STANDARD OPERATING PROCEDURE

MONTHLY STOCK TAKING OF MEDICINES IN POLYCLINICS

14 Jan 2019
SOP ON MONTHLY STOCK TAKING OF MEDICINES IN POLYCLINICS

1. Refs :-

(a) SOP on ECHS Medicine Management : 01/2017 issued vide Central Org ECHS letter No B/49762/AG/ECHS/Medicine dated 05 Sep 2017.


(c) Supply of medicine to ECHS Beneficiaries & Amendment to Procedure regarding Authorised Local Chemist (ALC) issued vide Central Org ECHS letter No B/49762/AG/ECHS/Policy dated 11 Jul 2018.

(d) SOP on Treatment Management in ECHS issued by Central Org ECHS on 28 Sep 2018.

General

2. ECHS was operationalised wef 01 Apr 2003 with the aim to provide best medical care to the ESM & their dependants. There have been dynamic changes over the years to enhance the satisfaction level related to medicine availability. There is a need to outline the procedure related to accounting of medicine, expendable and medical stores by carrying out monthly stock taking at Polyclinics. Monthly stock taking of medicines at Service Hosps/ Service ests will continue to be done under arrangements of O/o DGAFMS.

Aim

3. The aim of this document is to lay down procedure for carrying out monthly stock taking board of medicines at ECHS Polyclinics to ensure :-

(a) Physical verification of drugs and consumables.

(b) Comparing the physical balance with ledger balance.

(c) Reconciliation and accounting of Sur/Defi detected.

(d) Procedure to take medicines on ledger charge/ write off, if needed.

Objectives

4. The objectives of monthly stock taking are :-

(a) To ensure ledger balance factors all receipts and issues / expenditure.

(b) To ensure ground balance is 100% in line with the ledger balance.
(c) To enforce a continuous vigil on correct receipt, binning of medicines, accounting, preservation / turnover and issue of medicines.

(d) To ensure that the provisioning action is based on correct data.

(e) To eliminate the chance of pilferage / fraud and establish accountability.

(f) Reconciliation of surplus / deficient medicines between ledger and ground balance.

(g) To bring to light adm / procedural flaws & irregularities and adopt remedial measures to prevent their recurrence.

**Frequency of Stock Taking of Medicines**

5. Stock taking will be carried out periodically as under :-

(a) By Monthly Stock Taking Board on last working day of every month.

(b) On last working day of Mar in each year as Annual Stock Taking Board. Stock taking of this month will be also having same data.

(c) On suspected theft, incidence of fire or other causes leading to loss of medicines.

(d) Surprise checks as decided by Stn HQ/ higher HQ in chain responsible for running the PC.

**Note :-** No new checks will be introduced by any agency except those specified.

**Composition of Stock Taking Board**

6. Detailment of bd of offrs should be done by Stn HQ on monthly basis comprising external Presiding Offr & Members. Board must include minimum two members. The following variations could be made in various situations :-

(a) **For PCs loc in Mil Stns.**

   (i) Presiding Offr as well as both members will be external to the PC for all STBs.

   (ii) For MSTB held in Mar, Jun, Sep and Dec, the presiding offr will be mandatorily an offr. Whenever possible, Med Offr could be detailed for such MSTBs. Med Offr must be made presiding officer at least for ASTB.
(iii) There will be no concept of Quarterly STB. The MSTBs done at the end of the quarters viz Mar, Jun, Sep and Dec will also be known as Quarterly STB. Two STBs will not be done in any month end viz Quarterly STB being done in addition to Monthly STB.

(iv) MSTB in Mar will be treated as Annual STB as per Para 5 (b) above.

(b) **For PCs loc in Non Mil Stns**.

(i) At least one of the bd members viz presiding Offr / one of the two members must be external. Rest members can be from PC to include MO and one Para Med Staff. OIC PC will not be made Presiding Offr unless there is no other offr.

(ii) For MSTB held in Jun, Sep and Dec, at least the Presiding Offr must be external. Members may be external / internal as per availability & at the discretion of Stn HQ controlling the PC.

(iii) MSTB in Mar will be termed as Annual STB. Presiding Offr as well as both members will be external to the PC. Presiding Offr will be a serving offr (preferably, a serving Med Offr).

**Source of Receipt**

7. Drugs and consumables are being received from multiple sources i.e supply by AFMSD, Proc by SEMO, tfr from other PCs on orders of SEMO, ALC and returned medicine by ESM etc. It will be ensured that stocks recd from all the above sources are accounted correctly.

**Procedure of Taking Medicines on Charge in Master Ledger**

8. Medicines in Polyclinics are recd from various sources ie. AFMSD/ SEMO (including tfr from other PCs which should be avoided)/ALC/Returned Medicines etc.). Procedure outlined below be followed by Polyclinics to take medicines on charge :-

(a) **Recd from AFMSD.** Though the supply of medicines from AFMSD has been discontinued wef 10 Oct 2016, however, at times medicines held surplus with AFMSD are distributed based on requirement of Polyclinics. These medicines will be taken on charge in master ledger maintained in Polyclinics. Series of issue vouchers will be maint separately indicating source of receipt from AFMSD. These supporting vouchers will be filed separately indicating “Source of Receipt - AFMSD”. RV No will be serially numbered and given as RV/ Ser No/ AFMSD/ Year. Ser No will be changed every year on 01 Jan.

(b) **By SEMO.** With the revised policy, medicines are procured by SEMO based on MMF/ demand projected by Polyclinics. Medicines on receipt will be checked and taken on charge in master ledger in polyclinics. Issue Vrs recd from SEMO will be filed separately showing “Source of Receipt- SEMO”. In case part of
medicines is recd without Issue Vr, medicine will be taken on charge by means of CRV and will be linked with Issue Vr on receipt. No medicine will be accepted unless demanded by the Polyclinics. RV No will be serially numbered and given as RV/Ser No/SEMO/Year. Ser No will be changed every year on 01 Jan.

(c) **Recd from ALC.** As per policy circulated, PCs will maintain a separate account for all purchases of this nature. These demands are against individuals and will be issued to them. Medicines not collected by individuals will be merged in stocks by means of CRV one day prior to monthly STB and will be taken on charge in the master ledger. Files for supporting vouchers will be maintained separately showing “Source of Receipt – ALC”. RV No will be serially numbered and given as RV/Ser No/ALC/Year. Ser No will be changed every year on 01 Jan.

(d) **Receipt ex Returned Medicine Box (RMB).** Return Medicine Box kept in Polyclinic will be opened mandatorily on weekly basis on every Saturday. List of medicines with balance shelf life will be prepared. To avoid preparation of multiple CRVs, list should be maintained in a register with authentication by OIC PC and should be taken on master ledger charge by means of CRV one day prior to MSTB. Once taken “on charge”, these medicine will be handled like normal medicines. File for supporting Vrs will be maintained separately showing “Source of Receipt – Returned Medicine”. Medicines, however, must be issued as normal medicines **once the entry is made in the register.** Returned Medicine Box should have a glass window so that dropped medicines are visible. An attempt should be made to take them on charge in register by opening as explained as frequently as possible to ensure that these medicines are used at the earliest. In case of slightest doubt, medicines recd from ‘RMB’, should be discarded. Special precautions should be taken for liquified medicines. PC should send a report of medicine value to RC on monthly basis. Files for supporting Vrs will be maintained separately showing “Source of Receipt – RMB”. CRV No will be serially numbered and given as CRV/Ser No/ RMB/ Year. Ser No will be changed every year on 01 Jan.

(e) **Tfr from other PCs.** Since medicine is predominantly being procured by SEMO, Inter PC transfer of medicine, if inescapable should be regulated by SEMO for proper accounting. Files for supporting Vrs will be maintained separately showing “Source of receipt – MISC”. CRV No will be serially numbered and given as CRV/Ser No/ Misc/Year. Ser No will be changed every year on 01 Jan. **Any other medicine recd from any other source will be also accounted in this category.**

9. **Maint of Single Ledger.** Medicines recd from all sources explained above will be accounted properly and stocks will be taken on charge in master ledger ie only single ledger to account for all receipts ex different sources which will help in arriving at correct MMF. However, supporting Vrs / CRVs will be maintained separately for ease of audit and delineating the details.
Procedure for Stock Taking

10. **Action before Stock Taking.**

(a) Medicines kept in pharmacy/med stores will be kept alphabetically whereas those at dispensary/distribution counter could be kept alphabetically/disease wise.

(b) Stocks under count will be frozen during stock taking. Last working day of the month has been earmarked for the said purpose. PC can be closed on this day.

(c) Receipts will be checked, binned & taken on ledger charge before commencement of stock taking.

(d) All issues pertaining to previous monthly STB will be settled including entry in ledger charge and reconciliation done.

(e) As per procedure explained above, master ledger will be updated with all receipts and issues from/to different sources prior to commencement of stock taking.

(f) If some medicines have been utilised in inj/detention room/ physiotherapy within PC, it should be charged off in the ledger by means of CIV. Record of such expenditure be maint in a register and CIV be prepared one day before MSTB. CIV be numbered as CIV/ Ser No/ Year. Ser No will be changed every year on 01 Jan.

11. **Action During Stock Taking.**

(a) Bd must count the articles, physically & compare the result with the balance in the ledger.

(b) Unopened pkgs (Bulk) will be opened & checked 100% & verified.

(c) Proceedings of stock taking board will be completed in lieu of IAFD-931, simultaneously the balance in the ledger will be checked to ensure that it reflects the correct balance.

(d) The proceedings will be compared with entry in ledger and ground balance and entered in the proceedings.

(e) The counted physical balance will be noted in the board proceedings.

(f) Stock taking board proceedings will be completed reflecting the sur and defi where applicable.

(g) Counting of stocks in medical store and dispensary will be entered in respective column of the proceedings.
(h) The bd will also check the shelf life of medicines. Medicines with less than four months shelf life will be noted separately and instr for turnover/ disposal will be endorsed in bd proceedings. OIC PC will ensure follow up action in concert with SEMO.

(h) The following format will be utilised for STB:

<table>
<thead>
<tr>
<th>Ser No</th>
<th>PVMS/NIV details (Where known)</th>
<th>Name of Medicine with weightage (Alphabetical Order, lower weightages first when more than one weightage of same medicine exists)</th>
<th>Qty as per Master Ledger</th>
<th>Ground Balance</th>
<th>Sur</th>
<th>Defi</th>
<th>Remarks (include Reconciliation of Sur / Defi)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Med Store</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Dispensary</td>
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<td></td>
<td>Total</td>
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</tr>
</tbody>
</table>

12. **Action after Stock Taking.**

(a) Surplus if any will be brought on charge by means of CRV. CRV No will be given as CRV/STB/ Month/Year.

(b) Defi will be adjusted by means of loss statement followed by CIV as per Para 13.

(c) Board proceedings duly completed will be fwd to Stn Cell in duplicate for countersignature and approval by Stn Cdr/ nominated offr. While forwarding the STB proceedings to Stn Cell, one office copy signed by bd will be retained at PC.

(d) Once STB is countersigned, one copy will be returned to PC for records.

13. **Powers to Write off Losses of Public Money and Stores.** Financial powers as per DFPDS-2016 Schedule 24 will be exercised by CFA to write off losses of public money and stores. The delegated powers are enumerated below:

<table>
<thead>
<tr>
<th>S No</th>
<th>Competent Financial Authority</th>
<th>Rs in Lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.1</td>
<td>Write off losses of public money and stores including MT Vehicles &amp; MES Stores Not due to Theft, Fraud, or Gross Neglect</td>
<td></td>
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<tr>
<td></td>
<td>Heads of all Self accounting units headed by</td>
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<tr>
<td></td>
<td>Maj Gen</td>
<td>15</td>
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<td>Brig</td>
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<tr>
<td></td>
<td>Lt Col</td>
<td>5</td>
</tr>
<tr>
<td>24.2</td>
<td>Write off losses of public money and stores including MT Vehicles &amp; MES Stores due to Theft, Fraud, or Gross Neglect</td>
<td></td>
</tr>
<tr>
<td></td>
<td>VCOAS / PSOs at Army HQ</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>GOC-in-C</td>
<td>7</td>
</tr>
</tbody>
</table>
Note for Sl No. 24.1 & Sl No. 24.2

1. The above powers include as follows:
   (a) Irregularities connected with use of MT, Railway warrants and military credit notes e.g. Irregular issue of warrants/military credit notes, loss of auditable documents, irregularities with respect of MC notes.
   (b) Non-production of receipted copies of issue vouchers of stores and failure to trace credits in the ledgers in respect of receipt vouchers.
   (c) Regularisation of deficiencies of stores revealed at the times of stock taking.
   (d) Erroneous expenditures in respect of deployment of manpower.

14. **Accounting of Medicines.**

(a) Single ledger will be maintained at Polyclinic wherein medicines received from sources explained at Para 7, 8 & 9 above will be taken on charge.

(b) Medicines stocked in bulk in medical store will be binned and stored in alphabetical order.

(c) Medicine available in dispensary will be stocked alphabetically/as per disease wise as decided by OIC PC.

(d) Returned medicine box will be opened on weekly basis & taken on charge by means of CRV. If more medicines are returned, they will be taken on charge with increased frequency. Effort must be made to utilise these medicines as early as possible.

(e) All stores received through returned medicine box will be accounted as per instrs issued and Ledger will be closed one day prior to the monthly stock taking board i.e a day prior and qty bal will be taken on charge by means of CRV and entered in the main ledger.

(f) Medicines proc out of ALC, incase not collected by ESM to be taken on ledger charge by means of CRV.

(g) Medicines recd without proper issue voucher from SEMO should be taken on charge by means of CRV. On receipt of Issue Voucher, linking of CRV will be done with the issue voucher.

(h) Entry of MSTB is not to be endorsed in the ledger. However, ASTB entry is mandatory to be endorsed in the master ledger and must be entered in **RED** in the master ledger.
(j) Medicine with balance shelf life less than four months and not likely to be consumed in future, will be returned to SEMO for imdt disposal. In no case, medicine with expired shelf life be stocked in pharmacy.

15. **While doing the stock taking of medicines, all consumables and expendable stores will be also checked & accounted for whereas non expendable stores will be checked as per ASTB. Opening Bds will be held for all receipts and records maintained.**

**Conclusion**

16. Correct accounting and stock taking of medicines at Polyclinics is an essential reqmt which will minimise the chances of pilferage and loss of govt stores. Besides, this helps in making adequate and timely provision of medicines and obviates chances of retaining of stocks which may urgently be required elsewhere. Highest degree of financial integrity has to be ensured. Anyone found misusing the system will be strictly dealt with.

17. This has approval of MD ECHS.

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Date : 14 Jan 2019

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