

4.1

Financial Procedures

Presenter: Huw Thomas

4.1 FP03 Stock - Final SBAR.docx

4.1 FP0 Stock Procedure Final.docx

PWYLLGOR CYLLID FINANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	22 October 2020
TEITL YR ADRODDIAD: TITLE OF REPORT:	Financial Procedures
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Huw Thomas, Director of Finance

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

Each year, planned reviews are undertaken of the financial procedures operated by Hywel Dda University Health Board (HDdUHB). The procedures, which set out the main financial system controls, are reviewed in terms of:

- Relevance
- Best practice
- Audit recommendations
- System change
- Health Board policy

A proposal for review was presented to the Finance Committee in February 2019.

Cefndir / Background

The following procedure has been reviewed and is presented to the Finance Committee for approval: FP03 Stock

Asesiad / Assessment

This procedure is an amalgamation of:

FP03/01 – Main Control Stores Procedure.

FP03/02 – Non Controlled Stores Procedure.

FP03/03 – Stocktaking Procedure.

FP03/04 - Management of Pharmaceutical Resources Within Hospital Pharmacy Departments Procedure.

FP03/05 –Consignment Stock Procedure.

It has been reviewed by key personnel within Finance and Counter Fraud.

The procedure has been updated to reflect current arrangements and any changes since it was last reviewed.

The procedure is covered by a specific Financial Procedures Equality Impact Assessment (EqIA) with no negative impact.

Argymhelliad / Recommendation

The Finance Committee is asked to approve the attached revised financial procedure.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	5.7 Review and approve financial procedures on behalf of the Health Board.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability 7. Staff and Resources
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement	Improve efficiency and quality of services through collaboration with people, communities and partners

Gwybodaeth Ychwanegol:

Further Information:

Ar sail tystiolaeth: Evidence Base:	Previous procedures, internal audit report recommendations, standing financial instructions
Rhestr Termiau: Glossary of Terms:	EqIA – Equality Impact Assessment
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cyllid: Parties / Committees consulted prior to Finance Committee:	HDdUHB Finance Team HDdUHB Management Team Executive Team Finance Committee NWSSP

Effaith: (rhaid cwblhau)

Impact: (must be completed)

Ariannol / Gwerth am Arian: Financial / Service:	Financial implications are inherent within the report
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Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable
Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Financial risks are detailed in the report.
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Financial procedures are required to ensure good governance and sound financial control
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	<p>EqlA has been undertaken with no negative impacts on those with protected characteristics</p> <p>Changes to the majority of financial policies and procedures to date have been assessed as having a low relevance to equality duties and have been mainly in relation to systems and responsibilities with no direct or indirect impact on individuals in relation to equality, diversity or human rights. Where policies and procedures have a more direct impact on patients, staff and service users in relation to their protected characteristics e.g. those addressing the handling of patients monies etc, more detailed EqlAs have been undertaken and are published alongside the relevant document.</p>

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FP 03/ STOCK PROCEDURE

Procedure Number:		Supersedes:	FP03/01, FP03/02, FP03/03, FP03/04, FP03/05.	Classification	Financial
Version No:	Date of EqIA:	Approved by:	Date Approved:	Date made active:	Review Date:
1					

Brief Summary of Document:	This document is one of a series of financial procedures providing clear process to be followed.
Scope	Hywel Dda University Health Board wide

To be read in conjunction with:	Standing Orders. Standing Financial Instructions. Other Financial Procedures.
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Owning committee/group	Finance Directorate
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Reviews and updates		
Version no:	Summary of Amendments:	Date Approved:
1	New / Amalgamated Procedure	

Glossary of terms

Term	Definition
NWSSP	NHS Wales Shared Services Partnership

Keywords	Pharmacy Store, Main Stores, Stock, Controlled Stores, Non Controlled Stores, Stocktaking.
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HYWEL DDA UNIVERSITY HEALTH BOARD

1. AIM

This procedure details the guidelines set for the management and day-to-day operation of all stores and stock functions within Hywel Dda University Health Board (HDdUHB). This procedure should be read in conjunction with the "Stores and receipt of goods" section of the Health Board's Standing Financial Instructions.

2. SCOPE

This procedure is HDdUHB wide.

3. OBJECTIVES

The objective of these guidelines is to promote:

- a) the efficient running of stores, and use of stock items.
- b) the safe and secure storage of all stores and stock items.
- c) the correct, appropriate and timely accounting of stores and stock transactions.

4. TYPES OF STOCK

HDdUHB holds 3 types of stock, namely Controlled, Non Controlled and Consignment stocks.

Controlled stock is defined as stock which is:

Held either in Hospital Main Stores or Pharmacy Stores and is controlled via a computerised system (Oracle Inventory or the Pharmacy Computer system) where transactions are recorded and transferred to the Oracle General Ledger. Stock balances are reconciled to Oracle Balance Sheet control codes on a monthly basis.

Non Controlled stock is defined as stock which is:

Stock held at ward or department level, and is subject to the annual stocktaking programme for inventory valuation for statutory accounting purposes. A list of all non controlled stocks can be found in Appendix A.

Consignment stock is defined as stock which is:

Stock physically held in HDdUHB but does not pass into the ownership of HDdUHB until it has been paid for. This allows HDdUHB to maximise its working capital. Many large stock suppliers are willing to provide HDdUHB with a bank of stock that is only paid for when consumed.

5. STOCKHOLDING POLICY

Determining stockholding policy for controlled stores is the responsibility of the Chief Pharmacist and the Stores Manager in conjunction with the Procurement department. Determining non controlled stores policy is the responsibility of the stockholder, subject to advice from the Finance Director. Stockholding Policy should be reviewed on a periodic basis by these individuals, and in the case of controlled stores computer systems will also be used to analyse stock movement patterns as part of this process.

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When determining stockholding policy the following items need to be considered for both stock items and suppliers:

- a) Average daily demand.
- b) Average lead time.
- c) Reorder level.
- d) Reorder quantity.
- e) Minimum stock level
- f) Maximum stock level.
- g) Cost of reordering.
- h) Safe stock level.
- i) Stockholding costs.
- j) Shelf space.
- k) Discount for bulk purchases.
- l) Security of stock items.
- m) Annual usage.
- n) Shelf life
- o) Stock turnaround / turnover.
- p) Critical Use Items.

For new stock items to be introduced to controlled stores:

Main Stores - Information regarding the introduction of newly identified goods required to be held in Main Stores must be communicated to the Procurement Department in order for prior correct setup in Oracle.

Pharmacy - New or non-formulary drugs should not normally be ordered without the approval of HDdUHB's Medicines Management Sub-Committee.

Occasionally situations will arise which necessitate the ordering of such drugs without the Sub-Committee's approval, and in such cases, the Chief Pharmacist or Senior Pharmacist in charge of Procurement must decide based on the relevant facts. Where appropriate these are flagged up as an exception report at the next Medicines Management Sub-Committee meeting.

6. CONSIGNMENT STOCK POLICY

All consignment stock agreements must be agreed by the:

- a) Finance Director
- b) Procurement Manager
- c) The Company
- d) The user department.

- A copy of the agreement must be kept by all of the above.
- All consignment stock agreements must clearly detail:

- a) The number, description and value of consignment stock items supplied,

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- b) The detailed methodology to be adopted when consuming and therefore paying for the stock items,
- c) The procedure by which replenishment stock is to be supplied,
- d) That responsibility for the out-of-date stock rests with the supplying company and that ownership of the stock rests with the supplying company.

- The user department must ensure the physical segregation of consignment stock in order that it does not become confused with other stock for the purposes of stocktaking.
- The user department must ensure the physical security of the consignment stock.
- All consignment stock must be clearly identified by the user department and must not be mixed in with normal stock.
- The normal process for the replacement of consignment stock will be by a non stock order raised using Oracle SSP. When the consignment stock item is used a non stock order carrying the correct revenue financial code will be raised to purchase its replacement from the supplying company.
- On the arrival of the replacement product the invoice will be processed in the normal fashion as detailed in Financial Procedure 06/01.
- When conducting a stocktake, the Finance representative will liaise with the user department and ensure the consignment stock value will not be included in HDdUHB's closing stock balance.

7. ORDERING GOODS

The procedure for ordering goods is determined by the type of stock.

PHARMACEUTICALS

Orders are produced using either the "Generate External Orders" or when necessary, the "Create External Orders" functions on the Pharmacy computer system. The "Review External Orders" function allows modification to be made to the order prior to printing.

Orders are printed on plain A4 paper which are then kept for two years as a record of the order. Most orders are sent electronically either via Medecator or scanned and emailed (using the single copy)

The order stationery is printed with all delivery address details, unique order number and prices including VAT at the time the order is printed by the computer.

The pharmacy department terms and conditions of business are pre-printed on the back of the order stationery.

All orders will be signed by the Senior Pharmacist in charge of Procurement or in his/her absence, another Senior Pharmacist.

Orders will be conveyed to suppliers:

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- i) By electronic data interchange via the Internet wherever possible;
- ii) By fax or electronic fax;
- iii) Via the Internet;

The choice of suppliers for a pharmaceutical will be governed in the first instance by the All Wales Pharmaceutical Contract. For pharmaceuticals not included on the Welsh Contract or where contract items are unobtainable the choice of supplier will take into account price, lead time, local deals and urgency of supply and will be decided by the Senior Pharmacist in charge of Procurement or Senior Technician Procurement.

MAIN STORES

The Stores Manager is responsible for ordering all stock items using the Oracle Catalogue, working in collaboration with the Hywel Dda frontline Procurement department to purchase contracted goods.

The stock requisition is forwarded electronically from the Stores team using the Oracle system to the Procurement department for approval. Releases are generated against the Oracle Blanket agreements by the automated Oracle process and will reference carriage costs where applicable.

The Procurement Department will provide advice on suppliers and negotiate prices in advance to enable blanket agreements to be generated. The Procurement Department will inform the Stores Manager if the supplier is different from the usual supplier.

NON CONTROLLED AND CONSIGNMENT STOCK

When stock items require replenishing, or when the stock re-order point has been reached, the details of stock required must be entered into Oracle via the SSP requisition screen. Consignment stock should also be replenished in this manner.

It is the responsibility of the requisitioning department to ensure that the correct details are entered into the requisition screen on Oracle.

8. DELIVERY AND RECEIPT OF GOODS

All deliveries of goods must be checked carefully by Pharmacy/Stores personnel to ensure the following:

- a) The correct quantity has been delivered.
- b) The goods are free of noticeable defect.
- c) The goods match the order description.
- d) The goods are of the right quality, specification and type.
- e) The goods have an adequate shelf life.

The delivery note should be signed and dated in the presence of the delivery driver, and the quantity and catalogue number of goods should be recorded on the delivery note.

If it is not possible to inspect the goods in the presence of the driver then the note should be endorsed to indicate that it has not been checked - "unchecked" should be written on the note in this case.

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For Pharmaceuticals:

The advice note should be matched to the goods received and to the hard copies of the order. The copies of the order should be signed and dated.

The details should then be entered in the "Goods Received/Order Delivered" section of the computer system.

The advice note and copies of the order should be stapled together and forwarded to the purchasing office for matching with the invoice.

If goods are incorrectly supplied, arrangements should be made to return the goods and a credit request prepared using the computer system.

Where orders are only partly met by a delivery the white copy of the order stationary is re-used until the order is completed. Care should be taken to ensure that the goods received note only details goods actually delivered and that only these details are entered on the computer system.

Additional orders may be raised in the following circumstances:

- a) Duplicate or over deliveries which, in the judgement of the Senior Pharmacist responsible for Procurement or Senior Technician Procurement, it is more cost effective to keep rather than to return. These are looked at on a case by case basis, and the decision is made factoring in the frequency of orders and use/scarcity of the drug.
- b) Orders amended or new ones raised to cover the event.

Returnable containers must be returned to the supplier as soon as possible so that credit may be claimed.

For Main Stores:

The Oracle Receipts program should be opened and the order number entered to enable retrieval of anticipated delivery detail. The confirmed detail on the delivery note must be used to record the line(s) value/quantity received. The receipting of goods must be actioned on a timely basis, within 24 hours of receipt of goods. The Stores Manager is to notify the supplying company of any discrepancies in the goods supplied. The Stores Manager may accept any over-deliveries where it is cost effective to retain the deliveries. This would be reviewed on a case by case basis, and would apply where the goods are frequently ordered, usage volume is high, or the goods are scarce.

All goods to be returned to the supplier must be entered in Oracle via the Returns program by the Stores Manager or authorised personnel. A listing of all returns is to be held by the Stores Manager detailing reasons for returns, order details which should be reviewed periodically with the procurement department.

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Short deliveries and Returns to be made to NWSSP must be referenced by a NWSSP unique code and summarised on a specific NWSSP form.

The Stores Manager is to ensure that any returnable pallets left by delivery drivers are kept to a minimum, held in a safe place and are available for return if requested by the driver.

For Non controlled stocks:

The goods will be delivered to the main stores as a result of using the "deliver to" option on Oracle SSP when ordering.

All deliveries for non controlled stock items must be checked carefully by the stores personnel using Oracle to establish that the correct quantity has been delivered and to determine where the goods need to be delivered to. A photocopy of the delivery note is to be taken by stores staff and the goods taken to the end user location. The end user location must sign the stores delivery note as proof that the stores staff have taken the delivery, after checking the stock is of the correct quantity, type and specification.

The receiving department must confirm that the stock is acceptable and payment is authorised. If the receiving department is using Oracle SSP, then the receiving department must promptly receipt the goods into Oracle SSP. Best practice requires receipt to be recorded on Oracle within 48 hours.

The Stores Manager will receipt and clear the order for payment in Oracle for those departments not using Oracle SSP.

A record is kept of stock receipts in each Main stores, all receipts into stock must be recorded promptly and accurately on the Oracle system.

9. STORAGE OF STOCK ITEMS

The Chief Pharmacist, Stores Manager or stockholder is responsible for ensuring that adequate arrangements exist for the correct storage, care and maintenance of the stock under their control.

All goods must be stored in their respective bin locations as soon as possible after delivery. Goods must be stored so as to allow easy inspection and cleaning. Goods must not be placed directly on the floor.

Stock must be stored to allow stock rotation on a "first in, first out" basis. Pharmaceuticals and items with an expiry date must be rotated so that stock with the shortest expiry date is issued first.

All stock must be examined on a regular basis to ensure that optimum stock levels are maintained and the stock is kept in the optimum condition.

All Control of Substances Hazardous to Health (COSHH) instructions must be complied with when storing potentially harmful goods in the store.

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Any leaks or other hazards which may affect the goods whilst in store must be reported immediately to the Estates Manager.

Unwanted materials, packaging etc must not be allowed to accumulate in the stores area or in the Goods Inwards Area but disposed of appropriately.

Pharmaceutical items should be stored in the Automated Pharmacy System if suitable and where such a system is available.

The temperature of the refrigerators for the storage of pharmaceuticals must be monitored daily. Refrigerators should have an alarm which is monitored on a 24hour basis. Any faults should be reported to a Senior Pharmacist.

10. SECURITY OF STORES

Non controlled stores:

Stock should be kept in a secure area. No unauthorised personnel are to have access to the stock. All keys to the stockholding area must be signed for and kept on the person of the authorised stockholder. Any lost keys must be reported at once.

Controlled Stores:

Access to the Pharmacy and main store stock holding areas is restricted to Pharmacy Staff and authorised stores personnel. Any visitors to the stock holding areas must be accompanied at all times. There is no admission to the stock holding areas without the invitation of pharmacy/stores personnel.

Notices informing all visitors of restricted access will be prominently displayed.

All delivery drivers must identify themselves at the delivery door, or Goods Inward Area. These areas are strictly restricted to stores personnel and delivery drivers

Goods are only to be issued at the stores reception area of main stores, and the staff reception area of the Pharmacy Dispensary – however bulky goods may be issued directly from the store area.

Fire instructions must be prominently displayed. Fire extinguishers must be provided and maintained.

All stores must be adequately manned and supervised, including periods of annual leave and sickness.

When not staffed, the stores area must be kept locked at all times.

All keys to the stores area must be kept in a secure central location. Keys must be kept on the person of the key holder and returned to the central location after use. Pharmacy keys need to be signed for and are limited to Pharmacists. Any loss of keys must be reported at once to the Stores Manager or Chief Pharmacists

For Pharmacy stores these additional procedures apply:

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Doors to the pharmacy stores must be closed and the security system activated at all times. Access to pharmacy staff is by using the switch cards/key pads.

Where applicable access to the inside of the Automated Pharmacy System is limited to authorised personnel who have received advanced training.

When the pharmacy department is closed all doors must be locked, windows appropriately secured and the security alarm switched on as outlined in the Pharmacy Security Policy.

11. ISSUE POINT AND TRANSFER POINT MAINTENANCE

For Pharmacy Issue Points:

Creation and maintenance of issue points within the computer system will be undertaken by the Senior Pharmacist in charge of Procurement in conjunction with the site lead and a procurement technician

Each issue point will be assigned to a financial code (Cost Centre) within the system according to the advice of the Director of Finance.

Issue points from outside the HDdUHB will be assigned to a "Miscellaneous" directorate or neighbouring Health Board if appropriate.

For Main Stores Transfer Points:

Creation and maintenance of transfer point numbers will be undertaken by the Finance Department. The Finance Department shall notify the Stores Manager and all departments of their transfer point numbers.

It is the responsibility of the requesting department to ensure that the correct transfer point number is used when requisitioning stores issues.

It is the responsibility of the NWSSP Procurement Department to ensure that all catalogue numbers are linked to the financial code subjective numbers.

12. ISSUES FROM STORES

The procedures for stores issues are determined by stock type.

Issues of Pharmaceuticals:

The issues of stock shall be on receipt of a pre-printed stock sheet or requisition sheet signed by the person in charge of the ward or department concerned. Alternatively, if a ward is replenished by "topping up" the Pharmacy staff member will complete the pre-printed stock sheet or load data on to a light pen.

Ward Stock Issues (Non Topped Up Wards)

The pre-printed stock sheets or requisition sheets will be completed by ward or departmental staff, signed by the person in charge and sent or faxed to the Pharmacy in the ward box on the allotted days.

Pharmacy personnel will supply the required goods with a priced picking note and return them to the ward in the locked pharmacy box. A trained member of nursing staff should check the

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goods and sign the picking note to confirm acceptance. Any inaccuracies should be queried with a member of pharmacy staff immediately. Picking notes should be retained on the ward for two years.

Top Up Requisitions

The Pharmacy Technician or Support Worker will visit each ward at the prearranged time and frequency. The stock level of each drug is checked in turn against the pre-printed stock sheet. The quantity required is entered in the relevant box on the stock sheet or by scanning the barcode with a light pen.

On returning to the pharmacy, details of stock required is either entered into the computer using the keyboard or by downloading the light pen or using a bar code wedge reader.

The computer will produce a priced picking list from which pharmacy personnel will supply the required goods.

The goods and picking list are returned to the ward in the locked pharmacy box. A trained member of nursing staff should then check the goods received against the picking note and sign to confirm acceptance. Any inaccuracies should be queried with a member of pharmacy staff immediately. Picking notes should be retained on the ward for two years.

Counter Issues

All persons requesting stock pharmaceuticals from the pharmacy store (excluding those items accompanied by a prescription which should be presented to the dispensary) must present themselves at Pharmacy.

The pre-printed stock sheet or requisition form signed by the person in charge of the ward or department should be handed to a member of pharmacy staff.

The pharmacy personnel will enter details of the goods required into the computer system and generate a priced picking note. The goods should be returned to the person presenting the request for delivery to the ward with the picking note. The person requesting the goods should check the goods and sign the picking note to confirm acceptance. Any inaccuracies should be queried with a member of pharmacy staff. Picking notes should be retained on the ward for two years.

It is the responsibility of all pharmacy personnel to ensure that all issues are properly recorded and processed.

There are no loans to be made out of pharmacy stores.

Returns

Any pharmaceuticals returned to the pharmacy from wards, clinics or departments must be dealt with according to the following guidelines:

Any drugs which patients have brought into hospital with them which are unsuitable for use on the ward must not be reused. Ward staff should have ensured that patients have given them

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permission to hand over these drugs for destruction. These drugs should be placed in the allotted container ready for disposal.

Any other pharmaceuticals returned from wards or departments must be assessed by a pharmacy technician for quality, expiry date and suitability for reuse. Soiled, damaged or expired drugs will not be credited to the ward or department. These will be placed in the allotted container for disposal.

Those items considered suitable for reuse according to the Pharmaceutical returns policy will be entered in the computer system as returned from the particular ward or department allowing them to be credited. These items should then be placed in their particular bin location.

Issues from Main Stores:

All stores requisition forms must be fully completed by the requesting department as per the Desk Instructions. It is the responsibility of the requesting department to ensure that all details, e.g. product, quantity, units of issue and transfer point number are correctly entered onto the requisition form.

Counter Issues

All persons requesting stores requisitions must present themselves at the stores reception area. The completed requisition form is handed to the stores personnel who will record the requisition and produce a picking ticket from the Oracle system.

The stores personnel will supply the required goods and picking ticket. The person requesting the goods must check the stores goods and sign the picking ticket to confirm their acceptance. Desk instructions for stores requisitions procedure can be found in Appendix B Requisitioning From Main Stores

Top-Up Requisitioning

The stock controller will raise a requisition and produce a picking ticket from the Oracle system.

The stores personnel will make up the order from the picking ticket.

The stock controller will collect the order from stores, deliver to the ward and put away the goods, checking against the picking ticket.

The desktop instructions for this procedure can be found in Appendix C – Ward “Top up” Issues

Issues made against Requisitions from Users outside HDdUHB

The completed requisition should be sent electronically, by post or e-mailed to Main Stores. A picking ticket will be produced either by the stores personnel who should inform the requestor on availability for collection.

A copy of the requisition and signed picking ticket is to be filed by the stores personnel.

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It is the responsibility of the Stores Manager to ensure that all stores issues are properly recorded and processed.

There are no loans to be made out of the stores.

Any emergency issues made out of stores hours must be recorded.

Any goods returned to store must be in a fit and proper condition for reissue. Soiled or damaged goods, or out-of-date stock that will not be credited by the supplying company may not be returned to store. Any goods to be returned to store must be accompanied by supporting identification documents

Desk instructions for this procedure can be found in Appendix D – Requisitions outside the HB.

Remote Requisitioning

If the goods need to be ordered from Welsh Health Supplies Bridgend stores, the Stores Manager will use Oracle Remote Requisitioning to action the sales order. Desk instructions for this procedure are to be found in Appendix E – Remote Requisitioning from Welsh Health Supplies

13. **OBSOLETE STOCK**

Every effort must be made to minimise losses through deterioration or obsolescence.

Where such losses occur the Stores Manager will confirm to the Finance Department via e-mail the quantity and description of items written off and the value in Oracle and the action taken to avoid reoccurrence.

Where the goods are to be disposed of outside HDdUHB the Stores Manager must inform Finance in writing, stating clearly to whom the disposed goods have been given to, the details of the goods disposed and details of the receipt number and amount paid for the goods. No stock disposed of by sale may be released without an official receipt.

Where the goods are to be destroyed, the Stores Manager should inform the Finance Department of the method of destruction.

For non controlled stock:

The stockholder must liaise with the Procurement Department in order to determine the most appropriate method of disposal.

When obsolete stock is disposed of either by sale, incineration or donation, all relevant supporting documents must be forwarded to the Finance Director. No stock disposed of by sale may be released without an official receipt.

The Director of Finance shall keep a record of all obsolete stock written off.

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For Pharmacy:

Any expired products or products unsuitable for use must be brought to the attention of the Senior Technician Procurement. Having examined the goods and checked that no form of credit is available from the supplier, he/she will book out the goods through the computer system to an issue point called EXPIRED GOODS/WASTAGE.

The products should then be placed in the container ready for disposal. Disposal is undertaken on a monthly basis or as and when required.

An annual printout of issues to EXPIRED GOODS / WASTAGE should be forwarded to the Finance Department.

The Finance Department will keep a record of all goods written off in this manner and report to the Audit Committee.

14. RECONCILIATION

The Director of Finance shall ensure that all Controlled stores information is reconciled to the Oracle General Ledger (GL) on a monthly basis.

The responsible Finance Officer shall document all reconciliations and review the reconciliations with the appropriate manager on a monthly basis.

These reconciliations must be signed and dated by the preparer and authoriser.

Main Stores:

Oracle Main Stores Inventory Balances for Glangwili, Prince Philip, Withybush and Bronglais will be reconciled to the relevant GL balance sheet control code on a monthly basis.

Pharmacy:

The Pharmacy System closing balances will be reconciled on a monthly basis to the relevant GL balance sheet control codes.

In addition:

All issues as per Monthly Financial Analysis (MFA) balance sheet summary are reconciled to the detailed MFA issue sheet which is reconciled to the drug financial journal.

All pharmacy payment lists are reconciled to the payments made on the MFA balance sheet summary.

All payments passed into the financial ledger are reconciled to their respective pharmacy payment lists.

The total payments in any ledger month can be matched with pharmacy payment list items for that ledger month and for previous ledger months.

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15. STOCKTAKING AND VALUATION PROCEDURES

The Finance Director is responsible for providing clear definition as to what constitutes a stock item. All goods or assets purchased for resale, consumable stores, raw materials and components purchased for incorporation into finished products, constitute stock items.

The Finance Director is responsible for compiling a programme of stocktaking for all stores. This programme will be designed to provide a formal check of all stock items at least on an annual basis. Stock items of an attractive nature will be checked more frequently. The stocktaking programme will detail when the stocktake is to take place and who is to attend the stocktake.

All items designated as controlled stores will form part of the stock valuation for the accounts. Controlled stores constitute the Main Stores and the Pharmacy Stores.

Current list of non controlled stores recorded is listed in Appendix A.

The Finance Director is responsible for compiling a detailed inventory of all stockholding areas within the Health Board.

The Finance Director will review the stockholding inventory to ensure that there is a fair comparison of stock between years and that the statutory accounts reflect a true and fair view of HDdUHB's current assets.

The Finance Director is responsible for determining the pricing policy for stock items in accordance IAS2.

Stock may be valued at either current cost or AVCO (average cost method). All controlled stores are valued at AVCO, non-controlled stores are valued at the lower of cost and net realisable value on an item by item basis. If any non controlled stores have limited shelf life or are prone to depreciation, this will need to be factored into the valuation, and the appropriate journals actioned.

All non-controlled stores are calculated on a "first in first out" basis. This calculation is made using the most current price obtained from the Oracle Procurement module, by interrogating PO lines for each product.

All controlled stores operate a policy of continuous stocktaking. All stock items are checked continuously during the year.

For Pharmacy stock:

A continuous programme of rolling stock checks must be carried out. The Automated Pharmacy System has a reconciliation print which is checked daily.

Each batch of stock check sheets will be examined by the Senior Pharmacist responsible for Procurement. A record of the accuracy of such checks will be kept, in addition to the stock check sheets.

Any inaccuracies in stock level will be investigated and corrected where possible.

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Any stock adjusted will be recorded within the computer system by the authorising officer. A printout of these STOCK ADJUSTMENTS will be forwarded to the Director of Finance monthly.

The stock valuation for each location and stock turnover will be monitored closely by the Senior Pharmacist responsible for Procurement with regular monthly reports. Any apparent deviation will be thoroughly investigated.

For Main Stores:

All controlled store items must be stock checked on a continuous basis by NWSSP.

Adjustments are actioned by stores officers directly into the Inventory module, such as write off, write on, stock adjustment, price adjustment and unit of measure adjustment.

Controlled stores are monitored and reconciled on a monthly basis by the Finance department, and any material increases or decreases will be further investigated. Stores Managers should inform Finance of any material changes that will significantly affect stock levels.

The Oracle stores goods are valued at moving average price. Price lists are maintained and updated by the procurement department regularly.

All non-controlled stores are checked periodically in accordance with the Finance Director's stocktaking programme. All non-controlled stores are checked on an annual basis to provide a consistent basis of stock valuation for the statutory accounts.

Where a non-controlled store is checked prior to year end, a declaration must be given by the stockholder that the stock balances have not moved materially in the intervening period. All material movements in stock during this period must be notified to the Finance Director.

All stock sheets must be forwarded to the Finance Director. Where a stocktake is not completed in a day, arrangements must be made to record the point to which it has progressed.

All movements out of store during the stocktake must be recorded and accounted for.

All returns into store during the execution of a stocktake must be recorded and accounted for.

All discrepancies noted against physical stocktaking results must be investigated thoroughly.

The Finance Director will action the loss or gain against the generic stock head for the store.

The condition of stock and any slow moving stock items should be noted during the stocktaking procedure. All instances of damaged stock, ageing stock or poor stock-keeping practices shall be reported to the Finance Director.

The Finance Director shall ensure that all stock values included in the statutory accounts are recorded under their generic stock heads and filed with the detailed stock sheets.

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All material variances between financial years for each generic stock head shall be investigated and narrated, in particular for Audit purposes.

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16. APPENDIX A – LIST OF NON CONTROLLED STOCKS

GGH Theatre Stock	GGH Occ Therapy Stock
PPH Theatre Stock	PPH Occ Therapy Stock
BGH Theatres Stock	WGH Occ Therapy Stock
WGH Theatres Stock	Gorwelion Occ Therapy Stock
	Wellfield Rd Occ Therapy
GGH Blood sciences stock	Cwm Seren Occ Therapy Stock
PPH Blood sciences stock	
BGH Haematology Stock	Franking Machines
WGH Haematology Stock	Postages
WGH Biochemistry stock	
BGH Biochemistry Stock	GGH Family Planning Stock
WGH Histology Stock	PPH Family Planning Stock
	BGH Family Planning Stock
GGH Audiology Stock	GGH Laundry Stock
PPH Audiology stock	BGH HSDU Stock
WGH Audiology stock	WGH HSDU Stock
Hywel Dda Audiology	GGH EBME stock
	PPH EBME Stock
GGH Fuel Stock	BGH EBME Stock
PPH Fuel Stock	WGH EBME Stock
BGH Fuel Stock	WGH Endoscopy stock
WGH Fuel Stock	HD Hotel Services Stock
	WGH Hotel Services/Domestic Stock
HD Fuel Stock	BGH Hotel Services Stock
SPF Fuel Stock	SPH Hotel Services Stock
	GGH Hotel Services Stock
GGH Engineering Stock	PPH Hotel Services Stock
PPH Engineering Stock	WGH Linen & Sewing room Stock
BGH Build & Eng Stock	WGH Microbiology Stock
	WGH Pharmacy Ward Stock
GGH X-Ray Stock	BGH Pharmacy Ward Stock
PPH X-Ray Stock	GGH/PPH Pharmacy Ward Stock
BGH X-Ray Stock	WGH Surgical Apps Stock
WGH X-Ray Stock	GGH Surgical Apps Stock
	PPH Surgical Apps Stock
GGH Catering Stock	SPH Surgical Apps Stock
WGH Catering Stock	

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SPH Catering Stock	GGH & PPH Ward Top Up Stock
TCH Catering Stock	WGH Ward Top Up Stock
HD Catering Stock	BGH Ward Top up
BGH Catering Stock	GGH Linen Stock
PPH Catering Stock	

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17. APPENDIX B REQUISITIONING FROM MAIN STORES

1. Insert ward/department, transfer point and name on requisition.
2. Ensure correct quantity required is ordered against the correct catalogue number.
3. Ensure that the person authorising the order is on the Authorised Signatory List.
4. E-mail the requisition detail and/or take the confirmatory requisition to Stores.
5. Despatch of goods may be made immediately or delivered.
6. Issuing Officer to sign the Requisition and enter the quantity issued.
7. Receiving person to sign the Requisition for receipt of goods.
8. If a Picking Ticket has been printed, both signatures should be included.
9. Once the Requisition is complete, the copies should be distributed as follows:

Top copy	-	Stores
Bottom copy	-	Retained by ward/department.

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18. APPENDIX C FOR WARD "TOP UP" ISSUES

1. The stores officer will visit Ward/Department twice weekly.
2. The stores officer will compare stock levels with minimum quantities for each Ward/Department.
3. A "Top Up" requisition form to identify the goods required, Department and Transfer Point will be completed and signed by a stores officer.
4. The requisition is taken to Main Stores, entered on Oracle and the picking ticket printed.
5. From this picking ticket the goods will be packed and despatched to the Ward/Department by the stores officer.
6. The stores officer will then check off the goods to the picking ticket when placing the goods into storage at the receiving Ward/Department.
7. This service is extended for NWSSP items held at Wards/Departments except that the information is captured using automated data capture equipment. Upon return to the stores the stores personnel must download this information directly to NWSSP.

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19. APPENDIX D FOR REQUISITIONS OUTSIDE THE HB (E.G. FROM ANOTHER NHS BODY OR AN ESTABLISHED CUSTOMER)

1. Outside users inform Main Stores of goods required.
2. The Stores Officer enters the goods and quantities required on the computer.
3. . The requisition should be forwarded to stores electronically, by e-mail or physical mail.
4. On completion of order a picking ticket is printed.
5. Goods are then packed ready for despatch.
6. A picking ticket is issued with the goods for checking on receipts.
7. A signature must be obtained at all times when goods are collected from Main Stores

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20. APPENDIX E. REMOTE REQUISITIONING FROM WELSH HEALTH SUPPLIES

1. This function is only available to the Main Stores manager and one delegated stores officer.
2. This function is password protected and access to the requisitioning voucher number is strictly controlled by the Main Stores Manager.
3. The sales order screen must be completed using the relevant customer number and the details of the products required entered.
4. The goods are delivered from Main Stores with an accompanying picking ticket carrying the requisitioning voucher number.
5. The picking tickets and products are checked for discrepancies.
6. The correctly delivered products are receipted into Oracle using the Receipts program.
7. The picking tickets and requisitions are stapled together and filed by ward/department and retained for 12 months.