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DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY

DRUG REVOLVING FUND SCHEME

Standard of Practice

Sokoto State

September 2021

USAID GLOBAL HEALTH SUPPLY CHAIN PROGRAM
Procurement and Supply Management

FORWARD

The Sokoto State Ministry of Health, in its quest to ensure access to quality healthcare services, is committed to reducing, to the barest minimum, morbidity and mortality due to communicable and non-communicable diseases, meeting global /national targets, and significantly increasing the life expectancy and quality of life of the residents of Sokoto State.

This is set to be achieved through developing and implementing appropriate policies and programs as well as undertaking other necessary actions that shall strengthen the State health system to be able to deliver effective, quality, and affordable healthcare services.

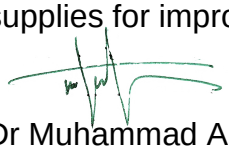
In line with the above, the development of a simple and comprehensive Standard Operating Procedure Manual for Drugs & Medical Supplies Management Agency (DMSMA) has become imperative towards achieving the goal of ensuring access to quality and cost-effective essential and life-saving medicines and medical supplies.

This DMSMA Standard Operating Procedure Manual describes the management and procedures required to operate a DRF scheme as an assured source of uninterrupted supply of health commodities for Sokoto State. The composition, roles, and responsibilities of the DMSMA Board as contained in the DMSMA Law (2020), and the necessary ingredients (personnel, committees etc) that will ensure the smooth running of the scheme with commitment and sense of responsibility are contained in this guideline. Details of the processes of procurement of DRF items, storage, custody, usage, receipts, pricing, accounting, and banking of the funds are also described explicitly in the guidelines. Furthermore, the prescribes, the books and records to be kept for proper accountability and transparency.

It must be stated however that while the guideline provides the operating guide/framework, the overall success of the scheme rests ultimately on the operators at DMSMA. The SMoH, HSMB, SPHCDA, and SOCHEMA must ensure that the hospitals and the PHC facilities procure their DRF items from DMSMA, while effective supervision is required by the DRF committees for the successful running of DRF in the health facilities. Continuous advocacy to health institutions and their communities is encouraged as a key growth and success factor.

This guideline is a living document and thus is subject to review in the light of emerging operational issues.

This SOP guideline is hereby approved for the management and operation of DRF in Sokoto State and all personnel managing DRF commodities in our public health facilities are to abide by the provisions of this document towards achieving the availability, accessibility and affordability of the essential medicines and medical supplies for improved healthcare services in the State.



Dr Muhammad Ali Inname
Honorable Commissioner,
Ministry of Health
Sokoto.

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ACRONYMS

BHCPF	Basic Health Care Provision Fund
CAN	Christian Association of Nigeria
CHEW	Community Health Extension Worker
CHO	Community Health Officer
CMD	Chief Medical Director
CMS	Central Medical Store
CRIRV	Combined Requisition, Issue, and Receipt Voucher
CSC	Civil Service Commission
CSO	Civil Society Organization
D&E	Deferral &Exemption
DCHS	Director of Community Health Services
DCR	Daily Consumption Record
DCU	Drug Compounding Unit
DD	Deputy Director
DDA	Dangerous Drugs Act
DDPS	Deputy Director, Pharmaceuticals Services
DDS	Director, Drugs and Supplies
DG	Director-General
DHPRS	Director Health Planning, Research and Statistics
DMS	Director, Medical Services
DMSMA	Drugs and Medical Supplies Management Agency
DNS	Director Nursing Services
DPH	Director Public Health
DPHC	Director, Primary HealthCare
DPM&E	Director Planning, Monitoring & Evaluation
DPS	Director Pharmaceutical Services
DRF	Drug Revolving Fund
DVE	Departmental Vote Expenditure
ED	Executive Director
EML	Essential Medicines List

EML	Essential Medicines List
ES	Director-General
FEFO	First to Expire, First Out
FIFO	First In First Out
FMS	Financial Management System
HF	Health Facility
HMOs	Health Management Organizations
HOD	Head of Department
HSMB	Hospital Services Management Board
ISS	Integrated Supportive Supervision
JCHEW	Junior Community Health Extension Worker
LGA	Local Government Authority
LGHA	Local Government Health Authority
LLMCU	Local Government Logistics Management Coordination Unit
LMCU	Logistics Management Coordination Unit
LMIS	Logistics Management Information System
MNCH	Maternal, New-born, and Child Health
MO	Medical Officer
MOS	Month of Stock
MWACD	Ministry of Women Affairs and Child Development
NAFDAC	National Agency for Food and Drug Administration
NCH	National Council on Health
NGO	Non-Governmental Organization
NSHIP	Nigerian State Health Investment Project
O/C.	Officer In-charge
OIC	Officer-In-Charge
PHC	Primary Health Care
PHC	Primary Health Centre
PHCC	Primary Health Care Coordinator
PHCDA	Primary Health Care Development Agency
PMO	Principal Medical Officer

PPP	Public-Private Partnership
SACA	Sokoto State Agency for the Control of AIDS, Tuberculosis, Leprosy and Malaria
SCCoH	Sultanate Council Committee on Health
SCH	State Council on Health
SCHEW	Senior Community Health Extension Worker
SDO	Social Development Officer
SHF	Secondary Health Facility
SIV	Store Issue Voucher
SMoH	State Ministry of Health
SOCHEMA	Sokoto State Contributory Healthcare Management Agency
SOP	Standard Operating Procedure
SOSG	Sokoto State Government
SPHCDA	State Primary Health Care Development Agency
SRV	Stores Receipt Voucher
SSHSSC	State Sustainable Health Supply System Steering Committee
SSPU	State Public Procurement Unit
THF	Tertiary Health Facility
TOC	Terms of Contract
VDC	Village Development Committee
WDC	Ward Development Committee
ZMS	Zonal Medical Store
SHSS	Sustainable Health Supply System

PART ONE:

STATE AND LOCAL GOVERNMENT LEVELS OPERATIONAL GUIDELINE

1 OVERVIEW OF SOKOTO STATE DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY (DMSMA)

The Agency was established in December 2020 by an enabling law known as "Sokoto State Drugs and Medical Supplies Management Agency" (DMSMA) law 2020" but full operations started in October 2021. The DMSMA has the following mandates:

- To administer the operations of the Sustainable Health Supply System (SHSS) and Drug Compounding Unit (DCU) in the state.
- Authorized to manufacture, procure, deliver, sell, and manage drugs and medical supplies in the state across all the 23 LGAs.
- To collaborate with SOCHEMA in the implementation of the Contributory Healthcare Management Scheme in the state for the supply chain management of drugs and medical supplies to participating health institutions.
- To effectively manage procurement, supply and distribution of drugs and medical supplies of the state under the free maternal and child health program and other health programs
- To support warehousing and distribution of donated drugs and medical supplies from international development partners, Civil Society Organizations (CBO) and philanthropists.

1.1.2 The vision of the DMSMA

To establish a sustainable standard health commodity supply chain management system in the state

1.1.3 The mission of the DMSMA

To provide a state health commodity supply chain management system that shall ensure continuous availability of qualitative and affordable essential drugs and medical supplies across all public health facilities in the state.

To create and sustain a viable health commodity distribution network in the state and provide other supply chain-related services to the private sector.

1.1.4 Objectives of the DMSMA

The DMSMA is an autonomous parastatal under the State Ministry of Health(SMOH) and in partnership with other stakeholders has the following objectives:

- To ensure regular supply of qualitative drugs, at affordable cost, to secondary and primary healthcare facilities to improve the healthcare service delivery system of Sokoto State.
- To maintain a sustainable Drug Revolving Funds (DRF) scheme and enhance production activities of the drug manufacturing unit.

2 GOVERNANCE

2.1 The DMSMA Management Structure

The DMSMA management structure is made up of the following:

1. The State sustainable health supply system Steering Committee
   The committee is responsible for the entire health supply chain in the state, and provides policy guide and general oversight across all levels.

2. The DMSMA Governing board:
   The board provides strategic direction for the management of DMSMA and serves as a governing board for the state sustainable health supply System/Drug Revolving Fund scheme.

3. The DMSMA Management Team
   The team oversees the day-to-day running of the DMSMA.

4. The State DRF Committee
   The State DRF Committee provides technical direction for the management of the DRF. It is made up of the following subcommittees:

   a) The Procurement Subcommittee.
   b) The Pricing Subcommittee
   c) The Monitoring, Evaluation and Accountability Subcommittee
   d) Guidelines and SOP Review Subcommittee
   e) Training Subcommittee

The diagram below illustrates the governance structure of the DMSMA and DRF scheme.

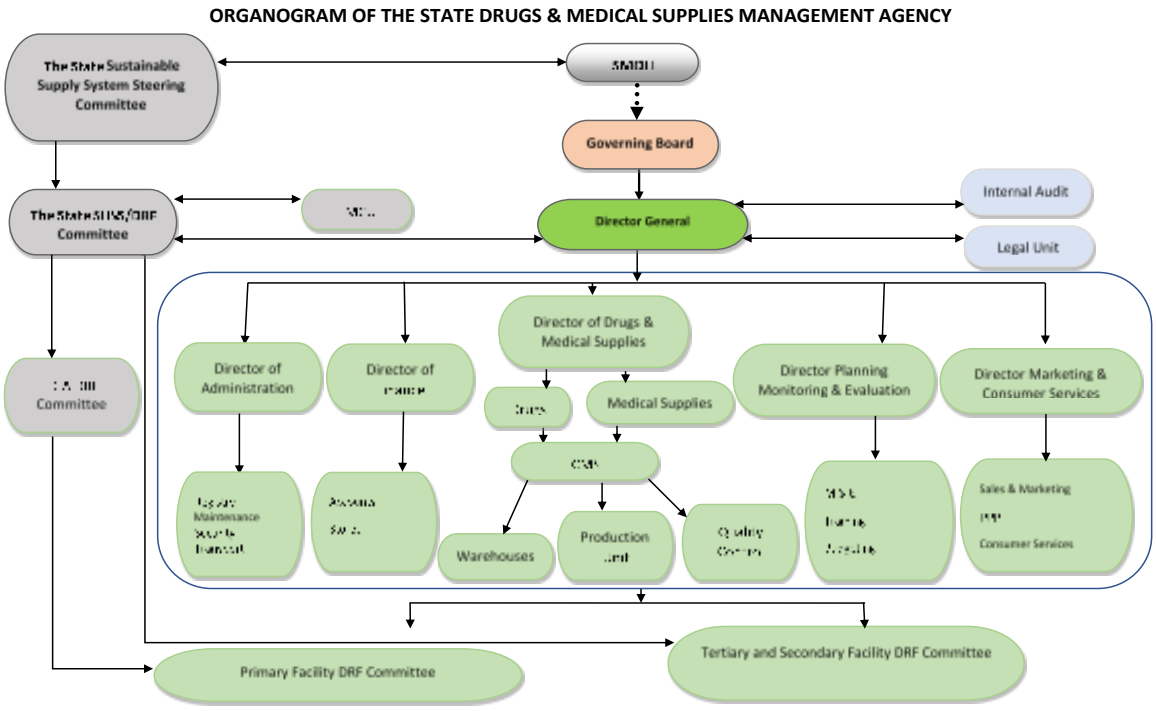


Figure 1: Flowchart of Sokoto State DMSMA Showing Lines/Flow of Authority

2.1.1 State Sustainable Health Commodities Supply System Steering Committee

The committee provide overall guidance on the implementation of Drug Revolving Fund scheme by the DRF management committee.

Composition:

The Steering Committee is composed of:

S/N	Members of the Steering Committee	Designation
1	Honourable Commissioner for Health	Chairman
2	Honourable Special Adviser, SPHCDA	Member
3	Honourable Special Adviser, SOCHEMA	Member
4	Honourable Special Adviser, SOSMEA	Member
5	DG DMSMA	Member
6	DG SOCHEMA	Member
7	DG SOSMEA	Member

S/N	Members of the Steering Committee	Designation
8	Executive Director HSMB	Member
9	Executive Secretary SPHCDA	Member
10	Executive Secretary SOSACAT	Member
11	CMD Specialist Hospital	Member
12	CMD Maryam Abacha Women and Children Hospital	Member
13	CMD Orthopaedic Hospital Wamakko	Member
14	CMD Infectious Disease Hospital	Member
15	CMD NOMA Children Hospital	Member
16	The Chairman Sultanate Council Committee on Health	Member
17	DPS Sokoto State Ministry of Health	Secretary

Roles and Responsibilities of the Sustainable Supply System Steering Committee

- To provide policy guidance and advice towards the efficient implementation of the functions of the State Health Supply System (SHSS) and enhance its overall performance.
- To advocate the State government and ensure the sustainability of the SHSS.
- To provide general oversight and supervisory functions to the State DRF Committee
- To ensure transparency and accountability of the State DRF committee's activities
- To meet quarterly and review reports from all health commodity programs across the State

2.1.2 DMSMA Governing Board

The Agency has a governing body with members appointed by the Governor. The composition, co-option, duties, and powers of the governing board shall be detailed in these guidelines.

Composition

The Governing Board of the Agency consists of the following members as provided by the DMSMA law:

Table 1: Composition of the DMSMA Governing Board

S/N	MEMBERS OF THE GOVERNING BOARD	NUMBER OF MEMBERS
1	A part-time Chairman who shall be a person of proven integrity with outstanding ability in administration	1
2	Three part-time members to be appointed by the governor (one from each senatorial district).	3
3	A representative of the State Ministry of Health	1
4	A representative of the Ministry of Justice	1
5	A representative of the Hospitals Services Management Board	1
6	A representative of the State Primary Health Care Development Agency	1
7	A representative of the Ministry for Local Government	1
8	A representative of Due Process Procurement Monitoring and Intelligence Office	1
9	A representative of Sokoto State Agency for the Control of AIDS, Tuberculosis, Leprosy and Malaria (SOSACAT)	1
10	A representative of The Sokoto State Health Contributory Management Agency (SOCHEMA)	1
11	One retired person representing the following professions: Pharmacy,	5

	Nursing, Medical Doctor, Community Health Extension Worker and Medical Laboratory.	
12	A representative of the Sokoto Sultanate Council Committee on Health	1
13	Director-General DMSMA – Secretary	1

The Chairman and Members of the Governing board other than the ex-officio members shall be appointed by the Governor on the recommendation of the Commissioner for Health and the heads of other parastatals. The members shall hold office for four years on such terms and conditions as may be specified in their letters of appointment.

Co-option

Whenever the Board desires to obtain the advice of any person(s) on any particular matter, it may co-opt such person(s) to be a member for such meeting(s) as the Board may decide. The co-opted person shall have all the powers of a member except that he/she may not vote on any issue(s) and his/her presence at any meeting shall not count towards the quorum.

Roles and Responsibilities of the Governing Board

- To provide policy guidance and advice towards the efficient implementation of the functions of the Agency and enhance the overall performance of the Agency.
- To advocate to the State government and ensure the sustainability of the DRF.
- To regulate, coordinate and supervise the activities of DMSMA.
- To provide general oversight and supervisory functions to ensure transparency at the DMSMA.
- The Board may accept, hold and administer a gift for a public purpose, or for the benefit of the State or any part thereof, and may execute any works incidental to or consequential upon exercise of powers conferred by this section.
- To make standing orders to regulate its procedures, the conduct of its meetings, and custody of its common seal and the award of contracts.
- To approve the annual budget and the annual procurement Plan for DMSMA.
- To conduct all its activities in a transparent and accountable manner.
- To make recommendations to the Civil Service Commission (CSC) for the appointment, promotion and discipline of senior staff of the Agency, subject to such conditions as may be provided by the State public service regulations.

- To approve recommendations by the management team of the DMSMA for the appointment, promotion and discipline of staff of the Agency, subject to such conditions as may be provided by DMSMA law.
- To review all financial audits and make recommendations to the DMSMA management through the Director-General (ES) for implementation.

They shall meet quarterly or whenever necessary.

Power of the Board to delegate its functions

Subject to the provision of this Law, the Board may delegate any of its functions to any person or authority; however, nothing shall prevent the Board from exercising the power so delegated by it to any person or authority.

2.1.3 DMSMA Management Team

The team shall be responsible for the implementation of the policies set by the Governing Board and oversee the day-to-day running of the organization.

Composition

- Director-General
- Director of Drugs and Medical Supplies
- Director Marketing and Consumer Services
- Director of Planning, Monitoring and Evaluation
- Director of Finance and Accounts
- Director of Administration and Human Resources - Secretary

Roles and Responsibilities of the DMSMA Management Team

The duties of the management team shall be as follows:

Director-General (DG) - Chief Executive and Accounting Officer

- Is the chief accounting officer of the Agency
- To ensure implementation of the policy of the Governing Board.
- To ensure the implementation of recommendations of the State DRF management committee.
- To coordinate the day-to-day operations of the Agency.
- To ensure efficient and effective use of resources to promote growth and avoid decapitalization of the DRF scheme.
- To ensure adherence to the operational guidelines at all levels.
- To advise the Governing Board on any issue that may improve the quality of service in DMSMA.

- To implement sanctions and rewards to the staff of DMSMA as recommended and approved by the board.
- To coordinate the selection of facilities for the DRF scheme based on the following criteria:
  - *Number of health workers at facilities*
  - *Available infrastructure*
  - *Commitment from host community leaders to support DRF scheme*
  - *Geographic spread across the three senatorial zones etc.*
- To carry out any assignment as may be directed by the Governor, Governing Board and State DRF committee.

Director of Drugs & Medical Supplies

- To oversee the selection, quantification, sourcing, procurement and storage, of pharmaceuticals and other Medical Consumables within the health sector as recommended by the procurement subcommittee.
- To initiate procurement for DMSMA.
- To coordinate the activities of the CMS and ZMS.
- To ensure that there are adequate commodities in the stores at all times.
- To carry out any other duties as may be directed by the Director-General.

Director Marketing and Consumer Services

- To coordinate sales, and distribution of drugs and medical consumables
- To conduct a market survey at least twice a year.
- To ensure a proper market strategy for DMSMA.
- To initiate and coordinate public private partnership with organizations
- Develop and review relevant DMSMA advocacy and social mobilization work plans in collaboration with Planning department
- Deploy mechanisms and ways of satisfying the need of customers including establishment of customer relation unit at the DMSMA
- Establishment of Social Mobilization Committee and ensure adherence to roles and responsibilities
- Ensure development of relevant advocacy schedule and materials in collaboration with other departments
- Ensure availability of adequate and appropriate I.E.C materials
- Ensure effective collaboration with prints and electronic media for timely and effective dissemination of DRF messages
- In collaboration with State PHCDA (Department of Advocacy, Communication and Social Mobilization) support training and retraining on advocacy, community dialogue and interpersonal communication skills
- Ensuring that all DRF Health facilities have effective and regular community links with the community leaders in their catchment communities.
- Determine from time to time small projects to be carried out as a way of supporting the community and promoting ownership of the DRF scheme.

- To carry out any other duties as may be directed by the Director-General.

Director of Planning, Monitoring and Evaluation

- To ensure development and implementation of SOPs and Annual Opearational Plan and its inclusion in to the State Strategic Health Development Plan
- To coordinate and supervise the planning process – budgeting, Annual Operational Plans of the Agency.
- To ensure the periodic review of all plans in the Agency.
- Coordinates the training needs assessment on social mobilization activities related to DRF in collaboration with Marketing Department
- To coordinate development partners' support in the Agency.
- To coordinate Integrated Supportive Supervision and monitoring.
- To receive, review and analyse Logistic Report from the Health Facilities, CMS/ ZMS and fund valuation reports, in collaboration with the LMCU.
- To analyse Health Management Information System data for decision making
- To coordinate the conduct of research at the agency.
- To coordinate the development of memo for submission to the State Council on Health and National Council on Health and esure the participation of the DMSMA in the SCH
- To carry out any other duties as may be directed by the Director-General.

Director of Finance and Accounts

- To supervise the expenditure of DMSMA and ensures that no payment is made without proper authorisation.
- To maintain proper books of accounting records.
- To ensure the preparation of monthly bank reconciliation and financial statements as required by the guidelines.
- To ensure that there is adequate accountability and security of DMSMA funds.
- To supervise staff entrusted with the receipt, custody and disbursement of DMSMA funds.
- To participate in the quarterly stock taking.
- To carry out any other duties as may be directed by the Director-General.

Director of Administration and Human Resources

- To serve as secretary of the DMSMA Management Team.
- To manage the day-to-day running of the offices.
- To manage the personnel at the DMSMA.
- To organize training and retarining of personnel in collaboration with other departments
- To ensure staff welfare as well as promotion and discipline

- To maintain office furnitures, equipment and vehicles
- To maintain security of the Agency
- To coordinate the supporting staff at the DMSMA.
- To carry out any other duties as may be directed by the Director-General.

2.1.4 THE STATE SUSTAINABLE HEALTH SUPPLY SYSTEM MANAGEMENT COMMITTEE

The committee provides technical oversight and monitoring functions to ensure transparency and appropriate use of funds and resources.

Composition

The State SHSS Committee shall consist of the following members appointed by the Governing Board:

Table 2: Composition of State Sustainable Health Supply System Management Committee (SHSS)

S/N	MEMBERS OF THE SHSS	MEMBERSHIP
1	Director Pharmaceutical Services, SMoH	Chairman
2	Director Medical Services, SMoH	Member
3	Director Nursing Services, SMoH	Member
4	Director Public Health, SMoH	Member
5	Director Pharmaceutical Services, HSMB	Member
6	Director Medical Services, HSMB	Member
7	Director Nursing Services, HSMB	Member
8	Director Medical Lab. Science, HSMB	Member
9	Director Pharmaceutical Services, SPHCDA	Member
10	Director Community Health Services, SPHCDA	Member
11	Director Drugs and Medical Supplies, DMSMA	Member

12	Director of Marketing & Consumer services, DMSMA	Member
13	Director Planning & Monitoring, DMSMA	Member
14	Director LG Matters, Min for Local Government	Member
15	Director Planning, Ministry of Budget & Eco. Planning	Member
16	Director Programs, SOCHEMA	Member
17	Director Quality Assurance, SOCHEMA	Member
18	Deputy Director Pharm. Services, Specialist Hospital	Member
19	Director Procurement, SOSMEA	Member
20	LMCU Coordinator, SMoH	Member
21	MNCH Coordinator, SPHCDA	Member
22	State DRF Accountant, DMSMA	Member
23	Chairman PHC coordinators forum, SPHCDA	Member
24	A representative Ministry for Women Affairs & Child Dev.	Member
25	A representative of Sultanate Council Committee on Health	Member
26	Representative of CSOs	Member
27	Director of Administration, SPHCDA	Secretary

Note: The committee will have a designated account where all M&E remittances from facilities and DMSMA will be lodged, and the account would be domiciled at DMSMA under the stewardship of the DRF accountant. Signatories to this account shall be the Chairman, Secretary and the DRF Accountant. Spending from this account should be approved by the permanent secretary SMOH.

All submissions for activities from the approved annual work plan should go through the secretary of the committee for review and then subsequently submitted to the chairman who will further review and submit to the permanent secretary for approval.

In case of emergent activities not captured in the annual approved work plan, the committee should meet and agree before submission.

Roles and Responsibilities of the State SHSS Committee

- To provide technical advice on the supply chain policies set by the Ministry of Health.
- To develop a costed annual workplan which will guide their activities
- To provide general oversight and supervisory functions to the DMSMA and health facilities to ensure transparency and accountability.
- To give advice on the overall management and policy thrust of State Health Supply System
- To identify gaps and support capacity building activities at implementing agencies (DMSMA, HSMB, SPHCDA, SOCHEMA, SOSMEA, SOSACAT, T/SHF and Primary Healthcare Facilities)
- To work collaboratively with the LMCU to ensure the State SCM activities are well integrated and coordinated within DMSMA, HSMB, SPHCDA, and other implementing partners.
- To support the DMSMA carry out periodic review, dissemination, printing, and distribution of the state's EML, STGs, State DRF Operational guidelines and other relevant Supply chain documents.
- To strengthen the monitoring and supervision of the DMSMA DRF scheme to promote community participation and ownership.
- To review supportive supervision reports submitted by the Monitoring, Evaluation and Accountability subcommittee for necessary action in collaboration with the HSMB and SPHCDA
- To prevent leakages and pilferage.
- To pursue full recovery of outstanding and misappropriated funds.
- To recommend reward to staff with excellent performance and appropriate disciplinary measure to those found wanting.
- To vet the submission of expenditures emanating from the facilities service account.
- To make standing orders to regulate its procedures, the conduct of its meetings.
- To deliberate on the annual Financial Statement of the state DRF, presented by the management team of the DMSMA
- To report emerging issues to the Governing Board.
- To delegate any of its functions to any person or authority as it deems fit.
- Carry out any other duty as may be assigned by the SMoH and the DMSMA Governing Board.

Mode of Operation

The committee may hold a session if a quorum of at least two third (i.e. 17) members are present, amongst whom must include at least 14 members of the health sector and three representatives from the community.

Membership representation from agencies shall be consistent (i.e. Once a representative is selected, his/her role as a representative of agency on the Committee is permanent).

Subcommittees of State SHSS Management Committee

All members of the subcommittee shall be drawn from the State DRF committee. The committee may co-opt non-members based on particular needs.

a) Procurement Subcommittee

The procurement Subcommittee comprises of the following

1. Director General, DMSMA - Chairman
2. Director of Drugs and Medical Supplies, DMSMA - Secretary
3. A representative of SMOH (LMCU Coordinator)
4. DPS HSMB
5. Director Medical services HSMB
6. Director Laboratory Services HSMB
7. DPS SPHCDA
8. Director of Finance DMSMA
9. Director marketing & consumer services
10. Director Community Health Services
11. Community representative selected by the State DRF committee (Preferable technically skilled)
12. 3 representatives (MD. Theatre Nurse & Lab Scientist) from T/SHF and 2 from PHC facilities (1 CHO, 1 Pharm Tech) selected by the State DRF committee.
13. Any other relevant representative as determined by the state DRF committee

The role of the procurement Subcommittee will include

- Vendor prequalification, selection, post-procurement audit and QC activities.
- Ensure that the pre-qualification process is transparent and documented properly.
- Oversee all the receipts of the commodities purchased by the DMSMA

- Inspect the quality and quantity of the commodities procured to ensure they conform to specification and quantity of commodities originally ordered.
- Ensure all commodities procured by the DMSMA are verified by the DRF Monitoring, Evaluation and Accountability subcommittee and reports are submitted to the DG and shared with the State SHSS committee

b) Pricing Subcommittee

The pricing Subcommittee comprises the following:

1. Director of marketing and consumer services, DMSMA – chairman
2. Director of Finance and Accounts, DMSMA
3. Director Drugs & Medical Supplies, DMSMA
4. DDPS State Specialist Hospital (Secretary)
5. Representative of health workers from Primary (Pharmacy & Laboratory IC) and Secondary (Pharmacy & Laboratory IC) health Facilities
6. A community representative
7. Director Quality Assurance, SOCHEMA
8. Any other relevant representative as determined by the state DRF committee

The role of the pricing Subcommittee is to:-

- Determine the selling price of commodities by first determining the mark-up for commodities.
- Decide the elements to be included in the mark-up.
- Liaise with Monitoring, Evaluation and Accountability Subcommittee to obtain feedback on prices of commodities.

The elements to be considered in determining mark-ups are:

1. Inflation
2. Losses and expiries
3. Deferrals and exemptions
4. Program sustenance
5. Monitoring and Supervision

Note: The proposed selling price **must be sent to the State Sustainable Health Supply System Management Committee for approval.**

c) Monitoring, Evaluation and Accountability Subcommittee

This subcommittee should be responsible for coordinating and supporting the monitoring and supervision of the DRF programme by the State committee.

This Subcommittee comprises of the following:

1. Director planning, DMSMA- Chairman
2. The DPS-SPHCDA – Secretary
3. The DPS-HSMB
4. The DNS-HSMB
5. Director Community Health Services SPHCDA
6. LMCU coordinator SMoH
7. Director Programs SOCHEMA
8. State DRF Accountant
9. Implementing partners and lateral programs
10. Any other relevant representative as determined by the state DRF committee

The role of the Subcommittee is to oversee the monitoring and supervision of the facilities and DMSMA/ZMS. This committee shall also serve as the motivation and disciplinary Subcommittee. The Subcommittee shall be responsible for the following:

- Monitoring and supervisory visits to the DRF facilities across indicators reflected in the guidelines.
- Recommend DRF staff and facilities for rewards and disciplines. Ensuring good quality data management of the DRF.
- Receive, review and analyse the Logistic Reports from the Facilities and the DMSMA/ZMS and the fund valuation report.
- Ensure that logistics data is analysed and used for quantification of the commodities required for the procurement of essential medicines and medical consumables.
- Assess the stock status (month of stock) of all commodities in the DRF system (central medical store, general hospitals, and primary health centres).
- Ensure that monitoring and supportive supervision of system performance is conducted and reported quarterly and provide feedback to the LGA DRF Committee and facilities.
- To oversee all the receipts and verify the commodities purchased by the procurement subcommittee.
- To inspect the quality and quantity of the commodities procured to ensure their conformity with specification and quantity of commodities originally ordered.

d) Guidelines and SOP Review Subcommittee: The Guideline and SOP Review Subcommittee comprises of the following:

1. Director, Pharmaceutical Services, HSMB – Chairman

2. Director, Drugs and Medical Supplies, DMSMA
3. Director, Marketing & Consumer Services
4. Director, Administration, DMSMA
5. Director, Planning, Monitoring and Evaluation- DMSMA (Secretary)
6. A representative from the Hospital Services Management Board
7. Representatives from Implementing partner
8. Any other relevant representative as determined by the state DRF committee

The role of the Subcommittee is to:

- Determine the guidelines, SOPs and tools that shall guide DRF operations.
- Review and update the operational guidelines and SOPs every 3 years, or whenever necessary.

The updated Guidelines and SOPs shall be presented to the Hon. Commissioner for approval.

e) Training Subcommittee

The Training Subcommittee comprises of the following:

1. Director, Planning, Monitoring and Evaluation, DMSMA - Chairman
2. LMCU Coordinator - Secretary
3. State MNCH Coordinator
4. Chairman PHC Coordinators Forum
5. Director Medical Laboratory Services, HSMB
6. Representatives from Implementing Partners

The role of the Subcommittee is to:-

- Oversee staff training and development.
- Identify capacity gaps in the State Sustainable Health Supply System.
- Ensure training occur according to the training plan for the DMSMA and HF staff.

3. **Local Government Health Authority DRF Committee:** The DRF committee at the LGA level provides technical oversight and monitoring functions to ensure transparency and appropriate use of funds in all primary health care facilities within its jurisdiction.

The committee comprises the following:

- Primary Health Care Coordinator - Chairman
- Supervisory Councillor for Health

- LGA WDC forum Chairman
- A representative of Women's Group
- Maternal and Child Health Coordinator
- LGA M & E Officer
- Head of Essential Medicines and Logistics / LLMCU Coordinator - Secretary
- SOCHEMA/BHCPF LGA desk officers
- Co-opt any other relevant member (s)/representative(s)

The role of the committee includes the following:

- To provide an enabling environment for operating DRF at PHC Facilities.
- To provide direction for DRF implementation at PHCs based on the SOP.
- Closely supervise the activities of the Health Facility DRF Committee within the LGA.
- Ensure each PHC has functional DRF and Service accounts with a commercial bank.
- Regular monitoring and auditing of PHCs DRF scheme to prevent decapitalization.
- Mobilizing community support for DRF.
- Maintaining strong engagements with other LGA health committees.
- Brief LGA Health Advisory Committee during the quarterly meeting on the DRF situation of the HFs.
- Meet at least bi-monthly and document the minutes of the meeting.
- Follow up with Health Facilities to ensure timely submission of all routine DRF reports to the DMSMA and LMCU.
- To provide financial support to the LLMCU for their routine activities
- Provide capacity building in collaboration with DMSMA for staff managing DRF at the Health Facility.
- Recommend rewards/sanctions on any deserving staff.
- Advocate for resources at the primary Health Facilities.
- Provide feedback to the facilities, WDC and the State where necessary.

Reporting Level

The LGHA DRF Committee (LGHA-DRFC) shall be accountable to the State DRF Committee in carrying out its functions. It shall meet at least **bi-monthly** and prepare reports on the DRF and submit them to the State DRF committee, SPHCDA and DMSMA.

Funding Sources

I. The LGA DRF committee's funding source comes from the 4% of the mark up from the PHCs service account

II. The SPHCDA DRF monitoring committee's funding source comes from 5% of the mark-up from the PHCs service account

III. The HSMB DRF monitoring committee's funding source comes from 5% of the mark-up from the Secondary health facilities service account

IV. The State SHSS/DRF committee has additional funding source which comes from 5% of the mark-up from tertiary health facilities service account

2.2 Facility Selection

To operate a successful revolving fund, there is a need to select the facilities that shall participate in the DRF initiative. These facilities shall be stocked with an initial supply of seed stock.

Sokoto State has one (1) Tertiary, 26 Secondary Health Facilities (SHFs) and 1080 PHCs. The State has 323 PHC Centres in line with the national policy on one PHC per ward across all LGAs.

2.2.1 Facility Selection Criteria

The State DRF Committee shall select the facilities for the DRF scheme based on a general rule of thumb as appropriate for the State (e.g. one PHC per ward or facilities representing the three senatorial zones). The facilities selected must meet the following criteria:

1. The facility must be active/functional
2. Number of health workers at facilities
    a. Tertiary and Secondary health centres: At least nine Health workers and two Non-health workers. This includes
        - A medical officer (2)

- Nurses/Midwives (5)
- Pharmacist/Pharmacy Technician (1)
- Account designate (1)
- CHEW (2)
- Security (1)

b. Primary health centres: At least four health workers and two non-health workers. This includes:

- CHO (1)
- CHEW/JCHEW (2)
- Pharmacy Technician/ dedicated Pharmacy i/c (1)
- Account designate (1)
- Security personnel (1)

3. Adequate storage capacity per service level

a. For adequate storage space for the maximum stock level, all facilities shall have at least:

- Refrigerator
- Cupboard
- Pallet
- Thermometer
- Shelves

4. Adequate security

a. Presence of a secured room that can be double locked and equipped with burglar-proof locks.

b. Lockable cupboard/cabinet

5. Commitment from host community leaders to support the DRF scheme.
6. Presence of facility health committee or Facility DRF Committee.
7. Provision of the minimum services as Stated in the State minimum service package (MSP).

The final selection of facilities shall consider the capacity of the DRF scheme.

2.2.2 The Facility DRF Committee

This committee is set at the facility level by the governing board. It provides technical oversight and internal monitoring functions within the facility to ensure transparency and appropriate use of funds and resources for the DRF scheme.

The primary, secondary, and tertiary Health Facility DRF committee is formed to support the smooth running of DRF operations and ensure accountability, transparency, and community ownership of the DRF.

NOTE: The Terms of Reference and details of the roles and responsibilities of the Facility DRF Committee are presented in the Facility DRF SOP Manual.

Table 3: Membership of Tertiary/Secondary Health Facility DRF Committee

S/N	MEMBERS	POSITION
1	Chief Medical Director/Medical Officer in charge	Chairman
2	Director of Pharmaceutical Services/Pharmacist in charge	Coordinator/Secretary
3	Director of Nursing Services/Chief Nursing Officer in charge	Member
4	Head of Laboratory Services/Laboratory Scientist in charge	Member
5	WDC Representative	Member
6	Director of Finance and Account/Financial Officer	Treasurer
7	HOD O & G\Maternity in charge	Member
8	HOD Surgery/Theatre in charge	Member
9	SOCHEMA Desk Officer	Member
10	Director Admininstration/Hospital Secretary	Member

Table 4: Membership of Primary Health Facility DRF Committee

S/N	MEMBER	RANK
1	Officer or Facility in charge	Chairman
2	Lab in charge	Member
3	Maternity in charge	Member
4	Financial officer	Treasurer
5	WDC Chairman or his Representative	Member
6	Representative of a Women's Group	Member
7	Community leader nearest to the facility	Member
8	A representative of CBO with an active interest in health	Member
9	Pharmacy in charge	Coordinator/Secretary

The DRF Drug and Medical Supplies List for the DMSMA/ZMS

2.3.1 DRF Commodity List for the State

The Essential Medicine List (EML) is a list of drugs used in the treatment of the majority of healthcare problems in a given population. The State EML is based on the National Essential Medicines List. The State DRF commodity list contains a complement of drugs, dressings, theatre materials, x-ray materials, laboratory materials, and dental materials that would be used to diagnose and treat the majority of health problems in the State.

The DRF Commodity list shall be selected from the State EML to cover both secondary and primary levels of care, the State disease burdens and consumption patterns, the status of free drug programs, and supply chain logistical capacity. The items on the list must be coded in such a manner as to distinguish between SHF and PHC commodities.

This is to forestall the possibility of PHC facilities ordering and buying commodities meant for the secondary level of care.

The DMSMA is the custodian of the DRF Drug List /Medical Supplies list for the State. The DMSMA is the assured source of supply for the entire Sokoto State and possibly its environment.

2.3.2 Frequency of Review:

The DRF drug List /Medical Supplies List shall be reviewed at least once every three years or as the need arises.

2.4 Pricing and Mark-Up

2.4.1 Pricing Policy

The DRF commodities are priced to recover full cost and must take account of prevailing market prices. The full cost referred to here is essentially the replacement cost of the items, which includes:

i. Cost of purchase and other direct costs to bring the items to the DMSMA/ZMS.

ii. Provisions for inflation, legitimate expenses, unavoidable losses and supervision costs etc.

iii. The State government shall be responsible for the payment of salaries and wages of staff, capital costs for official vehicles, provision of office accommodation and storage facilities and other administrative expenses.

The pricing of the initial DRF capitalization items (seed stock) must be based on prevailing market prices through a market survey.

2.4.2 Price Survey

The pricing committee is responsible for carrying out local retail price surveys. The internal auditor and facility healthcare workers must actively participate in the price survey exercise.

Any of the members of the pricing committee may also conduct independent market surveys and advise the committee accordingly. Such surveys shall normally coincide with the procurement cycle and shall be from a minimum of three sources. The sources could be neighbouring pharmaceutical retail outlets.

The survey shall be on Standard Price Survey Forms (see Appendix).

2.4.3 Timing of Pricing of DRF Commodities

Pricing shall take place at the following instances:

- The Initial supply for capitalization
- Regular procurement orders or emergency procurement orders.

The Pricing Committee shall conclude on the pricing for the initial supply (for capitalization) before the receipt of the items since they would be based on price surveys.

The time gap shall, however, be minimal to forestall double work if the drugs shall arrive much later when prices have changed substantially.

Pricing of DRF commodities must be concluded, at the latest, seven working days after receipt of supplies for regular procurement. While for emergency procurement this shall not be more than two working days following the day of receipt of the DRF commodities.

2.4.4 Selling Price

The selling price of the DRF commodities is calculated by applying the mark-up on the actual cost of the items.

The actual cost is the total cost of delivery of drugs which may include freight/transportation and insurance.

The DRF price list is approved by the Governing Board before displaying the lists for use. Pricing is carried out by members of the Pricing Subcommittee.

All prices must always be rounded up to two decimal places.

2.4.5 Price Review

The Pricing Committee is responsible for periodic reviews, which are based on the outcome of the price survey or the price of new procurement. The review must be done on receipt of regular orders or whenever necessary.

The team recommends necessary changes, which would be approved by the Governing Board.

The DG or any member of the Pricing subcommittee or Procurement subcommittee may call for an emergency review if this is necessary.

2.4.6 Price Publication

The price lists for the DRF commodities shall be displayed conspicuously at the stores, and copies sent to all facilities (customers) and shall be displayed and updated when necessary.

2.4.7 Fund Valuation

The fund valuation is done and used to monitor the value of the fund periodically usually when the stock-taking is carried out.

Fund Valuation is also necessary at the point of capitalization.

The stock value used as part of the fund valuation is the one arrived at using the selling price. The fund value is arrived at by adding together the value of the stock at the selling price, bank balances, cash and reimbursables (for DRUGS and MEDICAL SUPPLIES items) and deducting liabilities.

Precaution shall be taken to ensure that the right price is used for the valuation to forestall errors and confusion.

2.4.8 Mark-Up Policy

A uniform mark-up applies to all items at the DMSMA/ZMS and at the Health Facilities.

The uniform percentage mark-up at the DMSMA/ZMS is 7.5 %

The uniform percentage mark-up at the Health Facilities is 9.0%

Mark-up Elements ad their Percentage Distribution

The Mark-up Elements and their percentage distribution at the **CMS** and **ZMS** are as follows:

Program Sustenance	3.0%
Inflation	1.50%

M&E	2.00%
D & E	0.00%
Loss & Exp.	1.00%
Total	7.5%

The mark-up elements and their percentage distribution at the **Health Facility** are as follows:

Program Sustenance	4.50%
Inflation	1.50%
M&E	2.00%
D & E	0.00%
Loss & Exp.	1.00%
Total	9.00%

The percentage allocated for monitoring and supervision at the DMSMA/ZMS mark-up shall be remitted to the State DRF committee and be used to monitor the DMSMA/ZMS and the DRF facilities in the state.

The percentage mark-up allocated for monitoring and supervision at the tertiary, secondary and primary health facilities shall be remitted to the State DRF Committee.

The program sustenance shall be used for expenses relevant to the operations of the DMSMA/ZMS or the facility, such as printing of official receipts, routine reporting, computer stationery, photocopying, transportation and local running etc.

The funds accruing from program sustenance shall be calculated and transferred monthly to the expense's account/service account at the DMSMA and the facility respectively.

The funds accruing from the monitoring and supervision shall be calculated and transferred to the M&E account monthly at the DMSMA.

The provision for inflation and losses shall be retained in the DRF account at DMSMA and Health Facility level.

Mark-Up Value (MUV)

This is the monetary value from the sales value within a define period (normally 1 month) at all level (DMSMA, T/SHFs & PHCs). At the end of every month the facility will calculate the MUV from the Sales value and disburse to the various mark-up elements.

The formula below should be used to do the calculation

MUV = SV - (SV/MUF)

Where: -

MUV ------ Mark-Up Value

SV --------- Sales Value

MUF ------ Mark-Up Factor

Mark-Up Factor for DMSMA (MUF) = 1 + (Percentage mark-up)

= 1 + (7.5%)

= 1 + (7.5 ÷ 100)

= 1 + (0.075)

= 1 + 0.075

Hence MUF for DMSMA = ***1.075***

So, Calculating Mark-Up Value (**MUV) for Health Facilities = SV – (SV ÷ 1,075)**

Mark-Up Factor for Facilities (MUF) = 1 + (Percentage mark-up)

= 1 + (9.0%)

= 1 + (9.0 ÷ 100)

= 1 + (0.09)

= 1 + 0.09

Hence MUF for Health Facilities = ***1.09***

So, Calculating Mark-Up Value (**MUV) for Health Facilities = SV – (SV ÷ 1.09)**

2.5 Monitoring and Supportive Supervision

The Monitoring, Supervision and Evaluation section outlines the M&E system for the Drug Revolving Fund (DRF) scheme. This describes the plans, processes, and tools for monitoring the DRF. It also details the rewards and consequences for staff at DRF facilities and the DMSMA/ZMS.

2.5.1 Purpose of Monitoring and Supportive Supervision

The objectives of the DRF monitoring process are to

- Track the activities of the DRF's operations and impact on the end-users.
- Assess the effectiveness of the DRF scheme.
- Improve the performance of the health workers responsible for the DRF.
- Build the capacity of the DRF facilities where appropriate.

2.5.2 Operational Procedure for Monitoring & Supportive Supervision

The steps for this process are detailed as follows:

STEP 1: Preparation for the Visit:

- Prepare a schedule for the visits to the Central / Zonal Medical Stores, General Hospitals or Primary Health Centres.
- Develop an objective for each of the visits.
- Arrange for transport and allowances at least two weeks before the visit as needed.
- Notify the Central / Zonal Medical Stores, General Hospitals or Primary Health Centres of the supervisory visit after transport and other arrangements have been confirmed.
- Review the supportive supervision report from the last visit and the recommendations that were made.
- Carry a copy of the DRF SOPs, copies of the supervision checklist, measuring tape and a calculator.

STEP 2: Upon Arriving at the Facility:

- Meet with the person in charge of the Central Medical Store or the General Hospital or the Primary Health Centre, make introductions, explain the objective(s) for the visit, and ask for permission to visit with the staff responsible for managing the DRF supplies.
- Assemble the staff when appropriate.
- Make any necessary introductions.
- Explain the objective(s) of the visit.
- Enquire and verify that a copy of the DRF SOP manual is available in the facility and that it is used.

- Conduct the monitoring and supportive supervision activity across all units using the standard monitoring checklist making sure action points from previous visits are discussed
- Provide necessary feedback to all relevant stakeholders through a debrief meeting and agree on action points for follow up

2.5.3: Facility-based Monitoring

The overall objective of monitoring and supervision of the DRF scheme at the facility is to ensure the continuous availability of quality essential medicines and medical consumables at the facilities. All facilities shall be monitored regularly.

Monitoring and Supervision shall occur on three (3) levels:

The Primary Healthcare Facilities shall be monitored by the facility DRF Committee for the 1st level, the LGHA DRF committee for the 2nd level and the State DRF Monitoring, Evaluation and Accountability Subcommittee for the 3rd level.

The Secondary Health Facilities shall be monitored by the facility DRF Committee for the 1st level and the State DRF Monitoring, Evaluation and Accountability Subcommittee for the 2nd level.

Level 1 – Facility Internal Monitoring

Target: To supervise all units of the facilities

Activities: The facility DRF Committee shall conduct the periodic self-evaluation by supervising all units involved with the DRF in the facility to ensure adherence to guidelines. It is the responsibility of the Facility in Charge to supervise all subordinates at the Health Facility including the Pharmacy unit to ensure compliance with laid down protocols.

Level 2 – HSMB and State DRF Monitoring, Evaluation and Accountability Subcommittee for Secondary Facility and Local Government Health Authority-DRF Committee (LGHA DRF) for Primary Facilities

Target: Review all the Secondary and Primary Health Facilities respectively.

Activities: The team is responsible for supervision, coordination and communication with the pharmacist in charge of the Health Facilities in the State.

Level 3 – State DRF Committee

Target: The third level for all facilities

Activities: The Monitoring and Evaluation Subcommittee shall be responsible for the 3rd level (external) monitoring and supervisory visit at the facility. The committee may sample facilities to review on an ad-hoc basis at a certain period.

Monitoring and Evaluation Component

There are three (3) main components of facility-based monitoring:

a) Monitoring for supply chain operations

b) Monitoring for financial management operation

c) Monitoring for stock management and reporting

All components of the DRF shall be monitored by the Monitoring Committee.

a) Monitoring for Supply Chain Operations

The supply chain process (quantification, procurement, distribution and storage) of each facility shall be monitored.

Frequency:

All facilities are expected to perform a monthly internal review of the DRF scheme. The State DRF Monitoring, Evaluation and Accountability Subcommittee shall monitor the facilities based on the stages of their DRF.

- **Monthly**: For the first three months of receiving seed stock at the facility by the LGHA DRF Committee or the State DRF Monitoring, Evaluation and Accountability Subcommittee.
- **Bi-Monthly**: For the next nine months of running a DRF scheme at the facility by the LGHA DRF Committee or the State DRF Monitoring, Evaluation and Accountability Subcommittee.
- **Quarterly**: More than a year of running a DRF scheme at the facility by the LGHA DRF Committee or the State DRF Monitoring, Evaluation and Accountability Subcommittee.

The State DRF Monitoring, Evaluation and Accountability Subcommittee may choose to conduct supervision on facilities whenever necessary.

Indicators:

The facilities shall be monitored on their DRF operations as stated in the guidelines.

Some of the indicators monitored shall include:

- The adherence to the DRF guidelines.
- The availability of human resources (Pharmacist/Pharmacy Technician) at the facility.
- The availability of tools and their usage in recording the DRF process.
- The procurement cycle and records of the facility.
- The process and method of receiving commodities.
- The storage – adequate capacity, condition, cleanliness and orderly arrangement of the commodities, etc.

Tool: Operation Monitoring Checklist

A basic monitoring tool shall be used to assess the facilities in supply chain operations.

Note: Checklist – Form A Supply Chain Operations - ANNEX C.

b) Monitoring for Financial Management Operations

Adherence to the financial management process shall be monitored at the facility.

Timing

All facilities are expected to perform a monthly internal review of the SHSS/DRF scheme. The State SHSS/DRF Monitoring, Evaluation and Accountability Subcommittee shall monitor the facilities based on the stages of their DRF.

Indicators

The facilities shall be monitored on their DRF operations as stated in the guidelines. Some of the indicators monitored shall include:

- Adherence to the DRF Financial Management guidelines.
- The availability of tools and their usage in recording finances of the DRF process.
- The availability of bank account and their signatories.
- The regulations of the D&E account.
- The reconciliation of the DRF account and the stock at hand.

Tool: Financial Management Monitoring Checklist

A basic monitoring tool shall be used to assess the financial management operations.

Note: Checklist – Form B Financial Management Operations - ANNEX C

c) Monitoring for Stock Management and Reporting

The data and stock reporting process of each facility shall be monitored. This is to ensure proper data management system and reporting in each facility.

Frequency

All facilities are expected to perform a monthly internal review of the DRF scheme. The State DRF Monitoring, Evaluation and Accountability Subcommittee shall monitor the facilities based on the stages of their DRF.

Indicators

The facilities shall be monitored on their DRF data and stock reporting as stated in the SOP. Some of the indicators monitored shall include:

- The adherence to the DRF stock management guidelines
- The availability of tools and its usage in recording the DRF stock.
- The stock level reports.
- The reports on expiries and damages.
- The storage – adequate records of the commodities.
- Dispensing registers and delivery notes. (RIRV- requisition issue and receive voucher.)

Tool: Stock Management and Reporting Monitoring Checklist

A basic monitoring tool shall be used to assess the facilities on data and stock reporting.

Note: Checklist – Form C Data reporting and Stock Management Operations - ANNEX C

2.5.4 Central Medical Store Monitoring

The central medical store (CMS/ZMS) requires continuous availability of quality essential medicines and medical supplies to serve the DRF facilities in the State. Therefore, DMSMA/ZMS must be monitored regularly.

There shall be two levels of supervision at the Central /Zonal Medical Store:

***Level 1** – DMSMA Management Team*

Target: To supervise all units of the Central and Zonal Stores

Activities: The DMSMA Management Team shall supervise all unit's stores to assess their performance. It is the responsibility of the store pharmacist and store officer to supervise all subordinates at the store.

***Level 2 -** All components of the DRF shall be monitored by the State DRF Monitoring, Evaluation and Accountability Subcommittee.*

Target: The second level monitoring for the DMSMA/ZMS

Activities: State DRF Monitoring, Evaluation and Accountability Subcommittee shall be responsible for the 2nd level (external) monitoring and supervisory visit at the CMS and ZMC. The team shall monitor and review all activities of the DMSMA/ZMS and DMSMA.

a) Monitoring for Supply Chain Operations

The supply chain processes (forecasting, procurement, distribution, and storage) at the DMSMA/ZMS shall be monitored.

Frequency of Monitoring

The DMSMA/ZMS is expected to perform a monthly internal review of the DRF scheme. The State DRF Monitoring, Evaluation and Accountability Subcommittee shall monitor the DMSMA/ZMS **quarterly** or as needed.

Indicators

The DMSMA/ZMS shall be monitored on their DRF operations as stated in the guidelines. Some of the indicators to be monitored shall include:

- Adherence to the DRF Guidelines.
- The availability of human resources at the CMS/ZMS.
- The availability of tools and its usage in recording the DRF process.
- The procurement cycle process.
- The process and method of receiving commodities.
- The storage – adequate capacity, cleanliness, and orderly arrangement of the commodities.

Tool: Operation Monitoring Checklist

A basic monitoring tool shall be used to assess the DMSMA/ZMS on supply chain operations.

Note: Checklist – Form 2A Supply Chain Operations - ANNEX C

b) Monitoring for Financial Management Operations

The financial management process shall be monitored at the DMSMA/ZMS

Frequency of Monitoring

The DMSMA/ZMS is expected to perform a monthly internal review of the DRF scheme. The State DRF Monitoring, Evaluation and Accountability Subcommittee shall monitor the DMSMA/ZMS **quarterly**.

Indicators:

The DMSMA/ZMS shall be monitored on their DRF operations as stated in the guidelines. Some of the indicators monitored shall include:

- Adherence to the DRF Financial Management Guidelines.
- The availability of tools and their usage in recording finances the DRF process.
- The availability of bank account and their signatories.
- The reconciliation of the DRF account and the stock at hand.

Tool: Financial Management Monitoring Checklist

A basic monitoring tool shall be used to assess the financial management operations.

Note: Checklist – Form 2B Financial Management Operations - ANNEX C

c) Monitoring for Stock Management and Reporting

The data and stock reporting process for the Central Medical Store(s) shall be monitored. This is to ensure proper data management system and reporting at the store(s).

Frequency of Monitoring

The DMSMA/ZMS is expected to perform a monthly internal review of the DRF scheme. The Monitoring Committee shall monitor the CMS/ZMS **quarterly.**

Indicators:

The DMSMA/ZMS shall be monitored on their DRF operations as stated in the guidelines. Some of the indicators to be monitored shall include:

- Adherence to the DRF Guidelines.
- The availability of tools used for recording the DRF stock.
- The stock level reports.
- The report of drug expiries.
- The storage – an adequate record of the commodities.

Tool: Stock Management and Reporting Monitoring Checklist

A basic monitoring tool shall be used to assess the DMSMA/ZMS on data and stock reporting

Note: Checklist – Form 2C Data Management and Reporting - ANNEX C

2.5.5 DRF Performance Reviews

All facilities and the DMSMA/ZMS shall conduct regular reviews of the DRF at each level. The objectives of these reviews are to track the progress of the DRF and to use information from reviews to improve the DRF.

Responsibility:

The facility DRF Committee shall be responsible for the 1st level (Internal) review to assess themselves. Facility committees may choose to conduct monthly reviews.

The DMSMA Management Team and the State DRF Committee shall be responsible for the tri-annual review of the DMSMA/ZMS and facilities.

i. Stock Review

This involves the review of key data indicators collected at the facility or DMSMA/ZMS during the monitoring exercise to inform key decision at each level. These data can inform key decision such as:

- Validation of the operations of the DRF at all levels.
- Quantification and forecasting of commodities.
- Procurement cycle of the DMSMA/ZMS and the facility.
- Distribution and delivery route of commodities.
- Stock out of fast-moving commodities at both levels.
- Identification of staff/facilities eligible for rewards or sanctions.

Indicators to be monitored for stock performance through routine review of LMIS records and reports includes:

1. **Percentages of facilities that report on time**

   Number of facilities that reported on time divided by the total number of facilities in the DRF logistics system.

2. **Percentages of facilities completing all columns on the DRF LMIS Bi-monthly Report correctly**

   Number of facilities that completed all columns on the DRF LMIS Monthly Report correctly divided by the total number of reporting facilities in the DRF logistics system.

3. **Percentages of facilities stocked between the established maximum and minimum stock levels**

   Number of facilities that are stocked between the established maximum and minimum stock levels for all products divided by the total number of reporting facilities in the DRF logistics system

4. **Percentages of facilities stocked out of tracer commodities**

Number of facilities stocked out of any chosen tracer product divided by the total number of reporting facilities in the DRF logistics system.

5. **Percentage of facilities that have placed emergency order**

   The total number of health facilities that have placed emergency order within the reporting period divided by the total number of reporting health facilities in the DRF logistics system

6. **Percentages of total stock expired in the DRF logistics system**

   The total quantity of a product that has expired divided by the total stock on hand of the product in the DRF logistics system.

7. **Percentages of facilities that store DRF commodities at required temperatures**

   Number of facilities that store DRF commodities at required temperatures divided by the total number of reporting facilities in the DRF logistics system

8. **Percentages of facilities that store and issue DRF commodities according to FEFO (First to Expire, First Out)**

   Number of facilities that store and issue DRF commodities according to FEFO (First to Expire, First Out) divided by the total number of facilities in the DRF logistics system

9. **Percentages of facilities with a discrepancy between stock balance entries in the inventory control tools and the physical stock count.**

   Number of facilities that the records on the stock card is different from the physical stock count by the total number of reporting facilities in the DRF logistics system.

All results from indicator 1-9 must be multiplied by 100 to get the percentages.

Stock data reported shall be reviewed by the **DMSMA Management Team and the State DRF Committee tri-annually** at both the health facility level and State level.

ii. Financial Data Review

This involves the review of key data indicators collected at the facility or DMSMA/ZMS during the monitoring exercise to inform key decision at each level. These data indicators can inform key decision such as:

- Validation of the operations of the DRF at all levels.
- Profit and loss of the DRF scheme at all levels.
- Identification of funds available for other activities at the DMSMA/ZMS or facility.
- Identification of staff/facilities eligible for rewards or sanctions.

Indicators are to be monitored for financial performance through routine Fund's Valuation Reports.

Financial data reported shall be reviewed by the **DMSMA Management Team and the State DRF Committee quarterly** at both the facility and State levels.

iii. Providing Feedback

Feedback shall be provided to the facility or CMS using the recommendation section of the monitoring form for both facility and CMS.

The supervisor shall ensure a copy of the monitoring form is dropped at the facility/CMS. Recommendations from the previous visit shall be addressed on the next supervisory visit.

It is the responsibility of the State DRF Monitoring, Evaluation and Accountability Subcommittee through the M&E supervisor to track the facility recommendations and action plans.

The State DRF Monitoring, Evaluation and Accountability Subcommittee shall also liaise with the Training Subcommittee to train CMS/Facility staff as necessary.

Find details of providing feedback on the Monitoring, Evaluation and Accountability Form – Annex C

2.5.6 Consequence Management

Responsibility

The facility DRF committee is responsible for the 1st level (internal) consequence management. The facility may choose to reward or sanction deserving staff.

The Monitoring, Evaluation and Accountability Subcommittee is responsible for the external consequence management.

Reward

All staff/ facility involved in the DRF shall be rewarded based on the performance of the DRF at their facility and the DMSMA/ZMS.

There shall be rewards in two categories:

a) Facility and DMSMA/ZMS reward

b) Individual reward

a) Rewards for Facility and DMSMA/ZMS

Facilities rewards shall be based on high performance on the review of:

1. The supply chain operations at the facility.
2. The financial management operations at the facility.
3. The stock management operations at the facility.

b) Rewards for Staff/Individual Involved in the DRF

Individuals involved in the DRF operation shall be rewarded based on high performance in carrying out their duties as they relate to the DRF.

The specifications of the rewards shall be determined by the State DRF Monitoring, Evaluation and Accountability Subcommittee.

Reward Levels

Rewards for the DRF shall be conducted on two levels:

Level 1: Facility level – the facility OIC recommends best-performing staff for the reward to the facility DRF Committee for action.

The DMSMA shall reward the best performing staff at DMSMA/ZMS.

Level 2: State level – the State DRF Monitoring, Evaluation and Accountability Subcommittee or the LGHA DRF Committee shall recommend the best-performing facilities for the rewards to State DRF Committee for onward action.

Frequency of Rewards/Awards

The awards for best performing staff/facilities shall be made annually.

Sanctions

Sanctions for offending staff under the DRF scheme shall be applied across all levels and categories of staff

Offences and Sanctions

Offences and Sanctions for the DRF shall be conducted on different levels and categories

Offences and Sanctions Categories

All erring staff/facility involved in the DRF shall be sanctioned based on the offences committed on the DRF at their facility and the CMS/ZMS. There shall be sanctions in two categories:

a) Facility and DMSMA/ZMS sanctions
b) Individual sanctions

a) Sanctions for Facility and CMS/ZMS

Facilities sanctions shall be based on offences identified during the review of:

1. The supply chain operations at the facility.
2. The financial management operations at the facility.
3. The stock management operations at the facility.

b) Sanctions for Staff/Individual Involved in the DRF

Individuals involved in the DRF operation shall be sanctioned based on offences committed in carrying out their duties as they relate to the DRF.

The specifications of the sanctions shall be determined by the State DRF Monitoring, Evaluation and Accountability Subcommittee.

Sanction Levels

Sanctions for the DRF shall be conducted on two levels:

Level 1: Facility level – the facility O/C recommends offending staff to the facility DRF Committee for sanctions.

The DMSMA shall sanction offending staff at the CMS/ZMS.

Level 2: State level *– the State DRF Monitoring, Evaluation and Accountability Subcommittee or the LGHA DRF Committee shall recommend the offending facility to State DRF Committee for sanctions.*

Timing

The implementation/execution of sanctions for erring staff/ facility shall be done whenever necessary.

Staff at the facilities and the CMS/ZMS shall be sanctioned for not adhering to guidelines according to the Civil Service Rules/Law governing the establishment of the DMSMA. Below are recommendations on applicable sanctions.

S/N	Offences	Sanctions
1	Inflation of prices of procurement.	Impose appropriate surcharge as determined by SPHCDA /HSMB
2	Irregular or wrong payments	Recovery of the amount involved and removal of the officer who certified the job.
3	Shortages or Losses of Stores by the storekeeper	Recovery of the amount involved and removal of the officer from the schedule

S/N	Offences	Sanctions
4	Shortage or Loss of cash by Cashier.	Surcharge the affected officer and transfer to another schedule.
5	Items paid for but not supplied/collected.	Recovery of the amount involved and blacklists the supplier and transfer of officer to another schedule where collusion has been established.
6	Failure to collect DRF revenue	Surcharge the affected officer and transfer him to another schedule.
7	Failure to account for DRF revenue	Surcharge the affected officer and transfer him to another schedule.
8	Non-recovery of advances	All losses should be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved, the defaulting civil servant would be warned.
9	Non-posting of ledger account	All losses should be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved, the defaulting civil servant would be warned.
10	Cash in transit for too long (over 72 hours).	All losses should be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved, the defaulting civil servant would be warned.
11	Failure to prepare Bank Reconciliation Statement.	All losses should be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved, the defaulting civil servant would be warned.
12	Non-rendering of monthly or other periodic returns.	All losses should be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved, the defaulting civil servant would be warned
13	Procurement outside DMSMA/ZMS without a waiver	The person should be queried and appropriate action to be taken

S/N	Offences	Sanctions
14	Allowing Drugs to expire due to negligence.	The person should be queried and appropriate action to be taken
15	Selling of personal drugs in the Health Facility	The person should be queried, warned, and his/her drugs should be confiscated. If he/she repeat after the initial sanction the staff should be suspended for an agreed period by the SPHCDA/HSMB
16	Procurement/purchase of health commodities (by the HF DRF committee) from other sources without approval by the state SHSS management committee	The HF DRF committee should be queried and warned by the State SHSS management committee.
17	Inflation of selling price to the client/patient	The person should be queried and appropriate action to be taken

Note: In situations where a person is not a civil servant, all losses, or fund misappropriated shall be recovered and the person shall be relieved of his/her responsibilities. Where recovery may not be feasible such a person shall be handed over to the police.

When the person involved is serving as a National Youth Corps member, the matter shall be reported to the Director of NYSC at the State Secretariat so that the amount involved shall be recovered from the Corps member's allowance.

3.1 PROCUREMENT

Introduction

There shall be procurement guidelines for the DMSMA. These guidelines shall provide transparent steps to follow in the procurement process in line with the State policies on procurement.

Definition of Scope

These guidelines cover the whole process of procurement of drugs and medical consumables as it relates to DRF. All procurement shall follow State procurement laws.

Structure

These operational guidelines are organized into parts. Each part contains an operating activity e.g.

- Procurement Process
- Store and Stock Management
- Financial Management
- Data Management

3.1.1 Procurement Process

The following processes of procurement shall apply:

For direct purchases - Obtain prices from at least three pre-qualified suppliers and a waiver to be approved by the State DRF Committee.

In a bidding process: - Pre-qualified suppliers shall be invited for bids. Bids are opened, screened and adjudicated by the DRF Procurement Subcommittee.

Alternatively, obtains bids from at least six bidders (for the selective bidding process) or collect bids from as many pre-qualified suppliers as possible (if the general bidding process is used).

Compare prices, and order from the bidder that proposes the highest value (low price and highest quality).

Note

- The Director Drugs and Medical Supplies shall write a report on suppliers' performance for the Management and Governing board.
- All orders must be accompanied by a standard contract specification document of the DMSMA.
- Vendor selection report including selected vendors must be approved by the board before contracts are awarded to vendors.
- The procurement cycle for DMSMA is every 4 months.
- DMSMA may make emergency procurement only when it is very necessary.
- Contracts shall not be awarded to members of the board nor their relatives.

3.1.2 Procurement Cycle

Procurement generally follows the following cycle, though not every procurement transaction shall include each step:

- Determination of Need & Procurement Strategy.
- Advertisement for bids & tenders including Technical Specifications for commodities,

  and the selection criteria that shall be used.
- Vendor selection.
- Negotiation of price and terms.
- Issue Purchase Order.
- Award.
- Receipt of Commodities or Implementation of Services.
- Closeout, acceptance and payment.

3.1.3 Procurement Specifications

General

Procurement of drugs and medical consumables comply with the following general essential procedures:

All procurement must be properly authorized through the Procurement Subcommittee before purchase based on the internal controls and signatory authorities established within the agency.

Procurements must be appropriate and timely in line with approved work plans and budgets.

Purchase Orders shall be issued for the purchase of all goods.

The goods purchased shall be most advantageous to the agency when price, quality and other factors are considered. The focus is on obtaining the best overall value and not necessarily the lowest price only.

Tenders Bid Requirements

The DMSMA maintains a Standard Bid Document (SBD) that spells out the following:

A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description should not contain features that unduly restrict competition to a specific brand or individual.

Requirements which the bidder/offer must fulfil and all other factors to be used in evaluating bids or proposals.

A description, whenever practical, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable quality standards.

The specific features of “brand name or equal” descriptions that bidders are required to meet when such items are included in the Bid Document.

Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources, protect the environment and are energy efficient.

Procurement Instruments

i. The type of instrument used shall be appropriate for the goods or services to be procured. Procurement instruments to be used shall be in line as spelled out by the Sokoto State Public Procurement Unit (BPPU) unless stated otherwise.

ii. Requisition forms: used by the CMS to initiate the procurement process. The form is sent to the Director of Pharmaceutical Services.

iii. Quotation Request Forms: used by the Procurement Committee to request bids from vendors/suppliers.

iv. Comparative Cost Analysis Sheets: used by the procurement committee to analyse which vendor/supplier gives the Agency the overall best value.

Purchase Orders

Purchase Orders are generally used for the procurement of all commodities.

A Purchase Order (PO) for Services may be used for the procurement of non-technical services such as accounting, cleaning and legal services.

It may also be used when the outcome of the service is more like a product. Translated documents, construction projects and training materials are examples of services that result in products.

Termination for Default and Non-conformity to Specifications

The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate a contract in whole or in part.

Termination Due to Delays in Supplier's Performance

Delivery of goods and performance of services shall be made by the supplier following the schedule prescribed by the purchaser in the Schedule of 1111Requirements in the contract. Therefore, failure on the part of the supplier to deliver goods or services to the purchaser as specified in such a contract could lead to termination of the contract.

Contract Suspension/Postponement (All or In Part)

Contract Suspension/Postponement represents a contingency that can be made available to both parties to the contract in certain defined situations whereby the progress of the work can be temporarily halted. The reasons for such freezing of rights and obligations under the contract are many and are furthermore dependent upon the identity of the party invoking the said mechanism.

Indemnity

Recompense for loss, damage or injuries; restitution; or reimbursement. This is the act of making someone "whole" (give equally to what they have lost) or protected from (insured against) any losses which have occurred or shall occur. An indemnity contract arises when one individual takes on the obligation to pay for any loss or damage that has been or might be incurred by another individual. The right to indemnity and the duty to indemnify ordinarily stem from a contractual agreement, which generally protects against liability, loss, or damage.

In general, the DMSMA shall seek legal advice on contractual agreements with third parties through the Ministry of Justice or a DMSMA legal adviser if applicable.

3.1.4 Regular Procurement

Introduction

The DMSMA is responsible for the procurement of both finished products and raw materials. The raw materials are procured subject to usage for production.

There shall be planned regular orders, through tender, which shall be above 80% of the whole Annual Procurement, within the defined procurement cycle of four months.

Responsibility

The Procurement Subcommittee is responsible for regular procurement activities.

Quantification

Quantification is putting together the quantities required for a specific period and is developed based on established consumption patterns.

This process includes:

i. Preparation

ii. Forecasting

iii. Supply planning

iv. Procurement

Quantification is the process that determines adequate quantities of the listed DRF items that would be provided for use in participating health facilities for an effective healthcare delivery system, for a given period.

These quantities are determined based on the disease pattern of the area and/or, the previous average monthly consumption rate of these items.

The period of quantification for DMSMA shall be four months.

Initial quantification shall be for the capitalization of both the DMSMA CMS/ZMS and the participating facilities, therefore both organizations shall be involved in the process.

Subsequent quantification shall be done to replenish stock at the DMSMA DMSMA/ZMS for the participating facilities. Actual or adjusted consumption rate at the DMSMA DMSMA/ZMS shall be used to quantify the requirements of the DMSMA DMSMA/ZMS.

The quantification process shall be carried out by the DMSMA management team.

Call for Bids

This involves advertisement, bidding, bid opening, screening and adjudication by the DRF Procurement Committee.

The Procurement Committee shall write and submit the adjudication report to the DMSMA Board.

The State DRF Committee approves the awards and successful bidders are awarded contracts.

The Director of Pharmaceutical Services & Procurement shall report periodically on the suppliers' performance to the management.

Timing

Regular procurement order is for four months' supplies and the minimum stock level allowed is four months' stock. Depending on the lead time, orders must be arranged such that the minimum stock is at least four months at any point in time.

The procurement cycle based on the above is four months. Therefore, when the commodities are procured, it shall bring the stock level at the DMSMA to eight months' holding.

Source

Pre-qualified suppliers who may be manufacturers, company representatives or wholesalers shall be the source of supply for the DMSMA. The pre-qualification of suppliers is the responsibility of the DMSMA through the Procurement Committee.

Pre-qualification

All Manufacturers and Suppliers shall be pre-qualified after every three years based on agreed-upon criteria e.g., Track record of providing commodities to State Public Health systems, satisfactory performance in prequalification tests.

The Procurement Subcommittee shall also carry out pre-qualification exercises through the Vendor Prequalification Subcommittee.

3.1.5 Emergency Procurement

Introduction

Emergency procurement of the DRF items is due to sudden unforeseen demand that requires immediate action and shall be rare.

The process for emergency DRF items procurement is through selective tendering using pre-qualified suppliers. The Pharmacist in charge of DRF stores notifies the procurement committee through the Director of Pharmaceutical Services

Selection

Commodities selected for emergency procurement are those that have reached the emergency reorder level before the next regular procurement is due.

Quantity to Procure

Quantification for emergency procurement is based on the average monthly consumption of commodities and raw materials. Stock procured must be adequate to cover CMS demand until the next regular procurement shipment arrives. It is expected that emergency procurement (DRF items or raw materials) shall not exceed 20% of the value of the last respective regular procurements for the items to be purchased.

Approval

DMSMA Management shall approve the emergency procurement. The decision is to be presented at the next meeting of the State DRF Committee for ratification.

Timing

When the stock of a DRF item is at an emergency re-order level and it is not yet time for regular procurement, an emergency procurement shall be necessary. It shall be noted that emergency orders/procurements are placed when stock is at the re-order level and not when stock is at zero or almost at zero levels.

The minimum stock level is four months' holding. The reorder level (minimum stock level) shall hence depend on the lead time.

Emergency procurement shall not be more than twice within a single procurement cycle. Each procurement cycle is four months long.

1. Stock and Store Management

3.2.1 Introduction

Storage guidelines must be observed to ensure the preservation of the quality of health commodities such that items do not deteriorate, lose some of their properties and become unusable due to atmospheric conditions and biological elements. Another important objective of stores function is to minimize material and product handling cost, with safety being another important consideration.

Upon the completion of procurement processes, the supplier(s) delivers the commodities directly to the Central Medical Store and Zonal Medical Stores. However, the Zonal Medical Store may pick their DRF commodities from the Central Medical Store.

The Health Facilities collect DRF drugs from the Central Medical Store and Zonal

Medical Store.

COMMODITY AND INFORMATION FLOW FOR THE SUSTAINABLE HEALTH SUPPLY SYSTEM

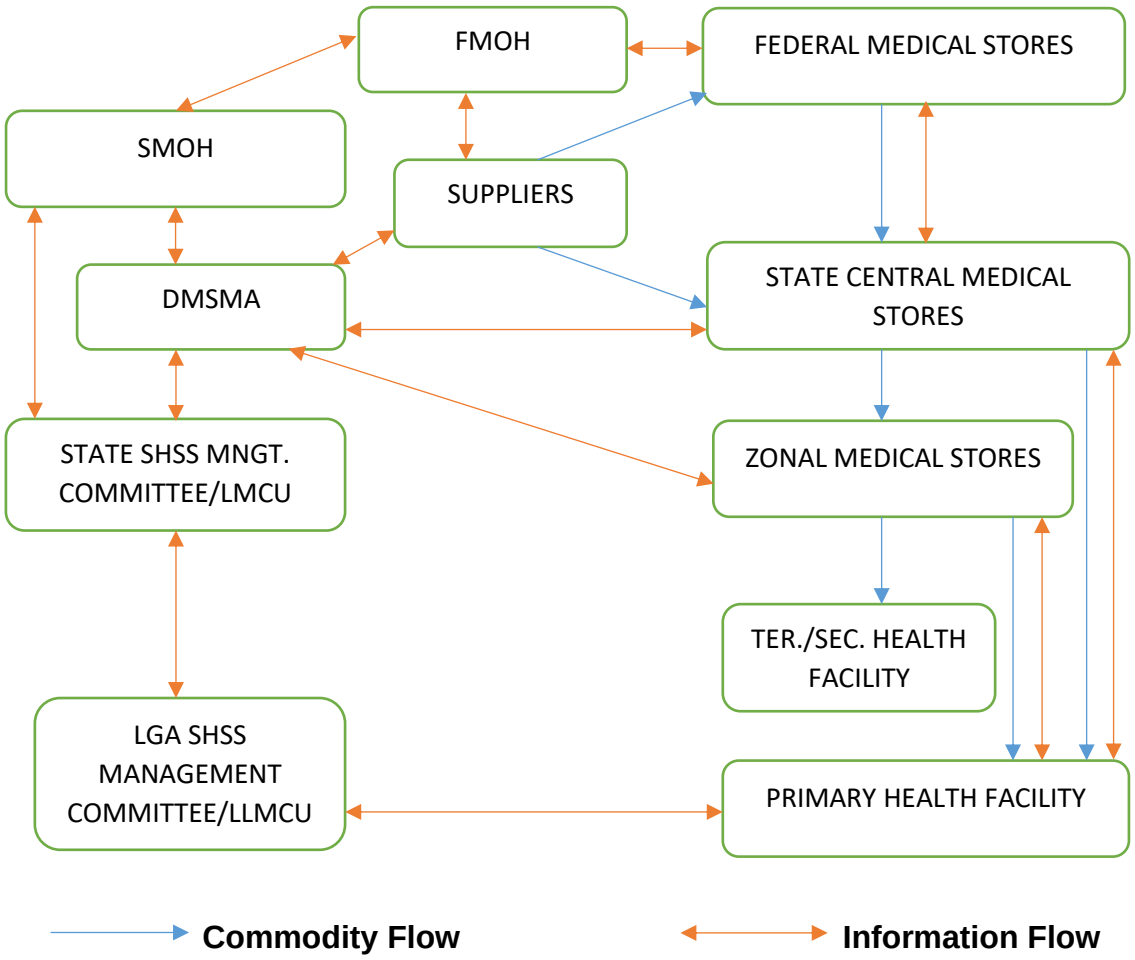


Figure 2: Commodity Flow Chart

Quality services to the end-user are the principal objective of stores functions. It is, however, obviously desirable to provide the services as economically as possible. Frequently, but not always, the most important consideration is to keep the stock value at the lowest practical level to economize in the use of working capital, which is most of the time scarce, and to minimize the cost of storage. It implies that there is some conflict between the need for efficient and effective services and the need to economize in stock- holdings.

On the one hand, the more stock held, the easier it is to have items available on-demand, on the other hand, the larger the stock held, the greater the cost, though of course ordering very frequently so that holding cost may be kept low can itself lead to high costs.

It is, therefore, necessary to seek, find and operate a satisfactory compromise between the various opposing costs, i.e., optimizing stock holding in such a way that both operating and financial objectives are attained. At no point in time, would work suffer for want of critically required materials and at the same time necessary funds (working capital) are not blocked in stocks, especially inactive/slow-moving items.

Also, the store itself shall be economically operated with other functions to achieve savings in material (including finished products) and other costs wherever practical.

The cost of transportation shall be the lowest possible by selecting the right mode of transportation and an effective carrier for the given products. It is therefore essential that proper methods of storage and preservation are applied so that items do not deteriorate, lose some of their properties and become unusable due to atmospheric conditions and biological elements.

Another important objective of stores is to minimize material and product handling cost, with safety being another important consideration.

3.2.2 Objectives of Stores Management

These include, but are not limited to the following:

- To provide services to operating functions by a balanced flow of raw materials, components, tools, and other consumable materials.
- To provide these services most economically, keeping the stocks at the optimum level and bringing down inventory holding and ordering costs to the minimum.
- To account for all the materials received and issued, proper storage to avoid deterioration and loss of materials, economical material handling, stock verification and reconciliation of discrepancies.
- To receive scrap and other discarded materials and arrange for the prompt and most economical disposal.
- Maintain proper coordination and cordial relationships with departments.

Responsibilities of DMSMA Stores

The DMSMA Stores are responsible for appropriate receipt, custody, and issuance of health commodities.

3.2.3 Functions of Stores

The following are broad functions:

Receiving and Dispatch

All the incoming materials and finished products from the suppliers and other units of the Agency shall be received at the stores. Arrangements must be made for transportation, unloading and receiving of materials and or finished products, and handing over of the same to the Post-procurement Inspection Committee for checking up of packages and other details including invoices and purchase orders, identifying

discrepancies (if any), record keeping, preparation of Stores Receiving cum Inspection Report, and for arranging dispatches of materials (returned to suppliers, sent for repair or transferred to other units of the Agency).

Claims for short delivery, non-delivery or damages en route, are required to be lodged in time with the underwriters, carriers and suppliers as per the provision of contracts. Replacement supplies need to be arranged for the above losses and also for technical rejections (supply of wrong or substandard materials by the suppliers).

Inspection of Materials

It has to be ensured that every item received in stores is checked from a quality angle. Any failure of quality or poor-quality materials and finished products may put the organization to heavy losses. Therefore, quality plans need to be developed for critical and high consumption value items. Stores, however, are required to maintain continued and sustained liaison with the Post-procurement Inspection Committee for prompt inspection.

Issuance of Materials and Maintenance of Records

The DMSMA Stores, on receipt of requisition from user facilities/units, identify requirements and issue materials without any delay. Proper records must be made of issue and receipt documents.

Warehousing

All materials and finished products received from the receiving bay shall be stacked properly with the bin card accompanying each item. Necessary steps need to be taken for the preservation of materials, especially those which are to be stored for longer periods. Care must also be taken to store thermolabile products in refrigerators. Steps shall also be taken for the security and safety of materials and safety of personnel from various hazards by taking precautions in handling the materials.

Stock Control Records

Day to day receipts and issues shall be posted in bin cards and stock ledgers or computer master (as the case may be) so that the current balances of each item are known without physical counting or checking.

Identification and Disposal of Scrap, Obsolete and Surplus Materials

All scrap arising, worn-out and unusable spares, etc. shall be received in the scrap yard and after identification and formation of lots, be disposed of promptly. Similarly, obsolete and surplus items shall be identified, and the most economical disposal action taken.

Physical Stock Taking/Stock Verification

It has to be ensured that physical stocktaking of each item of stores is done at least thrice in a year or as may be determined, and book balances tallied with ground

balances. Discrepancies, if noticed, are properly investigated, reconciled and adjusted. The physical quantity of each item shall be captured on the Tally card, store ledger and/or other relevant tools.

Identification and Codification

It is also the function of Stores to properly and rationally codify each item of stock, prepare the code catalogues and distribute to all concerned. This involves identification, systematic defining and describing all items, adoption of material specification, unit of measurement, the introduction of a degree of standardization and variety reduction. To fulfil these functions, the DMSMA stores shall coordinate closely with other units within the Agency such as users, Admin, DCU, etc.

Inventory Control

This involves the fixation of inventory levels (Minimum, Maximum stock and Emergency re-order level) and monitoring availability, watching outstanding quantities, preparing purchase requisitions for items reaching reorder levels, analysing consumption patterns, identification of surplus and obsolete materials and the initiation of disposal action.

3.2.4 Warehouse Management

Environment

Due to the large quantity of the DRF commodities, it is recommended that the stores be streamlined, or different stores are provided for each line of DRF commodities. For example, the DRF commodities may be arranged according to store or lines as follows:

- Tablets, Capsules, Surgical materials, Lab items and X-ray
- Syrups and Suspensions
- Parenteral products – Injections and Infusions

Such an arrangement shall be professionally chosen by the DMSMA on the advice of the pharmacist and storekeepers in charge of the stores.

For each of the DRF stores at the DMSMA, there shall be:

- A Receiving area/Loading bay
- Internal and external physical security such as burglar proof locks for doors and windows, lockable cupboards etc. shall be in place. The DMSMA is to ensure that keys to all lockable areas are kept by minimum appropriate senior staff so designated.
- Separate lockable cupboards shall be maintained for controlled drugs. In all cases, all containers and cupboards contain items shall remain locked unless items are being issued from or received into them.

- Provisions of fire extinguishers (the appropriate numbers/units) and staff trained on how to use them in case of emergencies.
- Appropriate shelves and palettes are provided as necessary. The shelves are arranged in such a manner as to provide space (walkways), not less than 6 inches, between the walls and the shelves and between two parallel shelves. There shall be sufficient space (not less than 6 inches) between the ceiling and the items stacked on the shelves.
- Pharmacist and Storekeeper's offices separated from the store.
- Good ventilation. Where curtains or fabrics are used, these shall be kept clean always by laundering them when dirty or stained.
- Air conditioners and refrigerators provided as required, particularly at the stores that stock large volumes and varieties of stock including thermolabile items.
- Particular care shall be taken of those items that must be stored away from light.
- Definite steps shall be taken to ensure that the stores' surroundings are always kept tidy, with all grass and undergrowth cut regularly. Grass (wastes) shall not be burnt close to the storehouse.
- All the environmental requirements for the DRF items stores are also applicable to the raw materials stores and finished goods store of the DCU. Only that the DCU finished goods store is a transit store.
- Quality control tests are required for all raw materials, to ascertain that they meet the required standards before they are used for production.

Personnel

- The Head of the CMS shall coordinate the activities of all the DRF commodities Stores wherever they are situated within the organization.
- Each DRF store (or each store containing DRF commodities) is taken care of by one pharmacist and one storekeeper. The pharmacist shall supervise the storekeeper(s).
- The head of the CMS shall coordinate the activities of the raw materials stores and shall be assisted by the appropriate storekeepers.
- One or more watchmen must watch over the DRF store both in the day and in the night.

Storage Management

- The storekeepers maintain the stores under the supervision of the pharmacist.
- The stores at all levels are kept tidy with "No Smoking" and "Out of Bounds to Unauthorized Persons" conspicuously displayed.
- Storekeeper shall carry out daily checks for the physical condition of drugs (including theft) and report any abnormality to the Pharmacist who reports to the appropriate authority for investigation and provision of sanctions to erring persons where applicable.

- Stock must be properly arranged on the shelves following a chosen system. Heavy items must be placed down on palettes, while light items are placed up the shelves.
- Each stock item is accompanied by a Bin Card and displayed with the item on the shelf or palettes.
- Incoming DRF items are arranged on the shelves, using the First Expiry First Out (FEFO) principle.
- The Pharmacist and storekeeper monitor low/non-moving items (especially in the first two to three months of DRF set up) and take immediate actions to ensure that the items are sold before six months to the expiry date of items.
- Expired and deteriorating drugs are recorded properly (using SIV) and removed to a designated section of the store. The Storekeeper records such losses or expiry into the Loss Register after approval by management.
- The Pharmacist (and not the storekeeper) must complete the Store Ledger.
- The Storekeeper, the Accountant, the Internal Auditor and the Pharmacist must carry out the monthly stock count on the last day of the month. This must include all DRF stock items.
- All movement of DRF items into and out of the store must be well documented using the appropriate books and records. The number and type of records kept at the DMSMA stores shall be adequate for capturing all documentation required.
    - **Receiving and Issuing**
    - **Receipts**
- There shall be a designated receiving area to take delivery of supplies. Witnesses to receipt of commodities:
    - **CMS Pharmacist**
    - **Store Officer**
- The Post-procurement & Inspection Subcommittee shall verify receipts of commodities at the CMS.

Additional Controls

- Receiving items into the raw materials stores shall follow the same procedure as that of the DRF stores.
- Additional quality control tests are required for raw materials before they are used for production. This must be carried out.

3.2.5 Issues

Issuance of materials from the DRF items stores only takes place as a procedure of sales in the ordinary course of DMSMA stores transactions (except in the cases of expiry or damaged items). All DRF items are issued on a ***cash and carry*** *basis.*

- All issues of DRF items from stores are made on Stores Issue Vouchers (SIV) or RIRV as applicable in triplicates. The original copy is for the customer, the duplicate is for accounts, and the third copy is retained in the store.
- The stock value per SIV is totalled sheet by sheet. The Storekeeper, the Internal Auditor and the Pharmacist in charge of the store sign the appropriate columns.
- The DRF items are only released based on the official receipt from accounts showing that the correct amount had been paid. The Storekeeper attaches the duplicate copy of the official receipt to the book (third) copy of the SIV.
- Where a customer has a retainership with the DMSMA, DRF items shall only be released based on the evidence of the official receipt from the accounts unit showing that the customer has paid the correct amount or has enough money in their account with the Agency.
- The Pharmacist in charge of the stores ensures that she/he completes the Stores Ledger for DRF items sold.
- The head of the DRF stores unit completes the stock movement register with the value of DRF items sold.
- All items produced at DCU are sold to the DRF store on a ***cash and carry basis***. The procedures for issuing/sales of the items are the same as those of the DRF store.

3.2.6 Management of Expired Items

Expired stock items constitute a hazard to the community. When such are allowed to mix freely with good drugs in a medical store, the chance exists that they may be mistakenly issued out. It is necessary therefore that after obtaining approval from the appropriate authority, the National Agency for Food and Drug Administration (NAFDAC) is contacted for technical support in their speedy disposal.

The best management practice is to avoid those drugs and other items reaching their expiry-dates and such must be used before their expiry dates. To reach that goal the following measures shall be in place:

- Application of the FEFO/FIFO principle.
- Demand from suppliers' items with long shelf life stated, and the product, which MUST be registered with the NAFDAC.

NB: Certain drugs are stored just to be available in case of emergencies (anti-snake serum is an example). It shall be accepted by the authorities that these drugs may expire, for which an insurance policy shall be obtained to guard against this loss that may or may not occur.

Procedure for Documenting Expired/Damaged Items

The storekeeper completes the expiry logbook stating the drug, quantities and value using the sales price:

- The storekeeper then removes the items from the shelves and keeps them in a separate place.

- One or more of the DRF Procurement Committee members is called in to confirm the expiry or loss and the reasons for them before the DRF items are entered into the Loss Register.
- The tally card and stores ledger are also updated.
- The books are recorded by the relevant designated staff using the completed SIV.
- The head of the DRF stores unit completes the stock movement register with the value of the loss.

3.2.7 Books and Records

Records at the CMS include:

- Bin Card
- Inventory Control Card
- Stores Ledger
- Loss Register
- Expiry Logbook
- Stock Valuation Form
- Fund Valuation Form
- DMSMA Sales Invoice
- Official Receipt (from accounts unit).
- Dangerous Drugs Act Register
- Warehouse Management Software
- LMIS Data Collection Tools (See below.)

Table 3: List of Some DRF Data Collection Tools and their Uses

DRF Data Collection Tools	Purpose	Activity
Combined Requisition, Issue and Receipt Voucher (CRIRV)	To record the quantities of each DRF commodity issued from CMS/ ZMS stores to Health Facilities To record the quantities of each DRF commodity received by the Health Facilities from DMSMA CMS/ ZMS. To maintain a record of the completed stock	Requisition Issuing Receiving Recordkeeping

	transactions at the issuing and the receiving facilities.	
DRF ICC	To record the quantities of DRF commodities received at the facilities. To record quantities of commodities used (consumption) at the facilities To record the quantities of losses and adjustments on the stock card. To record the physical count on the stock card.	Receiving Issuing Recording losses and adjustments Conducting of physical count
DRF Internal Requisition Form	To account for the quantities of medicines and medical consumables issued to the dispensaries and various units within the facility.	Requesting supplies from various units within the facility Issuing commodities to various units within the facility
Prescription Form	Used for prescriptions to patients within the facility.	Prescription
DRF Monthly LMIS report form	To report the quantities of DRF commodities received at the CMS/ ZMS. To report the quantities of commodities in stock. To report the quantities of commodities issued to dispensaries and various units within the facility. To report the quantities of losses and adjustment on the commodities.	Reporting Assessing stock status

To report the result of the physical count. To report the number of stocked out days.

Note: Refer to Part Two of this document for Stock Control Tools and their Job Aids

3.3 Financial Management

3.3.1 Introduction

Overview

The Sokoto State DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY (DMSMA) is the assured source of supply of quality drugs and medical consumables to government Health Facilities in the State at affordable prices under the State DRF programme. Hence, it shall act as a price controlling mechanism to ensure the appropriate pricing of drugs at the facilities level.

The Agency shall appoint an independent body to conduct a formal evaluation of the Agency within the first two years of capitalization and operationalization and assess its overall impact, equity and sustainability.

Third-party fund managers can also be contracted by the Agency to help with fund collection.

The initial funding of the DMSMA is majorly provided from the following sources:

- The net balance of capitalisation from State Government, and
- Donors

The purpose of DRF Financial Management system is to ensure transparent and accountable use of resources towards the continuous availability of funds for the scheme.

To best achieve its aim, it is therefore important that the DMSMA sets up a Financial Management System (FMS) in line with best practices to ensure that it renders accurately and comprehensively the account of funds from all sources, their usage, sales proceeds and net margin accruing from all transactions. Also, it must maintain a financial management procedure that shall comply with both the State Financial Regulation and procedures of the Generally Accepted Accounting Principles (GAAP) as outlined by the State.

Scope and Objective

This Guideline is designed to cater for CMS operations and transactions within the DMSMA and other future envisaged activities of the CMS. The CMS maintains a centralised accounting system for recording, accounting and reporting to all its key stakeholders.

The objective of this financial procedure is to:

i. Provide reference material to management and staff on standard accounting procedures.

ii. Provide a clear manual for handling and reporting financial transactions and thereby improving accountability.

iii. Provide clear guidelines for the type of accounting records to be kept.

iv. Provide clear guidelines for internal control procedures.

Targeted Users

This guideline shall mainly be used by:

i. DMSMA staff in performing financial management tasks.

ii. New staff of DMSMA as a training resource.

iii. Management in ensuring compliance with financial management policies and procedures.

iv. Researchers, auditors and consultants who want to understand and/or evaluate the DMSMA's financial management systems.

v. Funding agencies in evaluating the financial management capabilities of the DMSMA.

vi. Other agencies and NGOs to ensure adequate compliance and alignment with the DMSMA's Financial Management Policy and Procedures.

Review and Modifications

This Guideline may be reviewed periodically, preferably every two (2) years by a committee to be set up for that purpose. Any modifications made therein must be communicated to all staff and stakeholders through a memo or any other means of communication.

3.3.2 Roles and Responsibilities of Finance and Accounts Directorate

Introduction

The Director-General of the DMSMA is responsible for effective financial management systems throughout the Agency. A system must be designed to ensure effective control of all operations. The responsibility for this is normally delegated to the Finance Department under which lies the Finance and Accounts Unit, which must aim to ensure the adequacy of the internal checks and controls within the system. To clarify this responsibility, there is a comprehensive definition of internal control as given below.

Definition of Internal Control

Internal control is defined as the comprehensive systems and procedures developed in the Agency to:

1. Safeguard the assets.
2. Check the accuracy and reliability of its financial and managerial information.
3. Promote efficiency and effectiveness of operations.
4. Ensure compliance with prescribed management policies and procedures.

Administrative Controls

These comprises the systems and procedures that give guidance on the decision-making process leading to management authorization of transactions. This is of course the function that is directly associated with the responsibility for achieving the objectives of the Agency.

Organizational Control

This allows control to be achieved on how the Agency assigns responsibility and entrusts authority.

The main Organizational control techniques are:

   i. Organogram
   ii. Delegation of authority within the structure

Main objectives of organizational control are:

i. Encourage adherence to corporate policies and procedures.

ii. Provide an orderly authorization process.

Some characteristics of effective Organisational Control are:

i. The Agency structure supports management's overall goals.

ii. Framework for delegation and limitation of authority is well defined.

iii. Functional assignment of responsibility is logical.

iv. Assignment of responsibilities is clear.

v. Authority is delegated commensurate with responsibilities.

vi. Adequate and competent supervision and staffing are available with appropriate coordination and communication among functions.

Operating Controls

These allow control to be achieved through adherence to policies and procedures within the Agency.

The main operating control techniques are**:**

i. Policies

ii. Procedures

Main objectives of Operating Control are to**:**

i. Establish a framework within which accounting activities can take place in a controlled manner.

ii. Provides clear, efficient and effective planning, execution and conduct of business.

Some desirable characteristics of operating controls are:

i. Suited to the Agency structure and aid in carrying out delegated responsibility.

ii. Well defined, clear and documented.

iii. Well-conceived and practical to implement.

iv. Easy to interpret and apply.

Information System Control

This allows control to be achieved through the provision of information to appropriate levels of management.

The main Information Control techniques are:

i. A comprehensive reporting system with a calendar of key dates and reports.

ii. A checklist supporting the reporting system.

Main objectives of Information Control are:

i. To ensure that key reports are produced, reviewed and distributed to the responsible management for decision-making

ii. Trigger follow up and appropriate management action on any delays.

Some desirable characteristics of Information System Control are:

i. Information is sufficiently detailed to identify out of normal operations or point to possible problems.

ii. Content of the report is relevant to the user.

iii. Form of presentation highlights important information and aids understanding.

iv. Information is timely and reliable to be useful for its intended purposes.

v. Distribution matches the assigned responsibilities of individuals in positions to know that the information makes sense in the light of their familiarity with what happened.

vi. Information is used by recipients with the competence and time to understand its significance and in a position to act if need be, to determine if there has been a breakdown of key procedural controls.

Accounting Control

This comprises the systems and procedures that give guidance on the safeguarding of assets and the reliability and accuracy of financial records. These systems and procedures are designed to ensure that only authorized transactions are processed and properly recorded to serve as a basis for the preparation of appropriate financial statements, and further to ensure that access to and use of assets is controlled. Examples of Accounting Controls are:

Segregation of duties within the system: This is the process whereby no one individual is allowed to control all phases of the processing of transactions.

Procedural controls surrounding the transactions flowing through the system: This is the process whereby procedures within the Agency are designed to achieve efficiency in operations to meet the desired objectives.

It is clear from the above definition and explanation of internal control, that the Finance & Accounts Department has a very wide-ranging role of not only ensuring the adequacy of the internal controls within the systems, but also that the systems must facilitate the proper recording of transactions relating to all operations. Furthermore, it also facilitates the preparation of the financial statements of the Agency and other management reports required for decision-making. An efficient Finance and Accounting Unit shall facilitate prompt and effective management decisions leading to maximization of operating results.

3.3.3 Effectiveness of the Finance and Accounts Directorate

Given its very important role and responsibility in the Agency, the Directorate must be effective in discharging its roles. To be effective, the Directorate must fulfil the following requirements in its structure, planning and management:

The Structure

The structure shall be set up in a manner that ensures the administrative controls, as noted under the definition of internal control above, and it's smooth functioning for the required adequacy of internal control at all times.

Planning of the Directorate's Work

Planning of the Directorate's work must be in a manner that ensures that all transactions of the Agency are recorded on time and accounted for accurately and that the required reports for monitoring and decision-making are efficiently and promptly processed and submitted to the management. The plan shall provide for regular review and dissemination of the reports at management meetings designed for review of results of operations and taking of necessary decisions to ensure the Agency stays on track to achieve the set targets.

The management shall properly supervise and continuously monitor all activities. This monitoring shall involve the regular review of reports and key control indicators to confirm that the operations are being run smoothly and that the records generated are accurate and reflect the true results in all areas of operations.

There must be clear guidelines on management and accounting structure that provide for presentation of the Agency's financial statements of results of operations and state of affairs clearly for appropriate decisions by management and stakeholders. Such guidelines must properly document the policies and procedures for guidance of Administration, Finance and Accounting personnel in carrying out their responsibility of maintaining comprehensive records as required.

3.3.4 The Staff & Records of Finance and Accounts Directorate

The staff of the directorate must have properly qualified personnel that can be entrusted with the important responsibility of managing the finances and other resources of the Agency. Therefore, in addition to ensuring that the department is headed by a Director, it must be ensured that the rest of the finance staff are appropriately skilled. This shall be achieved through either On-the-Job Training or through well-structured courses conducted internally as well as externally if need be. Such courses must be designed and arranged to always develop the capabilities necessary for the departments/units' effectiveness.

Further to the above, the Directorate must have proper documentation procedures to ensure full recording of all operational transactions. The transactions must include adjustments for those items that do not involve either inflows or outflows, but which are necessary to ensure comprehensive and accurate accounting of the Agency's results of operations and state of affairs.

The records of the Accounts department's work shall include the following:

i. The Agency's work plans and budget.

ii. The monthly financial statements including the relevant notes to support the assets, liabilities, revenues and expenditures.

iii. The monthly financial analysis of results comparing actual results with the budget and noting significant variances and the reasons.

iv. The minutes and notes of meetings held to review the results and any conclusions and decisions made to address and correct the negative impact of the results.

The Agency's management report is prepared to give the activities of the month and summarize the highlights from items 2 to 4 above for the management and Governing Board's information, indicating the plans to keep operations results on track.

3.3.5 Duty of Finance and Accounts

The Directorate is charged with the very important responsibility of managing the finances and other resources of the Agency. To do so and to discharge this responsibility effectively, the department must fulfil the requirements noted above. Furthermore, the staff must ensure they are fully familiar with these requirements and with all the relevant policies of the Agency. They must ensure familiarity with the systems and procedures and the internal controls required for a secure environment with the desired management controls to safeguard the Agency's assets and resources.

The Finance and Accounts Unit is expected to provide the necessary leadership in the management of resources and in reporting regularly to the Management and the Board on the results achieved, so that any guidance necessary may be given on time to keep the operations in line with the set goals and targets.

The high level of skill and integrity, which must be exercised by the Finance and Accounts Department, is essential to provide for efficient and effective management of all the resources of the Agency. Therefore, the department's staff must exercise and apply the qualities noted in the above paragraphs.

3.3.6 Finance and Accounts Unit Structure

Introduction

The financial and accounting systems and procedures of the Agency must be effective to support the financial information requirements of the management under the current structure of the Agency. The key components of the financial and accounting system within the Agency comprise the two main areas noted below.

1. **The Financial Accounting System**: This comprises the general ledger and incorporating the chart of accounts, which provides the main structure for recording and reporting results of its operations. The chart of accounts is designed to provide a comprehensive structure that shall allow detailed assignment of transactions to relevant departments and other cost centres. With this manual, the Agency is expected to improve its financial accounting and reporting as it expands operations. This Guideline was developed to cover the accounting procedures and the relevant internal controls, which are contained herein.
2. **The Budget**: To ensure that the accounting system is utilized effectively to keep track of performance results against targets, a comprehensive budget must be prepared for monitoring and controlling expenditure and income. This is possible by ensuring that actual items are posted to the relevant accounts in the general ledger and producing financial results, which are subsequently compared against the budgeted amounts to establish the variances and their reasons.

Accounting System

The main objective of the accounting system is to ensure that financial information produced is complete, accurate, correct, reliable, and is capable of meaningful analysis as an aid to decision-making. Other objectives of the accounting system are to:

- Ensure effective control and security, and efficient utilization of resources.
- Provide reports to donors and other stakeholders following agreed content, format and reporting period.
- Comply with statutory requirements.

- Ensure the preparation of effective implementation budgets that support program objectives.
- Ensure consistency through compliance with the approved rules and regulations in various management areas.
- Facilitate the external audit process.

Books of Accounts

The quality of financial planning and indeed most management decisions is directly related to the quality of available financial information. Similarly, the quality of available financial information is dependent upon the quality of the existing accounting system. The DMSMA shall maintain relevant books of account that assist in identifying, recording, classifying and summarizing financial transactions to communicate meaningful financial information of its activities to various stakeholders.

Transactions that are wholly, necessarily, exclusively, and reasonably related to DMSMA activities must have source documents like payment vouchers, bills, receipts, suppliers' invoices, staff and sundry claims, demand notices, bank pay-in-slips, debit advice, etc. Each transaction shall be processed through a double-entry accounting system that is to be reconciled monthly, using any of the following primary and subsidiary books of account:

- Cash Books for banks and office float or petty cash, detailing receipts and payments.
- Stores Records showing the movement of store items. The Store Records serve as a memorandum record to monitor movements of the store items only.
- Fixed Assets Register that provides details of suppliers, description, original cost and disposal of assets.
- Cheques Issue Register listing all cheques drawn and evidence of their collection by payees.
- General Ledger.

General Ledger

The main book of accounts is the General Ledger. This is the book into which all accounting transactions are posted as required under the structure set up in the chart of accounts.

Chart of Accounts

The chart of accounts can be developed to give guidance to the accounting staff in the posting of transactions to different accounts and its structure can be set up to facilitate

the determination of what is displayed in the financial statements. A detailed chart of accounts shall be developed to conform to the roles and reporting requirements of the Agency and in compliance with the reporting need of the stakeholders.

The relevant chart of accounts structure for the DMSMA must identify accounting transactions with codes representing:

- Revenue Sources
- Expenditure Types and Category
- Cost Centre

Sub-Account Codes

The sub-account codes are designed to facilitate postings of transactions to their relevant divisions, programs and projects and thus allow accurate accounting and reporting in respect to these divisions, projects and/or donors, as well as for departments within the Agency. The sub-account code structure allows the preparation of trial balances for each division within the Agency or cost centre and these must be extracted and balanced monthly. The sub-account codes are divided into two levels as below:

- Divisions within the Agency
- Departments

Divisions Within the Agency
The first level of the sub-account code identifies the divisions within the Agency. Currently, there are two divisions as follows:

- Drug Manufacturing (Drug Compounding Unit)
- Drugs and Medical Supplies Marketing

Separate general ledgers are required to be maintained for each division and for any new entities that may be set up in the future.

Departments

The second level of the sub-account code is the department, which allows accounting information to be generated for a particular cost centre within the Agency.

3.3.7 Financial Reports

To ensure that accurate reports can be generated, it is paramount that accounting entries are posted properly and accurately to the general ledger and that strict discipline is maintained over funds as required for reporting purposes. The division or departments for which reports are required shall be identified so that such reports are structured for appropriate reporting format. It is planned that the reports shall

include the main reports generated in any accounting system, i.e. the income statement and balance sheet.

Data gathering and processing of financial transactions and generation of financial statements are to be achieved at three levels:

a. At the first level, books of entry including registers, vouchers and other record books, are to serve as the primary source of information relating to:
    - Revenue receipts and fund flows from stakeholders
    - Payments for approved expenditures
    - Stock movement
    - Losses and expiries
b. At the second level, consolidated advance register, payment vouchers, cashbooks and bank reconciliation statements are used to summarize information relating to:
    - Monthly revenue
    - Monthly cheque expenditures, analysed according to type and from which bank account
    - Reconciled cash balances for each cash account

c. At the third level, the General Ledger, the Reconciled Bank Statements and the stock valuation statements are used to prepare the financial statements including:
    - Income & Expenditure Statement
    - Balance Sheet
    - Fund Valuation Statement
    - Stock Valuation Statement
    - Management reports

Composition of the Finance and Accounts Unit

The Finance and Accounts Unit of the DMSMA is responsible for recording, accounting and generating the financial and management reports relating to the activities of the DMSMA. The division is the principal support function that services all the line functions within the DMSMA. There are three sections within the Finance and Accounts Unit, namely:

a. DCU/Manufacturing Account Section

b. Final Accounts and Statutory Reporting Section

c. Disbursement Section

Each Section has a Supervisor who reports to the head of the Finance and Accounts Unit.

3.3.8 DMSMA General Accounting Policies

Basis of Accounting

The accounting of the DMSMA shall be carried out on an accrual basis in all transactions. Liabilities are recognized when the related invoices are received, whilst assets are recognized only when their ownership is acquired or transferred to the DMSMA. The intention is that all liabilities of DMSMA be recognized as and when they occur. Once approved, invoices become payable by cheque or in cash. The intention is that all liabilities of the DMSMA be settled as and when associated invoices are received.

Fixed Assets

Fixed assets are tangible assets with a useful life of three years or more and DMSMA management shall specify having a value over an agreed amount as capitalised expenses. The title and ownership of such assets must at all-times belong to the DMSMA.

DMSMA operates a straight-line method of depreciation policy. Fixed assets are therefore expensed out over their useful period, while an asset register is maintained to monitor and control their usage. Long-term process capital expenditures shall be charged to the accounts based on valuation certificates including retention fees.

Revaluation of fixed assets is only allowed during disposals. A suitably qualified independent valuation expert conducts such revaluation. The Director-General shall authorize the disposal of assets, only after obtaining the approval of the Governing Board.

All fixed asset matters are to be carried out in line with State Government guidelines as approved.

Stocks

Stocks held by the Agency shall always be valued at the lower cost or their net realisable value. The Stock Valuation and Revaluation Forms shall be used to record and report the value of the stock at any given point in time.

Stocks of raw materials are to be expensed out immediately as they are consumed in the production process.

Foreign Currency Transactions

Transactions in foreign currencies shall be converted to Naira at the prevailing exchange rate at the date of such transactions. Furthermore, balances held in foreign currencies at the end of the year shall be translated at the prevailing exchange rate on the balance sheet date. The exchange differences arising from both conversion and translation are treated in the relevant income and expenditure accounts.

3.3.9 Financial Planning, Budgeting and Budgetary Control

Introduction

The set of activities by which the DMSMA estimates its resource needs and develops plans for how it shall obtain those resources constitutes its financial planning for a given period. These activities are normally undertaken in conjunction with the development of long-term strategy, mid-term and annual budget. The final output of the planning mechanism is the Annual Budget.

Financial Planning

To provide effective control to fulfil its envisaged roles within the State DRF structure and general drug and medical Supplies provision to all State health interventions, the DMSMA must have a clear sense of direction that is supported by thorough planning. It must have effective strategies to maximise fund utilisation and returns within the control of the pricing structure as established for the State to ensure the sustainability of its operations. The DMSMA's financial planning cycle may involve the preparation of:

- Work Plan
- Medium-Term Plan (MTP)
- Annual Budgets

The DRF and other health interventions in the context of health commodity supplies are the strategic plans for the State. The DMSMA shall develop its strategic plan in line with this such that financial considerations shall be integrated as fully as possible with scope, environmental, and operational decisions that are expected within the intervention environment. Specifically, this shall seek to match DMSMA's potential resources to its changing environment and, in particular, to the needs of its stakeholders.

The key Strategic planning decisions are based on:

- Activities the DMSMA focuses on.
- Activities that fit into the environment in which the DMSMA operates.
- DMSMA's current and planned activities that fit into its resource capability.

The Head of the Finance and Accounts Unit is responsible for the preparation of financial information for input into the strategic plan as well as to ensure a fit between proposed activities and the resource availability.

A three-year Medium-Term Plan (MTP) is recommended and shall be based on and derived from the strategic plan. It shall indicate the Medium-Term Expenditure Framework (MTEF) for the DMSMA. The work plan shall be reviewed each year, not only in the context of current developments and strategies, but also in the context of future requirements and opportunities that prevent the possible de-capitalisation of the Agency.

The Annual Work Plan is derived from the MTP. The Head of the Finance and Accounts Unit is responsible for translating the activities in the annual work plan into a detailed Annual Budget for each division. Budget schedules shall indicate the expected financial performance of each of these projects and activities. Also, each DMSMA division shall prepare a detailed schedule setting out expected income (from all sources) for the coming year. This shall be in line with the work plan.

Budgeting and Budgetary Control

Budgeting is the process of translating overall objectives into detailed plans, usually for one year. Separate budgets shall be prepared for the manufacturing division's activities. This detailed plan is usually expressed in financial terms and shall be combined into a single financial plan – the master budget. The main reasons for budgeting are:

- Planning
- Resource allocation
- Forecasting
- Performance measurement
- Control

The DMSMA shall set up a Budget Committee to lead the entire budget cycle. The committee shall include every Unit Head and management staff in the DMSMA and shall have the responsibility of developing policy and operational strategies, which shall form the basis for the budget manual. The policy guidelines must conform to both DMSMA's strategic plan and the MTP.

Budget Monitoring and Timeline

The Vote Control Mechanism shall be a monitoring device in ensuring that the budget provisions guide activity costs.

Table 4:Budget Monitoring and Timeline

Completion Period	Activity	Responsible Official(s)
May	Develop operational strategies based on next year's targets.	Management
2nd Week June	Prepare a comprehensive budget and submit it to the budget committee .	HOU, Finance
1st week of July	Review divisional budget and collate the final budget for DMSMA.	Management
End of July	Submit a budget to the Board for review and approval.	Management
As dictated by the circular	Submit the approved budget to the SPC based on circular and/or relevant stakeholders	Board

3.3.10 Accounting Process and Procedures

Introduction

According to the set-up of the DMSMA, it makes sales at two (2) levels

- Sales under the State DRF operations
- Internal Market, i.e. Drug Compounding Unit (DCU)

Accounting for Receipts

The Accountant:

- Receives either a cheque or any other evidence of payment from the customer and issues an official receipt in triplicate. A separate receipt must be issued for DRF items and a separate receipt for DCU sales to DRF stores at all times. Different receipt booklets shall therefore be maintained for that purpose.
- Gives an original copy of the receipt to the customer, the duplicate copy is attached to the duplicate copy of the invoice and sent to the store to enable the DRF items to be released. The third copy is the book copy.
- Customers shall pay all monies to the bank and present tellers to the accountant. Official receipts are immediately issued for cash lodgement on

confirmation by the accountant while official receipts for bank drafts and cheques shall be issued when the value for them is received.

- Records the appropriate cashbook and transactions ledgers simultaneously. Where money received is in advance, the retainership ledgers of the customer shall be appropriately recorded.
- Balances the cashbook and transactions ledgers.
- Maintains the transactions ledgers according to the code lines of the DMSMA.
- At the end of the month, in liaison with the store's unit:
- Undertakes stock count.
- Carries out the stock valuation.
- Ensures cut off for all items sold (for which money had been received) but which are still at the DMSMA store.
- Prepares the Fund Valuation Statement.
- Prepares receipts and payments accounts for both the Manufacturing Unit and the Trading Unit for the month.

3.3.11 Banking

Introduction

The DMSMA shall maintain separate and dedicated bank accounts for its two divisions (DMSMA and DCU) and every special project as may be conceived later on. Funds from the different divisions and/or for different purposes shall not be pooled to ensure proper accountability and transparency.

In this regard, the banking arrangement requires that the DMSMA operate three (3) bank accounts as follows:

Table 5: List of Designated Accounts Required for DMSMA Operations

Account Type	Account Description	Purpose	Signatories
DMSMA Transaction Account	The operating account for the DMSMA transactions as regards purchases and	Funds receipts from sales of drugs and consumables	Director General, Director of Pharmaceutical Services,

	sales of drugs and consumables to hospitals and others.	Transfers made to expense accounts	Director of Finance & Accounts
DMSMA Expense Account	Handles all expense payments for and on behalf of the DMSMA. Replenishment shall be monthly from the amount made as Program Sustenance mark-up claimable on Transaction Account.	Funding for DMSMA running expenses Funding for Monitoring & Evaluation	Director-General Director of Finance & Accounts Director of Administration and Human Resource
DCU Transaction Account	The operating account of the DCU. To be used for all transactions directly relating to the Unit that is inclusive of salary payments.	Funds transfer from sales made to the DMSMA Direct sales to other users	Director-General Director of Pharmaceutical Services Director of Finance & Accounts

NB: The signatories must carefully examine all supporting documentation relating to the cheque payment to satisfy them that the payment is for a valid transaction. The signatories must ensure the supporting documentation has been stamped "cancelled" with the relevant cheque number to prevent resubmission in support of additional payments.

Where practical to do so, signed cheques shall be dispatched by a person other than the preparer. Where suppliers physically collect cheques, this must be acknowledged by a signature in the "Cheque Collections" register, which indicates not only payment cheque details, but also the date and details of the person collecting the cheque.

3.3.12 Internal Control Procedures

Withdrawals and Payments

For accounting purposes, payments are deemed to include cash, cheques, bank drafts and transfers of funds between divisions (e-payments, POS payments, and deposits with bank agents). Payments follow the guidelines as set out in the Agency Procurement Guidelines.

The objective of a sound system of internal control over all payments is that disbursements from bank accounts shall be made only in respect of valid transactions, which are inclusive of authorized invoices, approved payrolls, and authorized creditors' payments. The following checks must precede payment for invoices received by the DMSMA:

- Copies of purchase orders and receiving reports to be obtained directly from issuing departments.
- Comparison of invoice quantities, prices and terms, with those indicated on the purchase order and with records of goods received.
- Comparison of invoice quantities with those indicated on the commodities received.
- Checking the accuracy of calculations.
- Once payment for an invoice is processed, the invoice shall be stamped PAID.

The Finance Unit shall issue a pre-numbered payment voucher to process cheque and petty cash payments. Cheques and cash payments shall only be drawn against a properly authorized payment voucher supported by a valid invoice or other acceptable proof of debt. The invoice shall be stamped with a processing stamp showing the following:

Local Purchase Order Number

A copy of the order shall be attached to the invoice, and the two matched. The order must be authorized only by the person designated to make out and sign such orders.

Allocation

The allocation must be clearly stated. Cheque signatories shall only sign cheques when the payment voucher indicates the ledger account code for the payment.

Checked Items

The sections for "checked by" and "passed by" are extremely important and shall only be completed when the person signing the allocation stamp is satisfied that the right goods/service have been supplied.

The cost is per that shown on the order, and, where applicable, the costs and extensions have been correctly calculated. The invoice shall be passed for payment only after the signatory is satisfied that all these requirements have been met and that the allocation is correct.

Cancelled Items

All vouchers shall be stamped “Cancelled - Cheque No….” after processing to ensure that they are not represented for payment.

An “Incoming Invoice” register must be maintained to record all invoices received. This register must be updated with the payment details of the cheque, once it has been signed.

Filling-in cheques

The cheque shall be pre-printed with “Account Payee Only – Not Negotiable,” to avoid the possibility of loss to the Agency if the cheques are misappropriated. Bearer or cash cheques, and the signing of blank cheques, must be prohibited.

The cheque shall be made out in the full name of the supplier (without abbreviations) for the exact amount authorized on the cheque payment voucher. The cheque number and payee shall be entered on the cheque payment voucher. Any blank spaces on the lines for the payee and the amount shall be blocked to avoid any additions to these lines after the signature.

Unused Cheques

The supply of unused cheques shall be properly safeguarded against unauthorized access. They shall be kept under strict control in a strong room under the control of a senior official who must maintain a register of unused cheque forms/cheque books. The register must show a record of the cheque forms/books received from the printers and those issued to the officer responsible for issuing cheques. All numbers issued must be accounted for, and the following procedures followed:

An officer, other than the one who has custody over the unused cheques, must monitor the status of the cheque forms and books.

Cheques and bank transfer payments must be prepared by persons other than those who initiated or approved any documents giving rise to a disbursement (for instance, in the case of purchases and payroll).

Cancelled Cheques

All cancelled cheques shall be crossed ‘cancelled’ and attached to the counterfoil or specially kept in the safe.

Bank Reconciliations

At least every month, the revenue officer must compare the bank statement entries with the corresponding month's entries in the cashbook. All cheques and bank drafts shall be compared in detail with transactions processed through the bank accounts as evidenced by the bank statements.

Entries on the bank statement not yet entered in the cashbook must be so entered that they do not appear as reconciling items more than once. All other differences must be followed up and cleared.

The financial accountant must review the reconciliation and indicate this by signing and dating the reconciliation.

Payment Procedure

Apart from bank transfers, other payments by the DMSMA/DCU may include payments to staff in the form of advances, payments to suppliers of commodities and payments to contractors.

Table 6: Procedure for Payments from Accounts

Description	Required Action	Remarks
Step 1	The account section receives the staff advance request, supplier or contractor invoice.	
Step 2	Account section dates, stamps the invoice and registers in the invoice database.	Invoices must be stamped immediately on receipt.
Step 3	Account section sends the invoice to the affected department to confirm that: • Goods have been received, checked and are in acceptable condition. • Services have been received in line with the contract terms. • The finance unit shall proceed with the payment.	The Line Manager or any delegated staff must confirm the invoice.
Step 4	Account section issues a Payment Voucher and passes it on to the Finance Director for review and approval.	The Payment Voucher (PV) is numbered manually and reflects the actual amount due from DMSMA.

Step 5	Financial Accountant issues a cheque for the PV amount, attaching the PV and supporting documents, for signing by any of the authorised signatories.	Payments made to suppliers above =N= 100,000 must be by crossed cheques only.
Step 6	The Account section shall make payment to the Payee**.**	Payee acknowledges receipt of the cheque on the photocopy.
Step 7	The Treasury section shall update the creditors' book	
Step 8	Finance and Accounts update the bank book and General Ledger accordingly	
Step 9	The funding of the Board activities be by the BASG/Consolidated Revenue Fund	

3.3.13 Cash Management

Introduction

For some operational expenses, it shall be desirable to maintain a cash impress of not more than ₦500,000.00. The cash payment limit is:

- ₦50,000 for third parties (including suppliers, contractors, and consultants)
- No limit for staff

This shall be used to make a refund to employees for minor expenses like car fuel expenses, local travelling (intra-city) expenses, postage expenses, office expenses, ad hoc vehicle maintenance, etc. The applicant with the external supporting document provided shall prepare an Expense Report (ER). Also, a Petty Cash Book shall be maintained to account for the usage of the impress.

Petty cash is the cash drawn and spent in facilitating payment for minor and other miscellaneous expenses.

Petty Cash Float

The units of the DMSMA shall maintain a petty cash float amount as authorized by the management of the DMSMA based on the level of their operations. The float shall be maintained and recorded under an impress system.

Petty Cash Reimbursement

Reimbursements to restore the float to the holding level shall be approved by the Director-General after reviewing the petty cash reimbursement summary together

with supporting documents. The amount approved shall be drawn by cheque to reimburse the petty cash spent. Accounting entries shall be made debiting the various accounts and crediting the bank from which the reimbursement is made.

Petty Cash Expenditure

All petty cash expenses (shall not exceed N50,000) shall be recorded through consecutively numbered supporting vouchers for ease of reference and a clear audit trail. The vouchers shall show details of the number, date of payment, type of expense, the account code and the amount spent. The vouchers shall be signed by the officer authorized to do so and also by the recipient of the payment.

Internal Control Procedures

The cash shall be deposited in a safe box. Only the Cashier shall have access to the safe box. The Cashier also determines the code that opens the safe box. The number shall not be disclosed to any person. Rather, the Cashier shall write the number on paper, enclose it in an envelope and seal it properly. The envelope is then kept in a key box in the Financial Accountants office.

When the cashier is not available and accessible, emergency cash management might require both the Financial Accountant and the Director of Finance to jointly open the envelope to gain access to the safe box. Immediately, they shall conduct a cash count to determine the cash position at the time they gained access to the safe box.

Upon return, the Accountant and the cashier shall do another cash count to determine the cash position at the time the cashier regains control of the safe box. The cashier then immediately changes the number combination.

When the office closes for the day, the cashier shall securely lock the safe box and the cash room and submit the two keys to the Office Manager. A register might be maintained for this purpose.

Petty Cash Payment Process

- Each applicant shall present to the Cashier an Expense Report (ER) duly approved by the designated official, together with a supporting document, showing the nature of expenses to be refunded and the amount.
- Authorised ER is passed to the unit head concerned for approval.
- The Cashier pays the applicant.
- The applicant signs for the amount collected.
- Cashier stamps ER and supporting document ‘PAID’, codes the ER and files it in the ER file in numerical order.
- The Cashier updates the Petty Cash Book daily and reconciles it with the physical cash balance.

- When the cash balance falls to ₦50,000.00, the Cashier prepares a Status Report reconciling the float with the cash balance. The total is established.
- Before cash replenishment, a proper account must be prepared, verified and certified by the accountant. The reimbursement must be the exact amount of the expenditure made and covered by petty cash vouchers to bring the cash balance to the approved impress limit.

Management of Advances

Introduction

Only Staffs are eligible to collect advances. Contractors, Suppliers and Consultants are not eligible. Staff can obtain advances mainly for the following expenses:

- Travel and Subsistence
- Purchase of goods related to the DRF operation
- Conferences and Workshops

Any staff with two outstanding/unsettled advances will not be eligible for a third and would be sanctioned in line with the civil service rules.

Travel and Subsistence Advance

The DRF Management Committee determines, as well as reviews periodically, travel and subsistence allowances applicable to a flat rate. Advances for subsistence and estimated expenses prior to any in-country travel can be obtained as follows:

Description	Required Action	Remarks
Step 1	Obtain an advance form and fill accordingly	• Advance forms are available at the Finance unit of the DMSMA • There must be justification for every request.
Step 2	Get authorization from DRF unit head.	• Unit heads should not authorize his/her request. Such requests will require authorization from the Chairman of the DRF Management Committee.
Step 3	Submit form to Finance unit	• Staff should submit forms 3 working days before the travel date, except when staff is notified of the travel on shorter notice (less than 3 days' notice) • Exception When there is an overlap of two different trips in a day, and the affected staff does not have enough

		time to submit the advance form – 3 working days in advance – the unit head should specifically justify the trip.
Step 4	Get evidence of e-payment/cheque from cashier	• The payee should sign and acknowledge receipt of the money. • Cashier will not pay staff with 2 previous unsettled advances.
Step 5	Upon return, advances must be settled after filling the Travel and Subsistence Claim form.	• All advances must be retired within 5 working days of completion of the journey.

Advance for Workshops and Conferences

Advance for organizing workshops and conferences can be obtained as follows:

Description	Required Action	▪ Remarks
Step 1	The relevant unit should prepare a comprehensive workshop and/or conference cost estimate.	• This estimate must be objective and realistic.
Step 2	Unit head should review and approve the cost estimate.	• Where applicable, the Unit head should compare the estimate to the authorized budget.
Step 3	Obtain the advance form and fill appropriately. Attach a copy of the cost estimate to the advance form.	
Step 4	Get authorization from another authorized signatory.	• The unit head who approved the cost estimate is not eligible to authorize the advance form.
Step 5	Submit form to Finance unit	• The advance form must be submitted 3 working days before the day for the cashier to release money.
Step 6	Get payment from Cashier	• The payee should sign and acknowledge receipt of the money.

		• Cashier will not pay staff with 2 previous unsettled advances. • Staff should be aware of the risk of handling large sum of money at the workshop or conference venue. Money should be counted and packed in envelop for each participant at the office before payment at the workshop or conference venue.
Step 7	Upon return, advances must be settled after filling the General Claim form.	• All advances must be settled within 3 working days of completion of the workshop/conference.

3.3.14 Financial Systems and Reporting

Overview

Reports by the Finance and Accounts Unit are key to management's decision-making process. They shall convey clear information on the performance of the Agency's operations and the contributions of the various sections to the total. It is therefore paramount that the reports be structured to ensure that all the information required by management in its decisions on operations is clearly shown.

The Agency accounting system is not yet computerized. The books of accounts are to be maintained manually and, in some cases, on a spreadsheet. This trend shall soon change, and the change shall significantly affect the mode of recording, report generation, and systems security. A review and update of this Financial Management Procedures Manual shall form part of the changeover process.

Management Information System and Reporting Calendar

The relevant information that shall aid management in carrying out its planning, decision-making and control functions shall be the focus. Also, the reporting requirement of key stakeholders shall influence both the reporting format and its timeliness.

Structure of Reports

The key financial reports of an Agency, which are required by management, are the profit and loss account and balance sheet. These reports give the results of operations and provide management with the basis for the decisions that may be required to direct the operations to keep the Agency on track to achieve its objectives. The structure of reports is given in the required appendix.

The Fund and Stock Valuation forms are also to be submitted for review by management.

Types of Reports

In addition to the key financial reports noted above, other operational reports must be prepared by the Finance and Accounts Unit. These operational reports comprise various financial analysis reports that give management insight into how the operational results are built up thereby clearly indicating where necessary corrective action might be required. The various reports required are noted in the reporting calendar.

Timing of Reports

These key reports are required to be prepared and submitted in a timely manner to facilitate and allow prompt decisions and action to be taken to have the right impact on operations for the achievement of the desired results. The timetable of reports is shown in the reporting calendar.

Accuracy of Reports

The importance of accurate reports cannot be overemphasized. It is therefore essential that the Finance and Accounts Unit must ensure that there is a comprehensive procedure to confirm and vouch for the accuracy of the reports before they are submitted to management. This is critical to ensure that any decisions taken by management are based on accurate information and shall therefore have the desired impact on operational performance.

Recipients of Reports

Internally

The financial reports must be received by the heads of divisions who must verify and confirm the accuracy of the reports and then submit them to the Director-General for subsequent discussion and necessary action at the Governing Board level.

- **Externally**

All financial reports must be submitted to the following stakeholders:

- State Ministry of Health
- Ministry of Finance
- Auditor General
- State Planning Commission

Follow up Reports

The Finance and Accounts Unit on behalf of Management must be well placed to prepare and submit on a timely basis any follow up reports required by stakeholders

for further information and analysis to support decisions necessary for effective management of operations.

Reporting Calendar

The Finance and Accounts Unit must maintain a strict discipline of reporting to ensure that management receives the financial information required for decision-making and also make necessary feedback to relevant stakeholders. To do this, a reporting calendar must be developed that shall provide clear guidelines on the reports, including the due dates by which such reports submitted by the two (2) divisions are made available to the supervisory agencies.

Table 7: Report Generation Structure of the DMSMA

Report Type	Description	Source	Target
Cash Account	Shows cash receipts and payments during the month.	Cashbook and Spreadsheet	Management and External Stakeholders
Cash Reconciliation	Shows reconciliation of physical cash count and cashbook balance.	Cashbook and Spreadsheet	Management and External Stakeholders
Bank Account	Shows bank receipts and payments during the month.	Cashbook and Spreadsheet	Management and External Stakeholders
Bank Account	Shows bank receipts and payments during the month.	Cashbook and Spreadsheet	Management and External Stakeholders
Bank Reconciliation	Reconciliation of bank statement and cash book balances.	Cashbook and Spreadsheet	Management and External Stakeholders
Advances	Shows unsettled advances by staff as at month-end.	Spreadsheet	Management
Income and Expenditure	Shows income and expenditure by source and expense type.	Spreadsheet	Management and External Stakeholders

Manufacturing Account	Shows income and expenditure at the DCU Division.	Spreadsheet	Management and External Stakeholders
Inventory Summary	Shows items in the store by category and location.	Spreadsheet	Management
DRF Sales Report	Shows aggregated sales of DRF items to Facilities.	Spreadsheet	Management and External Stakeholders
Loss and Expiry Report	Shows net movement and balance of Loss and Expiry	Spreadsheet	Management and External Stakeholders

Quarterly Reports are Inclusive of the Following:

Report Type	Description	Source	Target
DRF Store Stock Valuation Report	Shows value of the stock at the DRF store	Spreadsheet	Management
DCU Store Stock Valuation Report	Shows value of the stock at the DCU	Spreadsheet	Management
Fund Valuation Report	Shows the total value of DRF operations	Spreadsheet	Management and External Stakeholders
Sales Variance Analysis	Shows comparison figure for sales to facilities running DRF but with a budget and on actual performance	Spreadsheet	Management and External Stakeholders

Annual Reports are Inclusive of:

Report Type	Description	Source	Target
Audited Accounts and Reports	Certified periodic performance and balance sheet holding	Spreadsheet	Management and External Stakeholders

Management Checks and Assets Control

In addition to setting up adequate internal control measures, management from time to time perform these checks to safeguard assets.

Table 8: List of Checks and Assets Control

Check/Frequency	Accountant	Internal Auditor	Division Head	MD/CEO
Spot Checks				
1. Cash count	✦	✦		
2. Physical verification of Fixed Assets	✦	✦		
3. Proper authorization of Payment Vouchers	✦	✦		
Monthly Checks				
1. Cash reconciliation	✦		✦	✦
2. Bank reconciliation	✦		✦	✦
3. Advance summary	✦		✦	✦
4. Payroll summary	✦		✦	
5. Receipts and Payments report	✦		✦	
6. Monthly Actual expense Vs Budget	✦		✦	
7. Two months Cash Forecast	✦		✦	
Quarterly Checks				
1. Actual Expense Vs Budget		✦	✦	✦
2. Quarterly Cash Flow Statement		✦	✦	✦
3. Physical verification of Fixed Assets		✦		
		✦		

4. Proper authorization of Payment Vouchers			
Annual Checks			
1. Annual Income and Expenditure report	✦	✦	✦
2. Balance Sheet	✦	✦	✦
3. Actual Expense Vs Budget	✦		
4. Inventory Count	✦		
5. Physical verification of Fixed Assets	✦		

Table 9: DRF FMS Cash Transaction Management Forms

DRF FMS Cash Transaction Management Forms	Responsible Person	Purpose	Procedure/Activity
Cash Receipt	Cashier/Revenue Collector	All monies generated accruing from sales of drugs/services rendered in the DMSMA/ZMS through the DRF scheme must be receipted for accounting purposes. The Cashier is	Cash Receipt must be issued immediately upon receipt of cheques or confirmation of transfer into DRF accounts. No jumping of receipts is allowed against future payment to the organization (receipts must be issued in order of payment). Issue receipts in the following manner: I. Original – Customer

		responsible for collecting all cash for the DRF, issuing the Cash Receipt and banking the same into a designated DRF account.	II. Duplicate – Service unit III. Triplicate – Revenue unit
Cash Book	Cashier	All cash receipts and payments including bank deposits and payments for the DRF scheme are recorded in the cash book. The cash book is periodically or on monthly basis reconciled with the bank Statements as an internal method of auditing. The Cashier is responsible for keeping and updating the Cashbook.	Cash Book must be updated as soon as cash is received, and payment made for commodities and receipted by the cashier. Write the actual date when the money was received by the cashier. The date on the Cash Receipt and that of the Cash Book must be the same. Write the full name of the facility making the payment. Issue Cash Receipt for every Payment Documentation of every Expenditure/Disbursement Reconciliation of Bank Statement with Cash Book

Payment Voucher	Cashier	Payment Vouchers must be prepared for all payments.	Recording Payments Linking Cash Transfers to Purchase Orders and other vendor contracts Raise Payment Voucher in the following manner; Original– Attached to the original invoice and other documents First Copy – Attached to photocopies of all documents and filed by the Cashier Second Copy – Receipt Booklet
Cheque Book / Bank Transfer	Financial officer	Payment to DMSMA for the supply of commodities to the facilities must be made through the issue of crossed cheque or by bank transfer. No cash payment is allowed. The Accountant/Cashier is responsible for keeping custody of the Cheque book. Only an authorized signatory may sign cheques or approve	Paying the DMSMA DRF A cheque leaf must be written sequentially for all payments to the beneficiaries The cheque leaflet must be photocopied before it is released to the payee. The payee name on the payment voucher must be the same name on the cheque leaflet Cheque leaflet must not be jumped A blank cheque leaflet must not be signed by the signatories for any reason. The date on the cheque must be the same as that on the payment voucher Two authorised signatories shall sign the cheque at a time before it is valid for payment

	Bank Transfers		

Table 10:DRF FMS Report and Supporting Documents

DRF FMS Report or Supporting Documents	Responsible Personnel	Purpose	Activity/Procedure
Monthly Financial Report	Cashier/ Accountant	To summarize cash-on-hand as well as any outstanding payments or refunds due to the Health Facility To reconcile the Health Facility cash book(s) to its bank Statement(s) To report on the status and viability of the DRF	Monthly financial reconciliatory Meeting with all Sectional Heads. Provide a narrative report of DRF activities during the month. The report shall show the Opening balance both in commodities and cash.

		To ensure transparency and accountability of all transaction	Total Purchases both in Commodities and cash. The commodities returned from facilities both in commodities and cash. The Closing Stock both in commodities and cash as well as the Gross Proceeds made during the monthly reporting period. Explanations must be provided on all items that appear as discrepancies between the Cash Book and Bank Reconciliation Statement; I. Bank Charges II. Dishonoured checks III. Direct credit made by customers IV. Interest accrued and credited V. Bank Overdraft.
Securing Bank Statement	Financial Officer	A bank Statement is a Statement of an organization's transactions for a specific period, usually one month. It is prepared on monthly basis by the bank and sent to the organization that owns the bank account for it to reconcile its internal balances with the bank's balances on the Statement.	Fill in the Request Form within the first working day of the new Month Summit form to signatories for signing Send Form to the Bank to obtain Bank Statement
Account Reconciliation Report	Financial Officer/Accountant	The Facilities shall prepare a bank reconciliation Statement of all its bank transactions at the end of the month.	Reconciling the Bank Account(s) to the Cash Book / internal accounts The reporting period is one calendar month

		The Statement allows the General Hospitals to compare their bank account records to the bank's records of the facilities' account balance. The aim is to determine whether the DRF bank financial records are in agreement with the bank record of the DMSMA/ZMS.	and the report shall be completed by the 5th day of the following calendar month.
Trading Report	Pharmacist/Pharmacy-in-charge and Financial officer	The Health Facilities shall on monthly basis prepare a trading account that shall follow the monthly financial report for submission to DMSMA. The trading account is a summary of all the transactions in commodities occurring throughout the trading period of one month. The trading account is prepared to determine whether there were gross profits or gross losses in the facilities' DMSMA-DRF scheme transactions. The trading account contains such items as opening stock of goods, total purchases during the month, returns outwards, direct expenses (Carriage inwards), total sales during the period, returns inwards and value of closing stock.	Summarizing and reporting commodity transactions Reconciling Commodity transactions with Stock-on-hand Valuing Stock-on-hand

Note: Refer to Part Two of this document for Financial Control Tools and Job Aids

PART TWO

HEALTH FACILITY

INTRODUCTION

Purpose of the Standard Operating Procedure Manual

This manual contains detailed instructions and procedures required for the effective operation of Drug Revolving Fund (DRF) in public Health Facilities in the State. The peculiarities of the communities in the State were put into consideration through consultation with the operators of the system at various levels.

Emphasis is placed on the autonomy of the facilities and community participation in the DRF Scheme. The roles and responsibilities of the community on various issues are clearly stated. The necessary institutions (personnel, committees, etc.) that shall ensure the smooth running of the scheme with commitment and sense of responsibility are also contained in the manual.

Details of the processes of procurement of medicines and medical consumables, their receipt, pricing, storage, usage, accounting for the items, custody and banking of the fund and repurchase continuously is explicitly described in the manual.

The manual is also intended to simplify and standardize the work required for managing DRF logistics. Proper management of DRF essential medicines and medical consumables shall ensure that a consistent supply of products is available when and where needed to provide services and to ensure the quality of the commodities being used.

It is designed to guide program managers/facility staff and warehouse staff operating the DRF in the management of the three basic “Flows” of logistics management viz.:(1) Goods (essential medicines and medical consumables), (2) information and (3) money.

Furthermore, the manual prescribes the type of records to be kept for proper accountability and how they are to be kept. There are various levels at which supervision could be implemented for the effective and successful running of DRF in the State. These levels are highlighted in the manual.

In all, the manual provides the guide while the overall success of the scheme rests ultimately on the operators at the Health Facilities. Therefore, issues requiring further clarification shall be referred to appropriate authorities.

Also, from time to time, there may be a need for a review of the manual considering operational issues. It is expected that the guidelines shall be revised in response to changing circumstances. However, it is envisaged that in the absence of any significant development, the guidelines shall be revised at least once every three years. This is to further refine and simplify operations based on field experience. Also, any change in drugs and health policy at the Federal and State level shall be reflected in the guidelines.

Definition of Drug Revolving Fund (DRF)

DRF is a scheme that involves the use of an initial fund to procure drugs (seed stock) for use in the health system on a user fee basis for sustainability. The users pay just enough amount to cover their treatment. The money collected from users is in turn used to buy DRF commodities and the process continues.

The purpose of the DRF is:

- To ensure the availability of quality health commodities sustainability.
- To ensure accessibility and affordability of health commodities.
- To curtail dependence on external funding.
- To encourage patients (community) patronage and participation.
- To reduce the annual budgetary burden on State & LGAs on drugs and medical consumables.

To ensure the success of the DRF scheme, and to make essential medicines and medical consumables available on time in the facilities, the DRF logistics system must fulfil the **six Rights of logistics**. Therefore, the system and its staff must be able to ensure that:

THE SIX RIGHTS


The **Right Products**,


in the **Right Quantities**,


Are delivered to the **Right Place**,


At the **Right Time**,


In the **Right Condition**,


For the **Right Cost**.

About DRF in Sokoto State

Overview of Sokoto State DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY (DMSMA)

The Agency was established in January 2012 by an enabling law known as “Sokoto State DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY” (DMSMA) law 2012 but full operations started in May 2013. The DMSMA has the following mandates:

- To administer the operations of the Drug Revolving Fund (DRF) and Drug Compounding Unit (DCU) in the State.
- Authorized to manufacture, procure, deliver, sell and manage drugs in the State and all the 20 LGAs.
- To collaborate under the health insurance scheme in the State for the supply chain management of drugs and medical consumables to participating health institutions.
- To effectively manage procurement, supply and distribution of drugs and medical consumables of the State under the free maternal and child health program.
- To support warehousing and distribution of donated drugs and medical equipment from international development partners, Civil Society Organizations (CBO) and philanthropists.

Vision of the DMSMA

To establish a standard commodity management system with appropriate stock levels, i.e., no stock-outs and with minimal emergency orders.

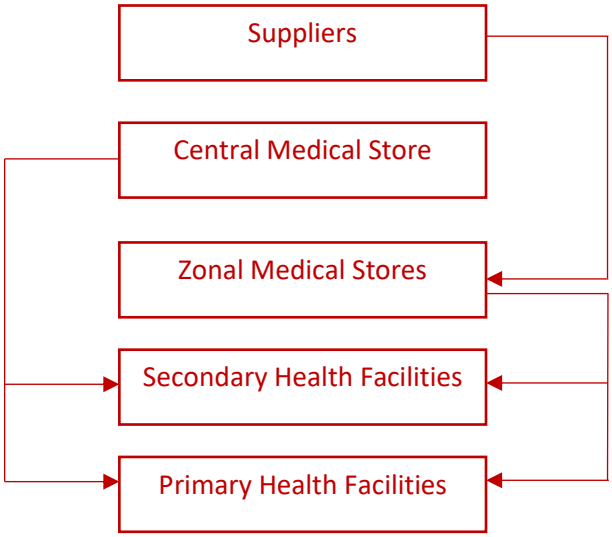
Mission of the DMSMA

To provide a State supply chain system that shall ensures continuous availability of qualitative and affordable essential drugs and medical consumables; maintain stock integrity, security, create and sustain a viable distribution network.

Current Status of the DRF Scheme in Sokoto State

Currently, the DRF scheme covers one (1) Tertiary Health Facility, 26 Secondary Health Facilities (SHFs) and 217 Primary Healthcare Centres (PHCs) in 13 LGAs of the State. The current PHCs coverage is by the State Primary Health Care Development Agency (SPHCDA) - 49 PHCs, Nigerian State Health Investment Project (NSHIP) - 125 PHCs and Plan International - 43 PHCs. The target is to scale up to 323 PHCs in line with the national policy on one main PHC per ward across all the 20 LGAs. It is expected that the scheme shall cover all Health Facilities in the State.

Commodity Flow Chart in the DRF System



Note: This applies to commodity supply ONLY and not procurement!

Description of Commodity Flow

- The DMSMA procures DRF commodities from the suppliers.
- The supplier delivers the commodities directly to the Central Medical Store (CMS)/Zonal Medical Stores (ZMS) as directed.
- As required, the CMS shall also deliver to the ZMS.
- The Health Facilities receive DRF commodities from the DMSMA/ZMS based on proximity.
- All service units **MUST** receive DRF commodities from the Health Facility pharmacy store.

Maximum – Minimum Stock Levels

Central/Zonal Medical Stores

- Maximum Stock Level = 8 Months
- Minimum Stock Level = 4 Months
- Emergency order point = 1 month

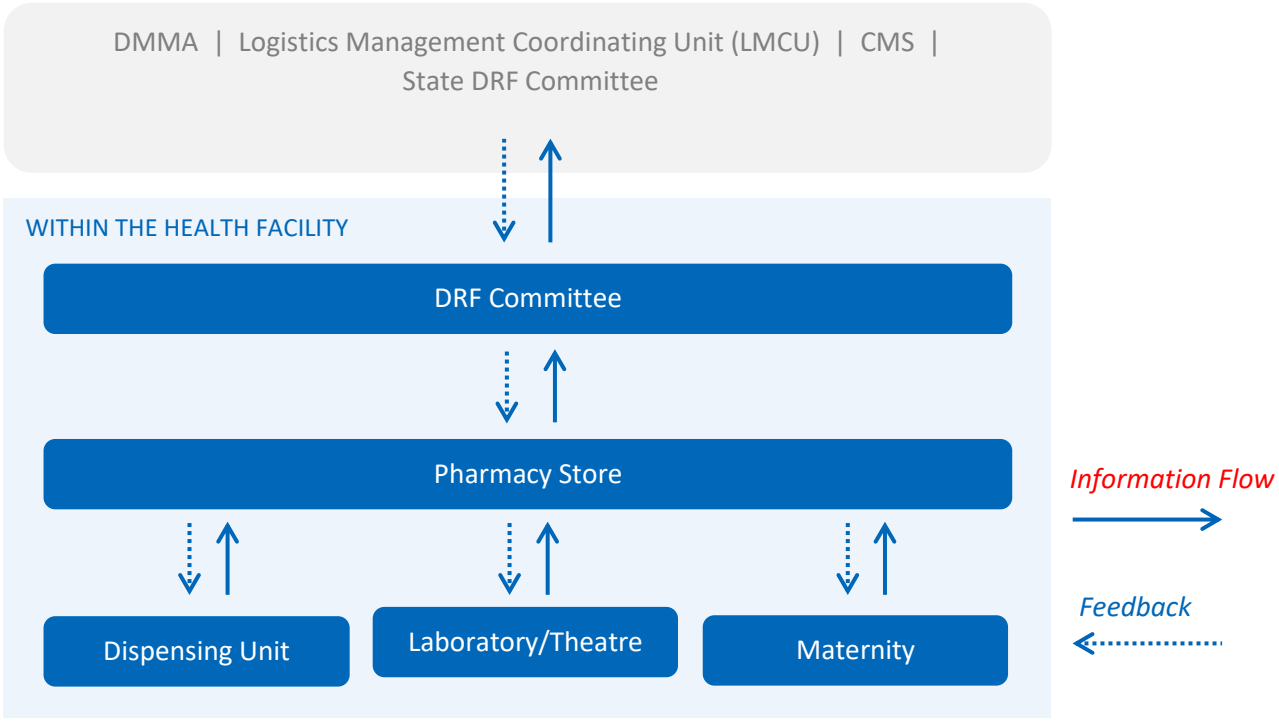
Tertiary/Secondary Health Facilities

- Maximum Stock Level = 4 Months
- Minimum Stock Level = 2 Months
- Emergency order point = 0.5 months

Primary Health Facilities

- Maximum Stock Level = 4 Months
- Minimum Stock Level = 2 Months
- Emergency order point = 0.5 months

Information and Feedback Flow in the DRF System



Description of Information and Feedback Flow

- The Health Facility service units use appropriate tools for reporting on commodity utilization.
- The Information is used to prepare reports on DRF operations presented to the Facility DRF Committee for approval.
- The collected Information is summarized monthly and sent as a report to the DMSMA.
- Feedback on submitted reports are sent to Facility DRF Committee.

Components of the Health Facility DRF System

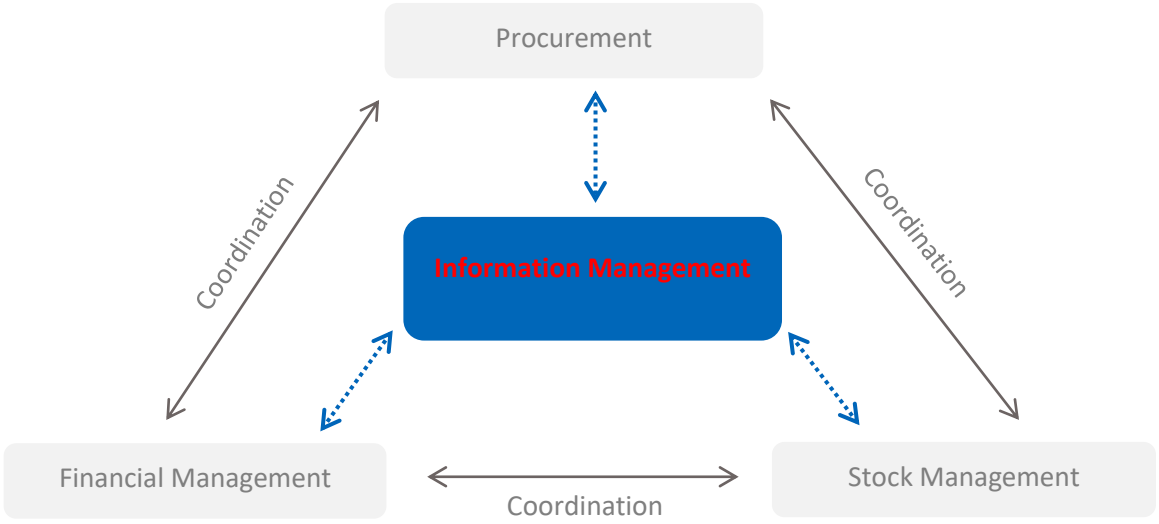
The DRF system is made up of four major components (coordination, storage, stock management, and fund management) that are interrelated and must perform optimally for an efficient and sustainable DRF System.

Coordination: Coordination is the function of management that ensures that different components of the DRF system and stakeholders work together in the pursuance of a common goal - an efficient and sustainable DRF System.

Storage: is the appropriate storing of medicines and medical consumables to prevent theft and exposure to climate conditions (changes in temperature, humidity and sunlight) that will make them lose their efficacy and potency, and guaranty commodity security.

Stock Management: entails determining the number of commodities to be used at the Service Delivery Points (SDPs), i.e. the practice of ordering, storing, tracking and controlling inventory of medicines and medical products.

Funds Management involves the management of the financial aspects of the entire DRF system. It is vital to the sustainability of the DRF systems as it allows constant financial flows and fund recovery for the continual availability of stocks.



Components of a Drug Revolving Fund

1 COORDINATION (DRF MANAGEMENT IN HEALTH FACILITIES)

The Primary, Secondary and Tertiary Health Facility DRF Committee is formed to support the smooth running of DRF operations and ensure accountability, transparency, and community ownership of the DRF.

Membership of Tertiary/Secondary Health Facility DRF Committee

S/N	MEMBERS	RANK
1	Chief Medical Director/Medical Officer in charge	Chairman
2	Director of Pharmaceutical Services/Pharmacist in charge	Coordinator/Secretary
3	Director of Nursing Services/Chief Nursing Officer in charge	Member
4	Head of Laboratory services/Laboratory Scientist in charge	Member
5	WDC Representative	Member
6	Director of Finance and Account/Financial Officer	Treasurer
7	HOD O & G/Maternity in charge	Member
8	HOD Surgery/Theatre in charge	Member
9	SOCHEMA Desk Officer	Member
10	Director of Administration and Human Resources/Hospital Secretary	Member

Membership of Primary Health Facility DRF Committee

S/N	MEMBER	RANK
1	Officer or Facility in charge	Chairman
2	Lab in charge	Member
3	Maternity in charge	Member
4	Financial Officer	Treasurer
5	WDC Chairman or his Representative	Member
6	Representative of Women's Group	Member
7	The religious leader nearest to the facility	Member
8	A representative of CBO with an active interest in health	Member

9	Pharmacy in charge	Secretary

Terms of Reference of the DRF Committee

- Supervise all DRF operations at the Health Facility.
- Meet once every month to review the DRF activities of the Health Facility (quorum consists of the Pharmacist/Pharmacy in charge, Financial Officer, WDC representative and at least two other members.
- Safeguard DRF funds in the Health Facility.
- Conduct monthly stock count.
- Endorse the loss/expiry forms as may be necessary.
- Consider the requisitions submitted by the pharmacist/pharmacy in charge for approval and subsequent release of funds by the chairman of the facility DRF Committee.
- Inspect procured essential medicines and medical consumables by the pharmacy in charge
- Maintain both DRF and service bank accounts.
- Utilize the fund realized from other services to improve the status of the Health Facility.
- Take appropriate action on erring staff or misuse of DRF commodity/funds and ensure the application of appropriate sanctions.
- Keep the community informed on the financial status of the DRF/service accounts, the amounts realized from service charges, and the purpose for which funds are expended.
- Conduct monthly internal monitoring and supervision exercise.

Note: The above TOR applies to all Health Facilities.

Roles and Responsibilities of the Facility DRF Committee Members

Designation of Committee Members	Roles and Responsibilities
Medical Officer/Facility in charge	• Chairs facility DRF Committee. • Ensures facility only procures from the DMSMA. • Ensures all service units procure commodities from the pharmacy department only. • Endorses commodity procurement proposals from the pharmacy department. • Ensures centralized collection of revenues within the facility.

	• Ensures that monthly physical stock-taking is conducted across all the units. • Any other responsibility that may be assigned.
Pharmacist/Pharmacy in charge	• Coordinates the day-to-day DRF operations in the facility. • Prepares harmonized requisition proposals for facility DRF Chairman to approve. • Procure commodities for facility. • Issues out essential medicines and medical consumables to the dispensing unit and the service units within the facility using internal requisition form. • Records and monitors the quantities of essential medicines and medical consumables in stock on the DRF. • Ensure proper inventory management of commodities in stock. • Prepares monthly reports and submits to the appropriates authorities. • Prepares bi-monthly LMIS Report and submits to the State and LGA DRF committees. • Reconciles all cash receipts issued for commodity transactions in the department. • Prepares a list of expired commodities and ensures that they are disposed of according to the established protocol. • Ensures monthly physical stock count is conducted at all service points. • Any other responsibility that may be assigned.
Laboratory in charge	• Receives commodities from ONLY the Pharmacy Department of the facility. • Ensures proper storage and utilization of commodities. • Participates in the facility DRF Committee meetings and presents the progress and challenges of the laboratory unit. • Ensures proper utilization of laboratory commodities. • Ensures up to date record of all transactions within the unit.

	• Prepares and submits a proposal for the procurement of Laboratory commodities to the Pharmacist/Pharmacy in charge for re-supply. • Any other responsibilities that may be assigned.
Maternity in charge	• Ensures proper storage and utilization of commodities. • Participates in the facility DRF Committee meetings and presents the progress and challenges of the maternity unit. • Receives commodities from **ONLY** the Pharmacy Department of the facility. • Ensures up to date records of all commodities transactions in the unit. • Prepares and submits a proposal for the procurement of laboratory commodities to the Pharmacist/Pharmacy in charge for re-supply. • Any other responsibilities that may be assigned.
Theatre in charge	• Ensures proper storage and utilization of commodities. • Participates in the facility DRF Committee meetings and presents the progress and challenges of the maternity unit. • Receives commodities from **ONLY** the Pharmacy Department of the facility. • Ensures up to date records of all commodities transactions in the unit. • Prepares and submits a proposal for the procurement of laboratory commodities to the Pharmacist/Pharmacy in charge for re-supply. • Any other responsibilities that may be assigned.
Financial Officer	• Collects all monies/payments made for commodities and services rendered within the facility and issues receipts. • Records all financial transactions in the cash book. • Deposits monies into the DRF and service accounts at least once a week. • Prepares monthly financial report and submits to the DRF Committee. • Keeps an updated record of all financial transactions in the facility.

	• Acts as custodian of financial management tools (cheque, vouchers cash book, etc.). • Conducts weekly financial reconciliation with all service units. • Any other responsibilities that may be assigned.
WDC Representative/ Representative of Women Group	• Participates in the facility DRF Committee meetings • Inspects essential medicines and medical consumables procured by the Pharmacy in charge. • Provides feedback to the community on the DRF scheme. • Any other responsibilities that may be assigned.
DRF Committee Secretary/Hospital Secretary	• Serves as the Secretary of the facility DRF Committee. • Drafts and keeps minutes of all meetings. • Any other responsibilities that may be assigned.

1. PROCUREMENT

This is the process of sourcing essential medicines and medical consumables from the DMSMA Central/ Zonal Medical Stores.

The Essential Medicines List

The Essential Medicines List (EML) contains the medicines that are used to treat many healthcare problems in a given population.

The DRF List contains essential medicines and medical consumables to be used for the DRF scheme. The items on the list are to be procured according to the Health Facilities' need.

Responsibility for Procurement

The pharmacist/pharmacy in charge is responsible for planning procurement and preparing the harmonized requisition list. The harmonized requisition list must be presented to the facility DRF Committee and approved by the Chairman.

Quantification of DRF Commodities

The initial quantification is based on the disease pattern of the community and any available information on consumption at the facility. The initial capitalization is for four months' requirements. The subsequent quantification is based on the requirements at the Health Facility.

Inventory Stock Levels

- The maximum and minimum stock levels for Health Facilities are four months and two months respectively, while the emergency order point is 0.5 months.
- The Health Facility shall be capitalized with four months' supply of all DRF commodities.
- The Health Facility may request a top-up of the stock from the DMSMA if it justifies increased utilization within the capitalization period.
- Where utilization is slow or poor to avoid expiration and eventual loss, all excess stock shall be returned to DMSMA/ZMS or transferred to another facility as approved by the DMSMA.
- If the stock level is at an emergency order point for any commodity, it should be procured alone if regular procurement is not due.
- **Emergency orders are discouraged!**

Source of DRF Commodities

The purchase of DRF commodities for the Health Facility must be made from the DMSMA Central or Zonal Stores. In special circumstances, commodities can be transferred between facilities with the approval of the DMSMA.

Procurement Processes

Below are step by step processes involved in the procurement of health commodities at the facility.

- Conduct financial reconciliations of all commodity transactions before every procurement.
- Collect the internal requisitions made from various units within the facility.
- Prepare a harmonized requisition list for the facility.
- Present the requisition list to the facility DRF Committee for vetting and approval.
- Secure funds (cash/cheque) release for procurement.
- Procure health commodities from Central/Zonal Medical Stores.
- Conduct visual inspection and verify quantities of all commodities procured before leaving DMSMA/ZMS.
- Deliver procured commodities to the facility.
- Facility DRF Committee inspects procured commodities.
- Conduct visual inspection, physical count and record all procured commodities on the inventory control cards.
- Arrange commodities according to the FEFO (First to Expire, First Out) principle.

2. PRICING POLICY

Objectives of Pricing Policy

The objectives of the pricing policy are:

- To ensure that DRF funds do not de-capitalize without prejudice to affordability.
- To ensure uniform mark-up of not more than 16.5% on the cost of DRF commodities to the patient.
- To ensure the smooth running and sustainability of the DRF scheme.

Mark-Up and Mark-up Elements.

The total approved mark-up to be added to the cost of procurement of DRF commodities procured from the supplier is 16.5%. The breakdown is outlined below:

- DMSMA/ZMS - 7.5%
- Health Facilities - 9.0%. this must be uniform for all the facilities.

Mark-up Elements

- Losses and Expires (Breakage, damages, expiries)
- Program sustenance (travels for procurement, lodging, stationery, postage, and telephone, etc.)
- Inflation
- Monitoring and Supervision
- Deferrals and exemption

4.2.2 Details of Mark-Up Elements

Mark-up elements	Central Medical /Zonal Medical Store (DMSMA/ZMS)	Tertiary/Secondary Health Facility (SHF)	Primary Healthcare Facility (PHC)
Program Sustenance	3.00%	4.50%	4.50%
Inflation	1.500%	1.50%	1.50%
M&E	2.00%	2.00%	2.00%
D & E	0.00%	0.00%	0.00%
Loss & Exp.	1.00%	1.00%	1.00%

TOTAL	**7.5%**	**9.00%**	**9.00%**

Note: The percentage allocated for Monitoring and Evaluation (M&E) at the facility level shall be remitted to the State DRF Committee.

3. STORAGE OF DRF COMMODITIES

Introduction

The proper storage of DRF commodities is of importance as it maintains the quality of the commodities and safeguards the end users. Hence, medicines and medical products shall be stored properly following all storage guidelines.

Guidelines for Proper Storage of DRF Commodities

To ensure the maintenance of commodity potency and efficacy, the following procedures shall be complied with:

- Ensure the storage area is clean and dusted daily.
- The storage area should be safe from water leakages. Relocate DRF commodities out of a leaking store.
- The storage area should be free from pests, rodents, and all forms of creeping creatures.
- Ensure that the storage area is well ventilated and well lit.
- Ensure that the storage area is well secured (under lock and key) and burglary proofed.
- Ensure availability of a functional room thermometer in the store, and always maintain a temperature of not more than 25 degrees Celsius.
- Maintain cold chain storage for all commodities that require temperature range of + 2 to + 8 degrees Celsius.
- Ensure all commodities are properly arranged on shelves.
- Tablets, injections, syrups, and disinfectants are arranged separately with heavy items placed down while light items are placed up.
- Store cartons/boxes on pallet 10cm above the floor and 30cm away from the wall and other cartons.
- Cartons/Boxes shall be arranged with the arrows facing upwards.
- Ensure that DRF supplies are stored in a manner to facilitate FEFO.
- Store DRF supplies separately from office supplies, insecticides and chemicals.
- Keep functional fire safety equipment available and accessible.
- Train personnel on the use of fire safety equipment (fire extinguisher, bucket with loose sand).
- Limit access to DRF Store to authorized personnel only.

- Conduct routine visual inspection.

Handling of Damaged and Expired Commodities

- Mark carton/boxes with expiry dates.
- Separate expired DRF commodities from the usable ones and keep them in designated sections in the store.
- All expired commodities must be documented in the loss register and reported to the DMSMA.

Duties of Personnel in the Pharmacy Store

- Record the commodities received in the Store Receipt Voucher (SRV), stock card and store ledger.
- Issue commodities to the dispensing unit(s) and other units such as the laboratory, maternity, x-ray, dental and theatre using the internal requisition form.
- Ensure that supplies being issued to other units within the facility, such as maternity, laboratory etc. are from the pharmacy store.
- Conduct monthly stock valuation in the pharmacy store and other units using selling price.
- Maintain Dangerous Drugs Act (DDA) Register for controlled drugs where applicable.

Internal Requisition

- All requisitions must be signed by requesting officers and approved by the respective unit Heads (Laboratory, Maternity, Dental, X-ray, Theatre, etc.).
- The Pharmacist/Pharmacy in charge costs the requisition and issues the commodities to the requesting service units.
- Service units are to maintain adequate records of commodities received and used/dispensed. All stock shall be kept properly in lockable cupboards and the key shall be in the custody of the unit head or deputy.
- The commodities to be purchased by the service units must be based on a costed internal requisition form, payment voucher, and cheque/bank transfer.

Note: Where applicable, the DDA cupboard in the theatre must be lockable and the key in the custody of the most senior nurse on duty. The actual price list of DDA drugs is to be kept in the theatre inside the DDA cupboards.

4. STOCK MANAGEMENT

This is the practice of ordering, storing, tracking and controlling inventory of medicines and medical products. The Health Facilities shall employ the pull system (system whereby the lower-level facility requests medicines according to their consumption patterns using the logistics management reporting and ordering system) for stock replenishment.

Efficient stock management is dependent on the personnel and the appropriate use of all stock management tools for documentation and reporting. The table below lists the stock management tools and their purposes.

Stock Management Tools	Purpose	Activity
Combined Requisition, Issue and Receipt Voucher (CRIRV)	• To record the quantities of each DRF commodity issued from CMS/ ZMS to Health Facilities. • To record the quantities of each DRF commodity received by the Health Facilities from CMS/ ZMS. • To maintain a record of the completed stock transactions at the issuing and the receiving facilities.	• Requisition • Issuing • Receiving • Record keeping
Stock Card	• To record the quantities of commodities received at the facilities. • To record quantities of commodities used (consumption) at the facilities. • To record the quantities of losses and adjustments. • To record stock on hand.	• Receiving • Issuing • Recording losses and adjustments • Conducting of physical count
Internal Requisition Form	• To account for the quantities of medicines and medical consumables issued to the dispensaries and other units within the facility.	• Requesting supplies from various units within the facility • Issuing commodities to various units within the facility

Prescription Form	• Used for prescribing medicines to patients within the facility.	• Prescription.
Bimonthly LMIS report form	• To record the opening balance of commodities at the beginning of the reporting period. • To report on the quantities of commodities received from CMS/ ZMS within the reporting period. • To report on the quantities of commodities in stock. • To report on the quantities of commodities utilized within the reporting period. • To report on the quantities of losses and adjustments on the commodities.	• Reporting. • Assessing stock status.

5. FUND MANAGEMENT

The purpose of DRF fund management is to ensure transparent and accountable use of resources towards the continuous availability of funds for the scheme. The information, which supports financial management, must be collected from the Health Facilities every month.

The facility DRF Committee is responsible for the management and sales of commodities procured from the Drugs Management and Medical consumables Agency (DMSMA). Supplies are received directly from the Central/Zonal Medical Stores.

Key Financial Data

Key Financial Data Collected for DRF Include:

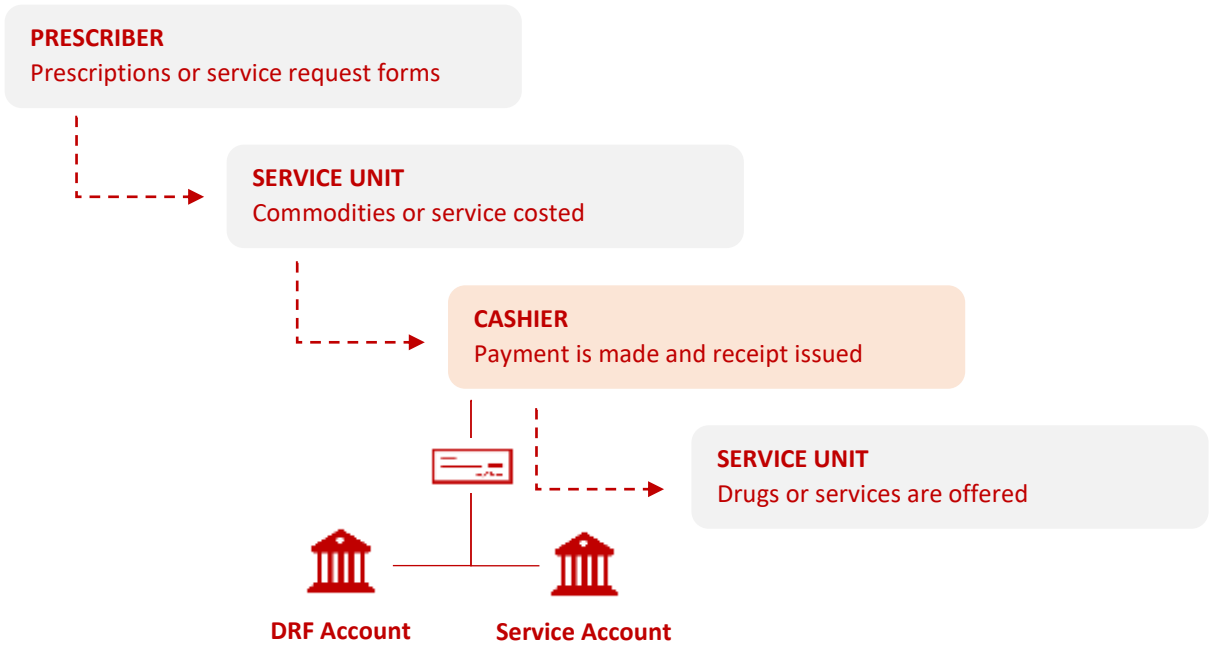
- Available cash at revenue collection points.
- Bank balance.
- Cash transactions (receipts/disbursements).
- Liabilities and receipts due.
- Value of commodity transactions.
- Stock-on-hand value.

Main Financial Management Activities

The Main Financial Management Activities Include:

- Receiving and banking of funds.
- Maintaining facility DRF and service accounts.
- Updating financial tools.
- Reconciliation of all financial transactions in the facility.
- Valuing stock-on-hand and evaluating the overall financial position of the Health Facility.
- Monthly financial reporting (financial statements and fund valuation).

DRF Financial Flow Chart



DRF Financial Operations

- All facilities are required to have two accounts: DRF and service accounts (facility management account in PHCs).
- On no account shall a facility withdraw from DRF account except for commodity procurement and payments of mark-up elements (M&E and program sustenance). All withdrawals must be via bank transfer or cheque.
- The facility DRF committee shall approve payments for the procurement of DRF commodities before a cheque is raised.
- Funds from the service account is used for the following purposes:
  - Payment for commodities procured from the pharmacy for other service units.
  - To strengthen DRF account by contributing an approved percentage to the DRF account.
  - For facility projects upon receipt of approval from State DRF committee.
  - For deferrals and exemptions (3% of proceeds after liabilities have been settled).
- Cash must not be spent directly from revenue, as all cash received must first be paid into the bank.

- The facility is entitled to the utilization of proceeds from the service account every month after offsetting all liabilities, based on revenue generated without recourse to vetting as outlined in the table below:

Monthly Proceeds	Allowable Expenditure (Expenses)
Below N20,000	N5000
N20,000 – Above	30%

- Also, the facility shall conduct daily financial reconciliation between all service units and revenue department.

Tertiary/Secondary Health Facility DRF and Service Accounts Signatories

	Panel
DRF account	Medical Officer DRF Pharmacist WDC chairman
Service account	Main: Medical Officer Alternate: Chief Nursing Officer Main: WDC chairman Alternate: WDC Treasurer

Primary Health Facility DRF and Service Accounts Signatories

	Panel
DRF account	Facility in charge Pharmacy in charge WDC chairman
Service account	Main: Facility in charge Alternate: 2IC Main: WDC chairman Alternate: WDC Treasurer

Note:

- All signatories must sign for DRF accounts

DRF Fund Management Tools

The following cash transaction management tools are used in DRF financial management services.

- Cash Receipt
- Cash Collectors Register
- Revenue Cash Receipt
- Revenue Officers Register
- Cash Book
- DRF Weekly Reconciliation Register
- Service Point Weekly Reconciliation Register
- Cheque Control Register
- Payment Voucher
- Fund Valuation Form
- Monthly Sales Breakdown

Details of the financial management tools and how to complete each tool are found in the Job Aid section.

Reimbursable Expenses

Reimbursable expenses are for commodities dispensed and services rendered for which payments are made later. Examples include:

- National Health Insurance Scheme.
- Sokoto State Contributory Health Management Agency (SOCHEMA).
- Orphan and Vulnerable Children (OVC).
- Deferral and Exemption (D&E).

Note: Although payment periods may vary depending on the arrangement with the beneficiary Agency, it should not exceed one month.

For Basic Healthcare Provision Fund (BHCPF)

- Present the invoice and secure approval from SOCHEMA desk officers.
- Follow-up for transfer of funds from service accounts (Facility General Management account) to DRF account.

For State Health Insurance Scheme (SOCHEMA)

- Present the invoice and secure approval from SOCHEMA desk officers.
- Follow-up for transfer of funds from service accounts to DRF account.

For NHIS:

- Call the desk officers responsible for coverage of the patient and secure approval for the services or commodity dispensed.
- Raise expense invoice to the HMO desk officer or representative for reimbursement.

Preparing Fund Valuation Statement

Facilities should prepare monthly Fund Valuation to have insight on the Health Facility financial standing. It is the joint responsibility of the Financial Officer and the Pharmacist/Pharmacy in charge to prepare the monthly fund valuation statement.

Steps in Preparing Fund Valuation Statement

1. Summarize:

- cash-on-hand at the end of the month.
- expected funds due to the facility (reimbursables).
- all funds paid out within the month (M&E, program sustenance, etc.).
- outstanding liabilities.

2. Obtain:

- stock value of all commodities at the end of the month at selling price.
- total sales value for the month.
- total value of losses and expiries.
- A bank statement for the month.

3. Reconcile bank statement/account to cash book account and include information on the transaction activities listed below:

- Bank charges.
- Dishonoured cheques.
- Direct credit made by customers.
- Interest accrued and credited.
- Bank overdraft.

4. Use the information above to complete the fund valuation form.

5. Write the narrative report of DRF activities in the facility for the month.

6. Submit fund valuation report to facility DRF committee for review and approval.

7. Submit the approved report to the facility DRF Committee, LGA DRF Committee (for PHCs), State DRF Committee and DMSMA.

6. DEFERRAL AND EXEMPTION (D&E)

Introduction

The aim of a Deferral & Exemption (D&E) scheme is to reduce financial barriers to health services for the poor. Deferrals allow delayed payment for drugs and/or medical services by those temporarily unable to pay. Exemptions permit those most in need, as identified by formalized indicators, to waive payment completely.

D&E scheme shall be consistent with best practices in poverty alleviation. This means that deferrals shall address generalized poverty, supporting existing livelihoods. Exemptions are intended to address extreme poverty, by protecting against even greater hardship.

The mechanisms for assessment of deferrals and exemptions are as simple and transparent as possible, whilst promoting effective poverty targeting. Clinically based eligibility is not recommended, as this adds a layer of complexity to the system without relating directly to the socio-economic need. Eligibility for deferrals shall, therefore, be based on a systematic assessment of the likelihood of debt recovery. Locally relevant, rigorous indicators of extreme poverty form the basis of assessing eligibility for exemptions, to be administered by social development officers.

Sources of D&E Funds

- 3% of the proceeds generated from the facility services from the previous month, after all the liabilities have been settled.
- Basic Healthcare Provision Fund.
- Free MNCH State policy.
- OVC agencies.

Timeline for D&E Implementation

Facilities can only begin D&E at least six months after commencing DRF.

Eligibility Assessment

This section describes procedures for assessing whether a service user is eligible to defer payment or to be exempted from payment, for drugs and medical supplies in Sokoto State Health Facilities. Assessment for deferral is carried out during a private interview with the service user, using standardized tools provided in this operational guideline. Exemptions shall be granted only after community input and possibly mapping. There are designated officers responsible for carrying out eligibility assessment interviews.

Eligibility assessment interviews may be carried out with any service user identified as unable to pay for drugs and/or medical supplies, at one of two different points:

- For non-emergency cases: before receiving treatment.
- For emergency cases: after the patient has received treatment and is in a sufficiently stable condition to participate in an interview.

Assessment Principles

The following are the guiding principles for eligibility assessment:

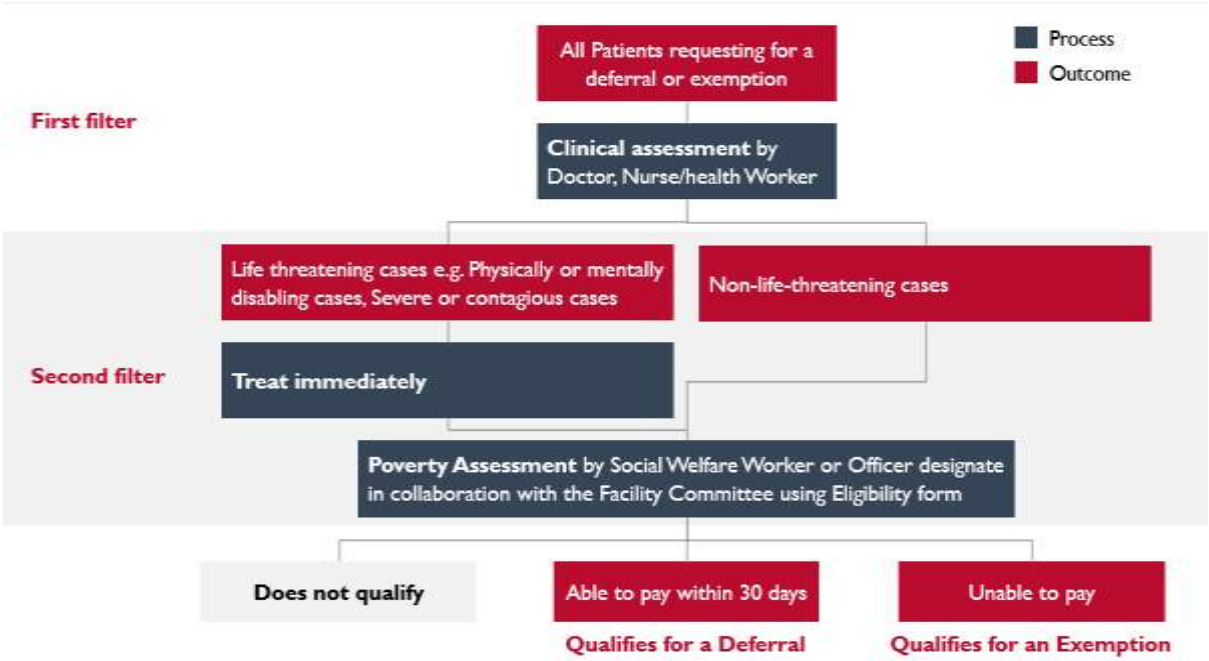
- The privacy and confidentiality of the client must be protected.
- The client must be treated politely and respectfully.
- All information obtained must be carefully documented using appropriate forms.
- Whenever possible, the social development officer shall be of the same sex as the client.

Eligibility for Deferral and Exemption

The screening of eligible patients is important to identify who qualifies to be deferred or exempted. A screening process must be established to accomplish this goal. The Facility DRF Committee is to identify vulnerable and marginalized individuals within the hospital catchment area. The screening coordination must always be established with the WDC and other intervention bodies like Islamic Medical Association of Nigeria (IMAN), Sharia Commission, Advocacy Core Group, Christian Association of Nigeria (CAN), etc.

The facility DRF Committee shall have the responsibility of dealing with D & E issues on a case-by-case basis (taking the operating environment and circumstances into consideration). Joint sponsorship of eligible patients is advised where so desired given cost outlays if documentation is adhered to for part sponsored by D&E intervention.

Screening Process for Deferral and Exemptions



The Social Development Officer (SDO) or any officer designate shall follow these steps:

- Check the D&E ledger for funds available for spending for the current month; D&E funds shall be rolled over month-to-month.
- Only patients assessed and recommended by the Pharmacist and/or unit heads (as indicated on the patient's treatment costing sheet) shall be interviewed.
- Invite the patient to be interviewed in a private room, with a seat available for both interviewer and patient.
- Introduce him/herself and explain the purpose of the interview. She/he shall ask the patient to choose the preferred language for the interview (Hausa/English/other).
- Use plain, simple language to explain the D&E scheme to the patient. Ensure that she/he has a basic understanding of his or her medical condition, and the likely cost of treatment.
- If the patient was referred to the SDO or any officer designate for inability to repay, the patient may be assessed for exemptions, using the exemption eligibility assessment tool.
- If the patient was referred to the SDO or any officer designate for inability to make immediate full payment or wishing to defer payment, the patient shall be assessed for creditworthiness, using the deferral eligibility assessment tool.

- When the patient does not fall into the automatic group for deferral compliance, she/he may be allowed to seek a guarantor.
- An exemption is granted only by the facility DRF Committee.

Access to Treatment/Deferral

Step	Activity	Responsible	Comment
1	Ensure fund availability by checking the balance remaining in the D&E Ledger.	Social Development Officer	
2	Obtain detailed contact address of patient including names of his/her ward, village and district heads and two notable persons in that community that knows the patient.	Social Development Officer	Confirm the names of traditional leaders from the available list of traditional leaders
3	If the fund is available to issue a D&E credit note to cover the value of deferral.	Social Development Officer	
4	Takes the deferral eligibility form and the credit note to the medical officer-in-charge (MO i/c) for approval.	Social Development Officer	
5	On approval, hand over the card and copies of the credit note to the patient for distribution to the Financial Officer.	Medical Officer/Facility in charge	The MO/OIC can delegate this function to the Chief Nursing Officer. Original – Patient Duplicate – Pharmacy/ service point DRF Register Triplicate – Financial Officer.
6	Write the credit note number on the eligibility assessment form and return the form to the SDO or Officer designate.	Financial Officer	

7	Update the D&E Memorandum Register with the book copy of the credit note.	Financial Officer

Exemption

Step	Activity	Responsible	Comment
1	Pre-issued by the facility DRF committee with the exemption eligibility card (see relevant annex).	Facility DRF Committee	Valid for the visit only or during admission.
2	Ensure fund availability by checking the balance remaining in the D&E Ledger.	Social Development Officer	Confirm the names of traditional leaders from the available list of traditional leaders.
3	If the fund is available to issue a D&E credit note to cover the value of the exemption.	Social Development Officer	
4	Takes the exemption eligibility form and the credit note to the Medical Officer-in-charge (MO i/c) for approval.	Social Development Officer	
5	On approval, hand over the card and copies of the credit note to the patient for distribution to the financial officer.	Medical Officer/Facility in charge	The MO/OIC can delegate this function to the Chief Nursing Officer/Assistant in charge as applicable. Original – Patient Duplicate – Pharmacy/service point DRF register Triplicate – Financial officer.
6	Update the D&E memorandum register with the book copy of the credit note.	Financial Officer	

Debt Recovery and Guarantor System

The sustainability of the D&E system is hinged principally on the continuous availability of funds. While the fund inflows are expected to be regular from the proceeds generated from the facility services from the previous month after all the liabilities have been settled. Their growth and availability (which are uncertain at the best of times) cannot be allowed to impact negatively on the D&E operations. Effective management of debt recovery is therefore central to ensuring the sustainability of the deferrals part of the scheme. A way of ensuring that debts are recovered and at minimal costs is the evolvement of a deferral guarantor system.

A guarantor pledges or agrees to be held responsible for the repayment of the deferred treatment cost of a patient. He/she by so doing subrogates him/herself (step into the shoes) of the deferred patient in the eventuality of a delay and/or default in repayment.

Guarantors under the D&E scheme are expected to be amongst the following:

- Civil servants
- Members of the armed forces
- Members of the federal para-military agencies
- Professionals e.g., lawyers, accountants, pharmacists, doctors etc.
- Person of high standing in society
- Traditional rulers
- Religious leaders

Where a deferral is overdue (one month after repayment date), the facility DRF Committee shall be charged with recovering the debt which shall involve the following:

- Making phone calls and text messages to the Guarantor.
- Visiting the Guarantor to demand payment.
- If the above fails to ensure repayment, writing the Guarantors employers for reimbursement as appropriate.
- If the Guarantor's employers are unable or unwilling to help, further strategy to ensure repayment shall be pursued by the committee, which can include legal pursuit.

It is, however, pertinent to weigh the cost of pursuing an unrecovered debt (particularly transport costs and/or litigations) against the actual value of the debt, in the extreme case, and/or where it is no longer advisable to pursue a debt because of cost considerations. Facility DRF Committee shall review, approve and blacklist such a guarantor and deny him further ability to guarantee in the future. The Health Facility DRF Committee shall write off the amount.

NB: A recovery target of 75% of the amount deferred is the standard minimum set for Sokoto State D&E Scheme.

7. MONITORING AND SUPPORTIVE SUPERVISION

The goal of Monitoring and Supportive Supervision (MSS) of the DRF operations at the DMSMA/ZMS/Health Facilities is to ensure strict adherence to operational guidelines towards the sustainable availability of quality and affordable essential medicines and medical consumables at the facilities. This component of the SOP describes the plans, processes, and tools for monitoring the activities of DRF in Health Facilities to cover the three main operational areas of the DRF, which are:

- Supply chain operations.
- Financial management operations.
- Data management and reporting.

It also details the motivations and sanctions in the system.

Objectives of Monitoring and Supportive Supervision

- To track the activities of DRF operations at facility level.
- To assess the level of adherence to the SOP.
- To mentor health workers implementing DRF activities at facility level.
- To provide overall DRF system strengthening.

Levels of Monitoring and Supportive Supervision

Monitoring and supportive supervision will take place at three layers:

- Facility DRF committees monitoring activities within their respective health facilities
- Local government health authority-DRF committees (LGHA-DRF) monitoring activities in all PHCs in their respective local government areas (LGAs)
- State DRF committee monitoring activities at all facility levels

Levels	Monitoring Group	Tier	Frequency
Level 1	Internal monitoring activities by DRF committee members for all facilities Tool: *Health Facility DRF supervisory checklist*	PHCs and secondary health facilities	Monthly
Level 2	External monitoring: LGA health authority DRF committee Tool: *Health Facility DRF supervisory checklist* The state monitoring, evaluation, and accountability sub-committee in collaboration with the Health Management Board	Primary health facilities Secondary health facilities	Bi-weekly *(first three months of operation)* Monthly *(first nine months)* Quarterly *(after one year of operation)*
Level 3	The state DRF committee	SHF and PHC	Ad hoc basis

Steps for MSS:

Preparation for the Visit:

- Prepare a schedule for the visits to the DMSMA/ZMS/Health Facilities.
- Arrange for transport and allowances at least two weeks before the visit as needed.
- Notify the DMSMA/ZMS/Health Facilities of the supervisory visit.
- Review the supervision report from the last visit and the recommendations that were made.
- Take along copies of DRF SOPs, supervision checklist, and a calculator.

Upon Arriving at the Facility:

- Meet with the head of the facility of the DMSMA/ZMS/Health Facilities for introductions, briefing on purpose of visit, as well as permission to engage with relevant staff.
- Go round the various units and administer the checklist.
- Debrief the DMSMA/ZMS/Health Facility team.

MSS Frequency

Biweekly: For the first three months of receiving seed stock at the facility by the LGA DRF committee or the State DRF Monitoring Committee.

Monthly: For the first nine months of running a DRF scheme at the facility by the LGA DRF committee or the State DRF Monitoring Committee.

Quarterly: More than a year of running a DRF scheme at the facility by the LGA DRF committee or the State DRF Monitoring Committee.

Note: MSS maybe conducted at other times as the need arises and as approved.

Indicators

DRF operations to be monitored during MSS include:

- The adherence to the DRF guidelines.
- The availability of human resources (Pharmacist/pharmacy technician) at the facility.
- The availability of tools used for recording the DRF process.
- The procurement cycle and records of the facility.
- The process and method of receiving commodities.
- The storage – adequate capacity, condition, cleanliness and orderly arrangement of the commodities etc.

Tool: Supply Chain Operations Checklist (Form A)

DRF Performance Reviews

Indicators to be monitored for stock performance through routine review of LMIS records and reports:

1. **% of Facilities that Report on Time**

   The number of facilities that reported on time divided by the total number of facilities in the DRF logistics system.

2. **% of Facilities Completing all Columns on the DRF LMIS Monthly Report Correctly**

   The number of facilities that completed all columns on the DRF LMIS Monthly Report correctly divided by the total number of facilities in the DRF logistics system.

3. **% of Facilities Stocked Between the Established Maximum and Minimum Stock Levels**

The number of facilities that are stocked between the established maximum and minimum stock levels for all products divided by the total number of facilities in the DRF logistics system.

4. **% of Facilities Stocked Out of Tracer Commodities**

   The number of facilities stocked out of any product divided by the total number of facilities in the DRF logistics system.

5. **% of Total Stock Expired in the DRF Logistics System**

   The total quantity of a product that has expired divided by the total stock on hand of the product in the DRF logistics system.

6. **% of Facilities that Store DRF Commodities at Required Temperatures**

   The number of facilities that store DRF commodities at required temperatures divided by the total number of facilities in the DRF logistics system.

7. **% of Facilities that Store and Issue DRF Commodities According to FEFO (First to Expire, First Out)**

   The number of facilities that store and issue DRF commodities according to FEFO (First to Expire, First Out) divided by the total number of facilities in the DRF logistics system.

Providing Feedback

- Feedback shall be provided to the facility using the recommendation section of the monitoring form.
- The supervisor shall ensure a copy of the monitoring form is dropped at the facility.
- All recommendations from previous visits to be addressed in the present visit.
- It is the responsibility of the facility, LGA and State DRF Committees to track the facility.

The State DRF Committee shall also liaise with the Training Subcommittee to train the facility staff as necessary.

Consequence Management

The facility DRF Committee is responsible for the 1st level (internal) consequence management. The facility may choose to motivation/reward, or sanction staff involve in the DRF.

At the State level, the State DRF Monitoring Committee is responsible for the consequence management.

Motivation/Rewards

All staff/facilities involved in the DRF shall be rewarded based on the performance of the DRF at their facility.

Facilities rewards shall be based on high performance on the review of:

- Supply chain operations.
- Financial management operations.
- Data management and reporting.

The specifications of the rewards shall be determined by the State DRF Monitoring Committee.

Offences and Sanctions

Individuals involved in the DRF operation shall be sanctioned based on offences committed to carrying out their duties as it relates to the DRF operations:

- Supply chain operations.
- Financial management operations.
- Data management and reporting.

Sanctions Levels

Level 1: Facility level – the facility OIC recommends offending staff to the facility DRF Committee for sanctions.

Level 2: LGA/State level – the State DRF Committee or the LGHA DRF Committee shall recommend the offending facility for to State DRF Committee for sanctions.

The table below details some of the offences and sanctions:

S/N	Offences	Sanctions
1	Inflation of prices of procurement.	Impose appropriate surcharge as determined by SPHCDA /HMB.
2	Irregular or wrong payments.	Recovery of the amount involved and removal of the officer who certified the job.
3	Shortages or Losses of Stores by the storekeeper.	Recovery of the amount involved and removal of the officer from the schedule.
4	Shortage or Loss of cash by Cashier.	Surcharge the affected officer and transfer to another schedule.

5	Items paid for but not collected.	Recovery of the amount involved, blacklisting the supplier and in cases where collusion is proven, transfer of officer to another schedule.
6	Failure to collect DRF revenue.	Surcharge the affected officer and transfer him to another schedule.
7	Failure to account for DRF revenue.	Surcharge the affected officer and transfer him to another schedule.
8	Non-recovery of advances.	All losses shall be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved, the defaulting civil servant shall be warned.
9	Non-posting of the ledger account.	All losses shall be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved, the defaulting civil servant shall be warned.
10	Cash in transit for too long (over 72 hours).	All losses shall be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved, the defaulting civil servant shall be warned.
11	Failure to prepare Bank Reconciliation Statement.	All losses shall be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved, the defaulting civil servant would be warned.
12	Non-rendering of monthly or other periodic returns.	All losses shall be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved, the defaulting civil servant shall be warned.
13	Procurement outside DMSMA/ZMS without a waiver.	The person shall be queried, and other appropriate action shall be taken.
14	Allowing drugs to expire due to negligence.	The person shall be queried, and other appropriate action shall be taken.

Note: In situations where a person is not a civil servant, all loses, or fund misappropriated shall be recovered and the person shall be relieved of his/her responsibility. Where recovery may not be feasible such a person shall be handed over to the police.

When the person involved is serving as a National Youth Corps member, the matter shall be reported to the Director of NYSC at the State Secretariat so that the amount involved shall be recovered from the Corps Member's allowances.

JOB AIDS

8. JOB AIDS

Job Aids are instructional tools that allow health workers to quickly remember or access the information they need to perform their jobs. Some examples include instructional cards, charts, or posters that give a relatively large amount of information immediately.

The Job Aid has three components or sections:

Section One Contains:

- The task which indicates the specific activity.
- Who is supposed to complete the task.
- The purpose of the task.
- When to complete the task.
- Materials needed to complete the task.

Section Two Contains:

- The actions to be carried out in the right order (steps).
- Notes for clarification or examples of the action.

Section Three Contains:

- A checklist to ascertain if the activity has been completed according to specifications.

Note: Each of the stock management and fund management tools has a corresponding job aid that enables the responsible staff to complete the tools with ease.

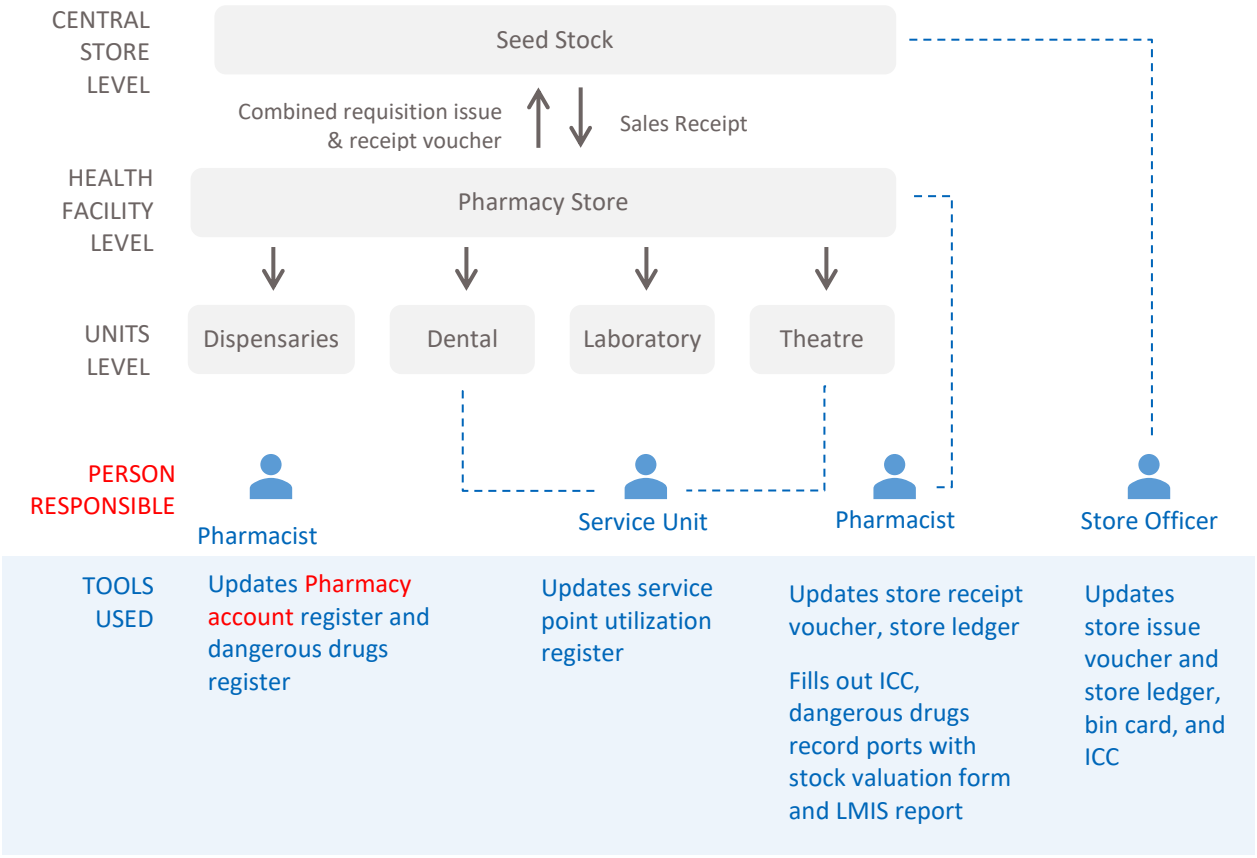
Stock Management Tools and Processes

List of Stock Management Tools

- S01A - DRF Combined Requisition Issues and Receipt Form (CRIRV)
- S01B – CMS Sales Invoice – Electronic Printout
- S02: Store Receipt Voucher
- S03A: Tally Card
- S03B: Bin Card
- S04: Stores Ledger
- S05: Internal Requisition/ Issues Voucher
- S06: Store Issue Voucher – CMS Only
- S07: Loss Register
- S08: Prescription Form
- S09A: Pharmacy account Register
- S09B: Service Point Utilization Register

- S10: Stock Valuation Form
- S11: Commodity Transfer and Return Form
- S12: Bimonthly LMIS Report Form
- S13A: Pharmacy Department Dangerous Drug Record (Routine Record)
- S14B: Dangerous Drugs Register (Wards/Theatre) (Routine Record)
- S15C: Dangerous Drugs Receipts Register & Admin. Record (Routine Record)

Stock Management Tools and Processes



- The health facility sends in the CRIRV, filling out the requisition section only.
- The CMS generates sales invoice printouts and dispatches the products to the health facilities with a signed sales invoice.
- The CMS updates its store ledger, bin card, and inventory control cards (ICCs) to new balances after the transaction.
- The pharmacist/pharmacy in charge enters the stock received in the health facility's store into the store receipt voucher, store ledger, and ICC.
- The pharmacist/pharmacy in charge issues requested stocks to dispensaries and other units using internal requisition forms in the health facilities. The pharmacist in the health

facility store updates the Pharmacy account register with the transaction while the service units update the service point utilization registers.

- At the end of the month, the facility store prepares a stock reconciliation report and LMIS report on transactions in the health facility. These reports are also used in order replenishment.

S01A: Combined requisition, issue, and receipt voucher

FEDERAL MINISTRY OF HEALTH

Combined Requisition, Issue and Receipt Voucher

To Be Completed By Requisitioning Officer			To Be Completed By Officer Authorizing Issue	Completed By Receiving C
From:	To:	Requisition No: Date:	Issue Voucher No..... I authorized the stock(s) listed below to be issued as requistioned: Date..... Signned..... Designation.....	Receipt/Voucher No..... Date..... Signed..... Name..... Designation..... Phone No.....
Please Supply to:	Requisition authorization by: Signed..... Designation..... Date.....		**To Be completed By Officer Keeping Store Ledger** Stock(s) entered in Stores Ledger as issued at page numbers listed below: Datre..... Signed..... Designation..... Phone No.....	
Purpose:			**To Be Completed By Issuing Storekeeper** Stock(s) have been issued and issues posted on tally card: Date..... Signed..... Designation.....	**To be Completed by Receiving Storekeeper** Quantities listed in column 5 received as shown in Column 11 Date Signed..... Designation.....

REQUISITIONS				Issues				To Be completed only for Unallocated Stores Receipts					REMARKS
Item No 1	Description 2	Unit 3	Quantity Required 4	Quantity Issued 5	Ledger Page No. 6	Batch No. 7	Expiry Date 8	Rate 9 N	 K	Total 10 N	 K	Quantity Received 11	 12
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													

Adopted: By Bauchi, Kebbi and Sokoto States MNCH Program

S01A JOB AID

Task:	**Completing the combined requisition, issue, and receipt voucher: S01A**
Completed by:	Facility pharmacist/pharmacy in charge
Purpose:	To procure drugs and medical consumables
When to perform:	In making requisitions
Materials needed:	ICC, blank CRIRV
	Notes: Complete the requisition section only and send it to the DMSMA/ZMS whenever procuring commodities.

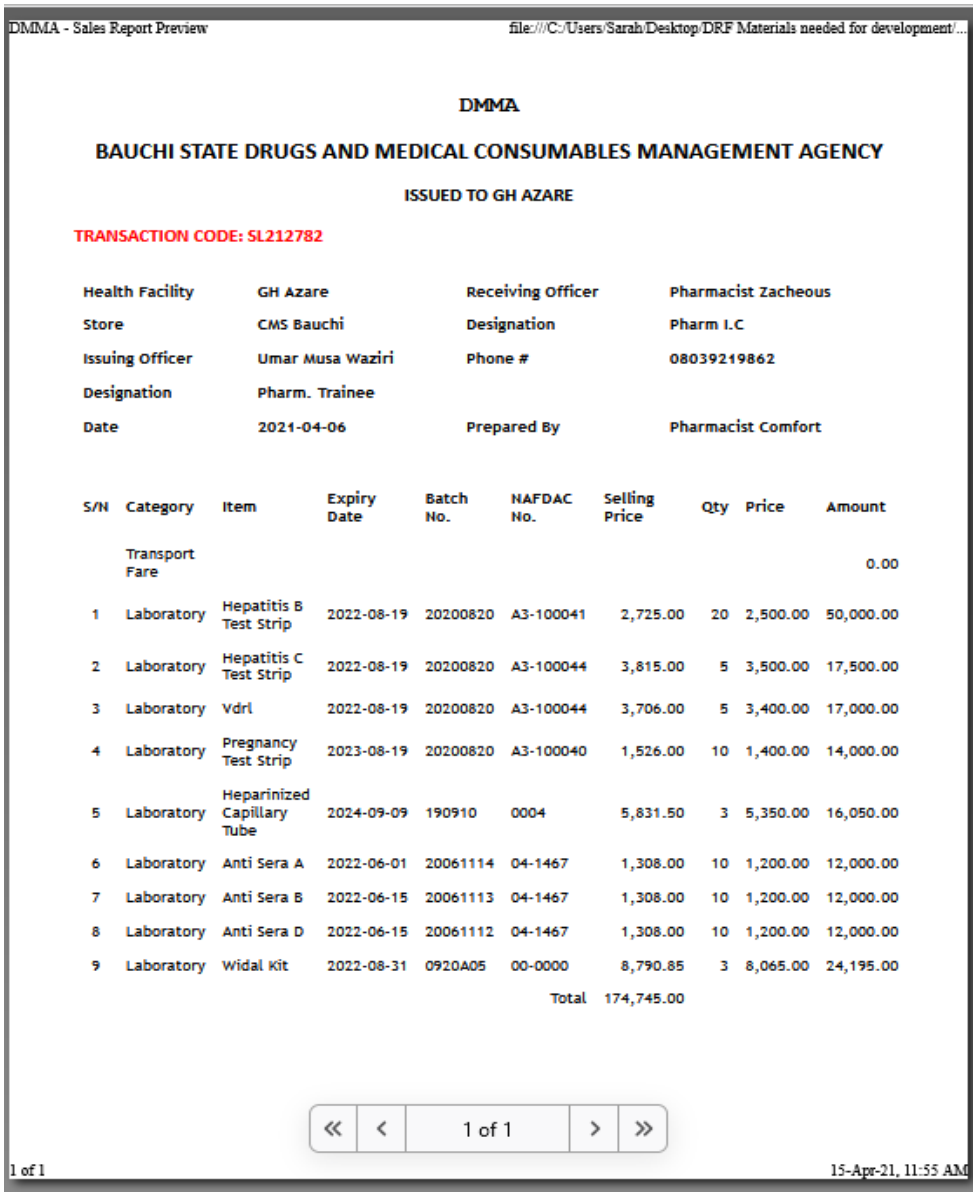
Step	Action	Notes
1.	**Locate the section "To be completed by the requisition officer."**	This is highlighted in red in this book.
2.	**From:** Write the name of your health facility and LGA**.**	e.g., PHC Murmur, Zaki LGA
3.	**To:** Write the DMSMA/ZMS where the CRIRV is being sent.	e.g., Sokoto CMS; ZMS Azare or ZMS Ningi
4.	**Requisition no.:** Start the numbering from 01 and write the year.	e.g., First requisition will be 01/2021 Fourth requisition will be 04/2021
5.	**Date:** Write the date you are making the requisition.	
6.	**Please supply to:** Write the name of the facility where products will be delivered.	e.g., General Hospital Toro
7.	**Purpose**	Locate where **Purpose** is written and write the purpose for the procurement.
8.	**Requisition authorization by:** **Name:** Write the name of the pharmacist/pharmacy in charge making the requisition. **Signed:** Include the signature of the requesting officer. **Designation:** Write the designation of the requesting officer. **Date**: Write the date you have completed the CRIRV to send to the DMSMA/ZMS.	
	LOCATE THE "REQUISITIONS" SECTION	
9.	**Item number:** Write item number beginning with 1.	

10.	**Description:** Enter the specific medicine or medical products required.	e.g., oxytocin injection
11.	**Unit:** Write the unit for each product here.	e.g., ampoule
12.	**Quantity required:** Enter the quantity of the product needed.	
	LOCATE THE "REQUISITION AUTHORIZED BY" SECTION	
	Name: Write the name of the head of the facility approving the requisition. **Signed:** Include the signature of the head of the facility. **Designation:** Write the designation of the head of the facility. **Date**: Write the date of approval.	

This task is complete when the:

- Facility making the requisition is filled in.
- Product description and unit for each product are filled in.
- Quantity Required column is filled in.
- Facility pharmacist in charge of drugs has signed and dated the CRIRV.

S01B: CMS sales invoice



DMMA - Sales Report Preview file:///C:/Users/Sarah/Desktop/DRF Materials needed for development/...

DMMA

BAUCHI STATE DRUGS AND MEDICAL CONSUMABLES MANAGEMENT AGENCY

ISSUED TO GH AZARE

TRANSACTION CODE: SL212782

Health Facility	GH Azare	Receiving Officer	Pharmacist Zacheous
Store	CMS Bauchi	Designation	Pharm I.C
Issuing Officer	Umar Musa Waziri	Phone #	08039219862
Designation	Pharm. Trainee		
Date	2021-04-06	Prepared By	Pharmacist Comfort

S/N	Category	Item	Expiry Date	Batch No.	NAFDAC No.	Selling Price	Qty	Price	Amount
	Transport Fare								0.00
1	Laboratory	Hepatitis B Test Strip	2022-08-19	20200820	A3-100041	2,725.00	20	2,500.00	50,000.00
2	Laboratory	Hepatitis C Test Strip	2022-08-19	20200820	A3-100044	3,815.00	5	3,500.00	17,500.00
3	Laboratory	Vdrl	2022-08-19	20200820	A3-100044	3,706.00	5	3,400.00	17,000.00
4	Laboratory	Pregnancy Test Strip	2023-08-19	20200820	A3-100040	1,526.00	10	1,400.00	14,000.00
5	Laboratory	Heparinized Capillary Tube	2024-09-09	190910	0004	5,831.50	3	5,350.00	16,050.00
6	Laboratory	Anti Sera A	2022-06-01	20061114	04-1467	1,308.00	10	1,200.00	12,000.00
7	Laboratory	Anti Sera B	2022-06-15	20061113	04-1467	1,308.00	10	1,200.00	12,000.00
8	Laboratory	Anti Sera D	2022-06-15	20061112	04-1467	1,308.00	10	1,200.00	12,000.00
9	Laboratory	Widal Kit	2022-08-31	0920A05	00-0000	8,790.85	3	8,065.00	24,195.00
						Total	174,745.00		

« ‹ 1 of 1 › »

1 of 1 15-Apr-21, 11:55 AM

S01B SUMMARY POINTS

This document is to be completed by the issuing officer/facility store pharmacist/receiving officer/receiving storekeeper/person responsible for products. It is used to:

- Record quantities of each DRF commodity issued from DMSMA/ZMS stores to health facilities.
- Record the quantities of each DRF commodity received by the health facilities from DMSMA/ZMS.

- Maintain a record of the completed stock transactions at the issuing and the receiving facilities.
- Confirm product receipt.

S02: Store receipt voucher

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
STORE RECEIPT VOUCHER

Code no: S02

To:

The storekeeper_____ Signature _____-

Please receive into the storehouse the items below.

Date _____
Designation_____

S/N	Description	Quantity	Unit	Unit price	Total cost	Ledger no.

To be completed by the officer in charge of the store's ledgers for the receiving storehouse.

Receipt voucher no._____ Entered in the ledger at page numbers shown above.

Signature _____ Designation _____ Date _____+_____

To be completed by the receiving storekeeper:

Stores, as listed above, received:

Signature _____ Designation _____ Date _____

S02 JOB AID

Task:	**Completing the store receipt voucher: S02**
Completed by:	• In DMSMA/ZMS, store officer in charge of ledgers • At facilities, pharmacists/pharmacy technician in charge
Purpose:	To document products received into the health facility from CMS (health facility level) or suppliers (CMS)
When to perform:	Each time stocks are procured/received
Materials needed:	Blank page of store receipt voucher, copy of sales invoice, calculator, blue/black pen *Notes: All commodities procured should be entered into the form as part of the proof of purchase for documentation and reconciliation purposes.*

Steps	Actions	Notes
1.	**To the pharmacy store:** Write the name of the health facility receiving the DRF commodity.	e.g., GH Toro
2.	**Signature:** The storekeeper receiving the commodity should sign here.	
3.	**Date:** Write the date of the transaction.	DD/MM/YYYY e.g., 18/04/2021
4.	**Designation:** Write the designation of the officer.	e.g., pharmacy in-charge
5.	**S/N:** Write the serial number beginning with 1.	
6.	**Product description:** Write the name, dosage form, and strength of the product.	e.g., Misoprostol tablet 200mcg
7.	**Quantity received:** Enter the quantity of the item received from suppliers or CMS on that date.	The quantity received is taken from the sales invoice for health facilities. In CMS, the quantity received is taken from proof of delivery from suppliers.
8.	**Unit:** Enter the unit of issue.	e.g., tablet, piece, 1 x 3
9.	**Unit price:** Write the cost price of the product.	This is the price of each unit of the product procured.

10.	**Total cost:** Write the total cost of the products**.**	
11.	**Ledger no:** Write the ledger folio number where the commodity will be entered.	
12.	**Receipt voucher no.**: Write the voucher number of this receipt.	This is a pre-printed number at the top of the SRV.
13.	**Signature:** The officer who completed this form signs.	
14.	**Designation:** The officer who completed this form writes his/her designation.	
15.	**Date:** Write the date of the transaction.	DD/MM/YYYY e.g., 24/05/2020
16.	**Receiving storekeeper:** The person performing this activity signs.	
17.	**Designation:** The person performing this activity writes his/her designation.	
18.	**Date:** The person performing this activity writes date of transaction.	DD/MM/YYYY e.g., 24/05/2020

This task is complete when the:

- Name of the facility receiving the products is written.
- Description, unit, and price of the stock have been entered.
- Ledger page number has been entered.
- Receiving store or in charge of drugs has signed the voucher.

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
INVENTORY CONTROL CARD

Code no.: S03A

Maximum level_____ **Minimum level**_____ **Emergency order** _____ **Ledger folio**_____ **No**_____	**Unit**	**Name and strength**	**Card no.**

Date	**SRV or SIV no.**	**Received from or issued to**	**Batch no.**	**Exp y date**	**Received**	**Qty issued**	**Losses**	**Adjust-ment**	**Balance**	**Initials/ remarks**
		B/F								
		Carried forward								

S03A JOB AID

Task:	**Completing the inventory control card: S03**
Completed by:	CMS pharmacist/storekeeper or pharmacy in charge
Purpose:	▪ To keep a record of products ▪ To record receipts, batch number, expiry date, issues, losses and adjustments, stock balances
When to perform:	▪ Each time products are received ▪ Each time products are issued ▪ When products are transferred into or out of the facility ▪ At the end of the month when physical counts are conducted ▪ When losses are recorded ▪ When adjustments are recorded
Materials needed:	Inventory control card, red, blue/black pen *Notes: All commodities procured/issued should be entered into the card as part of the proof of purchase for documentation and reconciliation purposes.* *Each health commodity should have its inventory control card.*

Steps	Actions	Notes
1.	**Select the appropriate action:**	
	IF YOU ARE:	**THEN GO TO:**
	Receiving or issuing a new item not currently in stock, or for which there is no ICC	**Step 2**, under STARTING A NEW ICC
	Transferring quantities to a new card, where all rows for the front and back page have already been filled in and a new ICC needs to be started	**Step 11,** under TRANSFERRING QUANTITIES TO A NEW ICC
	Transferring quantities into the back page of the ICC	**Step 18,** under TRANSFERRING QUANTITIES TO THE BACK PAGE OF THE ICC
	Receiving or issuing an item already in stock for which there is a ICC	**Step 25,** RECEIVING/ISSUING
	Closing out for the month and conducting physical inventory	**Step 34,** MONTHLY CLOSE-OUT
STARTING A NEW ICC		
2.	**Name of facility:** Enter the name of the facility where the products are stored.	e.g., town maternity, Toro

3.	**Local government area:** Enter the name of the local government area where the facility is located.	e.g., Toro LGA
4.	**Product description:** Enter the name, dosage form, and strength of the product.	e.g., Misoprostol tablets 200mcg
5.	**Unit:** Enter the unit used for issuing and receiving this product.	e.g., tablet, 1 x 3
6.	**Ledger no.:** Enter the ledger number where this product is recorded.	
7.	**Card no.:** Enter the card number in this series.	e.g., If this card is the second one for the same product, write 2.
8.	**Maximum stock level:** Enter the maximum stock level allowed (in months).	For health facility Max = 4 months
9.	**Minimum stock level:** Enter the minimum stock level allowed (in months).	For health facility Min = 2 months
10.	**Emergency order point (EOP):** Enter the EOP (in months).	EOP = 0.5 months
TRANSFERRING QUANTITIES TO A NEW ICC		
11.	**S/N:** Write the serial number beginning with 1.	
12.	**Date:** Write the date you are transferring quantities to the new ICC.	DD/MM/YYYY e.g., 23/06/2021
13.	**Received from/issued to**: Write B/F for "brought forward" in the column and then draw a line through to the Balance column.	
14.	**Batch number:** Enter the batch number of the products as written on the old card.	
15.	**Expiry date:** Enter the expiry date of the products as written on the old card.	
16.	**Balance:** Take the last figure entered in the stock Balance column on the previous ICC, and write that exact number in this column.	
17.	**Signature/remarks**: Sign your name.	
TRANSFERRING QUANTITIES TO THE BACK PAGE OF THE ICC		

18.	**S/N:** Continue with the serial number from the previous pages.	
19.	**Date:** Write the date you are carrying out this task.	DD/MM/YYYY e.g., 23/06/2021
20.	**Received from/issued to**: Write B/F for "brought forward" in the column and then draw a line through to the Balance column.	
21.	**Batch number:** Enter the batch number of the products as written on the front page.	
22.	**Expiry date:** Enter the expiry date of the products as written on the front page.	
23.	**Balance:** Take the last figure entered in the Balance column on the previous ICC and then write that exact number in this column.	
24.	**Signature/Remarks**: Sign your name.	
RECEIVING/ISSUING		
25.	**S/N:** Enter the number corresponding to the entry of the transaction.	Enter only one transaction per line.
26.	**Date:** Enter the date the transaction is made	DD/MM/YYYY
27.	**SIV/SRV no.:** Enter the sales invoice number if the transaction is a receipt. When issuing to other units in the facility, enter the number of the internal store issue voucher used.	SIV can be to the lab, dental, theater.
28.	**Received from/issued to:** Write the store (DMSMA/ZMS or supplier) you received the products from or the area of your facility you issued to. If it a loss, write internal loss, If adjustment, write the destination	e.g., Received from Sokoto State Store or Ningi Zonal Stores Issued to the theater Adjustment to CMS
29.	**Batch number:** Enter the batch number of the health products you received/issued.	
30.	**Expiry date:** Enter the expiry date of the health products you received/issued.	
31.	**Quantity received:** Enter the quantity you received; when receiving, use a **red** pen.	For different batches, fill in the quantity received per batch in each row.

32.	**Quantity issued:** Enter the quantity you issued.	
33.	**Losses:** Enter the exact number of losses to the inventory on this date. Explain any losses in the Remarks column.	Losses are quantities removed from your stock for anything other than dispensing to patients or issuing to another facility (e.g., expired, stolen, or damaged). Losses are recorded as (–) negative numbers.
MONTHLY CLOSEOUT **Complete using a red pen.**		
34.	**Serial No:** Enter the number corresponding to the entry of the transaction**.**	
35.	**Date:** Enter the date of closing the month.	This should be the last working day of the month.
36.	**To/from:** Write: Monthly close-out	
37.	**Quantity received:** Add all the quantity received for the month and enter the total in the Quantity Received column.	
38.	**Quantity Issued:** Add all the quantity issued for the month and enter the total in the Quantity Issued column.	
39.	**Losses:** Add all the losses for the month and enter the total.	Stop after adding up the losses. Conduct a physical count before completing the Adjustments, Balance, and Remarks columns.
40.	**Balance:** Conduct a physical count and enter the balance.	If the previous balance does not equal the physical count, you must determine why. Calculate the difference between the balance and physical count and enter the number in the Adjustment column.
41.	**Adjustments:** Calculate the adjustment once you have conducted the physical count and enter the difference as a positive or negative adjustment under their respective columns. If there is no difference between the physical count and calculated stock balance, enter zero "0" as the adjustment.	

42.	**Signature/Remarks**: Sign and add any comment or remarks regarding the transaction.	Remarks for any figure other than zero entered om the Loss and Adjustment column.

This task is complete when the:

- ICC has been completed for each product managed in the store.
- Name of the health facility, LGA, product description, and unit of the product in the store have been written at the top of each ICC.
- ICC includes a record of each transaction as it occurs.
- ICC is kept close to where the products are stored.

S03B: Bin card

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
BIN CARD

Code no.: S03B

Name of facility: _____

Item description: _____
(Name, dosage form, strength, packaging size)

Unit of issue: _____

Product code: _____

Batch number: _____

Expiration date: _____

Location/shelf no. _____

Date	Voucher/ ref. no.	Received from/issued to	Quantity				Balance	Signature	Remarks
			Received	Issued	Losses	Adjustments			

S03B JOB AID

Task:	**Completing the bin card for receipts and issues: S03B**
Completed by:	DMSMA/ZMS pharmacist/storekeeper
Purpose:	▪ To keep a record of commodities ▪ To record receipts, batch number, expiry date, issues, losses and adjustments, stock balances, etc.
When to perform:	▪ Each time products are received ▪ Each time products are issued ▪ When transferring quantity from one card to another ▪ When supplies are removed from the storage area for reasons other than for issuing to clients (e.g., for demonstrations, expiration, damage) ▪ At the end of the month when physical counts are conducted
Materials needed:	Bin card, red, blue/black pen *Notes: All commodities procured should be entered into the form as part of the proof of purchase for documentation and reconciliation purposes. Each health commodity should have its own bin card.*

Steps	Actions	Notes
1.	**Select the appropriate action:**	
	IF	**THEN GO TO**
	Receiving or issuing a new item not currently in stock or for which there is no bin card.	**Step 2,** under STARTING A NEW BIN CARD
	Transferring quantities to the new card where all the rows for the front and back pages have already been filled in on the bin card for an item and a new bin card needs to be started.	**Step 9,** under TRANSFERRING QUANTITIES TO A NEW BIN CARD
	Transferring quantities into the back page of the ICC.	**Step 16,** under TRANSFERRING QUANTITIES TO THE BACK PAGE OF THE ICC
	If you are receiving or issuing an item already in stock for which there is a bin card.	**Step 22,** under RECEIVING/ISSUING
	If you are closing out for the month and conducting physical inventory.	**Step 33,** under MONTHLY CLOSE-OUT
	STARTING A NEW BIN CARD	
2.	**Name of facility:** Enter the name of the facility where the products are stored.	e.g., Town Maternity, Toro
3.	**Product code:** Enter the product code from the ledger.	e.g., Toro LGA

4.	**Product description:** Enter the product name, dosage form, strength, and packaging size.	e.g., Misoprostol tablets 200mcg, 1x50
5.	**Batch number:** Enter the batch number of the products you received/issued.	
6.	**Expiration date:** Enter the expiry date of the products you received/issued.	
7.	**Unit of Issue:** Enter the unit used for issuing and receiving this product.	e.g., Tablet
8.	**Location shelf number:** Enter the location of the product in the store	
TRANSFERRING QUANTITIES TO A NEW BIN CARD		
9.	**S/N:** Write the serial number beginning with 1.	
10.	**Date:** Write the date you are transferring quantities to the new bin card.	DD/MM/YYYY e.g., 5/4/2021
11.	**Voucher/ref. no.:** Enter the number of the sales invoice number if the transaction is a receipt. When issuing to other units in the facility, enter the number of the internal store issue voucher used	
12.	**Received from/issued to**: Write B/F for "brought forward" in the column and then draw a line through to the Balance column.	
13.	**Balance:** Take the last figure entered in the Stock Balance column on the previous bin card and write that exact number in this column.	
14.	**Signature**: Sign your signature.	
15.	**Remarks:** Write remarks, if any.	
TRANSFERRING QUANTITIES TO THE BACK PAGE OF THE BIN CARD		
16.	**S/N:** Continue with the serial number from the previous pages.	
17.	**Date:** Write the date you are carrying out this task.	DD/MM/YYYY
18.	**Received from/issued to:** Write B/F for "brought forward" in the column and then draw a line through to the Balance column.	
19.	**Balance:** Take the last figure entered in the Balance column on the previous bin card, and write that exact number in this column.	
20.	**Signature**: Sign your name.	
21.	**Remarks:** Write remarks, if any.	
RECEIVING/ISSUING		
22.	**Serial No:** Enter the number corresponding to the entry of the transaction	Enter only one transaction per line.

23.	**Date:** Enter the date the transaction is made	DD/MM/YYYY
24.	**Voucher/Ref. No.:** Enter the number of the sales invoice number if the transaction is a receipt. When issuing to other units in the facility, enter the number of the internal store issue voucher used	SIV can be to lab, dental, theater
25.	**Received from/issued to:** Write the store (DMSMA/ZMS or supplier) you received the products from or the area of your facility you issued to. If it a loss, write Internal Loss. If Adjustment, write the destination.	e.g., Received from Sokoto State Store or Ningi Zonal Stores Issued to the theater Adjustment 'To CMS'
26.	**Quantity received:** Enter the quantity you received, when receiving; use a **RED** pen.	
27.	**Issued:** Enter the quantity you issue.	
28.	**Losses:** Enter the exact number of losses to the inventory on this date. Explain any losses in the Remarks column.	Losses are quantities removed from your stock for anything other than dispensing to patients or issuing to another facility (e.g., expired, lost, stolen, or damaged). Losses are recorded as (–) negative numbers.
29.	**Adjustment:** Enter the figure if retrieving from other dispensaries within the facility**.**	
30.	**Balance:** Enter the new balance.	
31.	**Signature**: Sign your signature.	
32.	**Remarks:** Enter remarks, if any.	
MONTHLY CLOSE-OUT **This should be done using a red pen**		
33.	**S/N:** Enter the number corresponding to the entry of the transaction.	
34.	**Date:** Enter the date of closing the month.	This should be the last working day of the month.
35.	**To/From:** Write "monthly close-out."	
36.	**Quantity received:** Add all the quantities received for the month and enter the total in the Quantity Received column.	
37.	**Quantity issued:** Add all the quantities issued for the month and enter the total in the Quantity Issued column.	

38.	**Losses:** Add all the losses for the month and enter the total.	Stop after adding up the losses. Conduct a physical count before completing the Adjustments, Balance, and Remarks columns.
39.	**Balance:** Conduct a physical count and enter the balance.	If the previous balance does not equal the physical count, you must determine why. Calculate the difference between the balance and physical count and enter the number in the Adjustment column.
40.	**Adjustments:** Calculate the adjustment once you have conducted the physical count and enter the difference as a positive or negative adjustment under their respective columns. If there is no difference between the physical count and calculated stock balance, enter zero "0" as the adjustment.	
41.	**Signature/Remarks**: Sign and add any comment or remarks regarding the transaction.	Remarks for any figure other than zero entered in the Loss and Adjustment column.
42.	**Remarks:** Remarks for any figure other than zero entered in the Loss and Adjustment column.	

The task is complete when the:

- Bin card has been completed for each product managed in the store.
- Name of the product description, unit of the product, code, and shelf location have been written at the top of each card.
- Transactions are recorded on the card as they occur.
- Bin card is kept close to where the products are stored.

S04: Store ledger

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
STORES LEDGER

Code No: S04

Article _____ Unit of issue_____

Date	From whom received to whom issued	Cost price	Receipts		Issue			Balance
			SRV	Quantity	SIV	Quantity	Selling price	

S04 JOB AID

Task:	**Completing the store ledger: S04**
Completed by:	• Pharmacists in charge • Store officer keeping ledger in DMSMA/ZMS
Purpose:	▪ To record information about all lots of a given product in storage ▪ To provide information on quantities received and issued out from storage ▪ To record cost price and selling price of products
When to perform:	▪ Each time products are received ▪ Each time products are issued ▪ At the end of the month when physical counts are conducted
Materials needed:	Bin card, red, blue/black pen *Notes: All commodities procured should be entered into the ledger for documentation and reconciliation purposes.* *Each health commodity combining all batches should have its own ledger page number.* *All pages of the ledger must be numbered.* *The ledger must have a table of contents indicating the product and the ledger number where it can be found.*

Steps	Actions	Notes
1.	**Article:** Enter the product name, dosage form, and strength of the product.	e.g., Misoprostol tablets 200mcg
2.	**Unit of issue:** Enter the unit used for issuing and receiving this product.	e.g., 1 x 3
3.	**Date:** Write the date of the transaction.	DD/MM/YYYY e.g., 04/05/2021
4.	**Received from/issued to:** Write the store (DMSMA/ZMS or supplier) you received the products from or the area of your facility you issued to.	e.g., Received from DMSMA/ZMS. Use a red pen for receiving. Issued to the theater
5.	**Cost price**: Write the purchase price of the item.	
6.	**SRV no.:** Enter the reference number from the from the store receiving voucher.	
7.	**SIV no.:**	

	CMS – When issuing to facilities, enter the number of the internal store issue voucher used. **Facilities** – When issuing to other units in the facility, enter the number of the internal store issue voucher used	
8.	**Receipt quantity:** Enter the quantity you received	
9.	**Issued quantity:** If issuing**, e**nter the quantity you issue out	
10.	**Selling price**: Write the selling price of the item	The selling price includes the mark-up up prices.
11.	**Balance:** Enter the new balance	Balance is the new figure after each transaction.

This task is complete when the:

- Ledger include a page opened for each product.
- Product description and the unit of issue have been written at the top of each page.
- Ledger includes a record of each transaction as it occurs.
- Correct cost and selling prices are written for each product.
- Balance is updated after each transaction.

S05: Internal requisition/issue voucher

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
INTERNAL REQUISITION/ISSUE VOUCHER

Code no: S05

Name of facility_____ **Requested unit** _____

Date_____

S/No	Items description	Unit	Quantity requested	Quantity Issued	Unit price	Total amount	Remarks

Requisition officer _____Signature
_____
Date _____

Approving officer _____ Signature
_____ Date _____
.

Issued by_____ Signature
_____. Date _____

Received by _____ Signature
_____ Date _____

S05 JOB AID

Task:	**Completing the internal requisition/issue voucher: S05**
Completed by:	Pharmacist/pharmacy in charge
Purpose:	To request medicines and consumables from the health facility main pharmacy store
When to perform:	Each time products are requested from the main pharmacy store of the facility
Materials needed:	Bin card, red, blue/black pen *Notes: The form must be in duplicate.* *Each unit must have a booklet. The original copy is removed at the pharmacy, leaving the second copy in the booklet.*

Steps	Actions	Notes
1.	**Name of facility:** Enter the name of the facility where the products are stored.	e.g., Town Maternity, Dambam
2.	**Request date:** Write the date of the transaction.	
3.	**Issued to:** Write the department or unit where the product will be sent.	
4.	**S/N:** Write the serial number beginning with 1.	
5.	**Item description:** Enter the product name, dosage form, and strength.	e.g., Misoprostol tablets 200mcg
6.	**Unit:** Enter the unit used for issuing and receiving this product.	1 x 3 tablet
7.	**Quantity requested:** Enter the quantity needed from the pharmacy main store.	
8.	**Quantity issued:** Enter the quantity being issued from the pharmacy main store.	
9.	**Unit price**: Write the selling price per unit of the item.	The selling price is the price at which the commodities are sold to the patients. It includes the mark-up.
10.	**Total amount:** Enter the total cost per item.	

11.	**Remarks:** Enter remarks if any.	
12.	**Total:** Enter total cost for the page.	
13.	**Requisition officer:** Enter your name, signature, and the date of transaction.	DD/MM/YYYY e.g., 02/04/2021
14.	**Approving officer:** Your supervisor should sign and write the date of the transaction.	
15.	**Issued by:** The pharmacist/pharmacy in charge issuing the products should write their name, signature, and date of transaction.	
16.	**Received by:** Enter the name of the receiver, signature, and date of the transaction.	

This task is complete when the:

- Item description and the unit of issue, number requested, and prices have been written in required columns.
- The voucher includes the names of all relevant officers, their signatures, and date of the transaction.
- Original copies had been submitted to the main pharmacy.

S06: Store issue voucher

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
STORE ISSUE VOUCHER

Code no: S06

Station _____ Date _____
To the storekeeper _____
Ministry/department
_____
You are hereby authorized to issue the undermentioned articles to
_____
Ministry/Department
_____
_
Signature of issuing officer/date

Item no.	Article	Unit of issue	Qty to be issued	Folio in issuing ledger (a)	Folio in receiving ledger (a)	Rate	Amount		REMARKS

Received the above-mentioned stores _____

Recipient _____Date _____

(Signature in full)

Entered _____Storekeeper _____ Date _____

---

a) The issuing storekeeper will insert each article the number of the folio of his/her store ledger upon which is entered.
b) The receiving storekeeper will insert against each article the number of the folio of his/her store ledger upon which it is entered. Should the store be for immediate consumption and not brought on charge, the words “For immediate consumption: should be written by the receiving officer in column (b). Should any alteration be needed, the alteration must be initiated by the officer authorizing the issue and the recipient. The authorizing officer must write his/her initials in the article

column immediately below the last item authorized. Original to be receipted in full (in ink if possible) and returned to the issuing officer who will file it as an issue voucher. Duplicate to be retained by the receiving officer and filed as a receipt voucher. Triplicate to remain in the book.

S06 JOB AID

Task:	**Completing the store issue voucher: S06**
Completed by:	Store officer at DMSMA
Purpose:	To accompany supplied materials/goods to the facilities
When to perform:	Each time materials/goods are issued the facilities
Materials needed:	Store issue voucher, ledger, blue/black pen *Notes: The form must be in triplicate. The original copy accompanies the materials. Two copies are left in the book for audit purposes.*

Steps	Actions	Notes
1.	**Station**: Write the name of the store to which you are issuing the materials.	e.g., PHC Murmur, Zaki LGA
2.	**Date:** Write the date of the transaction.	
3.	**To the storekeeper:** Write Dry Store, DMSMA.	
4.	**Ministry/department/unit:** Write DMSMA.	
5.	**You are hereby authorized to issue the undermentioned articles to … Ministry/department**	Name of the facility where the product will be used
6.	**Signature/date of issuing officer:** The storekeeper sending the commodity should sign here and write the date of the transaction.	DD/MM/YYYY
7.	**S/N:** Write the serial number beginning with 1.	
8.	**Product description:** Write the name and description of the product.	e.g., store ledger
9.	**Unit:** Enter the unit of the issue.	e.g., one booklet
10.	**Quantity to be issued:** Enter the quantity of the item to be issued from the main store.	
11.	**Folio in issuing ledger (a):** Write the folio number of the issuing store.	The issuing storekeeper will insert the number from his/her store ledger's folio for each article, which is entered in this tool.

S07: Loss register

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
LOSS REGISTER

Code No: S07

Facility name_____ **LGA** _____

Month/year _____

Date	Product description	Unit	Batch no.	Expiry date	Qty	Unit price	Total value	Cause of loss	Signature		
									Officer reporting/ storekeeper	Pharmacist	DRF committee member (witness)

S07 JOB AID

Task:	**Completing the loss register: S07**
Completed by:	CMS pharmacist/storekeeper or pharmacy technician in charge of drugs at the main pharmacy
Purpose:	To report losses occurring in the facility or CMS
When to perform:	Each time products are lost due to theft, pilferage, damages, etc. in the facility
Materials needed:	Loss register, inventory control card, ledger, blue/black pen

Steps	Actions	Notes
1.	**Facility name:** Write the facility name.	e.g., MCH Lusa Main store, Bogoro LGA
2.	**LGA:** Write the name of the local government.	
3.	**Year:** Write the current year of operation.	
4.	**Date:** Write the date of the transaction.	
5.	**S/N:** Write the serial number beginning with 1.	
6.	**Product description:** Enter the name, dosage form, and strength of the product.	e.g., Misoprostol tablets 200mcg
7.	**Unit:** Enter the unit of issue.	e.g., tablet, piece, 1 x 3
8.	**Batch number:** Enter the batch number of the products lost.	This information is found in the ICC.
9.	**Expiration date:** Enter the date of expiry of the products you received/issued.	This information is found in the ICC.
10.	**Quantity to be issued:** Enter the quantity(number) of the item lost.	
11.	**Unit price:** Enter the sales price of the item.	
12.	**Total value:** Enter the total value of the item lost by multiplying the quantity with the unit price.	
13.	**Cause of loss:** Write the cause of loss.	Loss can be damages, expiration, theft
14.	**Officer reporting/storekeeper:** The signature of the reporting officer should be entered here.	

15.	**Pharmacist:** The signature of the facility or CMS pharmacist should be entered here.	
16.	**DRF committee member:** The signature of the committee member acting as a witness should be entered here.	

This task is complete when the:

- Product description, unit price, quantity, and value have been entered.
- Signatures of reporting officers, pharmacist or in-charge of drugs, and witness have been entered.
- Loss is reported as part of the monthly financial and stock reports.

S08: Prescription form

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
PRESCRIPTION FORM

Code No: S08

A. PATIENT IDENTIFICATION

Date: _____ Hospital no.: _____

Name: _____

Age: _____ Sex: _____ Wt.: _____

R_X	Quantity	Amount
TOTAL		

Prescriber's name_____

Signature/date_____

Pharmacist's name _____ Signature/date_____

S08 JOB AID

Task:	**Completing the prescription form: S08**
Completed by:	Medical officer/other prescribers
Purpose:	To order needed medicines by the clients/patients
When to perform:	Each time patients require medicines or medical products
Materials needed:	Blank prescription form, blue/black pen *Notes: All prescriptions will be costed in the dispensary before payment at the cashier or revenue collection point. This document is in triplicate. Two copies are removed and taken to the pharmacy for costing and payment. After dispensing, a copy is retained at the dispensary.*

Steps	Actions	Notes
1.	**Date:** Write the date of the prescription.	
2.	**Hospital no.:** Write the patient's hospital number.	
3.	**Patient's name:** Write the patient's name in full.	
4.	**Age:** Write the patient's age.	
5.	**Sex:** Write the gender of the patient: male or female.	
6.	**Weight:** Write the patient's weight in kilograms.	
7.	**Address:** Write the physical address of the patient, not the post office box.	
8.	**Phone number:** Write the patient's phone number, if available.	
9.	**Rx:** List the medicines, dosages, and duration required by the patient.	
10.	**Prescriber's name:** Enter the prescriber's name.	
11.	**Prescriber's signature/date**: Enter the prescriber's signature and date of the transaction.	

12.	**Quantity:** Enter the quantity(number) required.	This column is filled out in the dispensary when costing is done.
13.	**Amount:** Enter the amount of the item.	This row is filled out in the dispensary when costing is done.
14.	**Total:** Write the total amount of the medicines prescribed.	
15.	**Pharmacist:** Enter the pharmacist/pharmacy in charge's name.	
16.	**Signature/date:** Enter the facility pharmacist's signature or pharmacy in charge.	

This task is complete when the:

- Patient's details have been entered.
- Medicines needed have been recorded and costed.
- Names and signatures of the prescriber and pharmacist in charge of drugs have been entered.

S09A: Pharmacy account register

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
PHARMACY ACCOUNT REGISTER

Code No: S09A

Health facility_____

S/N	Date	Patient's name	Receipt no.	Description	Qty	Amount paid	Remarks

S09A JOB AID

Task:	**Completing the Pharmacy account register: S09A**
Completed by:	Facility pharmacist/ pharmacy technician in charge
Purpose:	To record the daily transaction in the dispensaries of the facility
When to perform:	Each time products are dispensed/purchased in the unit
Materials needed:	Pharmacy account register, receipts, prescription form, blue/black pen *Notes: This register must be reconciled daily between the pharmacy and cash collectors.* *At the end of each shift/workday, close the entry for the shift by summing up the total daily revenue from the dispensary unit.* *Draw a diagonal line across two rows to indicate closure of the shift/day transaction.*

Steps	Actions	Notes
1.	**Facility name:** Write the facility name.	e.g., PHC Murmur, Zaki LGA
2.	**S/N:** Write the serial number beginning with 1.	
3.	**Date:** Write the date of the transaction.	
4.	**Patient's name/service unit:** Write the patient's name or the service unit the product is sent.	
5.	**Description:** Enter the description of medicine or medical products purchased by the patient.	
6.	**Quantity:** Enter the quantity of medicine or medical products purchased by the patient.	
7.	**Amount paid:** Enter the total amount of the items	
8.	**Remarks:** Include remarks, if any, in this column.	
9.	**Officer name:** Write the name of the officer making the entry	
10.	**Signature and date:** Officer making the entry should sign and write the date.	

This task is complete when the:

- Patient name or service unit has been entered
- Receipt number, product description, and value have been entered
- Total amount generated for the shift/day has been entered and the register closed for the shift/day.

S09B: Service point utilization register

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
SERVICE POINT UTILIZATION REGISTER

Code no: S09B

Facility name: _____

Service unit: _____

S/N	Date	Patient's name	Description of service	Receipt no.	Amount

S/N	Date	Patient's name	Description of service	Receipt no.	Amount

S09B JOB AID

Task:	**Completing the service point utilization register: S09B**
Completed by:	Medical Lab/Radiology/Theater/Dental Clinic/Maternity
Purpose:	To record details of services rendered in all the units
When to perform:	Each time a service is rendered in the unit
Materials needed:	Service point utilization register, lab/x-ray/diagnostic forms/cash receipts, blue/black pen *Notes: This register must be reconciled daily between the service unit and cash collection point in collection in each unit.* *At the end of each shift/workday, close the entry for the shift by summing up the total revenue for the day/shift.* *Draw a diagonal line across two rows to indicate closure of the shift/day transaction.*

Steps	Actions	Notes
1.	**Facility name:** Write the facility name.	e.g., PHC Murmur, Zaki LGA
2.	**S/N:** Write the serial number beginning with 1.	
3.	**Date:** Write the date of the transaction.	
4.	**Patient name:** Write the patient's name.	
5.	**Details of service:** Enter the description of the service provided to the patient.	
6.	**Receipt no.:** Enter the receipt number.	
7.	**Amount:** Enter the amount paid by the patient.	
8.	**Remarks:** Include remarks, if any, in this column.	

9.	**Officer’s name:** Write the name of the officer making the entry.	
10.	**Signature and date:** Officer making the entry should sign and write the date.	

This task is complete when the:

- Patient's name has been entered.
- Details of service provided, receipt number, and value have been entered.
- Total amount generated for the shift/day has been entered and the register closed for the shift/day.

S10: Stock valuation form

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
STOCK VALUATION FORM

Code no.: S10

Store_____ Month Ending_____
Date_____

S/N	Description	Unit of issue	Expiry date	Batch no.	Quantity counted	Unit price Naira Kobo	Total Naira Kobo

S10 JOB AID

Task:	**Completing the stock valuation form: S11**
Completed by:	• CMS pharmacist/storekeeper • Facility pharmacist/pharmacy technician in charge of drugs at the pharmacy stores
Purpose:	To report available stock and their values in the facility or CMS
When to perform:	▪ At the end of each month in health facilities and quarterly at the CSM/ZMS ▪ When stock discrepancies are noted in the store
Materials needed:	Inventory control card, bin card, ledger, sales invoice, blue/black pen *Notes: All units should fill in this report at the end of every month.* *All stock valuation reports must be sent to the main pharmacy unit no later than the second working day in the new month.* *Secondary facilities are encouraged to use e-generated copies for this task.*

Steps	Actions	Notes
1.	**Store:** Write the facility store/unit.	e.g., pharmacy store, PHC Murmur Zaki LGA Lab Unit, PHC Murmur, Zaki LGA
2.	**Month ending:** Write the month the report is compiled.	e.g., April 2021
3.	**Date:** Write the date the report is compiled.	
4.	**S/N:** Write the serial number beginning with 1.	
5.	**Product description:** Write the name, and description of the product.	e.g., Misoprostol tablets 200mcg
6.	**Unit:** Enter the unit of the issue.	e.g., 1 x 3 tabs, 1 x 10
7.	**Expiry date:** Enter the date of expiry of the products.	
8.	**Batch number:** Enter the batch number of the products lost	
9.	**ICC balance (card balance):** Enter the ending balance on the ICC.	

10.	**Quantity counted (physical count):** Enter the quantity (number) of the item counted.	This is the physical count from the store (either unit dispensaries or main store),
11.	**Unit price:** Enter the selling price of the item	
12.	**Total (physical count)** Enter the total value of each item by multiplying the quantity counted (physical count) with the unit price.	

This task is complete when the:

- Product description, unit price, quantity, and value have been entered.
- Stock valuation forms have been submitted by each unit to the DRF coordinator (pharmacist in charge).
- Stock valuation form is reported as part of the monthly financial and stock reports.

S11: Commodity transfer and return form

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
COMMODITY TRANSFER AND RETURN FORM

Code no.: S12

Name of facility returning/transferring commodities:

From: _____

Sent to: _____

S/N	Product description	Unit	Batch no.	Expiry date	Quantity	Reason for return/transfer
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Record compiled by: _____ Sign: _____ Date: _____

Transfer/return approved by: _____ Sign: _____ Date: _____

S11 JOB AID

Task:	**Completing the commodity transfer and return form**: **S12**
Completed by:	CMS pharmacist/storekeeper or pharmacist/pharmacy in charge at the facilities
Purpose:	To report on the movement of health products from one health facility to another and to report on expiries.
When to perform:	▪ Transferring or returning health commodities from one facility to another ▪ Mopping up expired commodities from the health facility. ▪ Moving excess stock
Materials needed:	Blank returns and transfer form, inventory control card, ledger, loss register, blue/black pen *Notes: This form is in triplicate. When writing, make sure to press hard so the writing goes through the copies.* *Keep a copy of this form for your records once you have completed and signed the form (tickler copy). Send the remaining two copies with the health products to the receiving facility. On receiving the products at the facility, the receiving officer signs the two copies of the forms, keeps a copy, and returns one to the sending facility.* *If products expire, fill in the form and keep it until a waste drive is scheduled to retrieve the expired product.*

Steps	Actions	Notes
1.	**Name of health facility returning/transferring:** Write the name of the facility transferring or returning health products.	e.g., PHC Murmur, Zaki LGA
2.	**To:** Write the name of the health facility or DMSMA/ZMS receiving the health products.	
3.	**Date:** Write the date the report is compiled.	
4.	**S/N:** Write the serial number beginning with 1.	
5.	**Description:** Write the name and description of the product.	e.g., Amoxicillin 250mg
6.	**Unit:** Enter the unit used for issuing the commodity	e.g., caps

7.	**Batch number:** Enter the batch number of the commodity	
8.	**Expiration date:** Enter the date of expiry of the commodity you received/issued.	
9.	**Quantity counted:** Enter the quantity(number) of the item transferred or returned.	
10.	**Reason for return/transfer:** Enter the reason for the return or transfer	e.g., Short-dated products Product expired Overstock of health products
11.	**Record compiled by:** Enter the name of the person filling out the form	
12.	**Sign:** Enter the signature of the person filling out the form	
13.	**Date:** Enter the date of the transaction.	
14.	**Record approved by:** Enter the name of the approving officer**.**	This row is signed by the head of the facility.
15.	**Sign:** Enter the signature of the approving officer.	
16.	**Date:** Enter the date of the transaction	DD/MM/YYYY

This task is complete when the:

- Transferring/returning health facility has filled out and signed the form.
- Details of the health products being transferred are filled in.
- Copies of the completed and signed forms have been sent to the appropriate recipients.

S12: Bi-Monthly LMIS Report Form

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
BI-MONTHLY FACILITY STOCK REPORT FORM

Code no.: S12

MNCH BI-MONTHLY FACILITY STOCK REPORT

Facility Name: _____ **Ward:** _____ **LGA:** _____ **State:** _____

Reporting Period **Starting Month:** _____ **Ending Month:** _____ **Year:** _____

S/No.	Product Name and Strength	UOM	Stock balance at the beginning of the 2 Month Period	Quantity Received over the 2 Months Period	Quantity Dispensed over the 2 months Period	Losses	Adjustments		Ending Balance	Physical Count	Max Stock Quantity	Quantity to Order (QTO)	Remarks
									A+B-C-D+E-F		C*2	I-H	
			A	B	C	D	Positive +	Negative -	G	H	I	J	K
							E	F					
1	Magnesium Sulphate injection												
2	Oxytocin injection												
3	Misoprostol tabs												
4	Calcium gluconate												
5	Ceftriaxone injection 1000mg vial												
6	Amoxicillin injection 500mg/vial												
7	Gentamicin 40mg amp.												
8	Gentamicin 80mg amp.												
9	Chlorhexidine gel												
10	ORS sachet												
11	Zinc tablet												
12	ORS/Zinc co-packed												
13	Amoxicillin dispersible tablet												
14	Amoxicillin suspension												
15													

LIST OF PRODUCTS THAT ARE LIKELY TO EXPIRE IN THE NEXT 6-MONTHS

S/NO	PRODUCT NAME & STRENGTH	UOM	QNTY	BATCH NO.	EXPIRY DATE
1					
2					
3					

	Full Name	Designation	Phone Number	Signature	Date
Report Prepared By:					
Report Approved By:					
Report Received By (LGA):					

Designed by Bauchi, Kebbi and Sokoto States MNCH Program

S12 JOB AID

Task:	**Completing the Bi-Monthly LMIS Report Form: S13**
Completed by:	Storekeeper, officer in charge, store pharmacist at the facility
Purpose:	To report the number of drugs received, dispensed, stock on hand, losses, adjustments, and quantity to order to bring all stock at the facility to the maximum level
When to perform:	At the end of the reporting cycle (every two months)
Materials needed:	Daily consumption record, inventory control card, blank MNCH bi-monthly facility stock report form, calculator, and pen *Notes: This form is in triplicate. When writing, make sure to press hard so the writing goes through the copies.* *Keep a copy of this form for your records once you have completed and signed the form (tickler copy). Send the remaining two copies with the health products to the receiving facility. On receiving the products at the facility, the receiving officer signs the two copies of the forms, keeps a copy, and returns one to the sending facility.* *If products expire, fill in the form and keep it until a waste drive is scheduled to retrieve the expired product.*

Steps	Actions	Notes
1.	**Facility name:** Write the name of the health facility	e.g., GH Azare, PHC Murmur
2.	**Ward:** Write the name of the ward where the health facility is located	e.g., Azare
3.	**LGA:** Write the name of the LGA where the health facility is located.	e.g., Katagum
4.	**State:** Write the name of the state where the facility is located.	e.g., Sokoto
5.	**Reporting period** **Starting month:** Write the first month of the two-month reporting period as the starting month **Ending month:** Write the second month of the two-month reporting period as the ending month **Year:** Add the year. .	Example: Starting month: *Jan*; Ending month: *Feb*; Year: *2018*
6.	**Products (pre-printed):** The name of the product for which data are being recorded.	If the product name is not pre-printed, write in the name of the commodity on a blank line at the end of the form. Include the product

		description and its dosage form and strength.
7.	**Unit (pre-printed):** The unit size of the product.	If the product name is not pre-printed, write in the unit size next to the product you wrote in as defined by the program.
8.	**Stock balance at the beginning of the two-month period (A):** Write in the beginning balance for the period that is being reported.	This number should match the physical count, column H, from the previous reporting period.
9.	**Quantity received over the two months (B):** Add up and write the total quantity of each product that was received during the two months of the report.	This information comes from the ICC's Quantity Received column.
10.	**Quantity dispensed over the two months (C):** Write the total quantity dispensed from the facility during the two-month reporting period as it is in the DCR.	The pharmacist or dispenser completes this step. These numbers are obtained by adding the two months total commodity dispensed that were calculated in the daily consumption record. See also the job aid "Daily consumption record" to complete the bi-monthly issue totals.
11.	**Losses (D):** Enter the exact number of losses in the reporting period.	This information comes from the ICC Losses column. Losses are quantities removed from your stock for any reason other than dispensing/issuing to another facility (e.g., expired, lost, stolen, or damaged). Losses are recorded as negative (–) numbers. Explain any losses in the Remarks column.
12.	**Adjustments, positive (+) (E):** Calculate and write the total of any positive (+) adjustments that occurred during the re-supply period.	This information comes from the ICC Quantity Adjustments column. Be sure to total only the positive adjustments. Explain any positive adjustment in the Remarks column.
13.	**Adjustments, negative (–) (F):** Calculate and write the total of any negative (–) adjustments that occurred during the re-supply period.	This information comes from the ICC quantity: Adjustments column. Be sure to total only the negative adjustments. Explain any negative adjustment in the Remarks column.

14.	**Ending balance (G):** Calculate and write the closing balance for the facility.	G = A + B – C – D + E – F e.g.: Opening balance (A) for amoxicillin capsules 500mg = 100 Quantity received (B) = 200 Quantity Issued (C) = 170 Losses (D) = –10 Adjustment (+) (E) = 0 Adjustment (–) (F) = 0 Ending balance (G) = 100 + 200 – 170 – 10 + 0 – 0 = 120 The ending balance at the end of the reporting period should equal the physical count done at the end of the reporting period. If the physical count done has a different figure from the calculated ending balance, make an adjustment (+ or –) and enter a remark.
15.	**Physical count (H):** Conduct a physical count of the stock on hand and write the total quantities counted.	Ensure you conduct a physical count before writing the total quantity. Refer to the job aid on conducting physical count.
16.	**Maximum stock quantity(I):** Multiply the quantity dispensed over the last two- month period by two and write the result of your calculation.	I = C x 2 The maximum stock quantity is 4 months of stock. The quantity dispensed is for 2 months. Quantity dispensed over the last two months x 2 = 4 months of stock.
17.	**Quantity to order (J):** Subtract the physical count from the maximum stock quantity.	J = I – H
18.	**Remarks (K):** This column should be completed by the facility officer in charge of commodities or the dispensing pharmacist.	To give further information on anticipated increase in consumption. Also, note any remark related to a sudden increase or decrease in drug issues, losses/adjustments, etc.
If no commodity is likely to expire in the next six months, skip to step 24.		
Items that are likely to expire in the next six months		
19.	**Product description:** Write the name, dosage form, and strength of the product.	e.g., Misoprostol tablets 200mcg
20.	**Unit size:** Write the unit size of the commodities/	e.g., 1 x 3
21.	**Quantity:** Write the total quantity of the commodities that is likely to expire in the next six months.	

22.	**Batch number:** Write the batch number of the commodities.	This is found on the package or label of the product.
23.	**Expiry date:** Write the expiry date of the commodities.	
24.	**Report prepared by (full name, designation, phone number, signature, and date):** The person responsible for preparing the report writes his/her name, designation, and phone number; signs the report; and writes the date.	
25.	**Report approved by (full name, designation, phone number, signature, and date):** The person responsible for approving the report writes his/her name, designation, and phone number; signs the report; and writes the date.	
26.	**Report received by (full name, designation, phone number, signature, and date):** The person responsible for receiving the report in the LGA writes his/her name, designation, and phone number; signs the report; and writes the date.	

The task is complete when the:

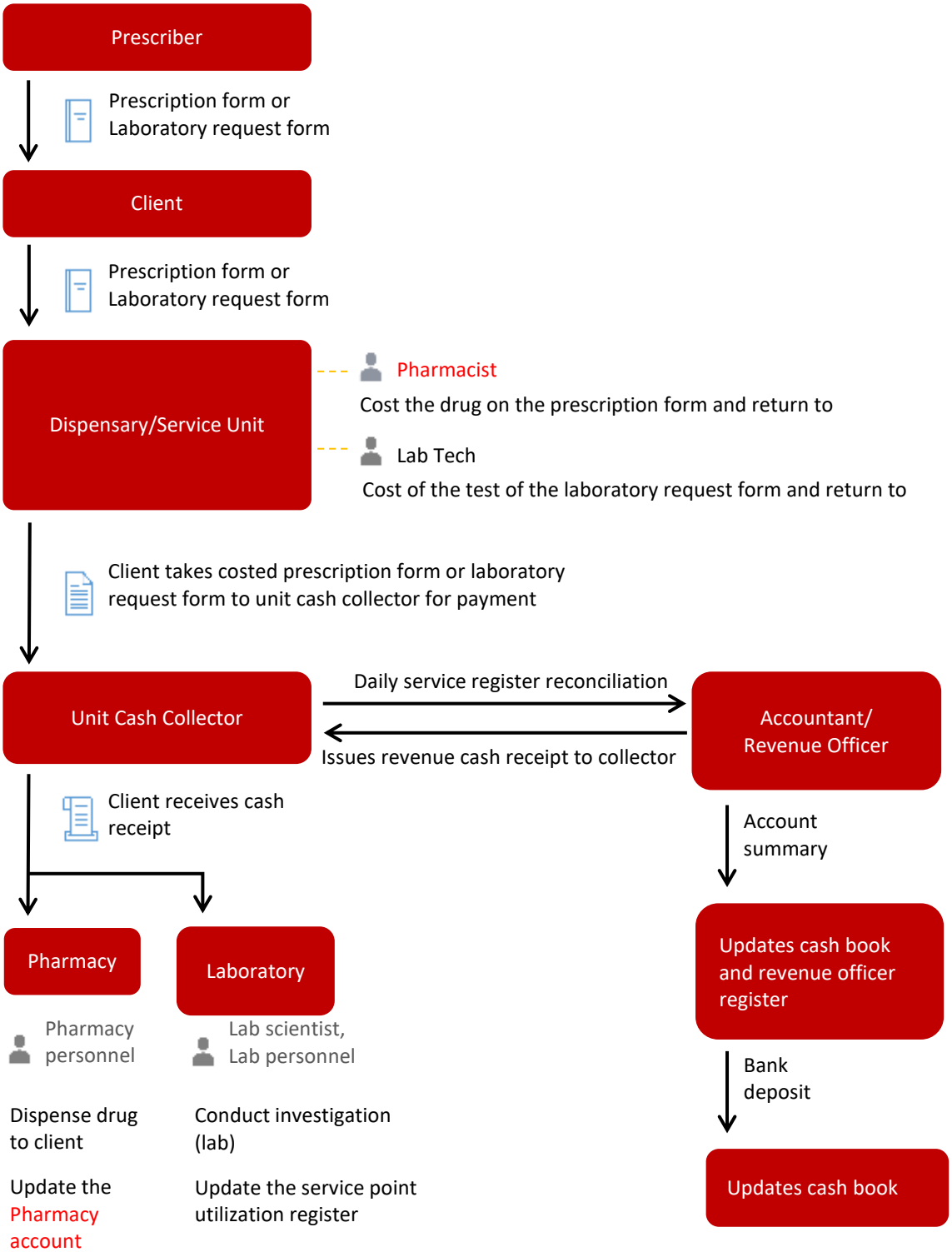
- Facility name, ward, LGA, state, reporting period starting and ending month, and year sections are completed.
- Columns A–J are filled in for each item reported from the facility.
- Remarks (K) have been written, if needed.
- Name, unit, quantity, batch number, and expiry date of commodities likely to expire in six months are filled in where applicable.
- Persons completing the report have written their full names, designation, and phone numbers, and signed and dated the report.
- Report has been sent to the data management unit of the LGA LMCU and receipt is acknowledged.

Financial Management Tools and Processes

DRF Daily Financial Activities

- The client or patient comes in for care or to run a test. The medical officer or health provider prescribes the medicines required. The patient takes the prescription to the dispensary for costing. If it is a lab investigation, it is taken to the lab for costing.
- The patient then goes to the cash collector to pay the fees and returns with the prescription form and cash receipt to the dispensary where he/she collected the drugs.
- The cash collector writes out receipts and updates the cash collector register.
- The dispensary/service unit updates the Pharmacy account or service unit account register.
- At the shift or day activity, the cash collector remits the daily sales to the revenue officer and obtains the revenue cash receipt as proof.
- The revenue officer collects the cash, gives out the receipt as proof of collection, and updates the revenue officer register.
- The revenue officer/accountant pays the day's cash sales to the bank and updates the cash book.

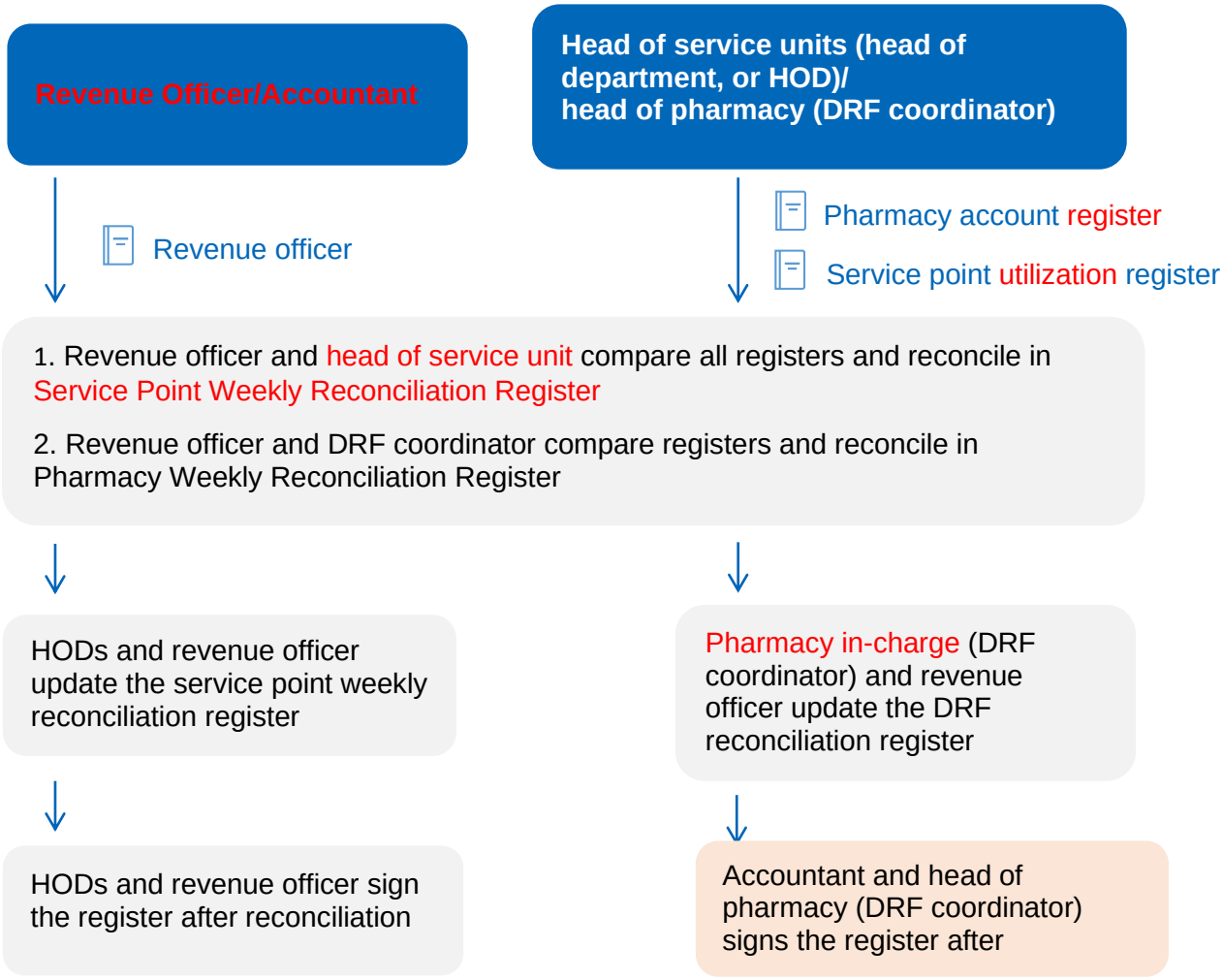
Exhibit 9. DRF Daily Financial Activities



DRF Weekly Financial Activities

- At the end of the week, accounts are expected to be reconciled between the pharmacy unit and the accounting unit.
- The revenue officer and the pharmacy meet to compare sales and the cash realized. They reconcile the sales with the receipts and entries in their registers.
- They then jointly fill out the DRF reconciliation register and service point reconciliation register, respectively.

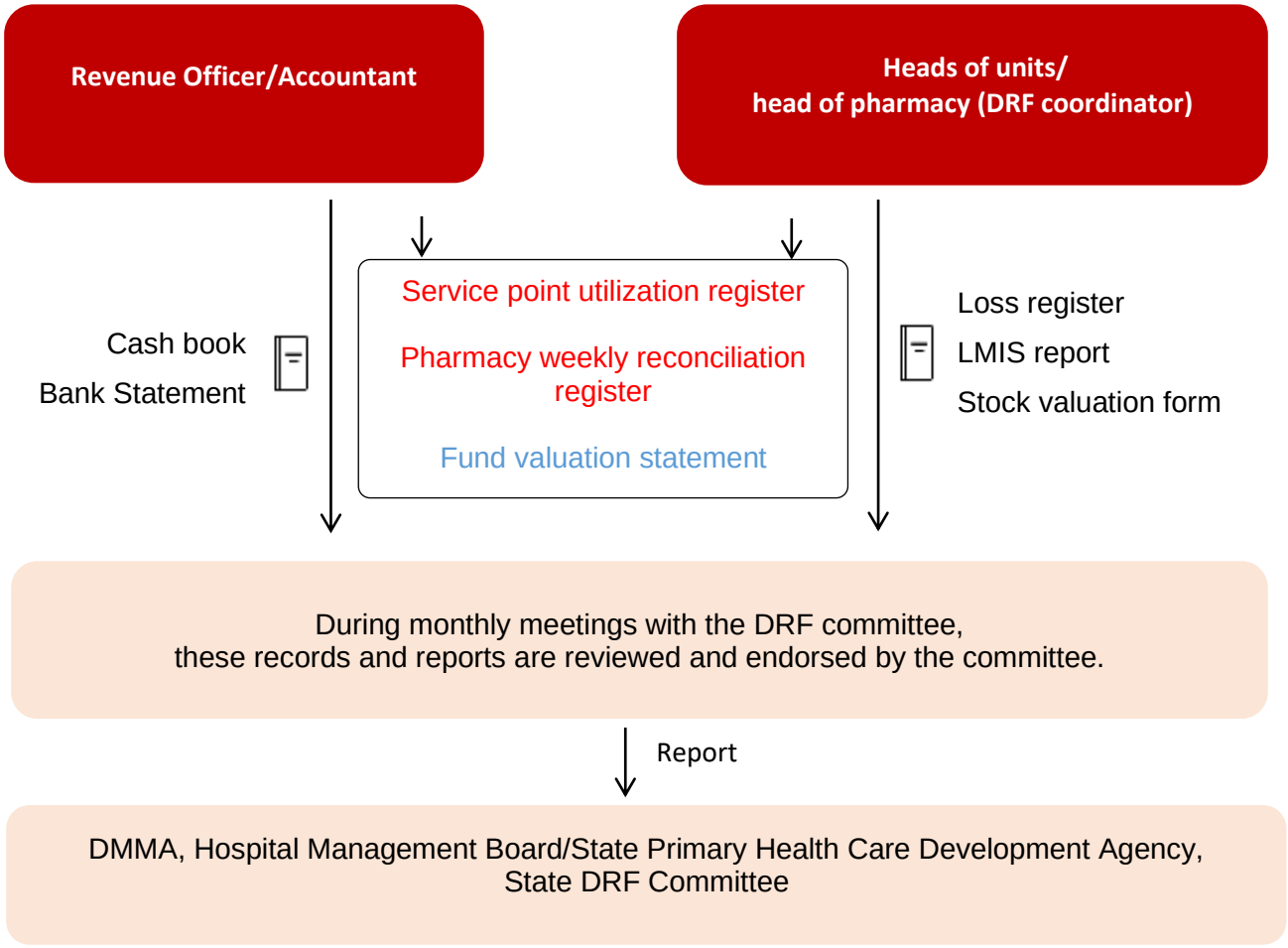
Exhibit 10. DRF Weekly Financial Activities



DRF Monthly Financial Activities

- At the end of the month, the pharmacy unit and the accounting unit are expected to reconcile accounts.
- Also, the cash book is reconciled with the bank statement.
- From these reconciliation meetings, the fund valuation report, monthly financial report, stock valuation report, and LMIS report are generated.
- The DRF committee meets, and reports are tendered for review and endorsement.
- These reports are then sent to relevant government agencies in the state.

Exhibit 11. DRF Monthly Financial Activities



F01: Cash receipt

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
CASH RECEIPT

Code no.: F01

No. 116561

Date: _____

Received from: _____

Payment for: _____

Amount in words_____

Amount in figures | N | K |

Sign_____

Name _____Hospital _____

Cash collector

F01 JOB AID

Task:	**Completing the cash receipt: F01**
Completed by:	Cash collectors
Purpose:	• To record the transaction/payment for drugs and medical consumables and services at all-cash collection points in the facility and DMSMA/ZMS • ll monies generated accruing from the sale of drugs/services rendered in the health facility in the DRF scheme
When to perform:	Each time medicines and medical consumables are purchased or services rendered
Materials needed:	Cash receipts booklet, prescription form, lab order form, other diagnostic request forms, CRIRV, blue/black pen *Notes: No jumping of receipts is allowed against future payment to the facility (receipts must be in the order of payment).* *Receipts must be in triplicate and given out this way:* • *Original: patient/service unit* • *Duplicate: service unit* • *Triplicate: revenue unit* *All entries into the receipt booklet must be transferred into the cash collector's register as soon as each receipt is written.* *The cash collector must remit all cash collected at the end of the shift or day to the revenue officer.*

Steps	Actions	Notes
1.	**Date:** Write the date of the transaction.	DD/MM/YYYY e.g., 02/04/2021
2.	**Received from:** Write the name of the patient or unit paying the fees.	e.g., Zainab Sani Laboratory Unit
3.	**Being payment for:** Write the purpose for which payment is made.	e.g., Drugs, lab investigation, etc.
4.	**Amount in words:** Write the amount in words.	e.g., two thousand Naira only
5.	**Amount in figures:** Write the amount in figures.	e.g., 2,000.00
6.	**Sign:** Enter the signature of the cash collector.	

7.	**Name:** Write the name of the cash collector.	e.g., Adamu Sule
8.	**Hospital:** Write the name of the facility issuing the receipt.	e.g., GH Azare, PHC Toro town

This task is complete when the:

- Patient's name/service unit have been entered.
- Details of service provided, the amount in words, and figures have been entered.
- Cash collector has appended his or her name and signature on the receipts.
- Name of the facility and the date of the transaction have been entered.

F02: Cash collector's register

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
CASH COLLECTOR'S REGISTER

Code no.: F02

Facility name: _____

Month/year_____

S/N	Date	Patient's name	Hospital no.	Receipt no.	Amount	Cash collector's name

S/N	Date	Patient's name	Hospital no.	Receipt no.	Amount	Cash collector's name

F02 JOB AID

Task:	**Completing the cash collector's register: F02**
Completed by:	Cash collectors
Purpose:	To record cash transactions in the facility
When to perform:	Whenever monies are paid through cash, checks, or bank transfers for drugs, medical commodities, or services rendered
Materials needed:	Cash collector's register, cash receipt, blue/black pen *Notes: The cash collector is responsible for keeping and updating the cash collector's register.*

Steps	Actions	Notes
1.	**Facility name:** Write the facility name.	e.g., PHC Murmur
2.	**Date (month/year):** Write the month and year of the entry.	e.g., August 2021
3.	**S/N:** Write the serial number of the transaction beginning with 1.	e.g., 1, 2, 3, 4…
4.	**Date:** Write the date of the transaction.	DD/MM/YYYY e.g., 19/08/2021
5.	**Patient's name/service unit:** Write the name of the patient/service unit that made the payment.	e.g., Adamu Muazu, laboratory unit
6.	**Hospital no.:** Enter the hospital number of the client/patient (NA for service unit).	e.g., 00-05-48
7.	**Receipt no.:** Enter the receipt number issued to the patient/client.	e.g., 0010
8.	**Amount:** Write the sum of the amount received from the patient/service unit**.**	e.g., N2,000.00

9.	**Cash collector's name:** Write your name.	e.g., Usman Audu
10.	**Total:** At the end of each day/shift, reconcile the receipts issued with the register entries and sum up the total amount collected/received in the Amount column.	Draw a diagonal line across three rows below this summation, write your name, and sign.

This task is complete when the:

- Serial number, date, patient's name, hospital number, receipt number, and amount have been entered for each transaction.
- Total amount transacted is summed up and signed by the cash collector at the end of each day/shift.

F03: Revenue cash receipt

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
REVENUE CASH RECEIPT

Code no.: F03

No.

Date: _____

Received from: _____

Being part/final payment for:

_____

The sum of: _____

Amount	N	K

Received by

Name_____ Sign_____

Paid by

Name_____ Sign_____

F03 JOB AID

Task:	**Completing the revenue cash receipt: F03**
Completed by:	Revenue officers
Purpose:	• To record the total amount from each cash collection points at the end of the shift or day • ll monies generated from sales of drugs/services rendered in the health facility
When to perform:	Each time the cash collector returned funds collected at the collection point at the end of the shift or day
Materials needed:	Revenue cash receipts, cash collector register, cash receipt booklet, calculator, blue/black pen *Notes: No jumping of receipts is allowed against future payment to the facility (receipts must be in the order of payment).* *Receipts must be in triplicate and given out this way:* • *Original: Cash collector* • *Duplicate: Revenue officer* • *Triplicate: Audit/tickler copy* *All entries into the receipt booklet must be transferred into the revenue officer's registers as soon as each receipt is issued.* *The facility revenue officer is responsible for collecting all cash for the DRF scheme, issuing the revenue cash receipt (to the various cash collectors), and banking the same into a designated health facility DRF or service accounts as appropriate.*

Steps	Actions	Notes
1.	**Date:** Write the date of the transaction.	DD/MM/YYYY e.g.,19/08/2021
2.	**Received from:** Write the name of the cash collector making the payment.	e.g., Daniel Musa
3.	**Being payment for:** Write the purpose for which payment is made and indicate if it is a part or full payment.	e.g., revenue collected for drugs
4.	**The sum of:** Write the amount in words.	e.g., Two hundred and twenty thousand only
5.	**Amount in figures:** Write the amount in figures,	e.g., N220,000:00

6.	**Received by:** Enter the name and signature of the revenue officer.	e.g., Mercy Moses

This task is complete when the:

- Unit's name has been entered.
- Amount in words and figures has been entered.
- Revenue officer and the cash collector have appended their names and signatures on the receipt.

F04: Revenue officer's register

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
REVENUE OFFICER'S REGISTER

Code no: F04

Facility name: _____

Date	Receipt no.	Total amount	Cash	Check	Credit notes	Pharmacy	Other service points	Amount paid to bank	
								DRF account	Service account

_____ _____
Name of revenue officer Signature/date

F04 JOB AID

Task:	**Completing the revenue officer's register: F04**
Completed by:	Revenue officers
Purpose:	To record the cash collected from cash collectors in the facility
When to perform:	Whenever monies are paid by the cash collectors
Materials needed:	Revenue officer's register, revenue cash receipt, blue/black pen *Notes: The financial officer is responsible for keeping and updating the revenue officer's register.*

Steps	Actions	Notes
1.	**Facility name:** Write the facility name.	e.g., GH Toro
2.	**Date:** Write the date of the transaction.	DD/MM/YYYY e.g., 19/08/2021
3.	**Receipt no:** Enter the revenue cash receipt number issued to cash collectors.	e.g., 0056
4.	**Total amount:** Write the total sum received from the cash collector making the payment**.**	e.g., N220,000.00
5.	**Cash:** (√) if the payment is in cash.	
6.	**Check:** (√) if the payment is a check.	
7.	**Credit notes:** (√) if the payment is in credits notes.	
8.	**Pharmacy:** Indicate with *Yes* if the amount paid is from the pharmacy unit.	
9.	**Service points:** Write the name of the service unit making this payment.	e.g., laboratory
10.	**Amount paid to bank (DRF account):** Enter the amount paid into the DRF bank account.	
11.	**Amount paid to bank (service account):** Enter the amount paid into the service bank account.	
12.	**Total:** At the end of each day, sum up the total amount collected/paid in.	Draw a diagonal line across the remaining blank spaces on the

		page at the end of each week
13.	**Name of revenue officer:** The officer in charge of the register or the designated officer writes his/her name.	e.g., Adamu Isa
14.	**Signature/date:** The officer ho compiled the report signs and writes the date this activity was completed.	

This task is complete when the:

- Date, receipt number, total amount, and transaction type have been entered.
- Various sums paid to the pharmacy and other service points have been entered.
- Amount paid to DRF and service bank accounts have been entered.
- Total amount transacted is summed up and signed by the revenue officer.

F05: Cash book

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
CASH BOOK

Code no.: F05

Health facility_____ _____ LGA_____

Year_____

Received							Payment				
S/N	**Date**	**From whom received**	**Purpose**	**Check / transfer number**	**Cash**	**Amount received Naira: Kobo**	**Date**	**To whom issued**	**Purpose**	**Check/ transfer number Cash**	**Amount paid Naira: Kobo**
		B/F									
TS/N	**Date**										

From who

Prepared by_____

Designation_____

Signature/date _____

_____

Signature/date _____

F05 JOB AID

Task:	**Completing the cash book: F05**
Completed by:	Accountant/revenue officers
Purpose:	To record daily receipts and payments transactions in the DRF scheme at the facility
When to perform:	Whenever funds are received or disbursed
Materials needed:	Revenue officer register, check booklets, calculator, blue/black pen *Notes: This book is in two parts, Receiving and Payment.* *Reconcile the cash book with the bank statements every month as an internal method of auditing.* *Write the full name of the payer/payee making the payment/receiving.* *The accountant/revenue officer is responsible for keeping and updating the cash book.*

Steps	Actions	Notes
	IF YOU ARE:	**THEN GO TO:**
	Receiving payment from units, in the facility	**Step 4, under** RECEIVING SECTION
	Issuing payment through checks	**Step 12, under** PAYMENT SECTION
	Conducting monthly closing of book	**Step 19, under** MONTHLY CLOSEOUT OF TRANSACTION
1.	**Health facility:** Write the name of the facility.	e.g., PHC Bununu
2.	**LGA:** Write the name of the LGA where the facility is located.	e.g., Tafawa Balewa
3.	**Year:** Enter the year.	

RECEIVING SECTION		
4.	**S/N:** Write the serial number beginning with 1.	e.g., 1, 2, 3…….
5.	**Date:** Write the date of the transaction.	DD/MM/YYYY e.g., 19/08/2021
6.	**From whom received:** Write the full name of the person or unit from whom the check/transfer/cash is received.	
7.	**Purpose:** Write the purpose for which the money was paid.	
8.	**Check/transfer number:** Write the check number or transfer number.	Applicable **only** when the payment is in check or bank transfer; otherwise, put a dash (–).
9.	**Cash:** (√) for cash received.	Applicable **only** when the payment is in cash, otherwise put a dash (–).
10.	**Amount received:** Enter the amount received through check/transfer/cash.	
11.	**Total:** Sum up the total received at the end of the month.	
PAYMENT SECTION		
12.	**S/N:** Write the serial number beginning with 1.	e.g., 1, 2, 3……..
13.	**Date:** Write the date of the transaction.	DD/MM/YYYY e.g., 19/08/2021
14.	**To whom Issued:** Write the full name of the beneficiary of the check/transfer.	e.g., DMSMA
15.	**Purpose:** Write the purpose for which the money is withdrawn.	e.g., Procurement of commodities

16.	**Check/transfer number:** Write the check number or bank transfer number.	
17.	**Amount paid:** Enter the amount paid out through the check/bank transfer.	
18.	**Total:** Sum up the total payment at the end of the month.	
	MONTHLY CLOSEOUT OF TRANSACTIONS	
19.	**Total receipts:** Sum up all receipts for the month and write the figure.	
20.	**Total payments:** Sum up all payments for the month and write the figure.	Draw a diagonal line across the remaining blank rows after the last entry for the month.
21.	**Balance:** Subtract total payments from total receipts and carry forward the balance to the first row in the next page.	If the value is positive, write it on the receiving side of the next page (new month), and if negative, write it on the payment side of the new page.
22.	**Prepared by** (name/designation/sign/date)**:** The officer in charge of the cash book writes his/her name, designation, signature, and date.	
23.	**Checked by** (name/designation/sign/date)**:** The facility DRF committee chair or his designate writes his/her name, designation, signature, and date.	

This task is complete when the:

- Facility name, LGA, and year has been entered.
- Columns for date, from whom received, purpose, check/transfer number, cash. and amount received have been entered as appropriately.
- Columns for date, to whom issued, purpose, check/transfer number, and amount paid have been entered as appropriately.

- Summary of the transaction is entered in the last row at the end of the month.
- Total amount transacted is summed up and signed.
- Values have been carried forward into the next page.

F06A: Pharmacy Weekly Reconciliation Register

DRUG REVOLVING FUND SCHEME
SOKOTO STATE DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
PHARMACY WEEKLY RECONCILIATION REGISTER

Code no.: F06A

Facility name_____

S/N	Date		DRF ACCOUNT		Signatures of reconcilers	Signatures of		

		Receipt no. series								reviewers		
			Amount in revenue officer register	Amount in Pharmacy account register	Amount banked	Date banked	Amount of D&E credit note not yet paid	Rev. officer	Pharma-cist	Medical officer	Hospital secretary	Remarks

Prepared by _____ Designation _____Signature/date _____

Checked by _____ Designation _____ Signature/date _____

F06A JOB AID

Task:	**Completing the Pharmacy Weekly Reconciliation Register: F06A**
Completed by:	Revenue officer, pharmacist/pharmacy in charge
Purpose:	To reconcile financial transactions in the pharmacy department with revenue officer's register

When to perform:	At the end of every week
Materials needed:	DRF weekly reconciliation register, revenue collector's register, Pharmacy account register, cash collector's receipt booklet, duplicate copies of cash receipt from pharmacy department, blue/black pen

Steps	Actions	Notes
1.	**Facility name:** Write the facility name.	e.g., PHC town maternity
2.	**S/N:** Write the serial number of the transaction beginning with 1.	e.g., 1. 2, 3, ….
3.	**Date:** Write the date of the transaction.	DD/MM/YYYY e.g., 19/08/2021
4.	**Receipt no. series:** Range of receipt numbers used under the review period (serially).	e.g., 001 to 049
5.	**Amount in revenue officer's register:** Enter the total amount recorded in the revenue officer's register for the week.	Amount in the Pharmacy account register should tally with that in the revenue officer's register.
6.	**Amount in Pharmacy account register:** Enter the total amount recorded in the Pharmacy account register for the week.	
7.	**Amount banked:** Enter the amount banked in the DRF account for the week.	Ensure amount banked tallies with the receipt series.
8.	**Date banked:** This is the date the monies were banked.	
9.	**Signature of reconcilers/reviewers**	
10.	**Revenue officer:** The revenue officer signs.	
11.	**Pharmacist:** The pharmacist/pharmacy in charge signs.	
12.	**Medical officer:** The medical officer or his/her designate signs.	
13.	**Hospital secretary:** The hospital secretary signs.	

This task is complete when the:

- Receipt number series has been reconciled in the Pharmacy account register.
- Reconcilers and reviewers have appended their signatures.

F06B: Service point weekly reconciliation register

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
SERVICE POINT WEEKLY RECONCILIATION REGISTER

Code No: F06B

Facility name: _____

Week ending: _____Unit:_____

Date: _____

S/N	Date	Receipt no. series	Amount in revenue officer register	Amount in service unit account register	Amount banked	Date banked	Amount of D&E credit note not yet paid	Signature of reconcilers		Signature of reviewers		Remarks
								Revenue officer	Unit HOD	Medical officer	Hospital sec	

F06B JOB AID

Task:	**Completing the DRF service point weekly reconciliation register: F06B**
Completed by:	Revenue officers/service unit head(s)
Purpose:	To reconcile transactions in the service units account register and revenue officer registers
When to perform:	At the end of each week
Materials needed:	DRF service point reconciliation register, revenue collector register, service point utilization register, blue/black pen

Steps	Actions	Notes
1.	**Facility name:** Write the facility name.	e.g., town maternity, Giade, Giade LGA
2.	**Week ending:** Write the Sunday rounding up the week reported.	
3.	**S/N:** Write the serial number.	
4.	**Date:** Write the transaction date.	
5.	**Receipt no. series:** These are a series of numbered receipts of revenue collected in operating DRF recorded in both revenue officer and service point utilization registers**.**	
6.	**Amount in revenue officer register:** Enter the amount in the revenue officer's register.	Amount in the service point utilization register should tally with that in the revenue officer's register.
7.	**Amount in service point utilization register:** Enter the amount in the service point utilization register.	
8.	**Amount banked:** Enter the amount banked in the service account for the week.	Ensure amount banked tallies with that of the receipt series.
9.	**Date banked:** Enter the date the money was deposited in the bank.	
SIGNATURE OF RECONCILERS		
10.	**Revenue officer:** The revenue officer signs.	

11.	**Service unit's head:** The service unit head signs.	
SIGNATURE OF REVIEWERS		
12.	**Medical officer:** The medical officer or his/her designate signs.	
13.	**Hospital secretary:** The hospital secretary signs.	

This task is complete when the:

- Amount recorded on the revenue officer's register tallies with the amount in the service account register.
- Date, receipt series, amount banked, and date banked are completed.
- Reconcilers and reviewers had appended their signatures.

F07: Payment voucher

DRUG REVOLVING FUND SCHEME

DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY

PAYMENT VOUCHER

Code No: F07

Facility/department: _____

Payment to be made to: _____

Date	Detailed description of services or goods	Rate	Amount Naira	Amount Kobo
Total amount in words _____ **Naira** _____ **Kobo** _____		Total		

I certify that the details above are following the relevant contract, regulations, or other authority under which the services/goods were provided/purchased.
Officer who prepared voucher:
Signature_____
Name (in all caps): _____

Officer who checked voucher:
Signature: _____

STATION _____
MONTH _____
PAYMENT VOUCHER (PV) NO. _____
HEAD _____
SUB-HEAD _____
DATE RECEIVED IN TREASURY _____
CHECKED AND PASSED AT _____
SUB/LOCAL TREASURY FOR _____
PAYABLE ONLY AT

SUB/LOCAL TREASURY

Name (in all caps): _____	**Signature** **TREASURY CHECKING OFFICER**
I certify that the services/goods have been duly performed/received, that financial authority _____ is held to incur this expenditure, and that the relevant DVE account entries have been made. **Signature:_____** **For: _____** **(Officer controlling vote or AIE)** **Name (in all caps):_____** **Date:_____**	**_____** **Name in ALL CAPS** **_____** **CHECK NO.**
Received the sum of _____Naira_____Kobo in payment of the above account **This_____day of _____, 20_____** **Witness to mark_____** **(Signature)** **Witnessing name _____** **(Signature of payee)** **Official rank_____**	**(Space for Treasury stamp)**

F07 JOB AID

Task:	**Completing the payment voucher: F07**
Completed by:	Accountant/revenue officers/medical officer
Purpose:	To track payment in the facility and DMSMA
When to perform:	Any time an expenditure is to be made
Materials needed:	Blank payment voucher, sales invoice, request for procurement, blue/black pen *Notes: This form includes three sections: 1) services/goods description, 2) verifier (certification), and 3) audit compliance*

Steps	Actions	Notes
	SERVICES/GOODS DESCRIPTION	
1.	**Facility/department:** Write the facility name or department.	e.g., PHC town maternity
2.	**Payment to be made to:** Write the name of the recipient of the payment.	
3.	**Date:** Write the date of the transaction.	
4.	**Description of services or goods:** Write a detailed description of the goods or services required.	e.g., payment for drugs and medical consumables supplied
5.	**Rate:** Write the unit cost of the item.	
6.	**Amount:** Write the total sum of the cost of the goods or services	
7.	**Total amount in words:** Write the total amount in words.	
8.	**Total:** Write the total amount in figures.	
9.	**Officer who prepared voucher (signature):** The officer who prepared the voucher signs.	
10.	**Officer who prepared voucher (name in block letters):** The officer who prepared the voucher writes his/her name in all caps.	
11.	**Officer who checked voucher (signature):** The officer who checked the voucher signs.	
12.	**Officer who checked the voucher (name in block letters):** The officer who checked the voucher writes his/her name in all caps.	
	CERTIFICATION/RECEIVING SECTION	

13.	**I certify that the services/goods have been duly performed/received, that financial authority _____ is held to incur this expenditure and that the relevant DVE account entries have been made.**	The financial authority here is DMSMA for the state-level DRF scheme and hospital head/chair of DRF committee for facility-level procurement
14.	**Signature (officer controlling vote):** The officer controlling the vote signs.	
15.	**Name in block letters (officer controlling vote):** The officer controlling the vote writes his/her name in all caps and writes the date this activity was completed.	
16.	**Received the sum of _____Naira _____ Kobo in payment of the above account** The supplier/vendor/recipient receiving the check in payment of goods/services provided writes the amount received here.	
17.	**This_____day of _____,20_____** The supplier/vendor/recipient writes the date here.	
18.	**Witness to mark:** _____ **(signature)** The witness signs.	
19.	**Witness name:** The witness writes his/her name.	
20.	**Signature of payee:** The person receiving the money signs.	
21.	**Official rank:** The witness writes the official rank.	
AUDIT COMPLIANT SECTION *This section is on the right side of the document*		
22.	**Station:** Write your station, unit, or section.	
23.	**Month:** Write the month of the transaction.	e.g., August
24.	**PV no.:** Write the PV number.	Start from 01/04/2021
25.	**Head: Leave this space blank**	DMSMA writes the workplan number.
26.	**Subhead: leave this space blank**	DMSMA writes the workplan number.
27.	**Date received in treasury:** The date the voucher is received in treasury is entered here.	**Leave this space blank**
28.	**Checked and passed at:** Date and time it is passed in the treasury.	**Leave this space blank**

29.	**Sub/local treasury:** Write the value of the transaction.	**Leave this space blank**
30.	**Treasury checking officer:** Sub/local treasury checking officer signs here.	
31.	**Treasury checking officer (Name in all caps):** Treasury officer writes his/her name here in capital letters.	
32.	**Check No:** Write the check number.	
33.	**Treasury stamp:** Append the treasury stamp.	

This task is complete when the:

- Product description section is written, and the amount is specified (in the procurement compliant section). At the same time, the relevant officers signed appropriately for the goods/services.
- Various officers certified and signed the document (In the certification/authorization section).

F08: Cheque control register

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
CHEQUE CONTROL REGISTER
Code No: F08

S/N	Date	Account name/bank	Cheque number	Description of transaction	Amount Naira: Kobo	Name of carrier	Revenue officer's name/signature

F08 JOB AID

Task:	**Completing the cheque control register: F08**
Completed by:	Accountant/revenue officers
Purpose:	To track the movement of cheques
When to perform:	Each time a check is issued for payment
Materials needed:	Cheque control register, cheque book, blue/black pen

Steps	Actions	Notes
1.	**S/N:** Write the serial number beginning with 1.	e.g., 1, 2, 3. . .
2.	**Date:** Write the date of the transaction.	DD/MM/YYYY e.g., 08/19/2021
3.	**Bank:** Write the name of the destination bank.	
4.	**Cheque no.:** Enter the check number.	
5.	**Description of transaction:** Enter the purpose of the payment.	Cheque issued from the DRF account can be used only to make procurement of drugs and medical consumables or to pay for program sustenance and M&E mark-up element.
6.	**Amount:** Enter the amount to be debited from the bank account.	
7.	**Name of carrier:** The person collecting the cheque writes his/her name and signs.	
8.	**Name of revenue officer/signature:** The custodian of the cheque control register writes his/her name and sign.	

This task is complete when the:

- Date, cheque number, description of transaction and amount have been entered.
- Carrier has entered his/her name and signed.

- Revenue officer has entered his/her name and signed.
- Last rows have been crossed over at the end of the month.

F09: Fund valuation form

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
FUND VALUATION FORM

Code no: F09

Facility name: ----------

Month: ---------- **Year:** ---------

SECTION I: BOOK VALUE		
A.	Beginning balance (total cash and stock equivalent from the previous month)	
B.	Payments out of fund this month (program sustenance 5%, M&E 2%)	
C.	Bank charges	
D.	Loss, expiries, damages, etc.	
E.	Book value (Sum B +C + D and subtract from A) **E = A – (B + C + D)**	
SECTION II: ACTUAL FUND VALUE AT THE END OF THE MONTH		
F.	Bank balance	
G.	Cash on hand at the end of the month	
H.	Stock value at the end of the month at sales price	
I.	Expected funds (NHIS, OVC, etc.)	
J.	Liabilities	
K.	**Total cash and stock equivalent** **K = (F + G + H + I) – J**	
SECTION III: COMPARISON		
L.	Difference between book value and actual value of the fund **L = (K – E)**	
SECTION IV: REMARKS		

Prepared by: _____

_____

Accountant/revenue officer (name/signature/date)

Pharmacist/pharmacist in charge (name/signature/date)

F09 JOB AID

Task:	**Completing the fund valuation form for the facility: F09**
Completed by:	Accountant/revenue officer, pharmacist/pharmacy in-charge
Purpose:	To report the financial activities of the health facility for a given month
When to perform:	At the end of every month
Materials needed:	Blank fund valuation form, copy of fund valuation report submitted the previous month, stock valuation form for the reporting month, Pharmacy account register, bank statement, losses and expiries register, calculator, pen *Notes: The pharmacist in charge of drugs and the accountant/revenue officer prepare this form every month. The fund valuation form should be presented before the facility DRF committee and before submitting a copy to the drug management agency office.* *This report must be ready for submission not later than the 5th of the month following the reporting period.*

Steps	Actions	Notes
1.	**Name of health facility:** Write the name of the facility and LGA.	e.g., General Hospital Toro, Toro LGA.
	SECTION I: BOOK VALUE	
2.	**A: Beginning balance:** Enter the total cash and stock equivalent from the previous month.	Write the figure in row K of the previous fund valuation form.
3.	**B: Payment out of fund this month:** Enter payments made for program sustenance and M&E during the reporting month.	
4.	**C: Bank charges.** Enter the total bank charges for the month.	This information is found in the DRF bank statement for the month.

5.	**D: Loss**: Write the monetary value of total losses (expiries, damages, etc.) for the month.	This information is found in the loss register. If there are no loss or expiry, write 0 in this row.
6.	**E: Book value:** Sum the payment out this month, bank charges, and losses. deduct the value from beginning balance. (Sum B + C + D and subtract from A) **E = A – (B + C + D)**	
SECTION II: ACTUAL FUND VALUE AT THE END OF THE MONTH		
7.	**F: Bank balance:** Enter the amount on the last row of the bank statement**.**	Obtain the bank statement on the last working day of the month.
8.	**G: Cash on hand at the end of the month:** Enter the amount of cash not yet deposited in the bank at the time of reporting.	This information is found in the cash book/revenue officer's register.
9.	**H: Stock value at the end of the month at sales price:** Write the total cash value of available stock in the pharmacy unit.	You will find this information in the stock valuation form.
10.	**I: Expected funds:** Write the sum of outstanding payment sum not yet paid into the DRF account**.**	An example of this is the payment for drugs given out for the treatment of OVC patients.
11.	**J: Liabilities.** Write the pending payments from the DRF account.	e.g., pending payments to DMSMA for drugs purchased.
12.	**K: Total cash and stock equivalent** To get K, add F (bank balance) + G (cash on hand) + H (stock value) + I (expected funds) and deduct (liabilities) **K = (F + G + H + I) – J**	
Section III: COMPARISON This section compares the actual value with the book value for the month.		
13.	Difference between book value and actual value of the fund. **L: Difference:** This is the figure obtained after deduction of book value (E) from actual fund value (K) **L** = **(K – E)**	
SECTION IV		
14.	**Remarks:** If the figure obtained in L above is negative, it means the DRF fund value has depreciated during the month.	

15.	**Prepared by:** Have the pharmacist/pharmacy in charge and the accountant/revenue officer write their names, sign, and date.	

The task is complete when the:

- Facility name, location, reporting month and year are written.
- Information from the stock valuation form, cash book, bank statement, loss, register, previous fund valuation form, are entered correctly into this form.
- Accountant/revenue officer and pharmacist/pharmacy in charge write their names, sign, and enter the date.

F10: Monthly mark-up value form

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
MONTHLY MARK-UP VALUE FORM

Code No: F10

Facility name: _____LGA: _____

Month/year: _____

Description	**Notes**	**Amount Naira: Kobo**
Total sales for the month at sales price (A)	Obtained from the Pharmacy account register	
Total sales for the month at transfer price (B)	Corresponding total sales value at transfer price	
Mark-up value (MUV) **MUV = A – B**	Mark-up value for the month	
BREAKDOWN OF MARK-UP VALUE		
- Inflation	1%	
- Unavoidable loss and expiry	1%	
- Program sustenance	5%	
- D&E	0%	

- Monitoring and evaluation	2%	
Total mark-up	**9%**	

_____
_____

(Pharmacist/pharmacy in charge name) (Signature/date)

_____
_____

(Accountant/revenue officer designation) (Signature/date)

F10 JOB AID

Task:	**Completing the monthly mark-up value form: F10**
Completed by:	Accountant/revenue officer, pharmacist/pharmacy in charge
Purpose:	To calculate mark-up elements values for the month
When to perform:	At the end of the month
Materials needed:	Pharmacy account register, blue/black pen, calculator

Steps	Actions	Notes
1.	**Facility name:** Write the facility name.	e.g., PHC Bununu
2.	**LGA:** Write the LGA where the facility is located.	Tafawa Balewa
3.	**Month/year:** Write the month and the year of the report.	August 2021
4.	**Total sales for the month (A):** Enter the total sales for the month.	Obtained from the Pharmacy account register
5.	**Total sales for the month at transfer price (B): Write the corresponding total sales for the month at transfer price.**	100/109 x total sales value
6.	**MUV for the month:** Deduct total sales at transfer price (B) from the total sales at sales price (A).	**A – B**
BREAKDOWN OF MARK-UP VALUE		
7.	**Inflation**: Calculate and write the value for inflation.	
8.	**Unavoidable loss and expiry:** Calculate and write the value for loss and expiry.	
9.	**Program sustenance**: Calculate and write the value for program sustenance.	This fund should be paid into the facility service account.
10.	D&E: 0%	The value is zero.

11.	**Monitoring and evaluation**: Calculate and write the value for monitoring and evaluation.	This fund should be paid into the state DRF committee account.
12.	**Pharmacist/pharmacy in charge Name/signature/date:** The pharmacist/pharmacy in charge writes his/her name, signs and enters the date.	
13.	**Accountant/revenue officer name/signature/date:** The accountant/revenue officer writes his/her name, signs, and enters the date.	

This task is complete when the:

- Name of the facility, LGA, month, and year have been entered.
- Total sales at sales price and transfer price have been entered.
- Mark-up value for the month has been entered.
- Various mark-up values have been entered.
- Pharmacist/pharmacy in charge and the accountant/revenue officer have written their names and signed.
- Date the report was prepared has been entered.

M&E 01: Health facility DRF supervisory checklist

DRUG REVOLVING FUND SCHEME
DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY
HEALTH FACILITY DRF SUPERVISORY CHECKLIST

Code no: M&E01

Facility name
_____

Ward
_____
__

LGA
_____
___

Date of supervision
_____

Name and designation of
supervisor(s)_____

Phone number(s)
_____

FORM A: Supply chain operations

	Indicators	YES	NO	SCORE *max 100 pts*	Descriptions
1.	The pharmacist/pharmacy technician oversees the pharmacy.	**2**	**0**		The person running the pharmacy must be a trained pharmacist for general hospitals and pharmacy technician for PHCs (give the half-mark to the facility with a community health extension worker/junior community health extension worker in charge of the pharmacy).
2.	The pharmacist/pharmacy technician is available at the time of visit.	**3**	**0**		The pharmacist/pharmacy technician is available at the time of the visit.
3.	Facility DRF committee is available and functional.	**5**	**0**		Use SOPs to validate specific members of the committee recommended and request for minutes of the monthly meeting.
4.	Evidence of correct estimation of commodities requirement.	**4**	**0**		Show requisition list to prove.
5.	Staff maintains ICCs for essential drugs showing stock levels = average monthly consumption.	**3**	**0**		Show ICC and verify the frequency of use.
6.	Balance in ICC corresponds with physical count: a random sample of 10 essential drug items.	**3**	**0**		The theoretical stock on the ICCs of 10 randomly selected drugs must be equal to the physical stock of these drugs found on the shelves.

7.	The last procurement list shows drugs (all) were procured from the DMSMA/ZMS only. ***(If YES, score and skip question 8; if NO, score question 8 only)***	**15**	**0**		Compare the invoices/receipts for the latest procurement (in the quarter under review) to identify the source of procurement.
8.	Proof of procurement waiver from the DMSMA/ZMS if commodities are not procured from the DMSMA/ZMS.	**15**	**0**		
9.	All drugs and medical consumables are NAFDAC certified.	**5**	**0**		
10	Dry, clean place;well-lit and ventilated storage room.	**6**	**0**		All requirements are met: score full mark. Not all requirements are met: score zero (0).
11	All drugs are stored on cupboards, pallet, and labelled shelves.	**5**	**0**		All requirements are met: score full mark. Not all requirements are met: score zero (0).
12	The facility has storage for drugs based on temperature requirement, e.g., a functional refrigerator.	**3**	**0**		All requirements are met: score full mark. Not all requirements are met: score zero (0).
13	Lockable cupboards or store and burglary windows.	**5**	**0**		All requirements are met: score full mark. Not all requirements are met: score zero (0).
14	Serviced fire extinguishers or	**3**	**0**		All requirements are met: score full mark.

	buckets of loose sand.				Not all requirements are met: score zero (0). Checked expiry date of fire extinguisher.
15	Proper inventory practices. Drugs and medical consumables stored in pharmacological classes on a FEFO basis.	**7**	**0**		Sight and confirm proper inventory practices are operational.
16	The supervisor verifies randomly three drugs and **two** consumables.	**5**	**0**		No expired drugs will be found on the shelves.
17	Expired drugs well separated and well labelled from the stock and properly recorded.	**5**	**0**		Observe that expired commodities are separated and labelled in red. Verify records on the loss and expiry register.
18	Return of expired drugs to CMS operational.	**5**	**0**		Expired commodities are transferred to the CMS; verify with the return and transfer (RT) form.

19	The supervisor verifies that commodities are issued only through the internal requisition voucher.	**5**	**0**		Verify in the requisition register of the dispensary and compare it with the drug register of the main pharmacy or bin cards to determine that quantity received in the dispensary equals quantity supplied from the main pharmacy. Identify one commonly used drug. From the daily dispensing register, count the total quantity of that drug dispensed in one day. **No notebook accepted.** Verify that the prescription for this drug for that day and the quantity will be equal to the quantity in the daily dispensing register.
20	Drugs to clients are uniquely dispensed through prescriptions. Prescriptions are stored and accessible.	**5**	**0**		
21	DRF manual/SOPs available at the facility.	**5**	**0**		Check for SOPs at the facility and cite them.
			TOTAL		
			Total score/100 = percentage		

FORM B: Financial management operations

	Indicators]	YES	NO	SCORE Max 60 pts	Descriptions
1.	The facility (PHC and SHC) has an account designate for cash management.	**5**	**0**		The facility assigns a staff member (preferably an accountant) to record sales and manage the finances of the DRF.
2.	An account designate for SHC and PHCs is available at the time of visit.	**5**	**0**		
3.	The facility has a DRF bank account with the right individuals and correct number as specified by the SOPs.	**3**	**0**		Check for bank statement, checks, or any proof of account.
4.	At least two signatories receive the bank alert.	**3**	**0**		Check any signatory's phone and enquire if this is regularly updated with the change of signatories.
5.	The facility has a D&E account.	**2**	**0**		Same as above.
6.	D&E funds are paid into the D&E account.	**5**	**0**		Same as above.
7.	The facility has a cash book.	**5**	**0**		Cash book must be used daily. ***A notebook is not acceptable.***
8.	The facility has a cash book for D&E.	**5**	**0**		Cash book must be used daily. ***A notebook is not acceptable.***
9.	The facility has a transaction and reconciliation ledger for daily transactions.	**5**	**0**		A reconciliation ledger is used. ***A notebook is not acceptable.***

10	Fund valuation form done.	**5**	**0**		Must be filled out monthly as stipulated in the SOPs.
11	The facility has an official cash receipt.	**2**	**0**		Same as above. ***A notebook/plain paper is not acceptable.***
12	Facility banks cash as stipulated in the guidelines.	**5**	**0**		Pick a random day. Review cash record (close of fund of the day), signed tellers, and bank alert from any account signatories.
13	Monthly financial reconciliation done.	**5**	**0**		Check the reconciliation ledger.
14	The price list is displayed at the dispensary unit and other service units.	**5**	**0**		Check the entrance wall and dispensary unit.
			TOTAL		
			Total score/100 = percentage		

FORM C: Stock management and reporting

	Indicators	YES	NO	SCORE Max 60 pts	Descriptions
	Commodities are recorded when received at the facility.	**5**	**0**		
	Incoming DRF items are arranged on the shelves, using the principle FEFO.	**5**	**0**		If no, do personnel understand the principle of FEFO? If not, explain the principle and provide ideas on how DRF commodities will be stored to facilitate FEFO distribution.
	Regular stock counts/stock status are conducted.	**5**	**0**		View real-time ICC update.
	The facility has an adequate stock level as stated in the guidelines.	**5**	**0**		Not above the maximum quantity; not at or below the emergency order level. If you think there is a problem, advise the facility personnel accordingly. Take the actions needed to correct the situation.
	Stock on hand and funds available are reconciled monthly.	**5**	**0**		Use reconciliation ledger to verify.
	Check the Months of stock for each DRF commodity are checked, using the formula: Months of stock = Stock on hand / Average monthly consumption	**10**	**0**		Check tracer commodities. At least 10 random commodities will be checked.

	Inventory control card	**4**	**0**		Check if forms are available and are being used by the facility.
	Damages and expiry register	**2**	**0**		Confirm the availability and usage of the register.
	Stock valuation form	**5**	**0**		Confirm the availability and use of the form.
	Prescription form	**2**	**0**		Confirm the availability and use of prescription form for all medications.
	RT form	**2**	**0**		RT forms are used for returning expired live drugs to CMS or transfer to another facility.
	LMIS monthly reporting form is filled and sent to the DMSMA and LMCU	**5**	**0**		Check duplicate of forms at the facility. If no, do personnel know how to fill in the different DRF LMIS data collection forms? If not, provide on-the-job training.
	DRF combined requisition/issue receipt voucher	**5**	**0**		Check duplicate of forms at the facility.
			TOTAL		
			Total score/100 = percentage		

Summary	Percentage score	Remark
Supply chain operations		
Financial management operations		
Stock management and reporting operations		
Overall average percentage score		

Feedback: Recommended action points with timelines

S/N	Recommendations	Timeline	Responsible person(s)
1			
2			
3			
4			

S/N	Name of staff interviewed	Designation	Phone number	Signature
1				
2				
3				
4				

M&E 02_DRF SUPERVISORY CHECKLIST_CMS

DRUG REVOLVING FUND SCHEME

DRUGS AND MEDICAL SUPPLIES MANAGEMENT AGENCY

CENTRAL MEDICAL/ZONAL MEDICAL STORES

Code No: M&E 02

Store Name……
…….....

LGA……
……...

Date of Supervision……
……..

Name and Designation of Supervisor(S)……

……
……

Phone Number
……
…...

……
.....

FORM 2A – Supply Chain Operations					
	Indicators [max 100 points]	**YES**	**NO**	**SCORE**	**Descriptions [max 100 points]**
A	**Human resources**				
	The Pharmacist/storekeeper available.	**5**	**0**		The person running the store must be a trained Pharmacist.

FORM 2A – Supply Chain Operations					
1.	The store has the minimum number of staff members mentioned on the SOP.	**5**	**0**		Use SOP to validate the number of staff required to run a DMSMA/ZMS.
B	**Quantification**				
2.	Evidence of quantification.	**3**	**0**		Show document for proof.
	Staff maintains stock cards for all Essential Drugs showing. security stock levels = average monthly consumption	**3**	**0**		Show stock card and verify the frequency of use.
	Quantity in stock card corresponds with physical supply: a random sample of twenty (20) essential drugs.	**5**	**0**		The theoretical stock on the stock cards of twenty (20) randomly selected drugs must be equal to the physical stock of these drugs found on the shelves.
C	**Procurement**				
3.	The procurement cycle is done as stipulated in the guidelines.	**5**	**0**		Refer to the procurement guidelines.
D	**Inbound**				
4.	Clean and functional clearing bay	**2**	**0**		
5.	Suppliers are provided with a clearance receipt/documents as stipulated in the guidelines.	**5**	**0**		Check for a copy of a signed delivery note, invoice and LPO.
E	**Warehousing - Drugs Stored Correctly**				

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FORM 2A – Supply Chain Operations					
	Dry, clean place, well-lit and ventilated and air-conditioned storage room, free from rodents.	**5**	**0**		Ensure that the ACs are working properly All requirements are met - score full mark. Not all requirements are met – Score zero (0).
	Store commodities according to their required temperatures e.g., using functional refrigerators.	**5**	**0**		Ensure the refrigerator is working, a thermometer is available and temperature records are maintained. All requirements are met - score full mark Not all requirements are met – Score zero (0).
6.	Commodities are stored in well-labelled shelves and pallets.	**10**	**0**		Check standard for all requirements: ▪ 10cm above the ground ▪ 30cm away from the wall ▪ Not more than 2.5m high
7.	Commodities are stored in categories.	**10**	**0**		It is recommended that commodities are stored according to their forms. For example, the DRF items may be arranged as follows: ▪ Tablets, Capsules, Surgical materials, Lab items and X-ray ▪ Syrups and Suspensions ▪ Parenteral products – Injections and Infusions
8.	Lockable store and burglary proof windows.	**5**	**0**		All requirements are met - score full mark. Not all requirements are met – Score zero (0).
9.	Serviced fire extinguishers and buckets of loose sand	**2**	**0**		All requirements are met - score full mark.

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FORM 2A – Supply Chain Operations					
					Not all requirements are met – Score zero (0). Checked expiry date of fire extinguisher.
	Proper inventory system. Drugs and medical consumables stored on first in(expired) - first out basis.	**10**	**0**		
F	**Handling of Expired, Damaged and Unreadable Labelled Drugs**				
	The supervisor verifies randomly ten (10) drugs and five (5) consumables.	**5**	**0**		No expired drugs shall be found on the shelves.
	Expired, damaged and unreadable labelled drugs well separated from the stock and recorded appropriately.	**5**	**0**		Observe that expired commodities are separated and labelled in red Verify records on the Loss and expiry register.
10.	Destruction protocol for expired, damaged and unreadable labelled available and applied.	**5**	**0**		
G	**Outbound**				
11.	The supervisor verifies that commodities are issued only through the requisition.	**5**	**0**		The supervisor verifies that commodities are issued through a requisition form.
12.	DRF Manual/SOP available.	**5**	**0**		
	TOTAL				
Total Score **Total Points (100)**		**….. /100 (Percent)**			

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FORM 2B – Financial Management Operations					
	Indicators [max 60 points]	**YES**	**NO**	**SCORE**	**Descriptions [max 60 points]**
A	**Human resources**				
1.	Senior Accountant at the DMSMA and at least two Accountants for DMSMA/ZMS.	**10**	**0**		At least two accountants in charge of the daily transactions at the DMSMA/ZMS.
B	**Bank Accounts**				
2.	There is a State DRF bank account with the correct number and cadres of signatories as specified on the SOP.	**5**	**0**		Check for bank statement, cheques or any proof of account.
3.	At least two signatories receive bank alert as stipulated in the guidelines.	**5**	**0**		Check the phone and enquire if this regularly update with the change of staff.
C	**Availability of Books for Records – Tools**				
4.	Cash book for banks	**5**	**0**		Cashbook must be used regularly. ***A notebook is not acceptable.***
5.	Petty cash book.	**3**	**0**		
6.	The DMSMA/ZMS has a transaction and reconciliation ledger.	**5**	**0**		Same as above
7.	Funds Valuation Form	**5**	**0**		
8.	The DMSMA/ZMS has an official receipt.	**2**	**0**		Same as above
9.	Monthly financial reconciliation done.	**5**	**0**		Check the reconciliation ledger.
10.	The price list is displayed at the DMSMA/ZMS.	**5**	**0**		Sight filed copy

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FORM 2B – Financial Management Operations					
D	**Payment**				
11.	Suppliers documents are verified before payment.	**10**	**0**		Show proof of the document submitted and ensure it's in line with the DRF guidelines.
Total Score **Total Points (60)**		**…. /100 (percent)**			

	Indicators [max 60 points]	**YES**	**NO**	**SCORE**	**Descriptions [max 60 points]**
A	**Stock Records**				
1.	Commodities are recorded when received at the store.	**5**	**0**		
2.	Incoming DRF items are arranged on the shelves, using the principle First Expire First Out (FEFO).	**5**	**0**		If no, do personnel understand the principle of FEFO? If not, explain the principle and provide ideas on how DRF commodities shall be stored to facilitate FEFO distribution.
B	**Stock Levels**				
3.	Conduct regular stock counts/stock status.	**5**	**0**		View stock card.
4.	The store has an adequate stock level as stated in the guidelines.	**5**	**0**		Not above the maximum quantity; not at or below the emergency order level. If you think there is a problem, advise the store personnel accordingly. Take the necessary actions to correct the situation.
5.	Reconcile stock at hand and funds available quarterly.	**5**	**0**		
6.	Check the Months of Stock on Hand for each DRF commodity. Use the formula: Months of stock = Stock on hand/	**10**	**0**		Check all tracer commodities.

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	Average monthly consumption				
C	**Availability of Stock Reporting Tools**				
7.	Inventory control card / stock card.	**5**	**0**		Check if forms are available and are being utilized by the facility.
8.	Damaged and expiry register.	**5**	**0**		
9.	Stock Valuation Form	**5**	**0**		
D	**The Following Forms are Being Filled and Reported Correctly**				
10	Sent stock report to the State DRF Committee.	**5**	**0**		
11	LMIS bi-monthly reporting form received from facilities.	**5**	**0**		At least 95% of facilities have submitted.
12	DRF Requisition/Issue Receipt Voucher received from facilities.	**5**	**0**		
Total Score Total Points (60)		**. /100 (Percent)**			

Summary	**Percentage Score**	**Remark**
Supply Chain Operations		
Supply Chain Operations		
Financial Management Operations		
Stock Management and Reporting Operations		
Overall average percentage score		

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FEEDBACK			
Recommended Action Points with Timelines			
S/N	**Recommendations**	**Timeline**	**Responsible person(s)**
1			
2			
3			
4			
5			

S/N	Name of staff interviewed	Designation	Phone number	Signature

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ANNEX B: LIST OF CONTRIBUTORS

S/N	Name	Organization
1.	Grace Omole	Curriculum Design Expert - Lead
2.	Paul Iyaji	DRF Consultant
3.	Mariya Saleh	RMNCH Director – GHSC-PSM
4.	Olukemi Sofa	MNCH Manager – GHSC-PSM
5.	Smatt Azeez	WSCD Manager – GHSC-PSM
6.	Buhari Shehu	ED HSMB - Sokoto State
7.	Pharm Murtala Bello	DPS SPHCDA – Sokoto State
8.	Sulaiman Hassan	Regional Director – GHSC-PSM
9.	Gloria Iloeje	WSCD Advisor - – GHSC-PSM
10.	Daniel Egbon	MNCH Logistics Advisor – GHSC-PSM
11.	Tarilayefa Kosuowei	Finance Director – GHSC-PSM
12.	Adekunle Osuolale	Malaria Logistics Manager – GHSC-PSM
13.	Ikponmwosa Igbinadolor	MNCH Logistics Advisor– GHSC-PSM
14.	Sandra Odogwu	Procurement Director- – GHSC-PSM
15.	Pharm Tukur Ibrahim	Senior DRF Manager – GHSC- PSM
16.	Durowaiye Michael A.	University of Ibadan, Ibadan
17.	Muhammad Aminu Zayyad	Ahmadu Bello University, Zaria
18.	Ahmad Muhammed Danzaki	CMS Pharmacist, Sokoto State
19.	Mahmud Muhammed	DD & MS - DMSMA
20.	Mohammed M Hamisu	DPS – SMOH, Sokoto State
21.	Alhaji Tukur S	DPS HSMB, Sokoto State
22.	Abubakar Hassan	Director Program SOCHEMA

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