

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	4 December 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2007 – Stock Control
REPORT NUMBER	IA/AC2007
DIRECTOR	N/A
REPORT AUTHOR	David Hughes
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the planned Internal Audit report on Stock Control.

2. RECOMMENDATION

- 2.1 It is recommended that the Committee review, discuss and comment on the issues raised within this report and the attached appendix.

3. BACKGROUND / MAIN ISSUES

- 3.1 Internal Audit has completed the attached report which relates to an audit of Stock Control.

3.2 Management Comments

- 3.2.1 The Chief Operating Officer has acknowledged the helpfulness of the audit and his agreement with the recommendations made.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are as detailed in the attached appendix.

7. OUTCOMES

7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Model.

7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	An assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
Privacy Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. APPENDICES

9.1 Internal Audit report AC2007 – Stock Control.

10. REPORT AUTHOR DETAILS

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Internal Audit Report

Operations

Stock Control

Issued to:

Rob Polkinghorne, Chief Operating Officer
Mark Reilly, Chief Officer – Operations and Protective Services
Fraser Bell, Chief Officer – Governance
Jonathan Belford, Chief Officer – Finance
Doug Ritchie, Roads Infrastructure Manager, Operations
Graham Williamson, Operations Manager, Operations
Colin Maclver, Surveying Manager, Operations
Kenny Don, Contract Manager, Operations
Neale Burrows, Roads Operations Manager
External Audit

EXECUTIVE SUMMARY

Building Stores are responsible for the issue of materials for maintenance and repair of the Council's housing stock. The main depot is located at Kittybrewster where the majority of stock is issued from and there are two further satellite depots located at Kincorth and Hilton. There are also a number of vans which carry items of commonly used stock.

Roads Stores are responsible for the issue of materials in relation to the upkeep of roads with the main store located at West Tullos and a further four satellite stores: Bucksburn, Culter, Mundurno, and Reedbed.

The total value of stock as reported at year end for all stores was £1.4 million. Operations is undertaking a review and redesign of the stores function, with a view to consolidating stores where possible, and amalgamating procedures. It is anticipated that this will be completed by December 2019.

The objective of this audit was to provide assurance that procedures are adequate and stock movements are adequately accounted for. This involved a review of written procedures and training, and of the application of stores functions including booking out of materials to jobs, stock counts, adjustments, write offs, and year-end procedures.

Procedures varied in terms of documentation and practice, which in some cases has impacted on the accuracy of stock management records. Although net differences between the system and stock counted at year-end were minimal in value, gross differences (the total value of errors, whether positive (additional stock) or negative (less stock)) were more significant in some areas. This does not necessarily represent missing stock items, but is representative of weaknesses in stock control processes. Adherence to year end procedures was also not always well evidenced.

Improvements have been recommended to the stock issue process; records of stock location; the frequency, follow up, approval and management reporting process for interim stock counts and associated adjustments; and to the Service's own year-end processes. The Service has also been asked to consider whether some items currently held in stock might better be managed as consumable items, or disposed of appropriately if no longer required, to reduce the administrative requirements of holding them on the stock system.

The Service has noted that the absence of key staff pending conclusion of the review of the function has had an impact, which will be addressed as staff are recruited and procedures reviewed to incorporate best practice from the combined Service, and as recommended by Internal Audit. Time is required to complete and implement the redesign, review procedures, and apply system upgrades, therefore some actions may not be fully complete until April 2020.

11. INTRODUCTION

- 11.1 Building Stores are responsible for the issue of materials for maintenance and repair of the Council's housing stock. The main depot is located at Kittybrewster where the majority of stock is issued from and there are two further satellite depots located at Kincorth and Hilton. There are also a number of vans which carry items of commonly used stock.
- 11.2 Roads Stores are responsible for the issue of materials in relation to the upkeep of roads with the main store located at West Tullos and a further four satellite stores: Bucksburn, Culter, Mundurno, and Reedbed.
- 11.3 The total value of stock as reported at year end for all stores was £1.4 million.
- 11.4 The objective of this audit was to provide assurance that procedures are adequate and stock movements are adequately accounted for. This involved a review of written procedures and training, and of the application of stores functions including booking out of materials to jobs, stock counts, adjustments, write offs, and year-end procedures.
- 11.5 The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with Mark Reilly, Chief Officer – Operations and Protective Services, Colin MacIver, Surveying Manager (Building), and Doug Ritchie, Roads Infrastructure Manager.

12. FINDINGS AND RECOMMENDATIONS

12.1 System Guidance

- 12.1.1 Comprehensive system procedures which are easily accessible by all members of staff can reduce the risk of errors and inconsistency. They are beneficial for the training of current and new employees and provide management with assurance that correct and consistent instructions are available to staff, important in the event of an experienced employee being absent or leaving. They have increased importance where new systems or procedures are being introduced.
- 12.1.2 Both Building and Roads Services use the TOTAL stock control system to manage the movement of stock within stores. Roads Services' primary reference document is a training manual for the TOTAL system supplemented by desk-based training which is an appropriate methodology for ensuring staff are adequately trained and have appropriate forms of reference. However, the Service could not confirm when the training manual was last reviewed. It would provide further assurance were this to be regularly reviewed to ensure that it remains current.

Recommendation

The Service (Roads) should ensure that written procedures are reviewed on a regular basis.

Service Response / Action

Agreed. The stores functions are being merged as part of redesign of the Service, providing an opportunity to adopt best practice from both elements. Additional time is required to complete and implement the redesign, and apply system upgrades.

Implementation Date

April 2020

Responsible Officer

Roads Operations
Manager

Grading

Important within audited
area

- 12.1.3 Building Services primary written guidance consists of a series of flowcharts directing the user as to how to complete activities. These were up to three years old, however the Service stated that they are regularly reviewed and are only updated where practices have changed. A recommendation was made in Internal Audit report AC1829 Building Services Purchasing that these flowcharts were reviewed and this recommendation was subsequently evidenced as having been complete therefore no further recommendation is made here.

12.2 Issue of Materials

- 12.2.1 Generally, stock is only issued by Storemen (and a Yardman for outdoors Roads stock) for both Services. A requisition document is completed giving details of the job number and the required stock and this is signed by both the requisitioning Officer and the issuing Officer.
- 12.2.2 Within Building Services this job number is checked on the system prior to the issue of stock to ensure that it is legitimate and that the stock being requested matches the job description. Job numbers and the description of the job is not checked prior to the issue of materials within Roads, rather materials issued are processed afterwards.
- 12.2.3 Within Roads there are also satellite stores which are not staffed. Roads Operatives can access these stores with remote fobs and take required stock which should subsequently be recorded on a requisition document and thereafter entered on the system by Stores staff. As there is no requirement for advance notification, should the movement of items

not be recorded, it would be difficult to determine when this had occurred.

- 12.2.4 By adopting advance checks, similar to Building Services, Roads could have increased assurance that job numbers are correct and that materials issued are appropriate.

<u>Recommendation</u> The Service (Roads) should check job numbers and descriptions prior to the issue of materials.		
<u>Service Response / Action</u> Due to the nature of the Service and the materials being issued it may not be possible to check and update the system prior to issue. The Service will review and consider the best way to address the identified issues.		
<u>Implementation Date</u> April 2020	<u>Responsible Officer</u> Roads Operations Manager	<u>Grading</u> Significant within audited area

- 12.2.5 All Roads stock, including that held at satellite locations, is recorded under the main Tullos depot code. In the event that stock counts or attempts to draw stock which is not available identify stock levels that do not match the system, it will be more difficult to determine at which location an error has occurred. It will also be more difficult to count stock without having to visit every location.

<u>Recommendation</u> The Service (Roads) should ensure the location of stocks is clearly recorded on the system.		
<u>Service Response / Action</u> Agreed. The Service will review current procedures and system functionality to determine the best way to address the identified issue.		
<u>Implementation Date</u> April 2020	<u>Responsible Officer</u> Roads Operations Manager	<u>Grading</u> Significant within audited area

12.3 Adjustments / Write Offs

- 12.3.1 Regular interim stock checks should be performed in order to ensure that what is recorded in the system is present in the store. By performing regular checks Services may be able to identify weaknesses in the stock control system at an early stage and put in place alternative procedures or reinforce existing ones. It is good practice to ensure that all lines of stock are checked at least once during the year, and again at year-end – with the frequency of interim checks varied depending on the level of any variance identified.
- 12.3.2 Building Services performs weekly interim stock checks with the aim of checking 150 items per week along with 40 high value items. Documentation relating to these checks between 10 June 2019 and 12 July 2019 showed that over this 5 week period 151 items of stock had been checked 948 times, meaning that each item of stock had been checked an average of 6 times over this period, with some counted as many as 12 times. There was no evidence of recurring errors being followed up and corrected. This may not represent the most efficient use of resources.

Recommendation

The Service (Building) should review the efficiency of its interim stock check process.

Service Response / Action

Agreed. The Service will review the interim check process.

Implementation Date

February 2020

Responsible Officer

Quantity Surveying
Manager

Grading

Significant within audited
area

- 12.3.3 The items checked most frequently included screwdriver bits and batteries, with relatively insignificant values. Whilst these may be considered higher risk due to their portability and desirability, the additional administration involved in booking them in and out of stock is likely to outweigh the value of potential losses. It is also likely to be of limited benefit to job costing to book these to a particular job – particularly as a single item may be used across multiple jobs. It may be appropriate for such low value, frequently used items to be taken out of stock and considered as ‘consumables’ – and managed as an overhead cost.

Recommendation

The Service (Building) should consider whether or not a number of low value items should be considered consumables and taken out of the stock system.

Service Response / Action

Agreed. The Service will consider whether or not certain items may be able to be classed as consumables. This may require a review of rates to ensure jobs reflect the relevant cost of providing the service.

Implementation Date

April 2020

Responsible Officer

Quantity Surveying
Manager

Grading

Significant within audited
area

- 12.3.4 In contrast to Building Services, only two Roads interim stock takes had been undertaken between April and September 2019. A total of 21 lines of stock had been checked over the two counts from over 700 recorded lines. This is unlikely to be sufficient to provide assurance over the accuracy and completeness of stores and system records.

- 12.3.5 The Service stated that levels of stock are also monitored at the satellite stores by a Depot Superintendent who checks stock levels and determines when stock should be replenished. However, there are no details held of any checks performed at these stores. Performing recorded interim stock checks detailing materials held at these locations against recorded system totals may assist in overall stock control.

Recommendation

The Service (Roads) should schedule and record the results of regular interim stock checks at all locations.

Service Response / Action

Agreed. The Service was without a full time Storeman for 6 months however the post is being filled and interim checks will recommence, and results will be recorded. Procedures and practice are being updated through the stores review noted above.

Implementation Date

April 2020

Responsible Officer

Roads Operations
Manager

Grading

Significant within audited
area

- 12.3.6 Interim Building Stores checks are performed by the Senior Stores Officer within Building Services and system adjustments are performed by the same Officer. Adjustments are not checked and countersigned by another Officer. Whilst the system manual indicates that reasons for adjustments can be recorded on the system, data was not available.
- 12.3.7 Roads has stated that adjustments are checked by another Officer before being input, however the adjustment sheets only show one signature.
- 12.3.8 Neither Service regularly reviews the number and value of adjustments being made, to inform management action. Regular corrections can be indicative of issues with overall stock control, and the absence of an authorisation and monitoring procedure means that potential issues are not being highlighted to management.

Recommendation

The Service (Building & Roads) should ensure that adjustments made following interim checks are checked by a second Officer and that this is appropriately evidenced.

The Service (Building & Roads) should ensure that the results of interim checks are reviewed by appropriate Senior Officers on a regular basis.

Service Response / Action

Agreed. The Service will determine appropriate second Officers to review and agree adjustments.

The results of interim checks will be shared with appropriate Senior Officers on a periodic basis – frequency to be determined based on the results.

Implementation Date

April 2020

Responsible Officer

Quantity Surveying
Manager, Roads
Operations Manager

Grading

Significant within audited
area

- 12.3.9 Where stock is broken or obsolete then it should be written off and disposed of or, if possible, it should be sold to attempt to realise value. It is important that records of this are maintained separately from other 'adjustments', as write-offs represent known movements, whereas adjustments reflect inaccurate stock records. Details of stock which has been written off since the start of the Financial year was requested from both Services.
- 12.3.10 Minimal stock had been written off by Building Services. In each case details of why stock was to be written off had been stated and the form had been appropriately authorised prior to adjustments being made in the system.
- 12.3.11 The Roads Service stated that it was not aware of any stock that has been written off this financial year and it does not have template forms in place showing the requirement for an authorising signatory and detailing reasons why stock has been written off. There is a risk that stock is being held unnecessarily, or that it is being disposed of without evidenced prior approval.

Recommendation

The Service (Roads) should ensure that appropriate template forms are developed and used for stock write offs.

Service Response / Action

Agreed. The stores functions are being merged as part of redesign of the Service, providing an opportunity to adopt best practice from both elements. Additional time is required to complete and implement the redesign, and apply system upgrades.

<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
April 2020	Roads Operations Manager (Neale Burrows)	Significant within audited area

12.4 Year End Counts

- 12.4.1 Stocks need to be valued as at the end of the financial year (31 March) for inclusion in the Council's annual accounts. Due to tight deadlines, in practice this means that counts take place in advance of the financial year-end and estimates or adjustments are made to arrive at the balance declared.
- 12.4.2 Prior to the commencement of the year-end counts, written instructions are issued from Finance to Operations departments including Building Services and Roads. These detail best practice in performing the count including: ensuring the Service record all staff that will be involved, dates, confirmation that count staff are independent of the stores function, that adequate stock cut-off procedures are documented, that staff count items in a logical fashion and mark counted items thereafter, and that count sheets are printed without system totals on them.
- 12.4.3 In addition to the above, Services are also asked to ensure that third party stock is held and recorded separately if necessary. Slow moving and non-moving stock should also be identified to determine if it should be disposed of or if there is any methodology for realising value from it.
- 12.4.4 The Officer in charge of the stock counts for their Service should sign and return the instructions to Finance indicating they have read and understood them, and providing the required details of staff, dates and locations.
- 12.4.5 Signed sheets were available for Building Services giving the location, dates and names of the Officers who were involved in the stock count. Many of the staff involved were not independent of the stores function, and contrary to the written instructions there was no evidence of permission having been sought from the Head of Finance in advance of commencing the stock count with these staff.
- 12.4.6 The instructions had not been signed and returned to Finance from the Roads Service. Whilst the Service stated that all were independent of the stores function, in the absence of the signed paperwork there were no recorded details of staff who had taken part in the count.

<u>Recommendation</u>		
The Service (Building & Roads) should ensure that Corporate Year-End instructions are fully completed, signed by the appropriate Officer and returned to Finance ahead of the count commencing, and any required consents for variation from them are obtained in advance.		
<u>Service Response / Action</u>		
Agreed.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
April 2020	Quantity Surveying Manager (Colin Maclver), Roads Operations Manager (Neale Burrows)	Significant within audited area

- 12.4.7 The written instructions state that each Service should have written stock cut-off

procedures available prior to the commencement of the year-end count to ensure that there is no stock movement during the count save for emergency requirements. This was not in place for either Building or Roads Services. While there is no evidence of inappropriate activity in this respect, in the absence of these procedures, were key members of staff to be absent or inexperienced staff in place there is a possibility that appropriate procedure may not be followed.

Recommendation

The Service (Building & Roads) should ensure that stock cut-off procedures are developed and made available to appropriate Officers ahead of year-end counts.

Service Response / Action

Agreed. Stores functionality is to be amalgamed between the two Services therefore a common procedure will be developed which is appropriate for both.

Implementation Date

February 2020

Responsible Officer

Quantity Surveying
Manager (Colin Maclver)

Grading

Important within audited
area

- 12.4.8 Both Services advised that prior to commencement of the count, all officers involved were instructed as to best practice. This included ensuring that stock is counted by moving along shelves and not counted by the order on the count sheet, that count sheets are printed without totals on them, and that second hand and third-party stock are adequately separated and not included in year-end totals. The Roads Service did however confirm that items are not marked to indicate that they have been counted. In the absence of doing this, items may be missed or duplicated, resulting in errors or a need to re-count.

Recommendation

The Service (Roads) should ensure that items are marked to indicate that they have been counted.

Service Response / Action

Agreed. Procedures will be updated to include this requirement.

Implementation Date

February 2020

Responsible Officer

Roads Operations
Manager (Neale Burrows)

Grading

Significant within audited
area

- 12.4.9 Corporate instructions also note that slow or non-moving stock should be identified allowing Services to identify obsolete stock, realise value and free up space. Building Services stated that while there are reports to identify this type of stock within the TOTAL system, the Storeman is not confident of their accuracy. The Roads Department has not run similar reports but has stated that this is subject to periodic review - there are items not in common use which are retained for replacement / repairs, but items which are no longer required are disposed of appropriately.

Recommendation

The Service (Roads & Building) should develop clear methodologies for identifying slow / non-moving stock, run regular reports to identify such stock and attempt to either realise value from or dispose of such stock, subject to appropriate evidenced approval.

Service Response / Action

Agreed. Building Services will review reporting capability as part of the review of procedures.

<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
February 2020	Quantity Surveying Manager (Colin Maclver)	Significant within audited area

- 12.4.10 Year-end stock counts were undertaken within Building and Roads Services at the end of February and the start of March 2019. Internal Audit was not in attendance for these counts.
- 12.4.11 Quarterly stock values are submitted to Finance by Building Services and it is these values which are used rather than the year-end stock take figures. The quarterly return for Building Services showed a total stock value of £526,563 against the counted year-end stock amount on the above dates of £497,892. The £28,671 difference between the figures is not material (5.8%) in terms of financial reporting.
- 12.4.12 The year-end summary totals for Building and Roads Services are included in Appendix 2 below. For reference, items of stock referred not only to individual items but also to measured amounts in terms of length, e.g. metres of wood etc. When showing discrepancies, net figures show the value of stock which is in store, being that it is the total of both negative and positive corrections and gives the valuation of stock held. Gross figures show the cumulative total of both negative and positive corrections to demonstrate the combined difference between stock counted and that which was recorded on the system. The gross figure is therefore more indicative of the level of accuracy of stock control and records.
- 12.4.13 For reference, negative corrections reflect the fact that stock counted was less than that which was recorded on the system while positive corrections reflect the fact that stock counted was greater than that which is recorded on the system. It should be noted that despite the level of gross errors noted below, there is no suggestion of impropriety by either Service, rather the noted errors highlight instead the requirement for improved overall stock control.
- 12.4.14 For Building Services, records indicate minimal corrections were required overall – with net errors of £163 (0.03%). However, stock held in vans showed a gross difference of £23,878 (28%) being made up of negative corrections of £11,799 and positive corrections of £12,079 against an initial value of £85,174, indicating potential weakness in stock control within vans. The Service confirmed that due to resource issues van stocks have not been subject to the same level of checks as store stocks and it is the Service's intention to increase checks in a bid to reduce the level of anomalies with regards to van stocks. These proposed additional checks should be balanced against the issues raised in section 2.3 above.

Recommendation

The Service (Building) should consider how best to address the identified anomalies within van stocks.

Service Response / Action

Agreed. A review of interim checks for vans will be undertaken with a view to determining how regularly stock should be checked.

Implementation Date

June 2020

Responsible Officer

Quantity Surveying
Manager (Colin Maclver)

Grading

Significant within audited
area

- 12.4.15 For Roads, records indicate total net differences of £44,751 from an initial system total of £934,142 (4.8%), however the gross anomalies total £285,171 (30.5%) which consisted of negative corrections of £120,210 and positive corrections of £164,961. Negative stock

amounts were shown on the system in some instances and the Service explained that this was because stock had likely not been booked in and had then been booked out leading to the negative balance, or that stock had been issued under the wrong code. In either case, this would indicate absence of appropriate controls over purchasing, receipting, logging and issue of stocks. All items should be ordered on an official purchase order raised through the system, matched on receipt, and logged on the system before invoices are matched and paid. If items are not being logged on the stock system on receipt, other elements of the purchase to payment system may not be being adhered to. If the correct items are not being booked out to relevant jobs, the cost of those jobs will be misrepresented. This also indicates that stock system balances may not be regularly reconciled with purchase details recorded on the financial system.

Recommendation

The Service (Roads) should investigate the reasons for the significant differences in stock counted and that which was recorded in the system and put in place procedures to prevent recurrence.

Service Response / Action

Agreed. The Service was without a full time Storeman for 6 months however the post is being filled and interim checks will recommence with a view to increasing stock control. Procedures and practice are being updated through the stores review noted above.

Implementation Date

June 2020

Responsible Officer

Roads Operations
Manager (Neale Burrows)

Grading

Significant within audited
area

- 12.4.16 For Roads, an estimate of materials usage was included between the count date and 31 March 2019. The basis of this estimate, and a subsequent review of its accuracy to inform future estimations, was not available.

Recommendation

The Service (Roads) should ensure its estimations for year-end stock movements are subject to evidenced review.

Service Response / Action

Agreed. The Service's year-end process will be updated giving the basis for these calculations.

Implementation Date

February 2020

Responsible Officer

Roads Operations
Manager (Neale Burrows)

Grading

Important within audited
area

AUDITORS: D Hughes
C Harvey
D Henderson

Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council.
Major at a Service Level	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.

Appendix 2 – Year-end count details

Notes

- 1) System Amount refers to the value of items which should be in the store according to the system.
- 2) Counted Amount refers to the value of items which were physically counted during the stock count.
- 3) Net Error amounts show the difference in value between that which was recorded as being in store by the system prior to the count and that which was actually counted.
- 4) Gross Error amounts are calculated by taking into account the number of positive and negative adjustments required.
- 5) Net percentage errors are calculated by dividing the net error amount by the System Amount.
- 6) Gross percentage errors are calculated by dividing the gross error amount by the System Amount.
- 7) Quantities are inclusive of individual items of stock as well as measured lengths.

Building Service – Value (£)				
Location	System Amount (£)	Counted Amount (£)	Net Error Amount (£) / %	Gross Error Amount (£) / %
Stores	£412,555	£412,438	-£117 / 0.03%	£7,107 / 1.7%
Vans	£85,174	£85,454	£280 / 0.33%	£23,878 / 28%
Total	£497,729	£497,892	£163 / 0.03%	£30,985 / 6.2%

Building Service – Quantities				
Location	System Amount	Counted Amount	Net Error Amount / %	Gross Error Amount / %
Stores	182,925	182,661	-264 / 0.14%	2,752 / 1.5%
Vans	41,203	40,728	-475 / 1.15%	10,764 / 26.1%
Total	224,128	223,389	-739 / 0.33%	13,516 / 6%

- 8) Roads – negative amounts were noted for some system amounts. The Service stated that this was because stock may not have been booked in but had then been booked out and that stock may have been booked out under the wrong code.

Roads Service – Value (£)				
Location	System Amount (£)	Counted Amount (£)	Net Error Amount (£) / %	Gross Error Amount (£) / %
Stores	£658,701	£620,148	-£38,553 / 5.85%	£201,867 / 30.2%
Gas Oil/ Petrol/DERV	-£6,503	£5,200	£11,703 / 180%	£11,703 / 180%
Salt	£281,944	£353,545	£71,601 / 25.4%	£71,601 / 25.4%
Total	£934,142	£978,893	£44,751 / 4.8%	£285,171 / 30.5%

Roads – Quantities				
Location	System Amount	Counted Amount	Net Error Amount / %	Gross Error Amount / %
Stores	43,899	61,862	17,963 / 40.91%	58,600 / 133%
Gas Oil/ Petrol/DERV	-9,414	8,000	17,414 / 185%	17,414 / 185%
Salt (tonnes)	7,964	9,987	2,023 / 25.4%	2,023 / 25.4%
Total	42,449	79,849	37,400 / 88.1%	78,073 / 183.8%