

# **THE DEFENCE LOGISTICS SUPPORT CHAIN MANUAL**

## **Volume 2 INVENTORY MANAGEMENT**

### **Part 101 PROVISIONING (Formerly Volume 11 Part 5 Chapter 6)**

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## **SECTION 1 - INTRODUCTION**

### **SUMMARY**

6.1 The purpose of this chapter is to describe the accounting arrangements for provisioning. Provisioning is fully described in Chapter 23 of the CRISP User Manual (BR 1029 Volume 14), and in Job Instruction Sheets (JISs) in the 23 series.

### **DEFINITION**

6.2 An effective provisioning system must use reliable data to establish the correct time to place an order, and the most cost effective order quantity to provide for forecast usage.

### **POLICY**

6.3 In CRISP, there are two distinct methods of provisioning, Continuous and Periodic. The system, which runs monthly, produces Provision Review Statements (PRSs) at the appropriate time, with proposals to buy and/or repair when procurement action is deemed necessary. In continuous provision, PRSs are produced when assets fall to, or below Re-Order Level (ROL). An Economic Order Quantity is calculated, which minimises the total holding and ordering cost. In periodic provision, the elements in the calculations are the same as in continuous, but there is no ROL calculation, and reviews are output at intervals determined by management. The order quantity is dependent on the periodicity.

6.4 Reviews are loaded on to the Online Provisioning Update System (OPUS) database, and may be viewed on a suitable PC by Inventory Managers, who must examine them, and, after authorisation at the appropriate signing level, feed back their decisions via OPUS to CRISP to produce the required order documentation.

### **RETENTION OF ACCOUNTING DOCUMENTATION AND RECORDS**

6.5 The vouchers and other accounting documents and records used in provisioning form part of the audit trail, and are to be retained for the periods laid down in Chapter 25.