

Infant Formula Inventory Audits



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Steps for a successful audit

- **Select a high risk store or suspected violator.**
- **Prepare forms at the State Agency.**
- **Perform two visits.**
- **Compare formula WIC sales to total formula sold by the store.**
- **Sanction & recover funds.**



CALCULATION



BEGINNING INVENTORY (Visit 1)
+ FORMULA PURCHASED BY THE STORE
- ENDING INVENTORY (Visit 2)

TOTAL FORMULA SOLD BY THE STORE

INVENTORY AUDIT ANALYSIS FORM

Retail Store #: 123456

Initial Inventory Audit Review Date:

7/1/2013

Follow-Up Inventory Audit Review Date:

9/1/2013

FORMULA	Beginning Inventory 7/1/2013	Inventory Purchases	Ending Inventory 9/1/2013	Difference Between Beginning Inventory and Ending Inventory	Redeemed Check Quantity	Redemptions which Exceed the Store's Documented Inventory Sold
1 Liquid Concentrate	10	0	5	5	16	11
1 RTF	20	0	10	10	36	26
1 Powder Concentrate	30	0	15	15	9	0
2 Liquid Concentrate	10	24	5	29	16	0
2 RTF	20	24	10	34	36	2
2 Powder Concentrate	30	24	15	39	9	0
3 Liquid Concentrate	10	0	15	0	16	16
3 RTF	20	0	25	0	36	36
3 Powder Concentrate	30	0	35	0	9	9
4 Liquid Concentrate	15	10	5	20	16	0
4 RTF	25	20	10	35	36	1
4 Powder Concentrate	35	30	15	50	9	0



Sanction?

**If the Total Formula Sold
By the Store Is:**

> WIC Sales = No Sanction

**< WIC Sales = Sanction &
Recover Funds**

Recover Funds

Calculate the cost per can charged to WIC for each type of formula sold by the store.

Determine the number of cans of each type of formula the store charged WIC without providing to WIC customers.

NOTE: State Agency must have an error threshold in policy, such as 1-5% of cans redeemed by WIC.

Multiply the number of cans by the average redemption amount for each type of formula.

Total the amount and send the bill to the store.



Thank you!

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