COMMODITY TRACKING SYSTEMS REVIEW CHECKLIST

Date: 
Partner: 
Visit conducted by: 
Location(s) visited: 

Important:
Quality levels should be assessed against the UNICEF Storage guidelines for Essential Medicines

The selection of No Score should always be explained in the remarks. It is to be used when scoring cannot be done due to:
- The question not being applicable to the partner for example questions about customs clearance where the Partner does not carry out custom clearances.
- Due to lack of information, where the Partner does not have the requested information or cannot access it.

Any scores below Satisfactory should be explained in the remarks and where possible photos should be included to support the case. Photos of good practices can also be included.

Detailed instructions can be found after the checklist in Annex I.

1. Supply management General

The PARTNER has the necessary organizational and technical capacity to manage the procurement, receipt, transport, storage and distribution of supplies safely, efficiently and effectively.

1.1. The supply chain is established and includes:
- Procurement;
- Transport;
- Storage;
- Handling;
From points of origin to final destinations.
Remarks:

1.2. The supply administration is established, consisting of a coherent set of procedures, manifested and guided by standard forms. (Include copies of SOPs or guidelines from the Partner when scoring “Satisfactory”)
Remarks:

1.3. Information on:
- Stock levels;
- Expected arrivals;
- Outstanding orders;
Relevant to planning and managing the flow and availability of goods is shared between the coordination office, project and field sites.
Remarks:
## COMMODITY TRACKING SYSTEMS REVIEW CHECKLIST

### 2. Procurement (ordering and local purchasing)

*Procedures are in place that ensures accurate procurement quantities, while guaranteeing the best possible relation between product quality and price without accumulating excess stock.*

<table>
<thead>
<tr>
<th>Un-satisfactory</th>
<th>Needs development</th>
<th>Satisfactory</th>
<th>Exceeds expectation</th>
<th>No Score</th>
</tr>
</thead>
</table>

2.1. Staff ensures that stock levels are sufficiently related to demand, by:
- Establishing fixed order intervals;
- Estimating order quantities according to the expected consumption versus stock and in-pipeline information.

Remarks:

2.2. Procurement procedures are set and applied, including:
- Consistent authorization procedures;
  *(Evidence of authorization procedures should be included when scored “Satisfactory”)*
- Accurate use of order and purchase forms;
- Regular updating of outstanding order administration.

Remarks:

2.3. The procurement of medical products (i.e. drugs, sterile medical materials, and laboratory test kits and reagents) is in accordance with the 3MDG SOPs:
- No pharmaceuticals procured from local sources.
  *(This might be difficult to assess as there might be commodities funded by different donors in the warehouse)*

Remarks:

### 3. Reception of commodities

*International and local shipments of supplies are received safely, efficiently and effectively.*

<table>
<thead>
<tr>
<th>Un-satisfactory</th>
<th>Needs development</th>
<th>Satisfactory</th>
<th>Exceeds expectation</th>
<th>No Score</th>
</tr>
</thead>
</table>

3.1. The Partner selects custom clearing agents via a competitive process.
- Tax exemption is obtained for all medical commodities which are imported.

Remarks:

3.2. Customs clearance procedures are documented, listing the necessary shipping papers and other requirements, subsequent routing (departments and officials involved), resources (time and costs) and responsibilities to obtain customs exemption and clear shipments.
  *(Evidence to this effect should be included when scored “Satisfactory”)*

Remarks:
### 3. Reception of commodities

<table>
<thead>
<tr>
<th>Un-satisfactory</th>
<th>Needs development</th>
<th>Satisfactory</th>
<th>Exceeds expectation</th>
<th>No Score</th>
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</table>

3.3. International and local shipments are checked by both
- Documentary verification (what is stated on the papers);
- Visual or physical verification of the actual supplies received;
- Is there a written procedure in place in case of arrival of damaged consignments?

Remarks:

#### 3.4. The recipient
- Notifies the sender of the arrival of the goods;
- Updates the outstanding order administration;
- Updates the stock administration.

Remarks:

### 4. Warehousing

*Storage facilities protect goods from damage and loss and storage procedures are in place to keep track of the type and quantity of supplies.*

<table>
<thead>
<tr>
<th>Un-satisfactory</th>
<th>Needs development</th>
<th>Satisfactory</th>
<th>Exceeds expectation</th>
<th>No Score</th>
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</tbody>
</table>

4.1. Storage facilities are secure and in accordance with product specific demands in order to protect goods from damage and loss by:
- Proper site selection (accessibility, utilities, drainage, size and security);
- Warehouse design (easy movement, ventilation, air conditioners maintenance, labeling and systematic arrangement of stock);
- Environmental control is in place, such as ambient temperature, humidity etc.

Remarks:

#### 4.2. Inventory control is established and includes:
- Stock card administration;
- Monthly stock reports (ledgers) to provide summaries of receipts, issues and balances;
- Periodic physical stock counts to settle administrative balances (at least every 3 to 4 months);
- Identification and accounting for discrepancies.
- A stock count was conducted for three randomly selected items and reported stocks levels where identical with the physical quantities found.

Remarks:

#### 4.3. Stock reliability
- For normal stock is >90% (i.e. items without discrepancies as % of total items in stock);
- For controlled substances (e.g. narcotics and psychotropics) is >95%;

*(A calculation should be provided to substantiate the score)*
### 4. Warehousing

<table>
<thead>
<tr>
<th>Remarks:</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4. Procedures for arrival and dispatch are set and applies, including:</td>
</tr>
<tr>
<td>• Consistent authorization procedures;</td>
</tr>
<tr>
<td>• Waybills and delivery notes to document warehouse transactions;</td>
</tr>
<tr>
<td>• FIFO-principles (or FEFO-principles for perishable items).</td>
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<tr>
<td>Remarks:</td>
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</tbody>
</table>

### 5. Transport of supplies

<table>
<thead>
<tr>
<th>Supplies are transported to their destination safely and on time.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1. Decisions on the means of transport are based on:</td>
</tr>
<tr>
<td>• A competitive process</td>
</tr>
<tr>
<td>• The needs (volume, weight and nature of supplies, urgency, destination, distances, accessibility, conditions of roads, airstrips and waterways);</td>
</tr>
<tr>
<td>• Feasible forms of transport (air, vehicle, train etc., costs, fuel availability).</td>
</tr>
<tr>
<td>Remarks:</td>
</tr>
</tbody>
</table>

### 6. Distribution at beneficiary level

<table>
<thead>
<tr>
<th>All stocks from the warehouses are distributed in an organized, scheduled and documented structure to the final recipients.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Distribution at beneficiary level</td>
</tr>
<tr>
<td>Remarks:</td>
</tr>
</tbody>
</table>
### 6. Distribution at beneficiary level

<table>
<thead>
<tr>
<th>6.1. The method of delivery from field stations to the clinics is scheduled at convenient and fixed times.</th>
<th>Unsatisfactory</th>
<th>Needs development</th>
<th>Satisfactory</th>
<th>Exceeds expectation</th>
<th>No Score</th>
</tr>
</thead>
</table>

Remarks:

<table>
<thead>
<tr>
<th>6.2. Distribution procedures, control and monitoring mechanisms are in place at the level of the pharmacy, including:</th>
<th>Unsatisfactory</th>
<th>Needs development</th>
<th>Satisfactory</th>
<th>Exceeds expectation</th>
<th>No Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Physical and documentary reviews of distributed supplies;</td>
<td></td>
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</tr>
<tr>
<td>- Remaining stocks at hand.</td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Remarks:

<table>
<thead>
<tr>
<th>6.3. Delays in distribution to pharmacies arising from a stock-out at the warehouse or sub-store level are less than two weeks.</th>
<th>Unsatisfactory</th>
<th>Needs development</th>
<th>Satisfactory</th>
<th>Exceeds expectation</th>
<th>No Score</th>
</tr>
</thead>
</table>

Remarks:

<table>
<thead>
<tr>
<th>6.4. Pharmacies receive quantities and types of goods as planned. Signed copies of waybills or delivery notes are returned to the warehouse or sub-store.</th>
<th>Unsatisfactory</th>
<th>Needs development</th>
<th>Satisfactory</th>
<th>Exceeds expectation</th>
<th>No Score</th>
</tr>
</thead>
</table>

Remarks:

<table>
<thead>
<tr>
<th>6.5. Systems are in place to ensure that:</th>
<th>Unsatisfactory</th>
<th>Needs development</th>
<th>Satisfactory</th>
<th>Exceeds expectation</th>
<th>No Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Distributions to beneficiaries are documented;</td>
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<tr>
<td>- The beneficiary has been instructed correctly and knows how and when to take the prescribed tablets.</td>
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</tbody>
</table>

Remarks:

### 7. Summary

**The overall Commodity Tracking Systems Review score and traceability of supplies through the established distribution system.**

<table>
<thead>
<tr>
<th>7.1. Overall rating of the Supply Chain by the reviewing team:</th>
<th>Unsatisfactory</th>
<th>Needs development</th>
<th>Satisfactory</th>
<th>Exceeds expectation</th>
<th>No Score</th>
</tr>
</thead>
</table>

7.2. Recommendations and Findings summary:

<table>
<thead>
<tr>
<th>Indicate here:</th>
<th>Unsatisfactory</th>
<th>Needs development</th>
<th>Satisfactory</th>
<th>Exceeds expectation</th>
<th>No Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Major finding which need immediate attention;</td>
<td></td>
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<tr>
<td>- A narrative to justify the overall rating provided in point 7.1</td>
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</tbody>
</table>

7.3. **STATEMENT OF THE REVIEWING TEAM**

During the Commodity Tracking Systems Review a number of commodities have been traced throughout the supply chain from the point of arrival up to the point of distribution for those locations visited. See the remarks on the right side regarding the findings of the traceability of selected commodities. *(The reviewing team is to indicate here whether the supply*
7. Summary

<table>
<thead>
<tr>
<th>Score</th>
<th>Fully unsatisfactory</th>
<th>Needs development</th>
<th>Fully Satisfactory</th>
<th>Exceeds expectation</th>
<th>No Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>chain is sufficiently robust to be able to trace pharmaceuticals from reception until distribution</td>
<td></td>
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</tbody>
</table>

7.4. A feedback meeting regarding the results of the Commodity Tracking Systems Review was held with the Partner in question, The 3DF Procurement Officer and staff having executed the review.

The team leader for this review was:

Name:  
Position:  
Company:  
Date:  
Signature: ____________________

The team member for this review was:

Name:  
Position:  
Company:  
Date:  
Signature: ____________________

Company stamp here:
ANNEX I - GUIDELINES FOR REPORTING

1. Supply management General

1.1. The supply chain is established and includes procurement, transport, storage and handling from points of origin to final destinations.

Check if all aspects of the supply chain are in place:

- Customs clearance procedures;
- Reception of the goods procedures
- Storage facilities
- Transport to location of distribution

1.2. The supply administration is established, consisting of a coherent set of procedures, manifested and guided by standard forms.

- Check if there are standard operating procedures and forms in place are used throughout the project of the Partner.
- Ask to get copies of manuals, SOPs, guidelines, and/or standard forms.
- Check if these forms were developed in the location itself or if these where developed and distributed from the capital.

1.3. Information on stock levels, expected arrivals, outstanding orders and other information relevant to planning and managing the flow and availability of goods is shared between the coordination office, project and field stations.

- At the capital level, ask to see if the capital level has insight in their own stock levels and outstanding order (assuming there is a stock at the capital), but also if they are aware of the stock levels in the field.
- In the field ask them if they are aware of their own stock levels, but also if they are aware of their outstanding orders with the capital.
- Check if there is a “push” or “pull” system in place.
- In cases where there is more then one final distribution point check if the available stocks are shared between the different field sites.

2. 2. Procurement (ordering and local purchasing)

2.1. Logistics field staff ensure that stock levels at project level are sufficiently related to demand, by i) establishing order intervals and ii) estimating order quantities according to the expected consumption versus stock and in-pipeline information.

All pharmaceuticals, diagnostic test kits and laboratory reagents are products:

(a) From a WHO pre-qualified manufacturing site or,
(b) Registered in countries with so-called stringent regulatory authorities as defined by the GFATM or,
(c) Produced by companies which meet the requirements as laid down by WHO in the Good Manufacturing Practices (GMP), this either be verified or certificated.
COMMODITY TRACKING SYSTEMS REVIEW CHECKLIST

The Stringent regulatory countries are:
Argentina, Australia, Austria, Belgium, Canada, Chinese Taipei, Cyprus, Czech Republic,
Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Indonesia,
Ireland, Israel, Italy, Latvia, Liechtenstein, Lithuania, Malaysia, Malta, Netherlands, New
Zealand, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia,
South Africa, Spain, Sweden, Switzerland, Ukraine, United Kingdom, USA

In case of doubt check from a couple of drugs the supplier name and country of
manufacturing. Check how the Partner calculates their requirements, how is the
consumption determined, do they take in account the outstanding orders, seasonal effects,
delivery lead-times when placing orders. Have minimal and maximum stock levels been
set; are buffer levels in place, and how is the delivery lead time determined?

2.2. Procurement procedures are set and applied, including i) consistent
authorization procedures, ii) the accurate use of standard order and
purchase forms, and iii) regular updating of outstanding order
administration.

- Does the Partner procure themselves, via UNOPS or via their own headquarters?
- In case they perform their own procurement locally, have rules been set for
  procurement and are they being followed;
- Is there an authorization system in place, who approves the orders, up to which value;
- Is the person who prepares the order a different person then the person approving the
  orders and the person undertaking the final purchase?
- Is there a proper paper trail of all the historical and pending purchases?

2.3. The procurement of medical products (i.e. drugs, sterile medical materials,
and laboratory test kits and reagents) is in accordance with the 3MDG
guidelines.

Does the Partner follow the guidelines from 3MDG with regards to the quality of the
pharmaceuticals, diagnostic test kits and laboratory reagents being purchased?
- These items are not approved for in-country procurement. If you find Myanmar
  registration numbers on the specific drugs then there is a good change these have been
  purchased from in-country stocks.

3. 3 Reception of commodities

3.1. The Partner either has internal capacity to manage customs clearance or has
selected a clearing agent via a competitive process. Tax exemption should be
obtained for all Three Disease medical commodities which are imported.

Assuming the partner carries out customs clearance:
- Who is clearing the commodities, a clearing agent or the Central Medical Stores
  Department from the DoH?
- Is a competitive process undertaken for the selection of the clearing agent?
- How long does it averagely take to clear the goods from customs?
3.2. Customs clearance procedures are documented, listing the necessary shipping papers and other requirements, subsequent routing (departments and officials involved), resources (time and costs) and responsibilities to obtain customs exemption and clear shipments.

- If the Partner undertakes customs clearance themselves, does the Partner have all the clearance procedures, documented through SOPs or guidelines?
- Are responsibilities assigned to the staff?
- Does the Partner request tax exemption for international purchased commodities?

3.3. International and local shipments are checked by both i) documentary verification (what is stated on the papers) and ii) visual or physical verification of the actual supplies received.

- When shipments arrive are they being checked if all items have actually been received and in good order?
- Is there a reception procedure in place and are the reception activities being documented?
- Is there a procedure in case there has been damage or if the supplier has not shipped correct quantities?
- Is there any historical evidence available to support this?

3.4. The recipient i) notifies the sender of the arrival of the goods, ii) updates the outstanding order administration and iii) updates the stock administration.

- When transport is carried out is there a clear and updated paper trial?
- Is there pre-notification when goods are shipped to field sites?
- Is it possible to trace specific batches of pharmaceuticals through the system in case of recalls from suppliers?
- Is the administration updated with the arrival of new supplies?

4. 4 Warehousing

4.1. Storage facilities are secure and in accordance with product specific demands in order to protect goods from damage and loss by i) proper site selection (accessibility, utilities, drainage, size and security), and ii) warehouse design (easy movement, ventilation, air conditioners, maintenance, labeling and systematic arrangement of stock).

Is the warehouse adequate?

- Location:
  Sufficient storage and packing place, easy access for deliveries and pickups, no flooding, easy to secure
- Organization:
  Clean, no signs of rodents and insects, availability of shelves and palettes, labeling on the shelves, systematical storage (alphabetical, earliest expiry in front, tablets, indictable etc.)
- Security:
  Only one person access, guards, bugler proof, access to psychotic drugs
- Correct environment:
COMMODITY TRACKING SYSTEMS REVIEW CHECKLIST

Air conditioners if needed, ventilation where possible, not too high humidity, heat, cold chain if and where needed.

4.2. Inventory control is established and includes i) stock card administration, ii) monthly stock reports (ledgers) to provide summaries of receipts, issues and balances, iii) periodic physical stock counts to settle administrative balances (at least every 3 months), and iv) identification and accounting for discrepancies.

- Is there only paper system, digital system or both?
- Are the stock cards updated, have the stock cards got many corrections on them?
- When was the last stock-count and was it indicated on the stock card?
- Have any discrepancies been indicated, how were they dealt with?
- If possible do a quick stock count for one or two items to see if the paper info is updated?
- Are monthly overviews being generated and do the numbers correspond with the stock cards?
- If there is only a digital system are backup being made.
- Can a stock issue be traced to a request, the issue and the reception confirmation documents?

4.3. Stock reliability is >90% (i.e. items without discrepancies as % of total items in stock). Stock reliability for controlled substances (e.g. narcotics and psychotropic’s) is >95%.

How high is the percentage of the expired items related to the total items in the store? Pick one month where a stock count was conducted; look at the total number of items in the store and the discrepancy. Then apply the following formula:

\[
\text{Discrepancy quantity} \div \text{Total number of items in store} \times 100\% =
\]

Do the same with only the narcotic and psychotropic pharmaceuticals.

4.4. Procedures for arrival and dispatch are set and applies, including i) consistent authorization procedures, ii) waybills and delivery notes to document warehouse transactions and iii) FIFO-principles (or FEFO-principles for perishable items).

- Have procedure for arriving and dispatching of goods been established and are they being followed?
- Can all documents with regards to arrivals and dispatches (airway bill, bill of loading, packing list, certificate of analyses, invoice, delivery notes, etc.) be traced?
- Is distribution done according to the First - In - First - Out principle (Or for perishable goods: First – Expiry – First - Out)?

4.5. Measures are in place to avoid deterioration of medical products and other perishables, including i) rational stock levels based on consumption, ii) rational buffers to prevent stock outs, iii) minimal shelf life is set upon which distribution is initiated, iv) FEFO-principles and v) proper physical
COMMODITY TRACKING SYSTEMS REVIEW CHECKLIST

management (ventilation, vector control, measurements to prevent access by rodents, regular cleaning, shelving and palletizing).

- Are there any expired pharmaceuticals, diagnostic test kits and other items with limited shelf-life in the warehouse or sub stocks?
- Are the stock levels in-line with consumption, e.g. having 12 months consumption in stock increases the risk of expiring pharmaceuticals. Are buffers set according to delivery lead-times, e.g. if it takes three months to get re-supplied, the buffer does not need to exceed three months.
- Are perishables stored in such a way that the first expiring is in front of the ones that will expire later?
- Have commodities which require cold storage have been stored properly and are safe guards in place to ensure the temperature does not exceed the limits of the storage requirements.
- Check if pharmaceuticals and diagnostic test kits have been stored at the indicated temperature on the package.
- Check if a daily record is kept, temperatures should be recorded twice daily.
- Check what happens during the weekends, or when the responsible person is on leave or sick, is there a hand-over procedure.
- What is the procedure in case of a too high or too low temperature? How are these temperature sensitive stocks transported from arrival in the country to their final destination?

5. 5 Transport of supplies

5.1. Decisions on the means of transport are based on i) the needs (volume, weight and nature of supplies, urgency, destination, distances, accessibility, conditions of roads, airstrips and waterways) and ii) feasible forms of transport (available transport means, costs, fuel availability).

- Find out how the Partner transports their commodities to their final destinations.
- Have they looked at all possibilities, e.g. train transport in Myanmar is really cheap and reasonable reliable.
- Do they choose different means of transport depending on the value, size, urgency, and weight of the commodities to be transported?
- Are cold chain items transported, if so how, are there enough safe guards in place to prevent heat exposure?

5.2. Supplies are protected against damage, weather, theft, and other eventualities by i) not exceeding the maximum payload capacity, ii) covering the consignment, iii) fastening the load, and iv) respecting the relevant guidelines for transporting hazardous materials.

- Depending on the way of transport utilized, how does the Partner prevent theft, exposure to bad weather, heat during transport of the commodities?
- Have guidelines been set for proper transport?
- Are dangerous goods transported and if so are precautions taken?
- Has the Partner ever lost cargo or had cargo damage during transport?
6.6 Distribution

6.1. The method of delivery from project base to field stations (e.g. health facilities, clinics) is scheduled at convenient times.

- Check if the health facilities are consulted to ensure the delivery times of supplies is at convenient times (e.g. not during the busiest time of the day.)
- Is the delivery scheduled on a fix moment?

6.2. Distribution procedures, control and monitoring mechanisms are in place, including i) physical and documentary reviews of distributed supplies and ii) remaining stocks.

- Is it possible to follow the paper trail of a distribution from the moment of the request until the final recipient receives the commodities through request forms, delivery notes etc?
- Are the stock level accessible at all regularly updated after distributions have taken place?

6.3. Delays in distribution to field stations arising from a stock-out are no longer than two weeks.

- Stock outs should be avoided, has the Partner had stock-outs recently?
- How long did the stock out lasts.
- What was the reason the stock-out occurred.
- What kind of measures are in place to prevent stock-out e.g. minimum stock levels, buffers, regular stock counts, etc.

6.4. Field stations receive quantities and types of goods as planned. Signed copies of waybills or delivery notes are returned to the project base.

- When requests are made to (sub) stores does the requester receive all the requested goods, in one shipment?
- Is there a fixed schedule for requesting to the (sub) store?

6.5. Systems are in place to ensure that the final recipient of the pharmaceuticals receives as registered and knows how to take the pharmaceutical correctly.

- Does the Partner have a monitoring system in place to check if recipients have actually received the commodities as being reported from the facility where distribution is undertaken?
- In case of pharmaceuticals, are the patients sufficiently informed how and when to take the drugs?