changes or deletions, all copies of the purchase order must be marked “VOID” and maintained in the order book. A new purchase order must then be completed.

If the supplier is not known at the time of issue (since purchasing may require price shopping through various suppliers), the supplier’s name may be entered after completion of other information.

### **8.9 Payments Not Requiring Purchase Order**

For certain expenditures, a Purchase Order does not provide appropriate financial control and is not necessary, such as for:

- contracts/agreements,
- electricity
- handling charges,
- insurance,
- petty cash disbursements,
- refunds,
- reimbursements,
- rent,
- subscriptions,
- board fees
- Purchases made via credit card.

The above list is not exhaustive. If there are other expenditure items where use of a purchase order appears to be inappropriate, the Accounting Officer or Manager of Corporate Office should be contacted for instruction.

### **8.10 Payment Procedures: Purchase Order Applicable**

#### **8.10.1 Match Invoice to Purchase Order**

Invoices received must be matched with the applicable purchase order (number).

#### **8.10.2 Record of Passing Original Invoice**

The receipt of the invoice and the date of its being passed to the Corporate Office must be entered on the copies of the order. Where applicable, receipt of the goods must be entered on the department’s inventory.

### 8.10.3 Certification Stamp

The following matrix must be stamped in ink on every invoice and duly completed as the required checks are carried out:

<b>INVOICE#/CONTRACT/REFERENCE</b>	<b>AMOUNT</b>	<b>INITIAL</b>
I certify that these goods or services are solely for BHeC Account, are properly charged against the votes Indicated and will not cause any excess therein, and that all Relevant Financial Instructions have been complied with. <b>Signed:</b>		<b>Goods/Services Received</b>
		<b>Prices/Calculations</b>
		<b>Checked</b>
	<b>Authorised Officer</b>	<b>Discounts Verified</b>
<b>Print Name:</b>		

### 8.10.4 Initial

All three boxes under the 'INITIAL' heading must contain an initial as evidence of proper performance of certification procedures. Blank boxes are not permitted.

### 8.10.5 Signature

Signature must be a financial signing authority for payment vouchers. Signature must be an original. Rubber stamps are not permitted for signature.

The 'PRINTNAME' section must be completed either in ink or with a rubber stamp.

### 8.10.6 Goods/Services Received

The BHeC employee who receives the goods or services must certify (documented with signature/initials in the box provided) that:

- (1) Goods are of the correct specification and quality and agree with the purchase order,
- (2) Services were carried out to an acceptable standard and in accordance with the order.
- (3) 'date goods received' must be clearly indicated on the invoice.

A receipt/supporting document should be supplied with invoices to ensure that goods/services are received.

### 8.10.7 Prices/Calculations Checked

Prices charged must be checked against the purchase order where appropriate.

### 8.10.8 Classification

Particular care must be taken with the classification of expenditure. Expenditure must be posted accurately and must not be posted to an account just for budget reasons. When in question, the Manager of Corporate Office must be consulted.

### 8.11 Payment Procedures: Purchase Order Not Applicable

Follow procedure outlined in 8.10.3 to 8.10.8.

## 9. Expenditure: Specific Areas

### 9.1 Overseas Travel and Subsistence

#### 9.1.1 Introduction

The general policy is that the BHeC will pay travel expenses incurred by employees in the performance of their duties, recognizing that although employees are not asked to subsidise the cost to the BHeC, they are not to indulge themselves at public expense.

All overseas travel must be approved by the CEO. All requests should include the purpose, destination, and estimated costs of the trip.

#### 9.1.2 Accountability

All staff required to travel in the performance of their duties, must travel economy class.

Subsistence allowances are **not an entitlement or right** but are provided and designed to meet the additional expenses, other than major travelling expenses, which an employee is obliged to incur over and above the expenses which they would normally incur in Bermuda.

The per diem is **\$80**. This will cover:

- Meals, transportation and incidentals.
- Hotel and travel (airfare) costs should be sent to the Corporate office at least two weeks prior to the FRIDAY BEFORE the travel date so these can be paid for (via wire, etc.) in advance (i.e. the amounts will not be paid from the subsistence/per diem).
- If the **\$80** per diem is not sufficient based on the locale to which the employee is travelling, average meal costs for that location should be provided to the Accounting Officer who can authorize a higher per diem if necessary.
- **Receipts are required for expenses over and above the per diem allowance.**
- Expense Reports are to be filed within 30 days of the return from travel, with a return of unspent funds.
- Where a receipt could not be obtained the following applies:
  - No more than \$20 – a memo detailing the item signed by the spending employee.
  - Greater than \$20 – a memo detailing the item which is also signed by the responsible manager.

Employees must account for all amounts spent if total expenses exceed the per diem:

- (1) Detailed accounting of actual expenses incurred must be submitted using the Health Council Claim Form or a similar form,
- (2) Personal expenses will be reimbursed subject to Section 9.1.3.
- (3) Gratuities are payable at the standard rate, which is usually 15%. Gratuities above the standard rate are to be paid by the employee

**Use of rental cars is restricted** for employees unless there is a specific business need and the

car rental is pre-authorized by the CEO. In cases where a rental car is needed insurance coverage must be obtained.

NOTE: It is important that information be sent to Corporate Office as early as possible prior to travel so that hotel and air be paid in advance to alleviate problems with reduced limits being placed on credit cards.

The expense report/reconciliation must be reviewed, approved and signed off by the supervisor/Accounting Officer.

### **9.1.3 Personal Expenditure**

Not all incidental expenses are reimbursable. The following expenses are considered personal and will not be reimbursed:

- (1) Excessive personal telephone calls,
- (2) Other non-business expenses, e.g. sports, relaxation and entertainment facilities.

### **9.1.4 Documentation**

All claims for payment of travel expenses should have proper supporting documentation, such as detailed invoices or receipts. Documentation is not required for per-diem allowances. Original receipts must be attached to the travel claim.

*Credit card statements are not acceptable as sole support for any travel expense.*

### **9.1.5 Use of Personal Credit Cards**

BHeC employees may use personal credit cards to incur travel related costs and claim reimbursement of these costs by submitting the prescribed expense claim form. Where personal credit cards are used, the employee is responsible for making payment to the credit card company and for satisfying payment deadlines. Interest or fees charged by the credit card company are not reimbursable expenses.

### **9.1.6 Refundable Taxes**

Where an overseas Government allows a foreign visitor refund of taxes paid and these taxes are claimed by a BHeC employee, the portion relating to BHeC expenditure must be reimbursed to the Bermuda Health Council.

## **9.2 Personal Use of BHeC Property**

The Accounting Officer must ensure that BHeC funds or property are not used for personal gain or profit, e.g. use of computer hardware or software, photocopiers, long distance telephone calls, etc.

At the discretion of the Accounting Officer, employees may have limited personal use of BHeC property if such use does not endanger the property, disrupt work priorities or add costs to BHeC.

Individuals who use BHeC property for personal purposes are personally liable in the event of loss or damage.

### **9.3 Consultants**

#### **9.3.1 Application**

This section applies to self-employed individuals, both local and foreign, who perform BHeC duties on a fee for service basis.

#### **9.3.2 Standard Contract Format**

After the appropriate approval is obtained contracts should be drafted in the standard BHeC Contract template where possible, or otherwise adhere to the BHeC Contract requirements regarding confidentiality, copyright and intellectual property.

#### **9.3.3 Distribution of Contract**

After a contract is signed, the Corporate Office will file copies as needed.

#### **9.3.4 Contract Payment**

The Corporate Office will not make payment unless a signed copy of the contract is in place.

#### **9.3.5 Signing Authority, Credit Cards and Travel**

Consultants are not considered authorized signatories for any BHeC accounts. If there is a temporary need, authorization must be secured from Accounting Officer. Travel by consultants is allowed for BHeC Business only where absolutely necessary. Training is not provided (paid) by BHeC for Consultants; this expenditure is considered a consultant's responsibility as a self-employed person.

### **9.4 Use of Credit Cards**

#### **9.4.1 Request in Writing**

Employees must request credit card privileges in writing to the Chief Executive Officer. The written request must contain the following information:

- signature of the Supervisor/Manager,
- transaction limit, if any

#### **9.4.2 Written Agreement**

The BHeC requires all cardholders to sign internal and bank agreements for use of the credit card. The agreement states that the cardholder has read, understood and acknowledged responsibility to comply with Financial Instructions.

#### **9.4.3 Restricted to Overseas Travel and Pre-Approved Expenditures**

Use of credit cards is restricted to overseas travel and expenditure on or for business.

If there is a need to make a local purchase on a card, this must be pre-approved by the

Accounting Officer. Documentation as to the authorization of such expense must accompany the invoice/payment documentation including:

- The purpose of the purchase
- The amount

#### **9.4.4 Personal Expenses**

**Use of credit cards for any personal expenses is strictly prohibited.** If it is determined a card has been used for personal purposes, the Board Committee responsible for audit and finance may revoke card privileges immediately.

#### **9.4.5 Supporting Documentation**

Detailed supporting documentation must be provided for every charge on the monthly statement. Typical supporting documentation would include an original invoice or receipt detailing goods or services purchased. Summary receipts are not acceptable.

The credit card charges will be the responsibility of the cardholder if the documentation is not provided within 30 days of the charge. Any late payment, interest charges or other fees/penalties are the responsibility of and must be paid by the cardholder.

#### **9.4.6 Cash Advances**

Cash advances will not be taken on BHeC issued credit cards.

#### **9.4.7 Payments**

The monthly credit card statement must be paid in full and on time to avoid any interest or other late payment charges. Under no circumstances should payment be delayed or late.

#### **9.4.8 Payment Certification**

The credit card statement must be certified for payment by a financial signing authority for payment vouchers other than the cardholder.

#### **9.4.9 Responsibility of Cardholder**

The cardholder is personally responsible for the security of the card and must notify the bank, and the Manager Corporate Office immediately if the credit card is lost or stolen.

#### **9.4.10 Withdrawal of Privileges/Surcharge**

Credit card privileges will be withdrawn, and the employee may be surcharged, if the card is not used in accordance with these Instructions.

### **9.5 Use of Private Vehicles**

#### **9.5.1 Mileage Allowance**

When a BHeC employee is authorized to use a privately owned vehicle for travel on BHeC business, the reimbursement shall be at the prevailing rate according to the Government Department of Statistics, on the date on which the vehicle was utilized. Permitted vehicles are

cars and motorcycles. The amount allowed is subject to change annually and must be claimed using the BHeC Expense Claim Form.

## **10. Payroll Expenditure**

### **10.1 Definitions**

Payroll expenditure encompasses all remuneration paid to employees as a consequence of employment by the BHeC. All remuneration is paid through the BHeC payroll system. Employees are paid monthly and receive a salary.

Only BHeC employees hired in accordance with established hiring procedures are entitled to receive payroll remuneration.

### **10.2 Responsibility of Accounting Officers**

The Accounting Officer is responsible for ensuring that:

- (1) The payroll is correct and complete,
- (2) Proper payroll records are maintained,
- (3) All payments are properly made to bona fide employees,
- (4) The payroll is properly authorized,
- (5) Designated employees have a working knowledge of the payroll process.
- (6) Control the payment of all salaries, wages, pensions and other benefits,
- (7) All appropriate deductions have been made,
- (8) Make all relevant payments on behalf of employees and the BHeC are made to the appropriate agency or other body.

### **10.3 Record Maintenance**

#### **10.3.1 Corporate Office**

The Corporate Office maintains all necessary payroll records concerning pay, superannuation, health insurance and all other deductions and allowances.

Corporate Office should confirm the accuracy of personal details with employees at least every two years.

Corporate Office shall maintain:

- (1) records of vacation, sickness and other absences for every employee. A record must be maintained of all days that employees are not at work to ensure compliance with Conditions of Employment and Code of Conduct and proper monitoring of entitlements.
- (2) detailed records for all employees, including the following:
  - name and address,
  - date of birth,
  - date of employment,
  - grade, pay and overtime rate,
  - allowances and deductions,

- capital sum beneficiaries,
- details of dependants for superannuation and health insurance,
- details of service history to ensure correct pension entitlement.

#### **10.4 Notification of Changes**

The Accounting Officer must promptly notify the Corporate Office and the Board Committee responsible for audit and finance, of all factors affecting the payment of an employee, in particular:

- (1) appointments and terminations
- (2) suspensions, secondments, acting appointments and transfers,
- (3) unpaid leave,
- (4) changes in remuneration including increments, pay awards, etc.,
- (5) information necessary to maintain records of service for superannuation, health insurance and other matters affecting BHeC employment,

Employees must notify the Corporate Office of any changes in personal circumstances affecting their pay.

Upon termination, the Health Council must ensure that any outstanding employee obligations (for salary advances, rent, vacation, etc.) are reimbursed prior to final payment.

#### **10.5 Payroll Documentation**

##### **10.5.1 Overtime**

All overtime must be pre-approved by the CEO. Overtime hours for monthly staff must be recorded and authorised by a financial signing authority.

#### **10.6 Payroll Process**

##### **10.6.1 Monthly Pay Cycle**

Monthly paid employees are paid at the end of a month. Information affecting payment (e.g. new appointments, terminations, overtime, etc.) must be received by the Corporate Office on or before the 15<sup>th</sup> day of the following month, e.g. January information must be received no later than February 15 for payment on February 28.

#### **10.7 Pay Increments**

A report of all employees due for a pay increment is sent to the Corporate Office annually.

##### **10.7.1 Cost of Living Adjustment**

Cost of living adjustments are determined annually in accordance with the BHeC Employee Handbook Section 3.31. (Article 31 Salary Scales of the BHeC/BPSU Collective Agreement).

##### **10.7.2 Merit Increases**

Salary increases based on achievement of agreed standards (merit increases) are awarded in

line with the BHeC's Employee Handbook Section 4.5 and the Merit Increase Policy.

## 11. Revenue

### 11.1 Responsibility of the Accounting Officer

#### 11.1.1 Revenue Process

The Accounting Officer must establish, maintain and monitor the following revenue process:

- (1) Identify the sources and amounts of revenue authorized by legislation so the BHeC will claim all money to which it is entitled,
- (2) Recommend the appropriate grant revenue through a regular review of revenue and costs,
- (3) Account for revenue completely and accurately, and
- (4) safeguard grant received.

#### 11.2 Grant Administration

The Accounting Officer must ensure the following as it pertains to the annual grant:

At the request of the Ministry of Health a written agreement may be provided for conditional grants. The agreement may define:

- (1) the work objectives,
- (2) the Government's responsibility to provide funding,
- (3) the BHeC's responsibility to:
  - use the funds for the purpose specified,
  - provide status reports and financial information to confirm the measurable objectives achieved,
  - provide assistance to any person assigned by Government to verify compliance,
  - return grant funds to Government if any of the grant conditions are not satisfied.

The BHeC as a recipient of a conditional grant must:

- (1) maintain adequate accounting records for grant receipts,
- (2) provide full access to and disclosure of all accounting records,
- (3) ensure full compliance with legislation and all other terms and conditions,
- (4) supply written performance reports on grant use.

The degree of assurance required will depend on the size of the grant and the nature of the grant recipient, and should balance the need to verify that funds were used for the purpose specified against the administrative burden that stringent audit requirements and detailed accounting records impose on the recipient. The agreement may be signed by the Accounting Officer if it commits BHeC to the annual work plan approved by the Board.

## **11.3 Collecting Revenue**

### **11.3.1 Use of Receipt Books**

BHeC receipt books must be used to record the receipt of all cash in office.

### **11.3.2 Financial Signing Authority**

Official receipts may only be issued by a financial signing authority.

### **11.3.3 Control of Receipt Books**

**The Accounting Officer** is responsible for the use and control of all BHeC receipt books.

### **11.3.4 Cash Received by Unauthorized Employee**

Payment offered to an employee not authorized to issue revenue receipts must not be accepted on behalf of the Health Council. Payer must be directed to an employee authorized to issue revenue receipts.

### **11.3.5 Suspicious Activity**

Transactions that are suspicious by nature are to be reported to the Manager Corporate Office, Accounting Officer or the Board Committee responsible for audit and finance, as appropriate.

## **11.4 Accepting Cheques**

### **11.4.1 Common Cheque Errors**

Employees must not accept cheques containing the following errors:

- (1) incorrectly dated or signed,
- (2) damaged,
- (3) words differ from figures,
- (4) corrections/alterations not initialled by the drawer,

### **11.4.2 No Cashing of Personal Cheques**

The cashing of personal cheques in exchange for BHeC funds is not permitted.

### **11.4.3 Third Party Cheques**

Third party cheques must not be accepted.

## **11.5 Accepting Foreign Currency**

### **11.6 Receipts by Electronic Transfer**

BHeC can accept payment by electronic transfer in either Bermuda or United States Dollars.

## 12. Balance Sheet Accounts: Financial Assets and Liabilities

### 12.1 Responsibility of the Accounting Officer

The Accounting Officer must ensure that balance sheet accounts are kept up to date in accordance with the following Financial Instructions.

### 12.2 Year End: Certification and Reconciliation

At March 31<sup>st</sup> of each fiscal year, the Accounting Officer must:

- (1) certify that balances on the accounts are correct,
- (2) provide a reconciliation of balances to supporting documentation.

### 12.3 Quarterly Reconciliation

Balance sheet reconciliations must not be left until the year-end. Balances must be reconciled to supporting documentation **at least quarterly** to ensure that transactions have been correctly posted and balances are valid.

BHeC must retain documentation to support reconciled balances.

### 12.4 Cut-off Procedures

Transactions most likely to be misstated are those recorded near the end of the accounting period. At March 31, it is important that accounting staff **ensure proper cut-off** of accounting transactions so that transactions are recorded in the proper period and performance reports provide accurate financial information.

#### 12.4.1 Revenue/Receivables/Receipts

Where revenue was provisioned for the year to March 31 of any given year but cash was not received at March 31, the outstanding amounts must be reported as receivables.

#### 12.4.2 Expenditure/Payables/Payments

It is the date of delivery or receipt of goods and services that determines the year of account. Where goods or services were received or delivered on or before March 31 of any given year but payment was not made at March 31, the outstanding amounts must be reported as payables.

## **13. Advances and Cash Floats**

### **13.1 General Restriction**

BHeC employees are not permitted to advance, lend, exchange improperly or personally use BHeC funds.

### **13.2 Petty Cash Floats**

Petty cash will be used for the following purchases: refreshment supplies, stamps, newspapers, miscellaneous office supplies, and medical kit. No single-item petty cash purchase should exceed \$100.00.

#### **13.2.1 Supporting Documentation**

A payment voucher certified by a financial signing authority must support all disbursements from petty cash.

#### **13.2.2 Replenishment**

The Petty cash float must be replenished **as necessary** by submitting paid receipts and a proforma invoice to the Manager Corporate Office.

#### **13.2.3 Reconciliation**

When petty cash is replenished, petty cash on hand plus petty cash vouchers must be reconciled to total petty cash float. Shortages must be investigated.

#### **13.2.4 \$100 Maximum Payment**

Payments from petty cash floats shall not exceed \$100.00 per purchase.

#### **13.2.5 Verification**

An employee not responsible for petty cash floats should perform periodic unannounced float checks. A petty cash report will be produced on a monthly basis and reviewed by the Corporate Office. Petty cash reports will be submitted with supporting receipts.

### **13.3 Reconciliation Request**

An employee responsible for petty cash shall, on the request of the Corporate Office Manager, provide a reconciliation of total cash on hand. No prior notification is required to be given by the Corporate Office Manager.

### **13.4 Year End Accounting**

At March 31<sup>st</sup> all petty cash float must be reconciled and certified by the Accounting Officer in accordance with the financial instructions.

### **13.5 Cash on Hand**

Cash on hand will be counted by the Corporate Office Manager on a spot check basis. Those responsible for cash should be prepared to allow the staff immediate access to the funds. After

the count has been completed, a document must be signed by the responsible party and the designated staff member indicating that the funds have been returned intact.

## **14. Inventories (Stock)**

### **14.1 Definition**

Inventory takes many different forms, depending upon the nature of operations. In most cases, inventory is supplies on hand available for use in the provision of services.

### **14.2 Inventory Records**

#### **14.2.1 Form**

Inventory records in a form approved by the Manager of Corporate Office shall be maintained for those items purchased.

#### **14.2.2 System**

Inventory records may be maintained on a computerized or manual system as agreed by the Accounting Officer.

### **14.3 Responsibility of the Accounting Officer**

#### **14.3.1 Care and Custody**

The Accounting Officer is responsible for the care and custody of the stock at the Health Council.

#### **14.3.2 Periodic Inspection**

The Accounting Officer shall arrange for stock to be test-counted by a designated employee periodically.

## 15. Fixed Assets

### 15.1 Fixed Assets

Assets or groups of assets which have a useful life greater than one year and which are valued over the threshold set for the particular category will be considered a fixed asset and will be capitalized as such in the books and records of the BHeC. These assets shall be monitored and controlled to ensure they are properly recorded. The Accounting Officer is responsible for the security and safety of all BHeC assets.

### 15.2 Responsibility of the Accounting Officer

#### 15.2.1 Fixed Assets

The Accounting Officer is responsible for maintaining an up-to-date register of all BHeC fixed assets.

#### 15.2.2 Items to be Included in Register

Items to be included are furniture, equipment (including computer hardware and software), plant and machinery, and all items of a durable nature. Items with a purchase cost in excess of \$500 are to be listed, as well as items of a lesser value that are of a desirable or saleable nature. In the event of uncertainty the advice of the Accounting Officer should be sought.

For computer components the following should be included in the Fixed Assets Register:

- Computer Towers
- Monitors
- Laptops/Notebooks
- Multiuse—Large Printers (Cheque Writers)

The register should include:

- Relevant Serial Numbers of each piece of equipment
- For Laptops—Assigned to Position.
- Location

#### 15.2.3 Verification of Register

The Accounting Officer should implement checks annually, to ensure that the register is up to date and all items listed are in use at the Council and in good condition. Equipment used at home or off-site must be authorized in writing and clearly noted on the register. However, it is recommended that the register should be verified quarterly and updated with all movements of fixed assets.

The register should clearly state additions, disposals, and other changes showing a total value for the fixed assets.

#### **15.2.4 Depreciation in General**

Assets are depreciated from the date the asset is put into service or the date of acquisition— whichever is more appropriate. Each asset type is depreciated over the estimated useful life of the asset.

#### **15.3 Disposal**

Where the Accounting Officer wishes to dispose of surplus or obsolete fixed assets, the Board Committee responsible for audit and finance must be informed.

Where the Accounting Officer disposes of surplus or obsolete property which is not required, and the disposal value is in excess of \$1,000, they must:

- (1) Obtain approval from the Board committee responsible for audit and finance, and
- (2) Advertise in the local press and invite submission of tenders by the public.

Where the estimated value of the property is \$1,000 or less, the best offer made for the goods may be accepted.

##### **15.3.1 Record of Disposals/Sales**

The Accounting Officer must maintain a record of all disposals/sales, including tenders received.

## **16. Insurance and Risk Management**

### **16.1 Role of Board Committee responsible for audit and finance**

#### **16.1.1 Administration of Risk Management Policy**

The Health Council risk management policy is administered by the Board Committee responsible for audit and finance.

#### **16.1.2 Insurance**

The Board Committee responsible for audit and finance shall maintain a register showing the detail of all insured risks and policies of the Health Council.

The Health Council shall not enter into any insurance arrangements without the prior approval of the Board Committee responsible for audit and finance.

### **16.2 Responsibility of the Accounting Officer**

#### **16.2.1 Protection of Assets**

The Accounting Officer must ensure that all BHeC assets within their control are adequately protected.

### **16.2.2 Notification of Additions**

The Accounting Officer must immediately notify the Board Committee responsible for audit and finance of all new risks or additions of other assets which may require insurance and of any matter affecting insurance arrangements generally.

### **16.2.3 Notification of Loss/Liability**

The Accounting Officer must immediately notify the Board Committee responsible for audit and finance of any loss, liability or damage, or any event likely to lead to a claim by the BHeC against its insurers, or by any third party against the BHeC, whether insured or otherwise.

## **17. Banking and Treasury Management**

### **17.1 BHeC Cash Flow**

#### **17.1.1 Management**

The BHeC manages the day-to-day cash flow of grant funds and expenditure, with the objective of ensuring operational efficiencies are met.

### **17.2 Bank Accounts**

#### **17.2.1 Operation**

The BHeC may operate bank accounts in the name of the Bermuda Health Council as appropriate for the efficient operations of the business. All bank transactions require dual signatories. No Health Council bank account may be opened without the prior written approval of the Board Committee responsible for audit and finance.

#### **17.2.2 No Advances or Overdrafts without Permission**

No bank account may be over drawn or cash advance obtained without the **prior permission** of the Board Committee responsible for audit and finance.

#### **17.2.3 Cheque Registers**

For all checking accounts, a register of cheques held in stock must be maintained. The cheque register must show details of cheques issued. Registers must also be kept showing details of used, spoiled and cancelled cheques.

#### **17.2.4 Reconciliations**

**Within thirty days of each accounting month end**, The Accounting Officer shall produce a detailed reconciliation of the balance shown on the bank statement to the balance shown in BHeC's accounts.

## **17.3 Signatories**

### **17.3.1 Two Authorised Signatories**

The Health Council disbursements and or documents must bear two authorized signatures.

### **17.3.2 Approval of Authorised Signatories**

The Board Committee responsible for audit and finance must approve every appointment as an authorized signatory and must be provided with specimen signatures.

### **17.3.3 Notification of Banks**

The Board Committee responsible for audit and finance will notify the banks of employees currently authorized to sign and provide their specimen signatures.

## **18. Security**

### **18.1 Responsibility of the Accounting Officer**

The Accounting Officer must assess the adequacy of available safekeeping facilities on hand for all areas of security risk. When an employee or Board member leaves the Health Council, all the items that have been provided to the employee or Board member should be returned to the Accounting Officer or designee and a receipt identifying those items returned should be signed by both parties and maintained in the employee file or Board Members file, as appropriate. This should include ensuring all computer access is removed by ITO and access cards returned.

### **18.2 Property**

The Accounting Officer is responsible for maintaining proper security for all buildings, other Council property and cash under their control.

### **18.3 Keys**

Keys to safes, locked drawers and cabinets containing cash, stamps, valuable documents or items should be secured at all times. Loss of keys must be reported to the Accounting Officer immediately.

### **18.4 Access Cards**

The person to whom they are issued must only use electronic access cards. Cards must never be transferred to others. Loss of a card must be reported immediately.

### **18.5 Information Security**

The Accounting Officer shall ensure that proper security and privacy is maintained for all financial and personnel information stored on BHeC computers, ensuring that:

- (1) Employee access to information, as authorized by the Accounting Officer, is appropriate,
- (2) Passwords are kept confidential and are changed at regular intervals,
- (3) Computer data is backed up regularly, stored off-site or in a fire-proof cabinet or safe,
- (4) Appropriate use is made of security features within computer software,
- (5) Employees are adequately trained to use the software,
- (6) Adequate contingency plans exist in the case of computer failure,
- (7) Remote access to all BHeC data is approved, monitored and controlled,
- (8) Adequate safeguards are in effect to prevent and detect computer viruses.

### **18.6 Consecutive Leave**

The Accounting Officer and other management personnel with fiduciary responsibilities must take at least five consecutive working days annual leave in any given year.

## **19. Retention of Documents**

### **19.1 Retention Periods Defined**

Retention periods are defined as:

- A- Active- the document must be retained in the file cabinet for the specified number of years,
- D- Dormant- the document must be retained in a dormant area, at present the Health Council Archives for the specified number of years.

(Example: A-2, D-5 means the document must be retained for a total of 7 years: 2 years in the file cabinet and 5 years in the Health Council Archives.)

### **19.2 Retained by the Health Council**

The following records must be retained by the BHeC for:

(1) 6 fiscal years A-2, D-4:

- Receipt details,
- Purchase order books,
- Accounts receivable invoices,
- Inventory records,
- Quotation documentation.
- Departmental receipts,
- Bank deposit slips,
- Bank statements/cheques,
- Bank reconciliations,
- Journal vouchers,
- Paid supplier invoices,
- General ledger detail,

(2) 7 fiscal years- A-2, D-5: Salary/wage pay records.

### **19.3 Personnel Records**

Personnel records must be maintained to ensure that employee pension entitlements are calculated correctly: A-3 years after retirement or separation, D-70 years of age or 1 year after death.

Employee files must not be destroyed of any former employee. All dormant personnel files should be archived at a secure location within the premises of the Bermuda Health Council.

### **19.4 Archiving Documents: General Requirements**

All manual financial records and documents must be in ink. Pencil is not permitted.

Archived documents must be reasonably accessible. It is imperative that the BHeC maintain an organized referencing system to facilitate retrieval of information, if required.

### **19.5 Retention for Audit**

All documentation required to support transactions or balances should be maintained for audit purposes, e.g. inventory count sheets, receivables listings, etc. It is recommended that such items be maintained for the same period as other financial records, that is, six years.