

# **NORTH WESTERN HEALTH BOARD**

## **REPORT OF THE COMPTROLLER AND AUDITOR GENERAL**

This report has been prepared pursuant to Section 6(4) of the Comptroller and Auditor General (Amendment) Act, 1993.

### **1. Accounting for Fixed Assets**

The Board's buildings and contents were valued for insurance purposes at £295m in 1994. However, the Board has not included these fixed assets in its 1994 accounts which is contrary to the requirements of accounting standards issued by the Department of Health. The Chief Executive Officer (CEO) informed me that while a fixed asset system had been in operation for some considerable number of years it did not conform to all the new accounting requirements laid down by the Department. Accordingly, it was decided to defer the inclusion of fixed assets in the accounts of the Board until 1995.

### **2. Pharmacy Stocks**

In 1994 an audit was carried out at Letterkenny Regional Hospital where the total expenditure incurred on drugs and medicines amounted to £582,860 for the year. There was no pharmacy stock control system in place. The CEO has informed me that a computer pharmacy system has since been implemented in this hospital and that, while there was no formal computer system in existence during 1994, manual and internal controls were operated in this area.

### **3. Computer Installation Review**

An audit review of computer installations was carried out in October 1994. Weaknesses noted included the absence of a computer security policy and contingency plans. The CEO informed me that the Board had undertaken very substantial computer development over the previous three years in both the hospital and finance areas. This development had to meet very demanding deadlines which may have had the consequence that not all "operational documentation" was completed as might be expected. He informed me that a draft computer security policy is under consideration by the management team of the Board and should be finalised in early 1996. Work has also commenced on drafting a contingency plan.

### **4. Local Authority Contribution**

The Board is owed an amount of £161,000 by Sligo County Council in respect of that Council's contribution towards supplementary welfare allowances for the period 1986-90. The CEO informed me that there had been protracted negotiations on this issue and despite assurances given by Sligo County Council to the Department of Social Welfare and the Board regarding these payments some years ago, this debt has

not yet been discharged. The Board has done everything short of issuing proceedings on the matter.

## 5. National Lottery Payments

In 1994 the Board paid out a total of £170,000 in grants funded from the National Lottery. Recipients of these funds were not required to complete a formal application form. In response to my inquiries the CEO informed me that throughout the year, organisations proposing to provide an appropriate service would contact the Board with details of their proposals. This contact would be by means of letters/written proposals or by way of contact - meeting(s) with Board representatives.

Where appropriate, the organisations would be informed that their proposals would be examined in the context of potential Lottery funding.

On receipt of Lottery funding, Board management would examine all proposals in terms of the Board's need for the services, and their potential contribution in such areas as health and social gain and cost effectiveness.

Proposals would then be prioritised and a report sent to the Board for decision in relation to the proposals and their priority.

When the Board's decision was received, successful organisations would be informed by the CEO of the funding approved and their obligations in relation to Lottery funding conditions.

The service provision would then be monitored by the Board by means of everyday contact by Board staff at local level, by returns of service use where appropriate and by follow up meetings. The Board is satisfied that the purpose of the grant was fully met by each of the recipients of Lottery grants in 1994.

He assured me that with effect from 1995 the Board had introduced a standardised application form.



John Purcell  
Comptroller and Auditor General  
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Treasury Building  
Dublin Castle