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Ministry
of Defence

JSP 886
DEFENCE LOGISTICS SUPPORT CHAIN MANUAL

VOLUME 4
MATERIEL ACCOUNTING

PART 10
RECEIPT DISCREPANCIES

VERSION RECORD		
Version Number	Version Date	Version Description
1.0	28 Sep 12	Original Issue. Transfer from JSP886 V3P15: Chapter 8.
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2.1	22 Mar 14	Minor textual changes (sidelined).

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CHAPTER 1: INTRODUCTION TO RECEIPT DISCREPANCIES

INTRODUCTION

1. The term 'discrepancy' is used to describe a disparity between the attributes of stores physically received compared to that recorded on the relevant paperwork. It is MOD policy that all discrepancies are reported and if applicable, investigated.

PURPOSE

2. The purpose of this document is to:
- a. Describe the policy to be applied within the MOD.
 - b. Define the processes required to meet the policy.
 - c. Identify the detailed procedures required to implement the discrepancy process.
 - d. Define the roles and responsibilities of staff and organisations involved in the process.

APPLICABILITY

3. This document details the policy, process and procedure for discrepancies found during the receipt process for MOD units and establishments.
4. The following areas are not covered by this document:
- a. Discrepancies of materiel issued under Government Furnished Equipment (GFE) terms. These are to be actioned in accordance with JSP 886 Volume 4 Part 4: Government Furnished Equipment, particularly Chapter 4, Annex A.
 - b. Innovative support arrangements such as Integrated Operational Support (IOS), Contractor Logistic Support (CLS), NATO Eurofighter and Tornado Management Agency (NETMA) and US arrangements such as Foreign Military Sales (FMS) may have different arrangements for dealing with discrepancies. Units are to contact the appropriate PT to determine the relevant discrepancy reporting (DR) procedures for receipts from these arrangements.
 - c. Discrepancies found during the stocktaking process. These are to be actioned in accordance with JSP 886 Volume 4 Part 2: Defence Stocktaking.

OWNERSHIP AND POINTS OF CONTACT

5. DES IMOC SCM SCO MatAcctg1 is responsible for formulating policy process and procedures for Materiel Accounting (MA), which is subject to ratification by the Defence Logistics Working Group (DLWG).
6. Enquiries concerning the content of this instruction are to be addressed to:
- a. Regarding the content to the policy Sponsor:

DES IMOC SCM SCO Materiel Accounting
Tel: Mil: 9679 81441. Civ: 030 679 81441
Email: DES_IMOC_SCM-SCO-MatAcctg1

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- b. Regarding the accessibility of the document:

ACDS LOGOPS Def Log Pol JSP886
Tel: Mil 9679 80953. Civ 030 679 80953
Email: ACDS LOGOPS-Def Log Pol-JSP886

GLOSSARY

7. A glossary of Inventory Management Operating Centre (IMOC) terms is available at JSP 886 Volume 1 Part 1A.

LINKED PUBLICATIONS

8. The following documents provide additional information:
- a. [JSP 440: The Defence Manual of Security](#)
 - b. [JSP 800 Volume 5: Road Transport](#)
 - c. [JSP 832: Guide to Service Inquiries](#)
 - d. [JSP 886 Volume 4 Part 1: The Fundamentals of Materiel Accounting](#)
 - e. [JSP 886 Volume 4 Part 2: Defence Stocktaking](#)
 - f. [JSP 886 Volume 4 Part 4: Government Furnished Equipment](#)
 - g. [JSP 886 Volume 4 Part 6: Losses](#)
 - h. [JSP 886 Volume 6 Part 6: The Supply of Medical, Dental and Veterinary Equipment in the Joint Supply Chain](#)
 - i. [Commercial Toolkit, Claims](#)

SUPERSEDED DOCUMENTS

9. The following publication is superseded and cancelled by this document:
- a. JSP 886 Volume 4 Part 10: Discrepancies. Version 1.1 dated 02 Oct 12.

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CHAPTER 2: POLICY

POLICY

1. A discrepancy indicates that there has been a failure in the Supply Chain process and that action is required to investigate and correct the discrepancy and to inform the consignor to prevent recurrence. It is MOD Policy that:
 - a. All discrepancies are to be reported, recorded and actively progressed until final resolution.
 - b. Losses arising from discrepancies are to be kept to a minimum through investigative action, using the investigation results to improve controls.
2. This chapter provides the principles and disciplines of managing discrepancies, details when investigation is required and the timescales in which these actions must be carried out.
3. Specific roles and responsibilities are covered in Chapter 2 Paragraphs 11 to 16. General responsibilities for the Royal Navy (RN), Army and Royal Air Force (RAF) are covered in Queens Regulations.

INVESTIGATION

4. Discrepancies may result in a financial adjustment due to the identification of a loss or surplus to a materiel account. Where there is not a loss or surplus a financial adjustment would not be required, however the discrepancy could result in the materiel being unusable due to significant variation between the paperwork and the supplied item. It is therefore important that discrepancies are afforded the correct level of investigation.

Mandatory Investigation

5. Discrepancies involving items in the following categories must be fully investigated (including notification of the discrepancy to the consignor) regardless of the value or time restrictions:
 - a. Attractive to Criminal and Terrorist Organisations (ACTO). (Refer to JSP 440 Pt 7 Section 7 Ch 1.)
 - b. Security Classified CONFIDENTIAL and above.
 - c. Explosive materiel.
 - d. Radioactive materiel.
 - e. Controlled and Accountable Drugs. (For a current list of Controlled and Accountable Drugs refer to JSP 886 Volume 6 Part 6 Chap 4).
 - f. Items subject to International Trade in Arms Regulations (ITAR)¹.
 - g. When fraud or theft is suspected.

¹ It is noted that current Base Inventory Systems do not have an efficient method of identifying ITAR items, and therefore PTs must be contacted when a Discrepancy occurs to eliminate ITAR applicability. In the first instance, the Nation Code of the NSN will enable most potential ITAR items to be identified (ie 00 and 01). In addition, MJDI V5.2 has a marker for any ITAR item which can be interrogated by any MJDI MIS user.

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h. Any other item that the Materiel Account Holder deems appropriate in line with Chapter 3 Paragraph 3 of this document.

6. All discrepancies of items classed as ACTO, ITAR, Security Classified CONFIDENTIAL and above, Explosives, Radioactive materiel and Controlled Drugs are also to be reported to Service or MOD Civilian Police and for Classified materiel the Local Security Section.

7. Discrepancies that result in a loss due to suspected fraud or theft are to be reported to the appropriate Police authority as directed in JSP 886 Volume 4 Part 6: Losses.

8. Trivial Discrepancies (see Chapter 3 Paragraph 3) do not require investigation beyond a cursory check unless they fall into a category covered in Chapter 2 Paragraph 5.

VALUATION OF DISCREPANCIES

9. When determining the value of a discrepancy, the price at point of issue will be used. If there is conflict between the consignee and consignor regarding the price, the owning PT should be contacted for price information.

COMPLETE EQUIPMENT SCHEDULE (CES)

10. When a discrepancy is found on one or more items within a CES, the total value of all discrepant lines is to be used as the value of the discrepancy.

ROLES AND RESPONSIBILITIES

11. Overarching definitions and roles and responsibilities are contained within JSP 886 Volume 4 Part 1: The Fundamentals of Materiel Accounting. Instructions relating to specific responsibilities for discrepancies are covered in paragraphs 11 to 16.

DES IMOC SCM

12. DES IMOC SCM is responsible for:

- a. Setting the policy for discrepancies and the procedures to meet that policy.
- b. Providing advice and assistance on the interpretation of discrepancy policy.
- c. Promoting the analysis of performance trends.
- d. Reviewing FLC/Organisational HQ endorsed requests for dispensation/relaxation of policy.

Materiel Account Owner

13. The Materiel Account Owner is responsible for ensuring that all equipment and stores known to be public property are properly accounted for and that any discrepancy is actioned in accordance with this document.

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Materiel Account Holder

14. The Materiel Account Holder is responsible for:
- a. Ensuring all discrepancies are reported and documented in the Discrepancy Register.
 - b. Ensuring discrepancies are investigated (when required) and the results of the investigation are used to improve procedures.
 - c. Analysing trends in discrepancies to ensure correct controls are in place.

Materiel Accounting Staff

15. The Materiel Accounting Staff are the main personnel involved in the receipt process. They are responsible for:
- a. Checking all receipts to ensure the accuracy of the items and the paperwork.
 - b. Reporting all discrepancies found to the Materiel Account Holder.
 - c. Recording discrepancies in the Discrepancy Register.
 - d. Investigating discrepancies and determining corrective process and procedures.

FLC/Organisational HQ

16. The FLC/Organisational HQ is responsible for:
- a. Ensuring the Materiel Account Owner complies with the policy as mandated within this document.
 - b. Reviewing Materiel Account Owners requests for dispensation or a relaxation of this policy and submit endorsed requests to DES IMOC SCM SCO MatAcctg1 for consideration.

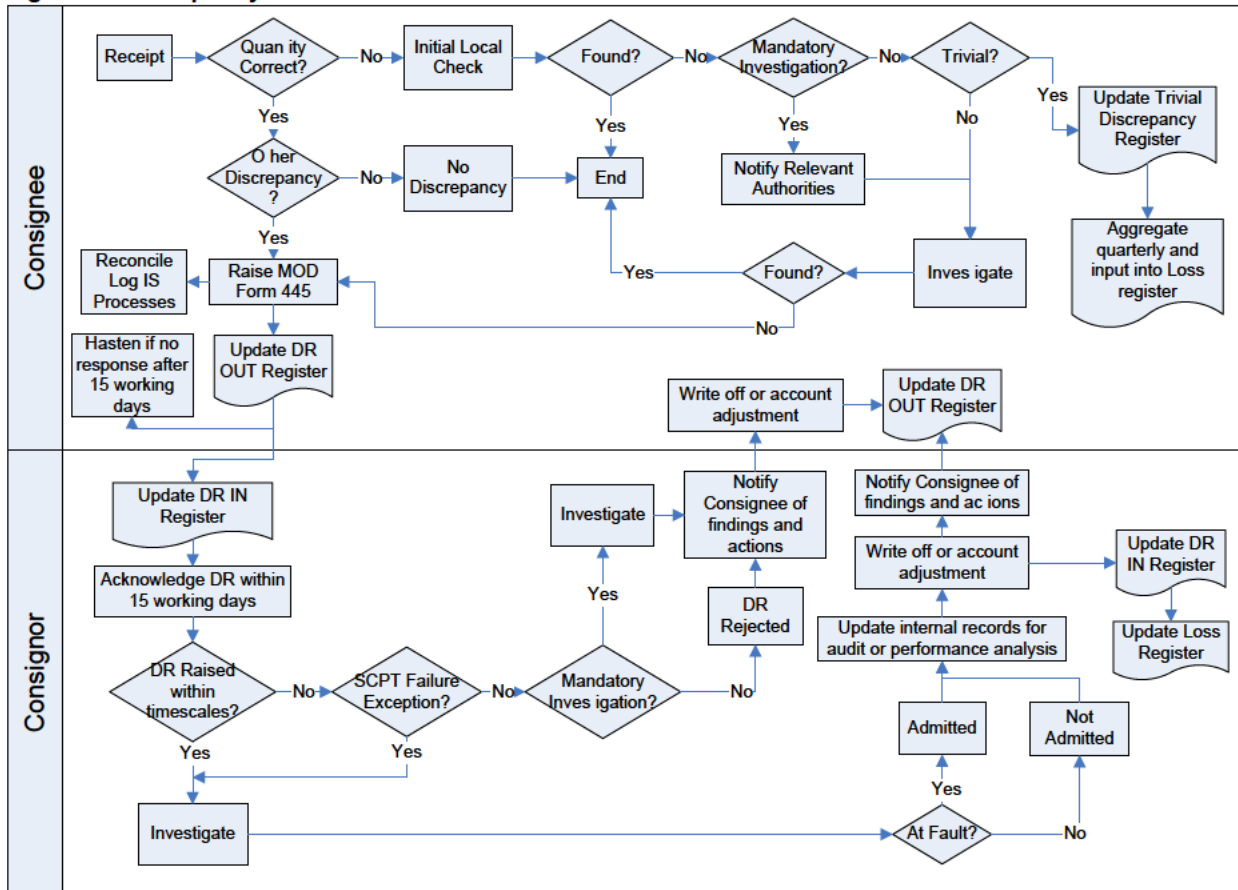
DISPENSATIONS

17. Where full compliance with the policy is not possible or not considered practicable a request for dispensation or relaxation of policy must be submitted in advance to DES IMOC SCM SCO MatAcctg1 for consideration. This dispensation request is to be a formal application submitted via, and endorsed by, the appropriate FLC/Organisational HQ and must be supported by a detailed report including the proposed procedure to be adopted.
18. Dispensations, if approved, will be granted for a specific period and a further application will need to be submitted for an extension.

CHAPTER 3: DISCREPANCY REPORTING

1. This chapter covers the process and procedures for the recording and reporting of the different types of discrepancies. The overall process is detailed in Figure 1. Supplementary details for Maritime Returns Discrepancies are detailed at Annex A.

Figure 1: Discrepancy Process



TYPE OF DISCREPANCY

Quantity and Damage

2. This applies when either the quantity physically received differs from the quantity stated on the paperwork or the item(s) appear(s) to be damaged. This also applies to cases where an aggregated item such as a kit, assembly, Complete Equipment Schedule (CES) etc is incomplete. An initial investigation is to be conducted to establish the likely cause of the missing or damaged items.

- a. If the packaging containing the item(s) is intact and shows no signs of inappropriate entry it should be assumed that responsibility for the discrepancy lies with the consignor. A MOD Form 445 Discrepancy Report (DR) is to be raised on the consignor. This can be initiated by any grade of MA staff (usually the person who discovers the discrepancy), however the MOD Form 445 is to be dated and signed by a Materiel Accountant at the rank of SNCO or above or for MOD Civil Servants at Band D or above.

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b. If the packaging containing the item(s) is insecure and there is no explanatory note from the consignor, then the discrepancy may be attributable to the carrier. A MOD Form 445 is to be raised on the consignor annotated SUSPECTED LOSS OR DAMAGE IN TRANSIT. The consignor is to identify the carrier and:

(1) If the discrepancy is believed to be attributable to a commercial carrier, the consignor is to notify the contracts branch that appointed the carrier. It is the responsibility of the contracts branch to pursue the claim in accordance with the Commercial Toolkit, Claims.

(2) If the discrepancy is believed to be attributable to a service carrier, including commercial transport hired to perform as a service carrier, the consignor is to investigate the DR.

Trivial Discrepancies

3. Trivial discrepancies are such that due to their nature and value do not require investigation beyond a local investigation (unless Chapter 2 Paragraph 5 applies) and it is not required for a MOD Form 445 to be raised unless directed locally for trend analysis purposes. If trend analysis shows a weakness with a particular item/area, this can be investigated as with other mandatory investigation categories at the discretion of the Materiel Account Holder. These discrepancies are to be recorded in the 'Trivial Discrepancies' register and the details of any cumulative loss included in the quarterly loss report for the period in accordance with JSP 886 Volume 4 Part 6: Losses. The trivial discrepancy categories and value limits are:

a. **Trivial Transit Discrepancies (TTD).** These discrepancies (which include Inter Depot Transfers (IDT)) are when the total consignment value is equal to or less than £250 (ex VAT) and the discrepancy occurs whilst the item is in transit and is not considered to be due to any culpable cause. TTDs do not apply to receipts from contractors.

b. **Ex-Contract Transactions (XCT).** These discrepancies are from Trade receipts or Ex-Contract transactions which have a consignment value equal to or less than £50 (Ex VAT) and there are no grounds to support a claim against the contractor and the discrepancy is not considered to be due to any culpable causes.

4. Where retained, the consignee's receipt voucher is to be endorsed 'TRIVIAL DISCREPANCY – NOT CULPABLE. VALUE OF LOSS' and cross referenced to the Trivial Discrepancy Register entry. The endorsement is to be dated and signed by a Materiel Accountant at the rank of SNCO or above, for MOD Civil Servants at Band D or above.

Other Discrepancies

5. Where there is a discrepancy that could prevent the item being used but there is no loss or damage to the physical item, a DR is to be raised using the MOD Form 445 annotated with 'NO FINANCIAL ACTION'. A record of outstanding discrepancies of this kind is to be maintained until the discrepancy has been cleared. Examples of these are:

a. **Incorrect Serial Number.** Where the serial number of the equipment and the paperwork do not agree. The consignor is to confirm that the serial numbers have been checked and corrected.

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b. **Materiel Condition (MATCON).** Where the physical condition is different from that declared on the paperwork. The consignee is to investigate and advise actual MATCON.

c. **Missing Technical Documentation.** Where integral certificates such as Safe Working Load (SWL) test certificates are not with the item. The consignor is to supply the missing documentation.

d. **Packaging Incorrect or Inadequate.** Where the packaging is inappropriate to the item.

(1) Trade packaging that is inadequate is to be reported to the managing PT stating the problem. Photographs and diagrams are helpful.

(2) Ad hoc packaging that is inadequate is to be reported to the consignor. Repeated cases are to be raised with the Chain of Command.

e. **Missing or Damaged Special to Contents (STC) Containers.** The consignor is to supply an STC. In some circumstances the PT will instruct for an item or items to be sent without an STC. In these circumstances a DR is not raised, but the consignee should refer to the PT who gave authorisation to resolve any issues or queries.

f. **New Stores Reject (NSR).** If an item which was in its primary trade packaging is found to be incorrect when compared to the original label the discrepancy is to be treated as a NSR and reported to the PT using:

(1) MOD Form 445 MOD Discrepancy Report (Main form).

(2) AF G8267A/B New Stores Reject (Army if MOD F445 not appropriate).

(3) MOD Form 760 Narrative Fault Reporting (Air if MOD F445 not appropriate).

6. Until the introduction of the new Base Inventory and Warehouse Management Service (BIWMS), areas that use WITS will follow the systems Non-Conforming Receipt (NCR) procedure for some NO FINANCIAL ACTION DRs. MOD Form 445s should still be used for DRs requiring financial action.

Direct Supply

7. Any discrepancy in items received against a direct supply/delivery order from a contractor is to be reported immediately to the supplier and the managing PT using the MOD Form 445. Timescales are described on the reverse of the MOD Form 640.

DISCREPANCY REPORT REGISTERS

8. Discrepancy Report Registers are to be maintained either in manual or electronic format including as a minimum the detail described in Paragraph 9 below. Separate registers are to be maintained for each of the following:

a. Discrepancy Reports – Out (DRs sent by the unit).

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- b. Discrepancy Reports – In (DRs received by the unit).
- c. Trivial Discrepancies.

Register Headings

9. The Discrepancy Report Registers are as a minimum to contain the following headings:

- a. DR serial number and date.
- b. MOD Stock Reference/NSN/ADAC.
- c. Accounting Classification.
- d. Consignor's Issue Voucher (IV) number.
- e. Consignee's Receipt Voucher (RV) number.
- f. Quantity charged, received, damaged, surplus or deficient.
- g. Item cost.
- h. Total value of any loss.
- i. Remarks/Decision/Action, including date cleared.
- j. Cleared by account adjusting action which may include write-off action.
- k. Running total (for Trivial Transit Discrepancy Report (TTDR) registers).

10. A clear distinction must be made in the registers between each financial year according to the date on which the DR was received or raised.

- a. On 1 April each year the record for the previous financial year is to be closed. A copy is to be retained in accordance with JSP 886 Volume 4 Part 1 Chapter 4.
- b. Register entries are to provide a unique reference number for each DR raised or received. The reference number will consist of a short unit identifier, the financial year and the serial number. For example Heron/1314/14 would be the fourteenth DR raised by HMS Heron in FY13/14. These entries (when cleared) should also cross reference to the loss register entry for that discrepancy (or aggregate for trivial discrepancies) where applicable.
- c. DRs that are not cleared by the end of the financial year should be input with the remark "NOT CLEARED" as with loss registers. These DRs should be input into the next years report, cross referenced to the original entry from the previous years report by utilising the existing reference number of the open discrepancy.

Management Check

11. The DR Register is to be examined at quarterly intervals by the unit Materiel Account Holder. These checks are to be formally recorded in the DR Register by a line entry. 'CHECKED BY [name in capitals including rank or grade] ON [date]' and signed. For

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electronic records where digital signatures are not available; the record is to be printed and signed and retained in accordance with JSP 886 Volume 4 Part 1 Chapter 4.

DISCREPANCY REPORTS

Action by Consignee

12. A discrepant receipt must be logged on the relevant Log IS where possible, with the actual quantity received input or details as to why the items cannot be used for other discrepancies. On MJDI options are also available for unscheduled receipts, incorrect item receipts and nil receipts. Any output from the Log IS (with the exception of any outputs outlined as not being retained in JSP 886 Volume 4 Part 1 Chapter 4) should be printed and kept with the Consignees documentation and records relating to the discrepancy.

13. A MOD Form 445 is to be raised promptly and within the timescales at Figure 2. This can be initiated by any grade of MA staff (usually the person who discovers the discrepancy) however the MOD Form 445 is to be dated and signed by a Materiel Accountant at the rank of SNCO or above, for MOD Civil Servants at Band D or above. DRs exceeding the given timescales may only be raised for the following reasons:

a. Consignees are to raise DRs beyond the normal timescales for stores that exceed the Supply Chain Pipeline Time (SCPT) for any identifiable reason; examples are route closures, impounded by customs, Ships deployed, etc. The MOD Form 445 is to be annotated in red with 'TO BE FULLY INVESTIGATED – SCPT FAILURE'. The comments are to include the reason for the failure, ie border closed 01 – 21 Nov 12. The Consignor is to accept these DRs and treat them as a DR received within the time limit.

b. Consignees are to raise DRs exceeding the normal timescales for all mandatory investigation items (see Chapter 2, Paragraph 5). The MOD Form 445 is to be annotated in red 'MANDATORY INVESTIGATION – OUTSIDE TIME LIMIT'. The consignor is to accept the DR for investigation only. The consignee remains responsible for account and loss action.

14. If the discrepant item(s) arrive(s) or is located by the consignee after the DR has been raised, the consignee is to notify the consignor immediately.

Figure 2: Discrepancy Report Time Limits

Consignment Received	Within 30 calendar days from receipt of the consignment
Consignment Not Received	SCPT plus 30 calendar days or 30 calendar days from output date of notification of issue

Action by Consignor

15. The consignor is to check that the MOD Form 445 has been received within the timescales in Figure 2. DRs raised in accordance with Chapter 3 Paragraph 13 are to be accepted. Other DRs outside of the timescales can be accepted or rejected at the discretion of the consignor, however mandatory investigation DRs must be investigated before return to the Consignee. Rejected DRs are to be registered but returned to the consignee annotated 'TIME EXPIRED – CONSIGNEE LIABILITY'. The consignee is to investigate and take write-off action if required.

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16. On receipt of a DR the consignor is to:
- a. Acknowledge receipt of the DR to the consignee within 15 working days, quoting the package and dispatch details if available. DRs received in error must be recorded in the discrepancy register and returned to the originator.
 - b. Investigate the discrepancy to the appropriate level:
 - (1) The consignor is to investigate the discrepancies, assisted by the information from the consignee. The depth of investigation will depend on the type of store or its value.
 - (2) Check the Transaction Record to confirm the issue has been made. If the issue has been amended, check if this is the cause of the discrepancy.
 - (3) If a Stock Transfer, either inform the consignee of the results of the investigation or establish official enquiries with the consignee within 8 weeks. Failure to do so may result in the consignee closing the discrepancy with the consignor taking liability.
 - (4) DRs for items issued on Diversion Orders should be registered and the Inventory Owner asked if they hold a receipt. If after 15 working days a reply has not been received, the DR is to be forwarded to the Inventory Owner for action and the originator notified that the discrepancy is 'Cleared referred to Inventory Owner'.
 - c. Inform consignee of the results of the investigation.
17. All discrepancies which are accepted are to be written-off the account and recorded and reported as losses. The consignee would only take write-off action if these losses are reported outside the reporting times or evidence can be produced that proves the consignee is fully responsible for any loss that may have occurred.

Hastening a Discrepancy Report

18. If the consignee has not had a response to a DR within the timescale (or raised due to SCPT failure) within 15 working days from the date of the DR being sent the following action must be taken:
- a. Contact the consignor to confirm if the DR has been received.
 - (1) If the DR has been received and the consignor has not responded then the responsibility for adjusting the account or writing-off any potential loss will lie with the consignor.
 - (2) If the DR has not been received the consignee is to resend with a covering letter stating this is the second attempt. The date of the original DR should be included in the letter and this date will be used by the consignor to determine whether it has been raised within the timescales detailed in Figure 2.
19. Second hasteners follow the above actions, and are to be initiated if no response is had within 30 calendar days of sending first hastener.

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20. Hasteners must have an auditable trail, therefore although any initial enquiries by phone are acceptable, any official hasteners must be by email, post, fax, or other recordable method.

21. If after the second hastener a response has not been received, the case should be referred up the Chain of Command citing non compliance with policy so that appropriate action can be taken with the equivalent grade in each organisation.

Discrepancy Admitted by the Consignor

22. All discrepancies that have a financial implication above the 'Trivial Discrepancies' limit, are within the appropriate timescale and require 'Mandatory Investigation' are to be promptly investigated by the consignor. If the investigation shows that the consignor is liable the following action is to be taken:

- a. The original and duplicate DR is to be annotated 'LIABILITY ADMITTED' and show the method of adjustment, and details of the adjusting vouchers and write-offs. The original DR is then returned to the consignee, the duplicate DR attached to the consignor's copy of the voucher, and the adjusting certificate vouchers filed in their issue or receipt series.
- b. The original entry in the stores account will be allowed to stand adjusted by a certificate receipt or issue voucher, and the certificate cross-referenced to the receipted copy of the issue voucher.
- c. The value of the discrepancy is to be written off and entered in the Losses Register. A copy of the write-off documentation is to be attached to the consignor's voucher and an annotation made in the Discrepancy Report Register.

Transit Discrepancies

23. Where investigation shows that a discrepancy is due to loss or damage while the item was in transit, it is the consignor's responsibility to investigate the terms of the carriage. Where commercial carriers have been used they may be liable for the loss and/or the late or non-delivery of the item. Where appropriate the consignor is to recover the item or claim compensation from the carrier. The difference between the recovery from the carrier and the value of the item is to be written off by the consignor. Recovery details should be recorded in the loss register. The consignor is then to close the DR.

Discrepancies Not Admitted or Not Resolved

24. Where a loss to public funds has occurred which cannot be accurately traced to an individual, consignee or carrier, and the consignor has decided that further investigation would be nugatory, the consignor is to check that the consignee has not received the items and then take write-off action if the discrepancy meets one of the following criteria:

- a. If the discrepancy is valued below 5% of the delegated financial limits for power of write off for the consignor unit but above the trivial financial limit.
- b. If the discrepancy has been outstanding for more than 6 months and it is within the delegated financial limits for power of write off held by that unit.

25. The original and duplicate DRs are to be annotated 'LIABILITY NOT ADMITTED – WRITE OFF ACTION TAKEN'. The value of the discrepancy is to be written off by the

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consignor and entered in the Losses Register, cross referencing the entry in the discrepancy register. A copy of the write-off documentation is to be attached to the consignor's voucher and an annotation made in the Discrepancy Report Register.

VITAL

26. It is to be noted that arrival into the node on VITAL is not to be used as proof of delivery for discrepancy reporting purposes.

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ANNEX A – MARITIME SUPPLEMENTARY PROCESS AND PROCEDURES

1. This Annex gives guidance for discrepancies specific to the Maritime Returns process and is supplementary to the main guidance given in this document.
2. Where a discrepancy is discovered on a Maritime return before a receipted copy of the Form S331: Return Voucher has been sent back to the consignor, the receipt and accounting copies of the S331 and the Form D2663, Returns Routing Document (RRD) (for CRISP accounts only) are to be amended to show what has actually been received.
3. Original entries on the Returns Voucher are to be cleanly crossed through in ink ensuring that the original entries are legible. The actual identity, quantity or condition of the item, brought on charge, is to be entered in ink on the voucher and initialled.
4. For non-trivial return discrepancies, if the discrepancy is discovered after a receipted copy of the Form S331 has been sent back to the consignor, an MOD Form 445 is to be raised within 6 months of the OASIS print/S331 date, and used to notify the consignor of the discrepancy. The actual quantity, identity or condition of the item received is to be brought to charge.
5. Where a discrepancy is discovered on a return, it is normally the responsibility of the consignor to arrange write-off action unless proof of delivery can be produced. However, where the consignee has failed to provide a receipted copy of the S331 to a consignor within 6 months of the OASIS print date and if an MOD Form 445 has not been raised within 6 months the return is considered to have been received. The subsequent write-off action then becomes the responsibility of the consignee.

Returns from Planned De-Storings

6. Where a quantity discrepancy is discovered on consumable items returned from a planned de-storing, the Form S331 Return Voucher or Form D2663, RRD (CRISP accounts only) is to be adjusted to reflect the actual quantity received. Stock Number discrepancies are to be actioned by input of Form CRF 106 or by Direct Data Entry (DDE) where available. On completion of the de-storing and with the agreement of the Inspecting Officer, all uncleared entries for consumable stores on the Returns Invoice Record (RIR) are to be deleted without investigation.
7. For Mandatory Investigation items, on completion of a de-storing, a print of the RIR for the de-storing is to be called for. All un-cleared entries are to be investigated with the Return Store and De-Storing Ship/Inspecting Office. The list of un-cleared entries is to be checked monthly and action is to continue until all discrepancies are resolved.

CRISP Returns Transhipment Discrepancies

8. When a return is transferred on to an ultimate holding Depot a RRD is output to the consignee quoting the package details of the despatch (for CRISP accounts only). A receipt is to be obtained from the receiving base for items that are Attractive, ACTO or Security Classified (CONFIDENTIAL or above). Loss action should be reported immediately. The Flowchart below details the actions to be followed when a discrepancy is discovered on transhipment.
9. Under no circumstances is the Receiving Base/Depot to arrange transfer of the RIR back to the sending Base/Depot without their agreement in writing.

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10. Any amendments/deletions to the RIR must be supported by paperwork showing the reason for the alteration and be retained as part of the auditable record.

11. Where an intermediate consignee signed for packages that are considered lost, the RIR is to be returned to the consignor (CRISP accounts only) and the consignor is to take loss action. The loss case should contain all details of the discrepancy documentation.

Inter-Depot Stock Transfers (IDTs)

12. Discrepancies arising from IDTs between Bases/Depots operating CRISP to manage Maritime stocks are to be subject to processes described in the relevant IS User Instructions. The consignee is not required to forward an MOD Form 445 to the consignor.

13. For Trivial IDT Discrepancies, refer to Chapter 3, Para 3 of this document.

14. Notwithstanding the definition of “trivial” at Chapter 3, Para 3 of this document, it should be noted that CRISP deals with IDT discrepancies as follows:

a. **Important Discrepancies:**

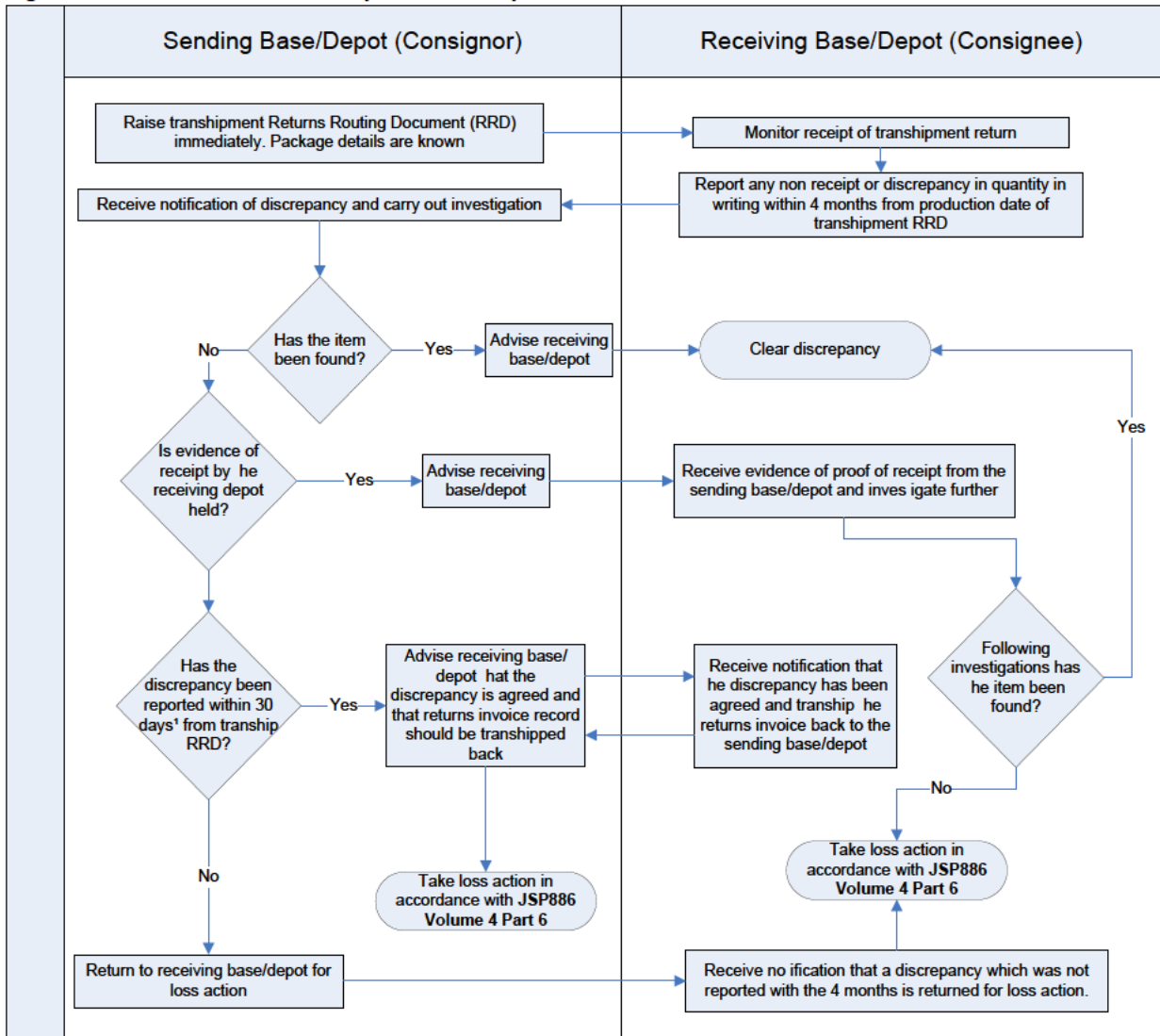
- (1) All discrepancies with line value over £500.
- (2) All non-receipt discrepancies irrespective of value.
- (3) All discrepancies in the categories detailed in Chapter 2 Para 5 of this document.

b. **Less Important Discrepancies:** Discrepancies involving line values over £50 up to £500. A minimum of 10% will be output by CRISP for investigation.

15. If any CRISP output with a value of £250 or less ex VAT is produced for investigation of IDT discrepancies which fall within paras 14a(2) or 14b above, the discrepancy is to be regarded as trivial and actioned accordingly, provided that it is not considered to be due to culpable causes and/or falls within the categories detailed in Chapter 2 Para 5 of this document.

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Figure 3: CRISP Returns Transhipment Discrepancies Flowchart



² Unless contractual requirements dictate otherwise