

Standardized procedures for purchase, stores, finance & accounting

Over all flow chart - materials department

The flow of the activities in purchase and stores has been standardized as indicated in annexure :A

Selection of supplier

Agreed that the following criteria will be applied for selecting a supplier

- a) Reliability
- b) Dependability
- c) Consistency
- d) Quality
- e) Lead Time
- f) Terms of Payment
- g) Vendor Rating

Purchase order : form & content

While the format has been left to the discretion of the management of the respective hospitals, this will essentially contain the following information

- a) Item description - specification
- b) Quality
- c) Code : ISI/OTHER CODES
- d) Quantity
- e) Rate per unit of quantity
- f) Schedule of supply
- g) Terms of supply
- h) Terms of delivery: FOR/FOB/CIF/C&F
- i) Tax details
- j) Terms of payment
- k) Freight for return of materials in case of rejection
- l) Jurisdiction of
- m) P.O No & Date
- n) Authorized By /Approved By
- o) Validity of P.O
- p) Made in quintuplicate and the distribution will be :
 - Supplier
 - Accounts
 - Stores
 - User department
 - Office copy
- q) Control number

Indent format

The agreed standardized format is as specified in annexure B

Goods received Note:

The actual format has been left to be decided by the hospital to suit their own needs. However the contents of the goods received note have been standardized as below.

- Parties name
- Item description / code No
- Purchase order reference
- Quantity ordered
- Quantity supplied
- Delivery challan No. and date
- Invoice No. and date
- Received by / Quality checked by / approved by

Inventory control:

- Agreed to have a periodical control of the stocks by using ABC analysis which will enable the management to focus their attention on fewer items aggregating to large percentage of value .
- Agreed to have constant monitoring of fast moving, slow moving, and nonmoving items of stock through FSN analysis

Perpetual inventory control system:

- Agreed to have yearly physical verification, matching the same with the records and action initiated to treat the discrepancies in the accounts appropriately

- Also it was agreed to have an on the spot verification of physical stock of items received / issued during the course of the day on a day to day basis by the store keeper himself. This will enable him to satisfy that nothing has gone wrong during the course of the day.

Control over consumption:

- Agreed to have data on department wise consumption of medicines / consumables viz. Clinical departments and house keeping, maintenance departments, etc., on a month to month basis to have adequate control over consumption.

Finance & Accounts

Over all flow chart

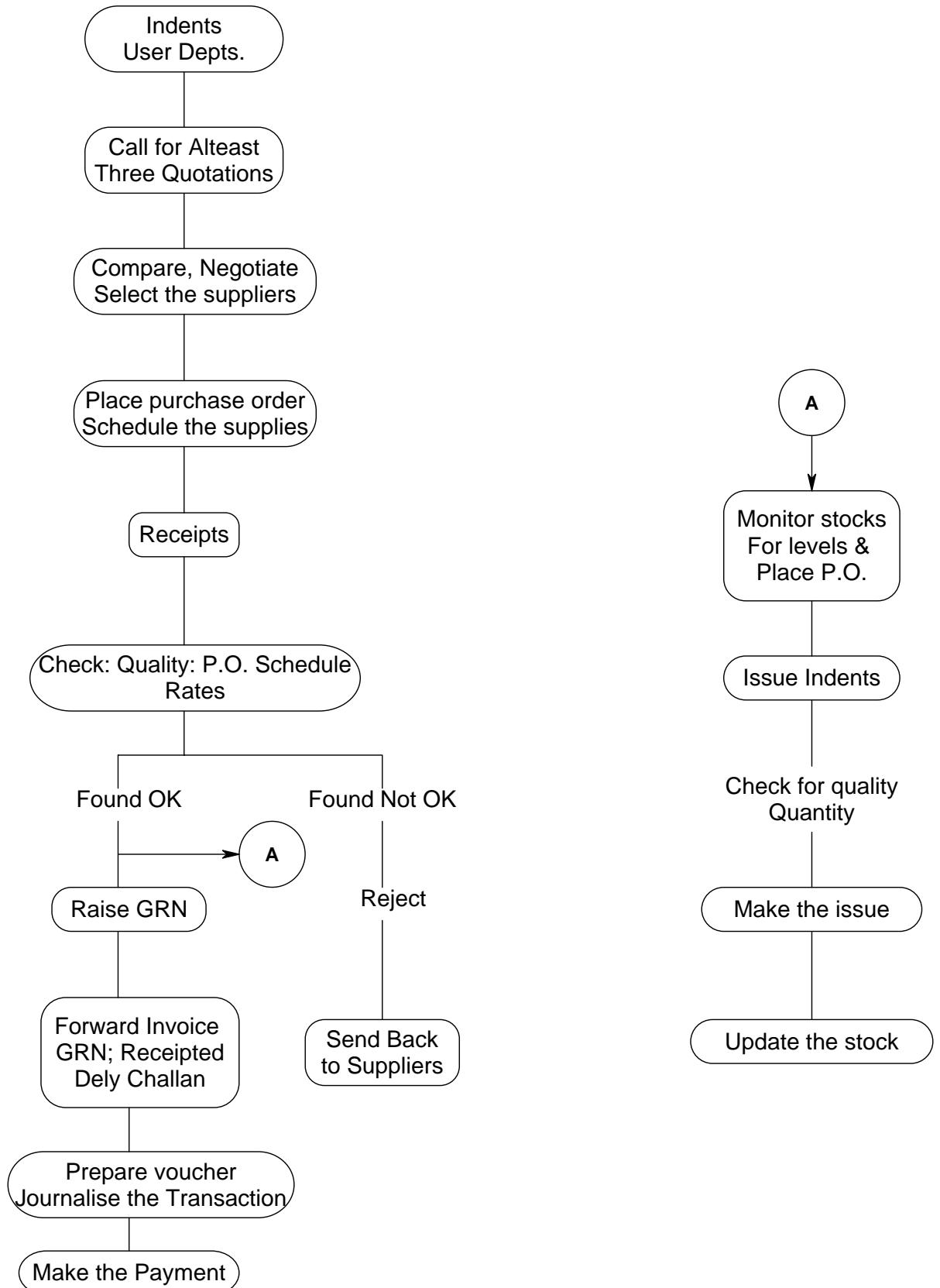
- A standardized flow chart for the activities relating to expenses (both capital and revenue) has been finalized and is appended in annexure:C

Control over income and expenditure :

- On a monthly basis the percentage of contribution of various elements of income and expenditure to the total will be worked out and constantly monitored to the management for control.

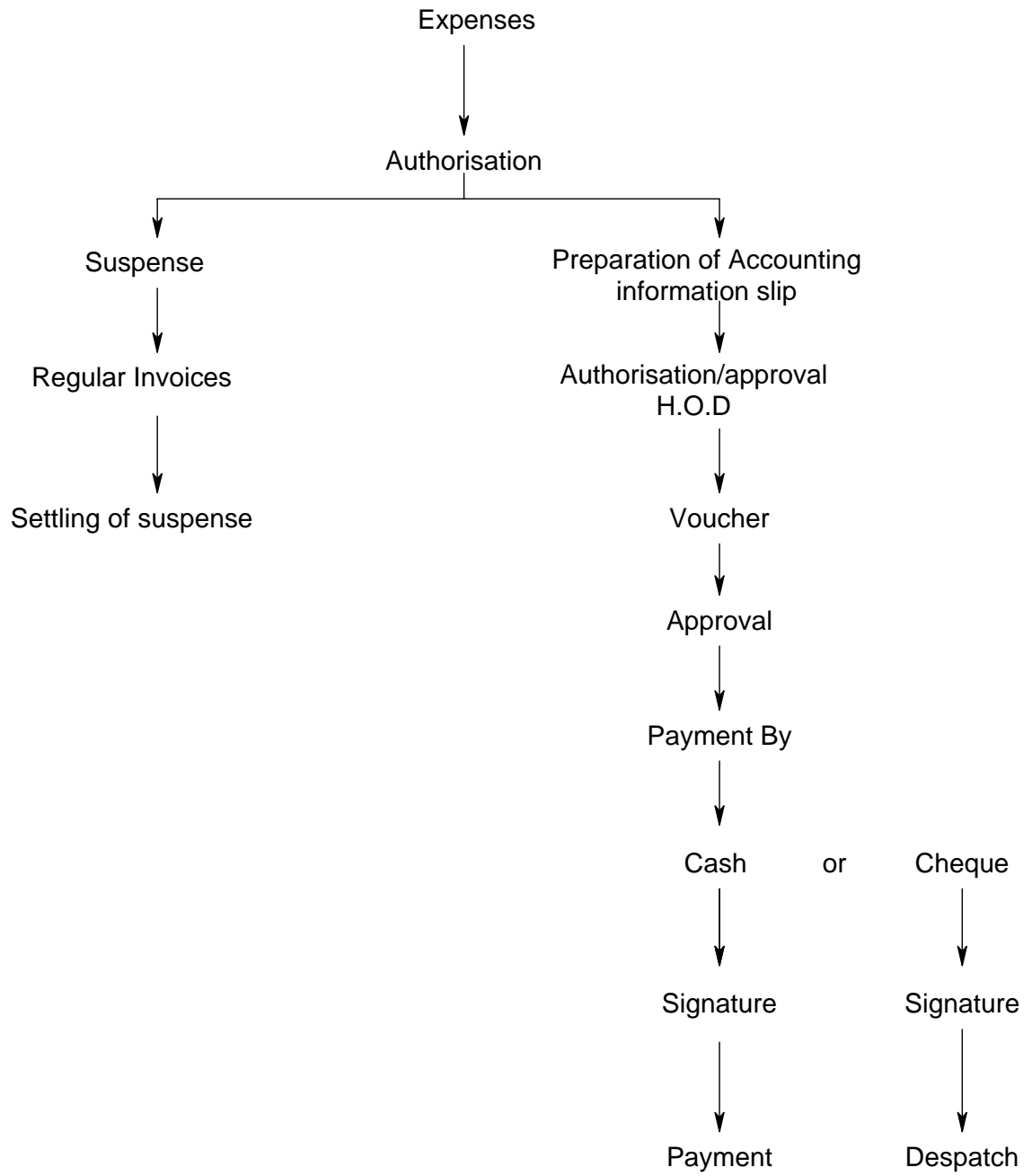
- Annexure : A

Flowchart for Material Procurement



Annexure : C

Flow Chart for Finance: Expenses & Payment



Annexure : B

Standardized Indent Format:

User Department:					
Code:			Date:		
Sl .No	Item Code	Item Name	Qty Required	Qty Issued	Remarks