

**Health Professions Council
Finance & Resources Committee Meeting – 18th September 2006**

Registrations Debtors Policy

1. Introduction

A concern was raised by Baker Tilly after the May 2006 External Audit, that there was no policy in place regarding the issue of rejecting payments leading to debts and debt management.

They also raised concern regarding the debit balance of £9,538 where Registrants and Applicants payments had failed and no replacement payment had been received by HPC and in some cases where HPC had failed to notify Registrants of failed payments.

2. Decision

The Committee is asked to agree the 'Registrations Debtors Policy'

Background Information

The Registrations Debtors Policy (attached)

Resource Implications

Transaction Officer's time - to write to these Registrants regarding failed payment and chase payment. Also to adjust records to reflect the debt and if need be to write off as bad debt.

Financial Implications

As above

Appendices

None

Date of Paper

6th September 2006

HEALTH PROFESSIONS COUNCIL (HPC)

Registrations Debt Policy

1. Introduction

The Health Professions Council (HPC) receives income from 3 main sources

Scrutiny Fees
Registration Fees
Renewal Fees

Scrutiny Fees can only be paid by cheque/postal order/bank draft or by debit/credit card. Both Registration & Renewals Fees can be paid by the methods above as well as by direct debit but Scrutiny Fees cannot be paid by direct debit.

HPC is an independent regulator so does not receive funding from any other source, therefore a robust debt management policy is vital to prevent unauthorised risks being taken and to ensure that no health professional is on the Register without being a paid up member.

The Registration Debt Policy refers to all debts owed to HPC from Registrants. HPC will recover debts by making early contact with registrants and by dealing with them firmly but sympathetically.

2. The Debt Recovery Procedure

All new professionals registering with HPC for the first time are required to pay the minimum fee applying over the remainder of their professional cycle and will be given the option either to pay by direct debit for £30 (every six months) or £120 upfront (bi-annually).

International Applicants pay Scrutiny Fee upfront, before any application is processed.

A number of these payments will reject due to some seen or unseen circumstances of the Registrants or Applicants. Once HPC has received notification that an Applicant or Registrant Fee has been rejected, HPC will identify and make contact by letter within 10 days of receiving the notification. HPC will allow 3 weeks for the Registrants or Applicant to repay the debt.

If no contact has been made to the Finance Department to make arrangement for payment, by the end of the 3 weeks, the Applicant or Registrant will be advised by writing that they will be lapsed from the Register and will have go through the Readmission Process to come back onto the Register.

3. Debt Control

HPC on a monthly basis must record by Registration Number and Date of Rejection, a Schedule of Rejected Payments as a part of the monthly Management Accounts.

All Rejections must be actioned on LISA (HPC Registrations Database) as well as entered into Sage (HPC Financial System).

HPC must attempt to recover debt from the Registrant or Applicant for unpaid fees. If HPC is unable to recover debt, the Registrant will have to be lapsed and applicants should not be processed any further.

If HPC has failed to notify the Registrant or Applicant within 10 days of receiving the notification, HPC will attempt to recover the debt. If still unable to collect debt, the application status is reviewed. Some applications may remain under application status for a variety of legitimate reasons e.g. awaiting further information etc. In all cases, reasonable judgement is exercised in Lapsing the Registrant or withdrawing the application. The Finance Department will notify the Customer Services Manager of those that are being removed from the Register for non-payment of fees.

4. Debt Management

HPC will send out Renewal notices 3 months before the start of each professional cycle to notify the registrants of their payment options and balance on their records. They have the option to change payment method at any time. All payments dates and amounts are notified to Registrants and Applicants in advance.

HPC will not charge interest on late payments. HPC will charge an administration fee of £5 on unpaid cheques or banker's draft. HPC will not charge any administration fee for unpaid direct debits or credit or debit cards. As a general rule HPC will only charge administration costs where they have incurred a charge from the Service Provider.

Despatching Renewal notices is the responsibility of the Registrations Department, while the Finance Department has for the Debt Management aspects of Registration. All payments must be sent to the Registrations Department for handling.

5. Miscellaneous

If HPC is unable to recover Registration debt, charges raised in LISA will be reversed, hence reducing recognised income. For control purposes, only Finance personnel are able to reverse Income Charges on the system. The Transaction Manager, Management Accountant & Financial Accountant have the authority to

reverse these charges, but for transparency, notes must be made on the Registrants or Applicants Lisa Record of explanations of why the Charge has been reversed.

It was noted by Baker Tilly External Auditors during their 05/06 Audit that HPC Registrations Debtors were valued at £9,538. The Finance Department maintaining a schedule showing 273 individual Registrant payments, covering the period 2003-2006 inclusive where direct debits of Registrants were manually rejected by the banks and not through the usual BACS Rejected Direct Debit Report. The Finance Department reject these payments off the LISA system with evidence from either HPC Bank Statement or the Unpaid Report from the Registrant's Bank Account and attempt to recover the funds from the registrants. If unable to recover outstanding debt the charges will be reverse out at the end of the exercise and reduce HPC Income accordingly.

Date
2006-07-19

Ver.
a

Dept/Cmte
FIN

Doc Type
POL

Title
HPC Registrations Debt Policy

Status
Draft
DD: None

Int. Aud.
Internal
RD: None