ALAS – Equipment Purchasing and Stock Management

Final Internal Audit Report

2026/27

Cardiff & Vale University Health Board

Reasonable Assurance

Contents

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Fieldwork	June – July 2026
Executive Sign Off	August 2026
Audit Committee	September 2026
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Executive Summary

Purpose

Our review of ALAS – Equipment Purchasing and Stock Management was completed in line with the 2026/27 Internal Audit Plan for Cardiff and Vale University Health Board ('Health Board'). The purpose of the audit was to review the processes within the Artificial Limb and Appliance Service (ALAS) for the purchasing of equipment and management of stock.

The Artificial Limb and Appliance Service (ALAS) is a specialist, multidisciplinary service within Cardiff and Vale University Health Board providing assessment, treatment, and ongoing support for individuals with limb loss, limb difference, and a wide range of complex physical, rehabilitation, and rehabilitation-related needs.

ALAS delivers care across multiple service areas, supporting patients throughout Wales (Some services cover All Wales some cover just the Health Board). The service brings together clinical, technical, and operational teams to provide safe, effective, and patient-centred care, with a focus on maximising independence, mobility, and quality of life.

Core Service Areas:

- Prosthetics (SE Wales): Assessment, design, fitting, and ongoing review of artificial limbs for patients with limb loss or limb difference.
- Orthotics (Mostly Cardiff & Vale – however for hospital based care this may cover surrounding areas): Supply and management of orthotic devices such as braces, specialist footwear, and mobility aids to support physical function and alignment.
- EAT (Electronic Assistive Technology) (All Wales): Provision and support of assistive technology solutions to enhance independence, communication, and environmental control for patients with complex needs.
- Wheelchair and Posture (PMC) (South and Mid Wales – Specialist Seating covering SE Wales): Assessment, prescription, provision, and maintenance of wheelchairs, seating, and posture management equipment to support mobility, comfort, and long-term health outcomes.
- Artificial Eyes Service (All Wales): Specialist provision, fitting, and ongoing review of artificial eyes, including cosmetic and functional support for patients.

However, the scope of our review was restricted to Wheelchair and Posture (PMC).

Overview

We have concluded **reasonable** assurance on this area. The matters requiring management attention include:

- The analysis of average lead time by supplier report included multiple error messages.
- There are delays in handing over equipment to patients due to clinician resource capacity constraints.
- At the time of fieldwork the ALAS stock management system "BEST" included 37 orders which had been open for 6 weeks or more.
- A mechanism should be developed to summarise the weekly stock count variances.
- Physical movements of stock are not always recorded within BEST.

Full details of matters arising are provided within the Findings & Agreed Action Plan. The following opportunities for enhancement have been identified that do not impact the overall opinion and are highlighted for management information:

- Development of formal standard operating procedures will improve on the basic work instructions which are currently in place.

Scope & Assurance Summary

Objectives (The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.)		Related Findings	Assurance
1	Clearly documented procedures are in place for the ordering of equipment and appliances following patient assessment, and these ensure that all purchases are justified, timely and placed with appropriate suppliers.	1, 2, 3	**Reasonable**
2	There are adequate controls over non-catalogue spend so that value for money is achieved whilst quality/supply problems are avoided.	-	**Substantial**
3	All stock is accurately recorded, stock movements are appropriate and authorised, and regular stock counts are undertaken and discrepancies investigated.	4, 5	**Reasonable**
4	Stock levels are effectively managed to balance availability with minimising overstocking and waste.	-	**Substantial**
5	Periodic monitoring of the purchasing and stock management processes is undertaken and issues identified are appropriately reported and addressed.	-	**Substantial**

Management Actions

0 High Priority

5 Medium Priority

Themes

Risk Types

Quality or Safety Issues

Findings & Agreed Action Plan

Objective 1: Clearly documented procedures are in place for the ordering of equipment and appliances following patient assessment, and these ensure that all purchases are justified, timely and placed with appropriate suppliers.	**Reasonable**

Overview / Summary of Observations

ALAS uses BEST (Bringing Equipment Services Together) Patient Management System, to record patient assessments, equipment requirements and stock information, with equipment orders ultimately processed through the NHS Oracle system. While formal standard operating procedures are still being developed, a suite of work instructions is in place to support key purchasing and stock management activities.

ALAS is currently upgrading its version of BEST which is scheduled to be completed by the end of December 2026. Following this, the new version will include integrated video learning for each screen and as part of the changeover, training will be implemented for all staff.

Our testing confirmed that wheelchair purchases were supported by clinician assessments, appropriate equipment specifications were recorded within BEST, orders were raised with approved suppliers through Oracle and purchases were appropriately approved and recorded. All purchases reviewed were made through contracts established with support from NWSSP Procurement, with regular procurement governance arrangements in place to oversee supplier performance, contract management and non-catalogue expenditure. We also confirmed that arrangements are in place to manage the interface between BEST and Oracle, reducing the need for duplicate data entry and supporting the efficient processing of equipment orders.

However, opportunities for improvement were identified. Supplier lead time reporting contained system-generated errors which limited the effectiveness of monitoring arrangements. In addition, delays were identified between receipt of equipment and handover to patients, and BEST contained a number of long-outstanding order items requiring follow-up. These matters are detailed in the findings below.

Bi-monthly meetings have been held between ALAS and NWSSP Procurement since 2023, for which a detailed action log is maintained, which include consideration of a contract and supplier register, data reports which provide an analysis of catalogue and non-catalogue spend by supplier, an analysis of average lead time by supplier and an analysis of invoices on hold by category. However, the analysis of average lead time by supplier includes multiple error messages as detailed below.

In addition, regular BEST - Oracle interface meetings have been held between ALAS, NWSSP Procurement and NWSSP Finance and Corporate Services since 2023, for which a detailed action log is maintained, which indicate that apart from one relatively minor outstanding point, the two systems can now communicate effectively in both directions so that staff no longer have to manually input data separately into each system i.e. twice.

Key Findings		Risk & Impact	Agreed Management Action
1	**Analysis of average lead time by supplier report includes multiple error messages.** The analysis of average lead time by supplier report provided by NWSSP Procurement includes multiple #VALUE! error messages rather than the number of days lead time which occurs if any of the orders are not delivered until after the period end.	Supplier delivery issues may not be promptly identified.	**Agreed Action:** ALAS will work with NWSSP Procurement to ensure supplier lead time reporting is accurate, complete and capable of supporting effective monitoring of supplier performance.
			Expected Evidence of Implementation: Supplier lead time reports are produced without data errors and are reviewed to support the timely identification and escalation of supplier performance issues.
		Medium Priority	**Officer: Mark Inker, Project Manager** **Target Implementation Date: 1/12/2026**
	Theme: Information, Data Quality & Data Accuracy	Control Operation	
2	**Delays in handing over equipment to patients.** We tested a sample of 10 equipment purchases and identified delays between receipt of equipment and handover to patients in all cases reviewed. Delays ranged from one month to five months and included cases where equipment had not yet been issued to the patient at the time of testing. The reasons for delays were not consistently documented and there was limited evidence of management monitoring of the period between receipt and patient handover.	Delays in handing over equipment may negatively impact patient care, patient experience and the timely achievement of expected clinical outcomes.	**Agreed Action:** Clinician workflow and resource capacity will be reviewed to minimise delays in handing over equipment to patients. Reasons will be consistently documented for any future delays and ongoing monitoring will be undertaken to ensure the number and length of delays are minimised.
			Expected Evidence of Implementation: Equipment is handed over to patients in a timely manner.
		Medium Priority	**Officer: Rhian Davies, Lead Clinical Team** **Target Implementation Date:1/1/2027**
	Theme: Quality, Safety & Patient Experience	Control Operation	
3	**BEST included 37 order items which had been open for 6 weeks or more.** BEST includes an items on order summary which indicates the number of weeks each order has been open which, at the time of our review, included 37 items which had been open for 6 weeks or more.	Delays in receiving ordered equipment are not followed up and resolved in a timely manner.	**Agreed Action:** Overdue order items will be followed up and resolved in a timely manner.
			Expected Evidence of Implementation: There are no order items which are open for 6 weeks or more.

	We did not see any evidence that action had been taken by management to investigate the reasons for the orders remaining open.	**Medium Priority**	**Officer: Jonathan Lloyd Stock Manager and Andrew Lloyd Quality Team Lead**
	Theme: Planning, Delivery & Deadline Management	Control Operation	**Target Implementation Date: 1/10/2026**

Objective 2: There are adequate controls over non-catalogue spend so that value for money is achieved whilst quality/supply problems are avoided.	**Substantial**

Overview / Summary of Observations

The majority of wheelchair purchases are made through established contracts procured with support from NWSSP Procurement. Whilst non-catalogue purchasing does occur, this represents a relatively small proportion of overall expenditure and typically relates to specialist items or purchases from established suppliers.

Decisions regarding equipment selection are primarily driven by clinical requirements and professional judgement. Where non-catalogue purchases are required, these are generally made from suppliers known to the service, including former contracted suppliers where suitable products are not available through current arrangements.

We were informed that value for money, quality and supply considerations are assessed through the experience of clinical and stock management staff and that non-catalogue purchases continue to be subject to the Health Board's standard Oracle approval processes. Whilst the rationale for non-catalogue purchases is not routinely documented beyond these approval arrangements, our testing confirmed that sampled transactions were undertaken in accordance with the All Wales Procurement Manual and the Health Board's Standing Financial Instructions.

Based on the testing undertaken, we were satisfied that appropriate controls are in place over non-catalogue expenditure and no significant weaknesses were identified.

Objective 3: All stock is accurately recorded, stock movements are appropriate and authorised, and regular stock counts are undertaken and discrepancies investigated.	**Reasonable**

Overview / Summary of Observations

ALAS uses the BEST Patient Management System to record stock transactions and maintain inventory records. We confirmed through sample testing that stock receipts and deliveries were supported by appropriate documentation, processed in accordance with established procedures and accurately recorded within BEST.

Weekly rolling stock counts are undertaken by the stock team, with variances recorded directly within BEST. In addition, a full annual stocktake is completed as part of the year-end process. Audit Wales confirmed that no issues relating to ALAS stock processes, stock counts or year-end stock balances were identified during their annual financial audit.

Our sample physical verification testing demonstrated a good level of accuracy between stock records and physical stock holdings. All wheelchair samples agreed to stock records and only minor variances were identified within a small number of parts tested. However, stock count variances are currently recorded against individual stock lines without being routinely summarised or reported, limiting management oversight of variance trends. In addition, minor discrepancies identified during our stock testing highlighted the importance of ensuring all stock movements are recorded promptly within BEST.

	Key Findings	Risk & Impact	Agreed Management Action
4	**Weekly stock count variances.** Weekly stock count variances are recorded directly against individual stock lines within BEST; however, the information is not routinely summarised or reported. As a result, management may not have visibility of overall stock count trends, recurring variances or areas requiring further investigation.	Stock count trends, recurring discrepancies and potential stock control issues may not be identified and addressed in a timely manner.	**Agreed Action:** ALAS will implement a process to summarise stock count variances and report trend information to senior management for review.
			Expected Evidence of Implementation: Regular variance reports are produced and provided to senior management, demonstrating review of stock count discrepancies and trends.
		Medium Priority	**Officer: Andrew Lloyd Quality Team Lead (Jonathan Lloyd Stock Manager)**
	Theme: Information, Data Quality & Data Accuracy	Control Design	**Target Implementation Date:1/10/2026**

5	**Staff to be reminded that all stock movements must be recorded in BEST.** Physical stock verification testing identified three minor discrepancies across ten parts stock lines tested. Although none of the variances were significant and no issues were identified within wheelchair stock testing, the results indicate an opportunity to strengthen stock recording processes and maintain the accuracy of stock records.	Inventory records may not fully reflect physical stock holdings.	**Agreed Action:** The causes of stock discrepancies will be reviewed and staff will be reminded of relevant stock recording requirements where appropriate.
			Expected Evidence of Implementation: Evidence of staff communication and/or process improvements designed to maintain the accuracy of stock records.
		Medium Priority	**Officer: Jonathan Lloyd, Stock Manager** **Target Implementation Date:1/10/2026**
	Theme: Information, Data Quality & Data Accuracy	Control Operation	

Objective 4: Stock levels are effectively managed to balance availability with minimising overstocking and waste.	**Substantial**

Overview / Summary of Observations

BEST includes functionality to manage minimum and maximum stock levels and supports the replenishment of stock through integration with Oracle. Stock levels are reviewed regularly by the Stock Team Manager and Stock Team Lead, with exception reporting available to identify items requiring replenishment.

Stock management arrangements are supported through operational and governance meetings, providing opportunities for stock level issues to be identified and addressed where required.

We confirmed that a stock review was undertaken as part of the 2025/26 year-end process, resulting in stock write-offs totalling £46,565 (approximately 4% of stock held). Supporting documentation and formal certification were reviewed and confirmed that the write-offs had been appropriately authorised and reported to the Health Board's Finance Team. Management advised that the majority of the write-offs related to historic stock clearance activity rather than recently purchased inventory.

Based on the testing undertaken, we were satisfied that stock levels are actively monitored and managed to support service requirements whilst mitigating the risk of excessive stock holdings and waste.

Objective 5: Periodic monitoring of the purchasing and stock management processes is undertaken and issues identified are appropriately reported and addressed.	**Substantial**

Overview / Summary of Observations

Purchasing and stock management processes are subject to monitoring through a range of governance arrangements, including regular meetings between ALAS and NWSSP Procurement, stock reporting to CVUHB Finance and oversight through ALAS management structures. Appropriate management information is available to support oversight of supplier performance, stock holdings and stock write-offs.

Monthly stock valuation reports are produced from BEST and submitted to Finance, providing visibility of stock holdings across key stock categories. In addition, annual stock write-off information is formally reported and approved through established governance arrangements.

We confirmed that issues identified through monitoring processes are recorded and followed up through action logs and management oversight arrangements. A recently appointed Stock Team Manager has also commenced work to further strengthen stock management reporting and oversight through a dedicated Stock Improvements Workstream.

Based on the evidence reviewed, we concluded that appropriate monitoring, reporting and oversight arrangements are in place and that issues identified are appropriately addressed.

Appendix A

Assurance Opinion

	**Substantial**	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.
	**Reasonable**	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.
	**Limited**	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.
	**Unsatisfactory**	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved.
	**Advisory**	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Findings

Priority	Explanation
High	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
Medium	Some risk to achievement of a system objective. Minor weakness in system design OR limited non-compliance.

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Audit work undertaken by NHS Wales Audit and Assurance Services conforms with the International Standards for the Professional Practice of Internal Auditing and associated Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.

Website: [Audit & Assurance Services - NHS Wales Shared Services Partnership]

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