

Vouchers for Reproductive Health Services Project



Vouchers for Reproductive Health Services Project (“VMA”)
Address: PO Box 585
40 F, Corner Street 167 & 426, Sangkat Toul Tom Pong II, Khan Chamkar Morn,
Phnom Penh, Cambodia
Phone: 855 – (0) 23 6699900, Mobile: 855 – (0) 77 459 233

Standard Operating Procedure (“SOP”)

TITLE: Inventory Management

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Document owners:	Marcel Reyners, Sieng Rithy Long Leng	Team Leader (“TL”) Deputy Team Leader (“DTL”) Project Administrator (“PAD”)
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Authorisation:

Document Owner:	Marcel Reyners	Signature: _____	Date: _____
	Sieng Rithy	Signature: _____	Date: _____
	Long Leng	Signature: _____	Date: _____

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1. OBJECTIVE

The objectives of this SOP are to ensure:

- Proper recording of inventory purchases, additions/disposals and maintaining accurate and complete listing in general.
- Ensure the establishment ownership and accountabilities of inventory items and to ensure their existence and completeness thereof.
- Proper inventory counts are followed up to ensure the inventory listing is up to date.
- Up-to-date information on the status of inventory for effective controls and optimisation, including accurately recording the existence and location of stock items.
- Permitted and authorised use of project vehicles, including maintenance management, and clear responsibilities and efficient management of project vehicles in general.

2. SCOPE

This SOP is applicable to all administration staff, accounts staff and the management with regards to the inventory management for the Vouchers for Reproductive Health Services Project. Inventories for the VMA include Office Equipment, Office Furniture, and Vehicles. The SOP includes:

- Receipt of inventories
- Issuing, utilisation and disposal of inventory
- Inventory management, including physical inventory takes, reconciliations and accounting.

3. DELEGATION OF AUTHORITY

1. The oversight and approval of authority for the inventory management functions rest with the Team Leader of the Voucher Management Agency (VMA), hereinafter referred to as the TL.
2. The TL may further delegate inventory management authority to designated VMA staff to carry out such activities but in doing so, designated persons should retain responsibility for the overall efficient inventory management.

4. POLICY

- Inventory items costing more than \$200 with an average useful life of more than one year should be included in an inventory list.
- Inventory should be counted at least once a year.
- Inventory should be used for the sole purpose of the VMA project.
- Personal use should be authorised by appropriate VMA staff.

NOTE

The following procedures are written based on the understanding that the VMA employ only four staff as follows: Team Leader (TL), Deputy Team Leader (DTL), Project Administrator (PAD), and Admin Assistant (AA).

5. PROCEDURES

Sub-process/Control Activities Segregation of duties

	TL	DTL	PAD	AA
<p>1. Inventory Listing</p> <ul style="list-style-type: none"> As inventory is received, Good Receipt Note (Annex 1) should be raised by AA and approved by TL. AA checks inventory received (quality, amount, specification etc) against Purchase Order (Annex 2). This GRN should be attached to payment voucher. TL is responsible for setting up and maintaining an accurate Inventory List (Annex 3) of all assets. AA should record new inventory purchases as expenses and include in the inventory listing as the items are received. AA should maintain and update the listing on a monthly basis with proper record of additions, amendment and disposals and approved by TL. The Inventory List will be included as annex to Progress Reports and in the final Completion Report. 	X			X
<p>2. Tagging System</p> <p>2.1 Inventory items costing over \$200 and/or that are physically large or “nice-to-have” should be included in the listing and should be assigned an identification number code (e.g. VMA inventory stickers) and numbered referring to the listing. The inventory stickers should indicate the following:</p> <ul style="list-style-type: none"> Name of fund for purchasing the items Inventory control number Type of inventory <p>Example: KfW/0001/Office equipment</p> <p>2.2 AA is responsible for setting up a proper tagging system to be reviewed by TL/DTL.</p>	X	X		X
<p>3. Physical Count</p> <p>3.1 AA and another appropriately assigned team member should conduct once a year physical inventory count AA and an assigned member should sign on the physical count list as evidence of counting. After counting is completed, physical count summary should be prepared with the following information</p>		X		X
		X		X

Sub-process/Control Activities

Segregation of duties

	TL	DTL	PAD	AA
<ul style="list-style-type: none"> • Date of count • Name of inventory item • Identification code/tagged number • Location • Quantity • Direct users • Remarks for any unusual items or conditions <p>3.2 Any missing or damaged inventory items should be identified, an inventory write-off form (Annex xxx) prepared and reported to TL, who should sign as approval and the Inventory List is updated accordingly.</p>	X	X		X
<p>4. Inventory Reconciliation</p> <p>AA should perform reconciliation between the Inventory Listing and total inventory purchased per accounting report (Trial Balance) in US\$. Any differences are investigated and necessary adjustment is made with the approval of the TL.</p>	X			X
<p>5. Use of Project Vehicles</p> <p>5.1 If project vehicles are to be purchased, TL should ensure donor requirement guidelines are strictly followed and the procurement shall be documented thoroughly or the appointed officer-in-charge is responsible for the overall use of project vehicles.</p> <p>5.2 TL should ensure vehicle is properly registered and insured; a fully comprehensive coverage, even for rented vehicles, is recommended.</p> <p>5.3 Use of vehicles other than for the purpose of the project should get a written approval beforehand from DTL or TL.</p> <p>5.4 When not in use, drivers should ensure vehicles are locked and are in safe parking in a secure and guarded area and will be held responsible for any loss or damage due to unsafe parking.</p> <p>6. Logbook of Vehicles</p> <p>6.1 It is the drivers' responsibility to ensure each vehicle holds a valid Vehicle Log Book (Annex 4) and that the vehicles are maintained according to</p>	X			
	X			
	X	X		
	X			

Sub-process/Control Activities

Segregation of duties

	TL	DTL	PAD	AA
the service plan. If other authorised persons drive the vehicles, it is their responsibility to inform the drivers about any problems observed during the driving.	X			
6.2 Drivers of project vehicles should fill out the log book every movement of vehicle to allow management to monitor the use of the vehicles, their fuel consumption and maintenance.	X			X
6.3 AA should ensure the logbooks are received to ensure that accounts are in line with the logbooks (for example, fuel expense) and he/she reviews the average fuel consumption to determine if it is reasonable (by comparing to previous month etc)	X			X
7. Vehicle Accidents				
7.1 Drivers should immediately report any vehicle accidents, even in the absence of body damage, to TL with a written report containing a detailed description of the circumstances of the incident as well as the driver's immediate assessment of who is responsible for the accident and his rationale.				
7.2 A proper claim should be filed to the insurance provider immediately after the accident.				

6. REVISION HISTORY

This SOP should always be reviewed together with the SOP for claim processing

Date Reviewed Date Revised Replacement SOP# Initials

7. ANNEXES: 4

Voucher Management Agency



Goods Receipt Note

The following Goods is received from :

Name:
 position:
 Company:

No	Description	Qty	Brand Name	Model	Serial Number	Location	Working Condition

Received by

Delivered by

Approved by

Name:
 Position:

Name:
 Position:

Name:
 Position:

VMA INVENTORY LIST

EQUIPMENT 2011

No.	DESCRIPTION OF PROPERTY	QTY	ACQUISITION DATE	ACQUISITION PRICE	SERIAL No.	MODEL (Monitor)	INVENTORY REFERENCE No.	OWNER	DONOR	ACCOUNT VOUCHER Nº	LOCATION OF ITEM (S)	PERSON USING ITEM (S)	CON. OF ITEM	Remarks
001														
002														
003														
004														
005														
006														
007														
008														
009														
010														
011														
012														
013														
014														
015														
016														
017														
018														
019														
020														
Grand Total				\$ -										

Inventoried by:

Checked and Agreed by:

Approved by:

Date: _____

Date: _____

Date: _____

