



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

HEALTH SERVICE EXECUTIVE

NATIONAL FINANCIAL REGULATION

FRANKING MACHINES

NFR-29

NFR-29 **Franking Machines**

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29.1. Introduction

29.1.1. This regulation forms part of the National Financial Regulations (NFRs) of the Health Service Executive (HSE). The NFRs are part of the overall system of Corporate Governance and Internal Control within the organisation.

29.2. Purpose

29.2.1. The purpose of this regulation is to set out acceptable practice in the custody and control of the operation of the franking machine.

29.3. Scope

29.3.1. This regulation applies to all staff managing franking machine spend in the conduct of all the financial affairs of the HSE.

29.4. Roles and Responsibilities

29.4.1. Budget Holders must monitor franking costs and usage on an ongoing basis to ensure;

- That charges incurred reflect the effective and proper use of funds. usage is necessary and appropriate.
- Franking is not being used for personal use.

29.4.2. The manager of a department/location, which has a franking machine on site, shall ensure that the procedures are in operation to ensure proper custody and control of the operation of the franking machine.

This should include;

- Assigning responsibility for the management of the franking machine (Minimum requirement of Grade V).
- Security of machine. Franking machine must be lockable with a key where possible and /or stored in a secure location. Where machines are in shared use by more than one department additional security arrangements should be put in place e.g. PIN numbers
- Record Keeping - A post book must be kept detailing daily use and periodically checked to franking machine totals.
 - ✓ Staff who use the machine
 - ✓ Date and approximate time machine used
 - ✓ Number and value of items franked
 - ✓ General description of items franked.
- Reconciliation – On a daily basis the post book should be reconciled to the machine total and any discrepancies investigated and resolved.
- Replenishment of Franking Machines – replenishment of the machine must be approved by a Grade V or higher. When approving the replenishment of the franking machine the manager must review and sign off on the post book and reconciliation of the post book to the machine total.

- Segregation of Duties – the manager who approves the replenishment of the franking machine must not be the person with responsibility for day to day security, operation and reconciliation in relation to the franking machine.

29.5. Opening of a Franking Machine Imprest¹

29.5.1. A signed written decision approved by the relevant Manager (General Manger or equivalent salary grade) should be completed outlining:

- i) The purpose(s) for which the franking Machine is required
- ii) Description of service location where franking machine is going to be used.
- iii) The Imprest amount i.e. the maximum postage credit that can be held on the franking machine at any one time.
- iv) Monthly postage credit budget amount i.e. the maximum monthly spend on franking machine postage credit.
- v) Details of the staff member(s) specifically responsible for the daily operation of the franking machine and details of the staff member for the management & approval of the replenishment of the franking machine credit (for the latter, a Grade V or higher).
- vi) Details of security arrangements for the storage of the franking machine.

29.5.2. This decision will then need to be sent to relevant Assistant National Director of Finance.

29.5.3. The area upon approval should then contact their relevant accounts payable department to arrange the first recoupment of the new franking machine imprest.

29.6. Changes to an Existing Franking Machine Imprest

29.6.1. A signed written decision approved by the relevant Manager (General Manger or equivalent salary grade) should be completed when the following are required:

- i) Increase the limit on a franking machine Imprest.
- ii) Increase the monthly postage costs budget on a franking machine.
- iii) Closure of a franking machine Imprest.

29.6.2. This decision should set out as much detail as possible as to what is required and why and should be sent to relevant Assistant National Director of Finance.

29.6.3. If all is in order, it will then be signed by relevant Assistant National Director of Finance and sent back to the relevant area.

29.6.4. In the case of an approved limit increase, the area should then contact their relevant accounts payable department to arrange payment of the increase in the limit.

¹ *Franking Machine Imprests are essentially un-used postage credit and are a stock of stationery on hand which has a value that needs to be recognized on the Balance Sheet.*

29.7. Closure of Franking Machine Imprest

- 29.7.1. In the event of a franking machine no longer being required, a final reading of the credit remaining on the machine must be taken and a request made for reimbursement from franking machine supplier vendor. Arrangements must also be made with franking machine supplier vendor to collect the franking machine.
- 29.7.2. When a credit note is received from franking machine supplier vendor for this unused credit, it should be recorded by accounts payable.

29.8. Assistance / Further Information

- 27.8.1. Additional information regarding this regulation should be addressed to the Assistant Chief Financial Officer, Finance Specialists.
- 27.8.2. It is intended that this regulation will be updated as necessary to reflect and incorporate new and additional legislative and other directives. Notification of any update will be issued on HSE National Intranet - National Financial Regulations and via email communications.

29.9. Effective Date

- 29.9.1. This regulation is effective immediately. This regulation applies to all employees of the HSE involved in the processes outlined in this regulation.

29.10. Reporting of Irregularities

- 29.10.1 Any member of staff who considers that there may have been an irregularity in the custody and control of the operation of the Franking machine must inform their Line Manager immediately. The manager to whom the matter has been reported must inform their Assistant National Director of Service or equivalent salary grade, relevant Assistant National Director of Finance and National Director Internal Audit for appropriate action.

29.11. Audit

- 29.11.1. The external and internal auditors of the HSE have the right to unrestricted access to all vouchers, documents, books of account, and computer data and to any other information which they consider relevant to their enquiries and which is necessary to fulfil their responsibilities. Both internal and external auditors also have the right to direct access to any employee or person responsible with whom it is felt necessary to raise and discuss such matters.
- 29.11.2. Sample checks may take place at regular intervals in each financial year.
- 29.11.3. Every officer shall attend at such place and at such time as may be appointed by the Auditor and shall submit his/her books and accounts for examination and checking.
- 29.11.4. Where any irregularities are disclosed at the checking of the accounts of an officer, the Auditor shall report such irregularities to the Chief Financial Officer (CFO), who shall cause a full investigation to be made and shall take all necessary action.