

Policies, Procedures, Guidelines and Protocols

Document Details		
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Local Ref (optional)		
Main points the document covers	Definitions of stocks & procedures for stock control	
Who is the document aimed at?	Staff responsible for controlled stores & Finance staff, particularly those in Financial Accounting	
Author	David Court Head of Financial Accounting	
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Approved by (Committee/Director)	Director of Finance	
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Lead Director	Sarah Lloyd, Director of Finance	
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No	Date	Amendment
1	November 2012	Minor amendments to terminology
2	November 2015	Para 1.2: more detail on definitions Appendix A: additional stocks listed
3	December 2018	Appendix A: additional stock listed, and removal of item no longer held in stock
4	December 2021	Appendix A: additional stock listed for PPE in relation to the COVID Pandemic
5	January 2025	Appendix A: Remove stock listed for PPE in relation to the COVID Pandemic, Community Equipment Stores, and change the location of the Blood Glucose Store to Oswestry.

Shropshire Community Health NHS Trust

Finance Procedures

Section V Stocks V1 Stock Control

1 – Introduction

1.1 Stocks are goods for day-to-day use, which have been delivered but not yet used/issued i.e., they are for use at some point in the future. Generally, each item will have a short useful life, and the goods are ordered in quantity.

1.2 Stocks do not include:

- Capital assets, which are expected to have a life of more than a year.
- Loan equipment, which has been issued, returned and is back on the shelf for future re-issue.
- Assessment stock – not actually a stock as they are items being used in the assessment of patients.
- Consignment stock (used for example by Wheelchair Services) which are delivered from a supplier but not yet ordered or paid for.
- Obsolete items – if items are sitting on the shelves and will never be issued because they are obsolete, they should be excluded from stock takes and disposed of.

Note that if capital assets or loan equipment were purchased but not yet available for use, that would be counted as stock.

1.3 The Trust recognises two forms of stores – Controlled and Uncontrolled.

2 – Controlled stores

2.1 A controlled store is a secure storage area for goods that are of higher value or are liable to theft. Receipts to and issues from the controlled store are subject to a computerised or paper-based recording system of sufficient detail to ensure that only authorised stock movements are made, and to enable the value of stock on hand to be calculated. The stock held at a controlled store will have a large enough overall value to appear in the accounts of the Trust (about £5,000) and will have a specific General Ledger code allotted to it.

3 – Uncontrolled stores

3.1 These are small stocks of lower value items necessary for the day to day functioning of the department (e.g., medical supplies and stationery). They are held to avoid the necessity of ordering every time an item is needed and control is informal. The overall value of the stock will not be large enough to appear in the accounts of the Trust.

4 – Managers' responsibilities

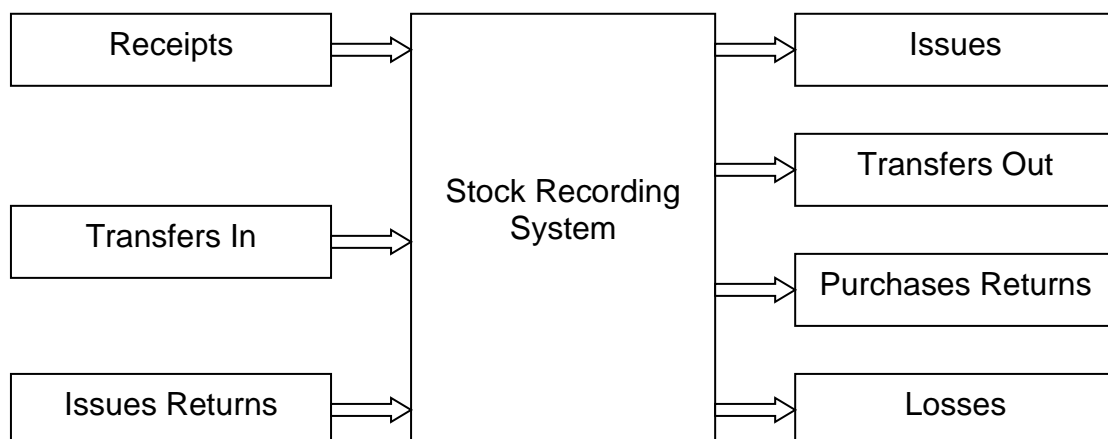
- 4.1 Stock control is the responsibility of the manager of the holding department, or a manager delegated by them. Managers of controlled stores must ensure that: -
- a) there are appropriate written stock movement records
 - b) approved local written procedures exist for the recording and controlling of stocks
 - c) these procedures are adhered to by staff involved in their operation.
- 4.2 These records and written procedures will be subject to scrutiny during internal and external audits. Advice on the preparation of these local procedures may be obtained from the Financial Accounting section of the Finance Department
- 4.3 Managers of uncontrolled stores may choose to adopt some or all these procedures to safeguard their own stock.

5 – Security

- 5.1 Consideration must be given to clearly defined stock locations, approved access to the stores and physical security in the form of doors, locks & keys, and signage. There must be a local written procedure for the custody of keys to locked stores. Goods requiring controlled temperature, humidity or other protection will require appropriate storage.

6 – Recording of stock movements

- 6.1 All stock movements must be entered, on the day that they occur, onto the appropriate stock records. These may be either computerised or manual, but will control the same basic transactions, as below. For every movement of stock there must be a written book entry recording that movement.



- 6.2 Receipts into stock
All goods received into stock must be checked for quantity and/or weight and inspected as to quality and specification. If goods received are unsatisfactory, they must be either rejected, or accepted only on the authority of the manager, the stock records marked accordingly, and the supplier notified. A delivery note is obtained from the supplier at the time of delivery and signed by the person receiving the goods. Clear instructions must exist about what to do if a delivery note is not available.

6.3 Issues from stock

Issue of stocks must be supported by appropriate authorised documentation, and stock records must clearly identify to whom and for which department the goods were issued.

6.4 Transfers in and out

Transfers to and from other controlled store's locations must be recorded on forms/systems provided for that purpose. Transfers to non-controlled stores are treated as issues.

6.5 Issues returns and receipts returns

Stock previously issued to users (issues returns), may be returned to stores either because it is surplus to requirements or because it is unsuitable or damaged. Stock received into stores and later requiring to be returned to the supplier (receipts returns) ideally should have been noted and rejected at the time of original receipt but will now require return to the supplier. The written local procedures must consider the above possibilities and stores staff must be aware of the action to be taken and the stock entries to be made.

7 – Losses

- 7.1 Breakages and other losses of goods in stock must be reported to the manager and recorded in the stock records. It is the responsibility of the manager to take remedial action if they consider that the number of losses is too high. It is also recognised that some goods are subject to unavoidable losses e.g., becoming obsolete. In these cases, stock is disposed of in accordance with Finance Procedure J2: Disposal of Obsolete and Surplus Items.
- 7.2 In all cases losses must be reported to the Senior Financial Accountant for inclusion in the Trust Losses Register (see Finance Procedure J1: Losses and Special Payments). The information supplied needs to include the nature of the loss, the circumstances, and approximate value of the item.
- 7.3 Note that loan equipment that has become worn out through normal use and needs to be replaced is not classed as a loss.

8 – Stock levels

- 8.1 At regular intervals, the manager will review the level of stock held to ensure that sufficient stocks are held to meet demand, but that the level is not excessive. Preventative action will be taken to prevent losses; stock that may deteriorate with time or has a "sell by" date will be ordered in quantities small enough to ensure that it will be used within its useful life.

9 – Stocktaking

- 9.1 There is an annual stocktake of all controlled stores at the end of each financial year, comprising a physical check of all items in stock (see Finance Procedure V2: Annual Physical Stocktake). The results are included in the annual accounts of the Trust. Additional checks are made as often as the manager considers necessary to maintain an adequate level of control and to highlight any problem areas.

- 9.2 Prior to the year end, all directors are contacted by the Finance Department to see if there are any additional stocks to be included, either permanently or as a one-off.

References & associated documents

None

Reviewed By _____

Date _____

Authorised By _____

Date _____

Shropshire Community Health NHS Trust

Finance Procedures

V1 Stock Control Appendix A List of Controlled Stores

<u>Type of Stock</u>	<u>Location</u>
Wheelchairs	Lancaster Road Rehab Centre
Wheelchair maintenance	Lancaster Road Rehab Centre
Dental supplies	Various dental clinics
Community nursing supplies	Coral House
Theatre consumables	Bridgnorth Hospital
Blood Glucose Test Strips	Oswestry