

AUDIT REPORT 24'013

MORAY INTEGRATED COMMUNITY EQUIPMENT STORE
(OCCUPATIONAL THERAPY STORE)

Executive Summary

The annual Internal Audit plan for 2023/24 provided for a review to be undertaken of the Occupational Therapy Store, now known as the Moray Integrated Community Equipment Store.

Occupational therapy stocks comprise aids and equipment issued to service users to help with various daily tasks, including cooking, dressing and bathing. The individual items of equipment held can vary in value from a few pounds to several thousand for certain types of hoists, specialised seating, etc. The total stock turnover for 2022/23 amounted to approximately £500,000, with nearly 500 separate lines of stock items. A particular feature of this store is that it also deals with returns of equipment that is no longer required, and where possible, this equipment is decontaminated and made available for reuse.

The audit used the Chartered Institute of Public Finance (CIPFA) System Based Control Matrices as the basis for developing the audit programme. This included looking at overall management arrangements for the store covering purchases, issues and security access arrangements. It also considered the controls around the use of the store management software system (Equipment Loans Management System (ELMS)).

The audit noted the challenges facing the service in terms of providing timely support to individuals with a diverse range of needs. However, from the review undertaken, improvements are needed in the store's operation and a requirement to make further use of ELMS.

The audit was carried out in accordance with Public Sector Internal Audit Standards (PSIAS).

Areas highlighted as requiring particular attention were as follows:

- Audit testing found a higher than expected number of variances between the stocks recorded in ELMS and the actual physical stock held in the store. Further development is required of ELMS to assist in more effective stock management arrangements. In addition, from a visit made to the store, difficulty was experienced locating items as they had not always been clearly labelled within the building and the same type of equipment was not always kept in the same place.
- It was found that stock orders and invoices are not processed through ELMS but through another store's software application within the Council. Further review should be undertaken to investigate the possibility that ELMS could be

used for all stock related processes. However, as there is a requirement for compliance with accounting standards, the software application used for purchasing equipment and payment of invoices should be regularly updated with stock issues to ensure an accurate valuation is maintained of the stock held.

- A review of the management arrangements of stock items issued to service users found a need for further improvements to current operating arrangements. Procedures should be developed to strengthen controls to ensure that equipment no longer required by service users is returned or action is undertaken to recover the cost of the items.

The Internal Audit Section provides Management with an opinion on the internal control environment and also categories risk ratings for recommendations as high, medium or low. The audit recommendations for this review have been classified as follows:

| Risk Ratings for Recommendations | | |
|--|---|---|
| High | Medium | Low |
| Key controls absent, not being operated as designed or could be improved. Urgent attention required. | Less critically important controls absent, not being operated as designed or could be improved. | Lower level controls absent, not being operated as designed or could be improved. |
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Recommendations

| Risk Ratings for Recommendations | | | | | | |
|--|--|----------|---|---|---|------------------------------|
| High | Key controls absent, not being operated as designed or could be improved. Urgent attention required. | Medium | Less critically important controls absent, not being operated as designed or could be improved. | Low | Lower level controls absent, not being operated as designed or could be improved. | |
| No. | Audit Recommendation | Priority | Accepted (Yes/ No) | Comments | Responsible Officer | Timescale for Implementation |
| Key Control: Effective systems and procedures operating to ensure accurate records are maintained to account for all occupational therapy equipment held within Stores and issued to service users. | | | | | | |
| 5.01 | A full stock check should be undertaken to ensure records correspond to the actual number of items held within Stores. | High | Yes | Full stock check to be undertaken. | Service Co-ordinator | 31/03/2024 |
| | Items of equipment should be kept wherever possible in asset number order within the stores building. Asset numbers should be clearly recorded where possible on shelving. | Medium | Yes | Review of stores layout to be carried out. Item codes to be clearly marked on all shelving. All areas of store to be given location numbers and recorded in ELMS. | Service Co-ordinator | 31/032024 |

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| No. | Audit Recommendation | Priority | Accepted (Yes/ No) | Comments | Responsible Officer | Timescale for Implementation |
| 5.02 | The software application used for purchasing equipment should be regularly updated with the stock issued to ensure an accurate unit price is maintained. | Medium | Yes | Procedures to be put in place to ensure purchasing system is updated regularly. | Service Co-ordinator | 31/03/2024 |
| | Further exploration should be undertaken of ELMS with the purpose of enabling the direct purchase of equipment. | Medium | Yes | Further exploration of ELMS to be carried out. Purchasing function to be tested. | Information Systems Officer | 31/10/2024 |
| 5.03 | A review should be undertaken of the current policy of revaluing re-used items of equipment at 50% of the original unit price. | Medium | Yes | Report to be taken to MIJB (through Operational Management Team) to look at change of policy. | Service Manager | 31/01/2024 |

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| No. | Audit Recommendation | Priority | Accepted (Yes/ No) | Comments | Responsible Officer | Timescale for Implementation |
| 5.04 | Service users should be advised that any equipment received should be included within their personal property content insurance. | Medium | Yes | Report to be taken to the MIJB to change current arrangements. | Service Manager | 31/01/2024 |
| 5.05 | Maximum and minimum stock levels should be implemented in ELMS to assist officers in ensuring the effective management of stock levels. | Medium | Yes | Maximum and minimum levels to be implemented within ELMS. | Service Co-Ordinator | 31/03/2024 |
| 5.06 | A record should be maintained of the stock checks undertaken, and any adjustments to stock figures for equipment recorded within ELMS should require the authorisation of the supervisor. | Medium | Yes | Record to be created and maintained of all stock checks. Procedures to be put in place to ensure all stock adjustments are authorised. | Service Co-Ordinator | 31/01/2024 |

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| No. | Audit Recommendation | Priority | Accepted (Yes/ No) | Comments | Responsible Officer | Timescale for Implementation |
| 5.07 | In regard to the stock of returned specialised chairs noted during the audit review, a decision should be undertaken regarding their future use. | Medium | Yes | Report to be taken to MIJB to provide guidance on this issue. | Service Manager | 31/01/2024 |
| 5.08 | Further development should be undertaken of ELMS to enable greater use of the software application in the management of stock items. | Medium | Yes | Further investigation will be undertaken of the functions and reporting facility within ELMS. | Information Systems Officer | 31/03/2024 |
| 5.09 | Officers should be instructed to utilise the facility within ELMS to mark stock as out for delivery. | Low | Yes | Amendments will be made to the system and staff briefed in its use. | Information Systems Officer | 30/06/2024 |

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| No. | Audit Recommendation | Priority | Accepted (Yes/ No) | Comments | Responsible Officer | Timescale for Implementation |
| 5.10 | A review of off contract expenditure should be carried out and where necessary contracts developed. | Medium | Yes | A review of off-contract expenditure will be undertaken, and contracts developed where required. | Service Manager | 31/03/2024 |
| 5.11 | A formal procedure should be established for maintaining a list of NHS officers requiring access to ELMS. | Low | Yes | A record will be maintained of all individuals including NHS employed officers with access to ELMS. Procedures will developed to ensure the regular review | Information Systems Officer | 29/02/2024 |

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| No. | Audit Recommendation | Priority | Accepted (Yes/ No) | Comments | Responsible Officer | Timescale for Implementation |
| | | | | of officer access needs. All accounts not accessed within a six month period to be deleted. | | |
| 5.12 | Current operating practices should be recorded within a Service Operating Manual. | Medium | Yes | Internal Service Operating manual ("How to" guides) to be created and distributed to all relevant staff. | Service Co-ordinator | 31/03/2024 |
| 5.13 | A review of service procedures should be undertaken to ensure the store is informed of a change in circumstance in a service user's condition where an | Medium | Yes | Service procedures to be discussed and reviewed with OT Managers. | Information system Officer | 29/02/2024 |

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| No. | Audit Recommendation | Priority | Accepted (Yes/ No) | Comments | Responsible Officer | Timescale for Implementation |
| | <p>item of equipment may no longer be required. Arrangements should then be undertaken for collection at the earliest opportunity.</p> <p>If no agreement can be made for an item of equipment to be returned to the store, consideration should be given to invoicing the service user.</p> | Medium | Yes | <p>Stores to look at staffing resources and be more proactive regarding collections.</p> <p>Report to be taken to MIJB for guidance on future procedures.</p> | <p>Service Co-ordinator</p> <p>Service Manager</p> | <p>31/01/2024</p> <p>31/01/2024</p> |
| 5.14 | Improvements identified to the Service during the audit review regarding the physical security of the Moray Integrated Community Equipment Store building should be implemented as a matter of urgency. | High | Yes | Improvements have been advised and will be implemented to the physical security. The service will work with Estates to ensure compliance. | Service Manager | 31/01/2024 |

