



## Annex 1- Terms of Reference

### Stock-counts and inventory balances reconciliation and validation services

#### ***Background***

UNFPA is the United Nations sexual and reproductive health agency. Our mission is to deliver a world where every pregnancy is wanted, every childbirth is safe and every young person's potential is fulfilled. UNFPA is the lead UN agency that expands the possibilities for women and young people to lead healthy sexual and reproductive lives. To read more about UNFPA, please go to: [UNFPA about us](#).

As part of its programme activities, UNFPA regularly procures and delivers to partners in programme countries a variety of programme supplies, also referred to as 'commodities', 'inventories' or 'goods', which most commonly include:

- Contraceptives, such as hormonal contraceptives, male and female condoms, and intrauterine devices (IUDs)
- Medical devices and supplies, such as hospital equipment, surgical instruments, and diagnostic equipment and supplies
- Pharmaceutical products, including life-saving medicines
- Emergency reproductive health, fistula repair, and reproductive & maternal health kits
- Dignity and hygiene kits
- Census supplies
- Personal protective equipment.

Programme supplies are recognized as inventory in UNFPA's accounts when control over them is transferred to UNFPA based on the INCOTERM rules associated with each order, typically at the point of shipment. Inventory may be held in warehouses or in transit to the destination countries, or at the port of entry, pending completion of custom clearance procedures. Inventory is expensed when control over programme supplies is passed, typically at the time of delivery to the programme partners or distribution to the end-users. Delivery of programme supplies is documented through Delivery Slips, Programme Supplies Distribution Agreements (PSDAs), or distribution lists (applicable in case of direct distribution to end-users).

Field office inventories are recorded, tracked and monitored in UNFPA's inventory tracking system, Shipment Tracker, part of UNFPA's Peoplesoft-based ERP system (Atlas).

UNFPA is looking to engage the services of a recognized audit firm to perform the year-end stock counts at selected warehouses, used for storage of programme supplies still under UNFPA control, and reconcile their results to inventory balances in the Shipment Tracker system.

## ***Objective***

UNFPA Syria Country Office wants to contract a recognized audit firm (hereinafter, referred to as contractor) to:

1. Perform a year end stock count at UNFPA's warehouses in Rural Damascus, Homs, Aleppo, and Qamishli where inventory is held under UNFPA control;
2. Reconcile the stock count results to the balances per the Shipment Tracker system.

## ***Outputs***

- A. Stock count report prepared using UNFPA's template, listing all goods maintained in stock at the time of stock count and separately reporting goods found to be damaged, expired or otherwise in an unusable condition.
- B. Reconciliation of stock count results to the inventory tracking system balances as at 31 December 2023, as per the Shipment Tracker-based Inventory Status Report, including identification and documentation of reasons for any differences identified.

## ***Activities***

### **(A) Stock count**

Contractor will perform a stock count of all UNFPA goods held at the following warehouse/s:  
UNFPA and WFPs Warehouse in:

- Rural Damascus
- Homs
- Aleppo
- Qamishli (two warehouses)

The stock count must be performed in compliance with the guidance provided in the [UNFPA Physical Inventory Count Instructions](#) and its results be documented in the [Inventory Count Sheet](#). Each item must be counted at least twice. All damaged, expired or otherwise unusable goods must be identified as such in the inventory count sheet.

### **(B) Reconciliation of stock count results to the inventory tracking system balances**

The contractor will research and document reasons for any differences identified between the quantities of goods held in stock and the inventory balances per the Shipment Tracker-based Inventory Status Report as at 31 December 20223. This may require review and reconciliation to each other of available records, reports and documents, such as Shipment Tracker-based reports, shipping documents, Receiving and Inspection Reports, handover documents, warehouse records (e.g. downloads from warehouse management system, warehouse logbooks, bin and/or stock cards, etc.) and other available documents, and making enquiries with UNFPA personnel and

warehouse staff. Reasons for any differences identified differences must be included in the stock-count report classified as:

- Timing differences – this includes:
  - transactions recorded at a date different from that when they took place; or
  - inventory movements taking place between 31 December 2023 and stock count date

The stock count report must include a list of transactions originating all such differences
- Goods/transactions not recorded in Shipment Tracker – the stock-count report must include the list of goods and/or associated transactions not reflected in the Shipment Tracker records
- Transactions recorded in Shipment Tracker that did not occur or were recorded with errors – the stock-count report must include the list of corresponding Shipment Tracker transactions and their reference details (e.g. report IDs, financial receipt/order numbers, etc.)
- Losses/theft – must only be used for differences confirmed by UNFPA personnel or warehouse staff due to known incidents of losses/theft; the contractor’s report must document full available details of each incident (e.g. when the loss/theft occurred, how it was identified, who was informed, etc.)
- Unknown – must be used as a last resort if review of available documents and interviews with staff will not provide the contractor with information required to determine the actual reason/s for the difference/s.

***Timing / schedule (indicative)***

- A. Stock count should be performed on any date/s between 26 December 2023 and 6 January 2024.
- B. Reconciliation of stock count results to the inventory tracking system balances should be completed by 13 January 2024.

***Inputs provided by UNFPA:***

- Access to warehouses where inventories are stored
- [Inventory count sheets](#) with contents of columns 2-7 prepopulated
- Shipment Tracker-based reports, inventory records and supporting documents (e.g. shipping documents, Receiving and Inspection Reports, handover documents, etc.) and available warehouse records (e.g. logbooks, downloads from warehouse management system, bin / stock cards, etc.) for all programme supplies with differences between stock count results and Shipment Tracker balances
- UNFPA staff available for enquiries.