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PROGRESS REPORT #1

Activity: Database software analysis and Sample inventory
Purpose: Evaluate the accuracy of the existing stock management system
Location: 'Kimadia' Warehouse 1, Al-Adil
Period of activity: 16 June – 15 July 2003
Date of report: 16 July 2003

FINDINGS SUMMARY

Commodity management system

- Warehouse 1, main 'Kimadia' warehouse for the distribution of pharmaceuticals, commodity tracking and stock management system combines electronic with manual technology.
- Manual system is based on a delivery and receipt sheets, which are recorded in a stock card for each individual item (normally a separate card for each manufacturer).
- Record keeping office maintains 'an official' stock card for each item, stock cards maintained at each individual store are considered 'unofficial' and are not a requirement. Storekeepers maintain them for own stock management purposes.
- Software system uses the same documentation to maintain a database. WH1 database units maintains two different systems – a/ WHO supported database 'Microdrug' built in DOS operated FoxPro (since 1997); b/ Ministry of Trade adopted database 'Microdrug' built in Visual FoxPro (since 2002).
- Balances maintained in the database are considered as 'master' quantities in stock, stock card balances are subject to scrutiny after software balances are available at the end of each month.
- Stock controls are performed by the warehouse committee at the end of each month to verify balances in stock, main inventory is performed at the end of calendar year.
- 'Kimadia' commodity management system is not 'integrated'. Each warehouse keeps a separate database for own stock management. Each

warehouse uses a different coding system ('old' software) making the task to summarize the quantity of pharmaceutical items available in-country difficult and time consuming process. 'New' software introduced a unified coding system. The software is not used in all warehouses however.

Sample Inventory Analysis

(Please refer to the Analysis Table attached to this document - Attachment 1.)

- About 40 commercial products were inventoried and the results obtained have shown that both software system reports are highly inaccurate. The 'official' stock card system is equally inaccurate and not presented in the table to avoid duplication of information. The 'unofficial' stock cards were found to be very accurate and up-to-date. They are obviously the most reliable source of information to illustrate the quantities available in stock at WH1.
- 'Old' software system has shown only 42 percent accuracy for the summary of items inventoried. 'New' system has shown 58 percent accuracy. The discrepancy is even higher when looking at some of the individual items.
- Data entry for either of the two software systems was not performed in the period March – May 2003. The activity was re-activated in June, still not in pace with the intense receipt and delivery schedule however. For illustration, approx. 450MT of pharmaceuticals were distributed from the warehouse to the governorates in June. June experience has shown it is to be expected the data unit will continue to run behind schedule with the record keeping for several weeks, if not months.
- 'Old' software system was designed primarily to track pharmaceuticals procured through Oil for Food program. It seemingly contains no records of the domestic production which explains some of the discrepancies between the two systems. Almost all of the 10 items inventoried were also produced in country (manufacturer SDI in the table).
- The software systems are not designed to process donations, which constituted a majority of incoming activity at WH1 in past three months. (Please note Doxycyclin and Ciprofloxacin delivered to the WH1 several days prior to the sample inventory and not recorded).
- Although the analysis has shown that stock cards kept at individual stores provide the most accurate information available, several inconsistencies were observed also. Some stores do not update their stock cards timely while others do. Tablets store has kept the incoming and outgoing quantities recorded, balances were not carried forward however. Over hundred entries were observed in the stock cards over period of past two months. Since the store has 700-800 stock cards, by their own estimate, it will take them two weeks to update all and balance the stock cards.
- The main reason for inaccuracy found is a major disruption in the normal function of Kimadia WH1 data unit due to post-war insecurity and lack of clear direction at first. In June, time-consuming data entry process was not able to cope with a backlog of documentation combined with an aggressive delivery schedule.

RECOMMENDATIONS

- Further verify the accurateness of the stock cards with a more substantial physical inventory. Since a full inventory will require a suspension of all receipts and deliveries for at least two to three weeks, which is not acceptable at this point, alternative solutions are to be sought.
- There are 18 separate store sections at WH1. It is possible to perform a sample inventory of 10 most frequently moved items from each section in one day with no other activity in the WH1 (possibly Friday?) utilising a large number of teams (18 x 4 persons).
- Alternative is to create a one to two week schedule and perform the same with less teams moving from one section to another based on the other section activities in the period.
- Utilize thus verified most reliable source, storekeepers' stock cards, to adjust the balances in the software database with a single entry for each item instead of time-consuming data entry for all movement in the past three months.
- Use only one software system to track commodities. 'Old' system may be more appropriate in the immediate future since it is (has been) readily used in the 'Kimadia' system. Make necessary adjustments to the system to allow tracking of domestic and donated pharmaceuticals. Develop or adopt a unified coding system to be able to collate data.
- Design an integrated commodity tracking system for the demand, procurement and the distribution of the pharmaceuticals, supplies and equipment through 'Kimadia' appropriate for the current requirements of the country and flexible to allow for future developments. Train staff to appropriately and effectively maintain the system.

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