Abbotsford Centre **SITE DIRECTIVE**

AC PHARMACY DIRECTIVE	
Title: **Inventory Count**	Number: III – 20
Effective Date: Feb 2009	Approved By: **Jennifer Cowie, PPL**
Revision Date(s): Jan 2013, Feb 2018	
Review Date(s):	

RATIONALE:

PHSA- Wide Inventory Count Policy (FIN-210)

DIRECTIVE

The PPL Pharmacy will plan and conduct the drug inventory count in compliance with the above PHSA corporate Policy. The date of the inventory count is determined by PHSA Corporate Finance.

PROCEDURES
  A. Pre-Inventory
      a. At least one month prior:
          i. Review outdated stock and charge to appropriate account in PRIM
          ii. Arrange for all credit notes to be completed before the date of inventory
          iii. Destroy or segregate all items for which credits have been received from stock to be counted
          iv. Review on hand stock levels and try to reduce/eliminate receiving items on the cut-off date
          v. Arrange for housekeeping to dust and clean shelves
          vi. Tidy and organize stock on shelves to assist ease in counting
          vii. Print "COUNTED" and "DO NOT COUNT" labels (see Pharm-AC/FORMS/Labels)
          viii. PPL-Pharmacy sends a memo to Finance including:
              • Date and time of the inventory count
              • The names of the employees participating in the count
              • List of training that may be required
              • Copy of the procedures for inventory count
          ix. Update the inventory count sheets to reflect new formulary items added since the last inventory count.

      b. Assign count teams with each team having two members
          i. Oral dispensary and Stock team
          ii. IV dispensary and Fridge team

    c. Two (2) days or up to one week prior:
   - i. Print the inventory count sheet (PRIM) by location
   - ii. Compare the items on the shelf to the count sheet, identify items not on the sheet and enter the item into the PRIM location
   - iii. Print and review the count procedure with inventory staff
   - iv. Print final copies of the inventory count sheets by location

B. Day of Inventory (CUT OFF DAY)

1. Physical Count

a. Label: "DO NOT COUNT" on the inventory that is not to be counted
   - i. Drugs received at no cost (Clinical trial, SAP)
   - ii. Oral prescriptions filled, waiting to be picked up or shipped
   - iii. Medical/surgical supplies (e.g. syringes, needles, infusion bags etc.)
   - iv. Expired stock that has already been charged into PRIM

b. Items to be counted:
   - i. All drugs on the shelves in the assigned area
   - ii. All stock received up to the purchase order cutoff time
   - iii. Expired or damaged items that have a value (e.g. waiting for credit from supplier)

c. Sign out each count book on the **count book control log sheet**.

d. All staff counting and/or recording inventory quantities in the book must **sign the cover**.

e. The person counting and the person recording must **initial each page** in the count book as they are counting.

f. Identify each line item, assuring accuracy in drug name, strength, form etc.

g. Count and record in two-member teams (e.g. one counts and observes accuracy of recording, the other records and observes accuracy of counting; when the count do not match, recount).

h. Record drug count in the unit of issue used in WORx, e.g. tablets, capsules, bottles, vials, ampules, tubes, PFS (pre filled syringes).

i. The quantity of oral capsules and tablets may be **estimated** if the unit price per tablet or capsule is $0.50 or less. Indicate the quantity has been estimated by entering an "E" beside the count.

j. If the drug is found in more than one location in the count area, record counts separately, e.g. Tamoxifen – found in TWO locations, the dispensary, 630 tablets and back up stock under desk, 1800 tablets, enter as 630 + 1800.

k. Affix a "COUNTED" label to bin/shelf to indicate that the drug has been counted.

l. Keep a record of any "stock counted which is not listed in the count book", the last page of the count book.

m. If stock is taken after the drug has been counted, note **on the "Stock issued/received after count done" sheet,** posted in the assembly room and dispensary.

n. Sign in each count book when the count is finished and the book is returned **on the count book control log sheet**

o. If any team member required a break, clearly label where the count is temporarily stopped

2. Count Verification

a. Pharmacy will do an internal audit to verify the accuracy of the count.

b. FOUR drugs in each count book will be counted again by TWO people who did not perform the original count.

c. The TWO people checking the count will select –
   - TWO drugs count book to inventory shelf
   - TWO drugs inventory shelf to count book

3. **Review and enter physical count into Value Report workbook:**

    a. For items which appear on the count books:
  - i. Check counts for reasonableness (especially expensive drugs and those drugs which due to the quantity on hand have a high dollar value).
  - ii. Record adjustments for issues made after stock counted directly on the count book, **check off on "Issued/received after count done" sheet**
  - iii. Check inventory unit of issue, (mL/bottle, g/tube)
  - iv. Ensure prices reflect the contract prices, and not the acquisition price for items acquired off-contract and where we receive rebate.
  - v. Enter count into: PRIM – Formulary &Count – Year End Accounting Work – **Enter the Count**
  - vi. Stamp "COMPLETED" at the bottom of each page to indicate that the items have been entered into the inventory system
  - vii. Print a draft of physical count value report
  - viii. Review draft report for accuracy and reasonableness, modify physical count quantities as necessary

    b. For items which do not appear on the count books:
  - i. determine purchase price
  - ii. if purchase price not known, use price in WORx or Medbuy contract price
  - iii. enter the item and count into PRIM before printing the final physical count value reports

    c. When satisfied that all items have been counted and all entries are correct, **print physical count value reports**

4. **Enter all inventory transactions into WORx (no later than end of day March 31, 2018**
  - a. STAT doses, when drug has been dispensed.
  - b. All oral prescriptions entered into WORx must be filled
  - c. All ward stock issues

5. **Purchase order cutoff control:**
  - a. The purchaser will and photocopy and record the last FIVE packing slips received prior to the period end cutoff **on the Physical Inventory Count at Yearend - Purchase Orders sheet** which will be remitted to PHSA Finance
  - b. All drugs received must be counted.
  - c. The purchaser will photocopy and record the first FIVE packing slips received in the new fiscal year **on the Physical Inventory Count at Yearend - Purchase Orders sheet** which will be remitted to PHSA Finance

6. **Ensure that any rebates owing for the fiscal year are received and processed ASAP**
  - a. Rebates are processed centrally by Provincial Pharmacy

7. **Prepare, review and submit period end reports**
  - a. PPL Pharmacy or designate as per usual process

8. **Post Inventory**
  - a. Corporate Manager Operating Accounting will send a memorandum listing the documentation and that must be delivered to his/her office by a deadline date. The PPL Pharmacy or designate will complete this process