

Stock Verification of Library Books: A Model Approach for Indian Libraries

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Physical stock verification of library books is aimed at maintenance and rectification of books and their records, identifying missing books, weeding-out and writing-off of books, among other things. The authors have made an effort to share their experiences and recommend a model strategy for stock taking in publicly financed Indian libraries using their experience at the Central Library at Maulana Azad National Urdu University in Hyderabad.

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1 INTRODUCTION

Physical stock verification of library books is a routine process that checks the availability of books that the library has acquired over the years. In other words, stock verification is the physical examination of documents listed in accession register. "The term stock verification is the process of checking as to what is in stock in relation to what it was" (Chaurasia&Chaurasia, 2011). Stock verification of library books is primarily aimed at maintaining and rectifying book records.

Libraries are able to identify books that are damaged, misplaced, missing, or lost during the physical stock verification process. The primary purpose of this task is to maintain library records. A comprehensive inventory audit of library books assists libraries in making informed decisions regarding the withdrawal/removal of volumes. This practice at regular periods ensures the preservation and correction of catalogue records. A revised catalogue would ultimately aid library patrons in readily discovering the books they need.

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Books that are discovered to have been stolen during a stock verification exercise help a library determine the level of popularity of certain titles. This also aids the library staff in taking the required steps to add extra copies of stolen/lost titles to the library collection, so that users will find sufficient copies in the library, possibly reducing book theft.

For the highest level of accuracy in stock taking, it is vital to possess not only a solid understanding of library science principles, but also IT application in libraries. The combination of library scientific concepts and IT application will not only produce correct results, but will also significantly reduce the time required to handle the stock verification-related data.

2 OBJECTIVE OF THE STUDY

The purpose of writing this paper aims to comprehend the process of physical stock verification of books and to propose a model for stock taking in Indian libraries supported by public funds.

3 LIMITATION/ASSUMPTION

"The limitation/assumption of the study is that barcode labels are affixed to all library volumes for which stock verification is to be performed; and,

"The library uses an LMS, and book-related data is accessible in a machine-readable format.

4 NEED FOR CARRYING-OUT THE STOCK VERIFICATION

As public institutions, libraries are subject to accounting, verification, and reporting (Chaurasia&Chaurasia, 2011). In addition to the normal maintenance of library records and the identification of missing volumes, the General Financial Rules of the Ministry of Finance mandate the stock verification. Rule 215 of the 2017 General Financial Rules stipulates the following provisions (FINANCE, 2017):

- (i) "complete physical verification of books should be done every year in case of libraries having not more than twenty thousand volumes.
- (ii) For libraries having more than twenty thousand volumes and up to fifty thousand volumes, such verification should be done at least once in three years.
- (iii) Sample physical verification at intervals of not more than three years should be done in case of libraries having more than fifty thousand volumes. In case such verification reveals unusual or unreasonable shortages, complete verification shall be done.
- (iv) Loss of five volumes per one thousand volumes of books issued/consulted in a year may be taken as reasonable provided such losses

are not attributable to dishonesty or negligence. However, loss of a book of a value exceeding Rs. 1,000/- (Rupees One thousand only) and rare books irrespective of value shall invariably be investigated and appropriate action taken."

With regard to the interpretation of sample stock verification [as mentioned in (iii) above], no clear guidelines have been provided in the GFR 2017. However, the authors feel that libraries having a collection of two lakh titles may take atleast 25% of the total collection as sample (i.e. fifty thousands) across all subjects for carrying out the stock verification. However, libraries having large collection may decide about the percentage of the sample with necessary justification. The rationale for recommending a sample of 50,000 volumes is related to the GFR 2017 guidelines, which require libraries with up to 50,000 volumes to conduct a full stock verification every three years.

Regarding the interpretation of sample stock verification [as described in (iii) above], the GFR2017 provides no clear instructions. The authors, however, believe that libraries with a collection of about two lakh titles may sample at least 25 percent of the whole collection (i.e., fifty thousand). Nonetheless, libraries with a sizeable collection may determine the sample proportion with justification.

The rule further adds that "in case such verification reveals unusual or unreasonable shortages, complete verification shall be done". Although the rule does not define 'exceptional or unreasonable shortages,' the authors believe that if the loss surpasses five volumes per one thousand issued/consulted volumes per year, it may be considered unusual or unreasonable. In light of these rules, comprehensive verification must be conducted.

With regard to the GFR statement "loss of five volumes per one thousand volumes of books issued/consulted in a year may be taken as reasonable" [mentioned at (iv) above], the authors feel that generally libraries keep record of circulation statistics but do not maintain any record of those books which are consulted by users on a daily basis in a library. Hence, libraries must ensure that they have proper mechanism for recording the daily consultation statistics. This would help libraries to record correct picture of 'reasonable loss' in accordance with the GFR 2017.

5 REVIEW OF RELATED LITERATURE

The Stock verification at regular intervals not only aids in recognising losses but also in preventing the unwarranted escalation of book value (worth of assets) through the write-off of such losses. The library staff will be able to identify disfigured volumes during the course of the exercise and will thereafter be able to digitise or replace them as appropriate. The stock verification would also afford library employees the chance to learn more about their collection

by identifying subject areas with the highest loss rates, clearing stacks, determining the need for book binding, etc.

Missing of books or loss of books in libraries depends on various factors viz. size of the library, collection, usage (consultation & circulation), accessibility (open or close), vigilance and security measures and so on. In his book entitled "School and College Libraries", Dr. S.R. Ranganathan suggests that "in an open access, some loss must be expected in spite of the greatest vigilance on the part of the staff". He further suggests that "unless there are reasons to suspect foul play or wanton negligence on the part of the staff, the management must be prepared to write-off some books every year, say about one volume for every 2000 volumes issued for consultation or loan" (Ranganathan, 1942). However, as per the GFR 2017, "loss of five volumes per one thousand volumes of books issued/consulted in a year may be taken as reasonable provided such losses are not attributable to dishonesty or negligence" (Finance, 2017). The rule further states that "loss of a book of a value exceeding Rs. 1,000/- and rare books irrespective of value shall invariably be investigated and appropriate action taken".

"The cost of conducting physical stock verification of library books would often exceed the benefits derived from such exercise and even the loss discovered" (Sridhar, 1991). Sridhar further observes that "this post-mortem or futile exercise appears to have no positive benefits except accounting for the stock". The authors believe that upgrading the security system and taking additional preventative and precautionary measures would cost significantly more than the worth of any books that may be discovered as lost.

Conducting Physical Stock Verification of Books

Using the physical copy of the accession record, numerically counting the books on the shelves, utilising library management software, employing a hand-held device, scanning barcodes, etc., are some of the ways adopted by libraries for conducting stock verification of books.

Based on their experience doing stock verification of books at MANUU, the authors have attempted to develop a model procedure for conducting stock verification of books at libraries. MANUU Library System is comprised of the Central Library, Departmental Libraries on its main campus (Hyderabad), and satellite campus libraries. At present, the University has 13 satellite campuses in various states, including Jammu and Kashmir, West Bengal, Assam, UP, Haryana, Andhra Pradesh, and Bihar, among others. In addition, MANUU operates three CBSE schools in Hyderabad, Nuh (Haryana), and Darbhanga (Bihar), as well as five polytechnics on the University's campuses in Hyderabad, Darbhanga, Kadapa, Cuttack and Bengaluru.

Clarity of GFR is vital for doing stock verification. The authors recommend using Microsoft Office Excel or WPS Spreadsheet for data processing. Detailed below are the steps involved in completing a physical stock verification:

1. The library staff must commence the stock verification process in accordance with the GFR 2017 criteria. The Librarian or Library Advisory Committee (LAC) may recommend the formation of a committee to conduct stock verification, which must be approved by the appropriate authority. The Committee may include library personnel, faculty, one staff member each from the Purchase and Finance sections, etc. The Committee may be chaired by any of the Deans, with the Assistant Librarian or Deputy Librarian serving as Member-Secretary.
2. The primary objective of stock verification is to determine the number of books that have been misplaced, damaged or stolen during a given period. In larger libraries, a significant number of staff employees (permanent/contractual) enter data, or the retro-conversion process is outsourced. Regrettably, the quality-check does not receive frequent and systematic attention for a variety of reasons. One of the primary causes is the lack of qualified staff. However, as stock verification is a major task, especially when the library's collection is large, it is advised that the following may be examined or confirmed concurrently:
 - (i) Do accession numbers relate to their respective titles in the LMS;
 - (ii) Are there duplicate accession numbers (same accession numbers on many books)?
 - (iii) If the call number and price of any books are missing from the LMS;
 - (iv) Whether or not the language code listed in the catalogue record (LMS) is accurate (the capturing of such data will be useful in libraries having multi-lingual titles); and,
 - (v) If status information, such as checked-out books, weeded-out books, books written-off, books sent for binding, books transferred to other departments, etc. have been accurately recorded in the LMS.
3. For verification of the aforementioned information, one must download the whole accession register from the LMS, which includes fields such as accession number, title, and book status information [missing, lost, weeded-out, transferred to other departments (if any)], among others. Let's assume, for the sake of clarity, that the downloaded file's name is "StockVer.xlsx." The file (StockVer.xlsx) must have two distinct sheets: "AccessionRegister" and "VerifiedData." The 'AccessionRegister' page contains the complete accession register (downloaded from the LMS), whilst the 'VerifiedData' sheet will be used to record the data at the time of physical verification. In the 'VerifiedData' sheet, five columns with the headers 'Language,' 'Rack No.,' 'Accession Number,' 'Title,' and 'Status' can be generated so that data is captured in the appropriate field.
4. Occasionally, a book is physically present in the library yet seems to

be checked out in the LMS. Similarly, the book may be present in the library, but its status in the LMS could be "weeded-out," "transferred to another department," "lost," "written off," or "sent for binding." Hence, it is essential that the LMS accurately reflects the status of the book, which can be easily checked during the physical verification of books. Therefore, it is argued that the verification of the books' 'status' is an inherent part of any physical verification of library volumes.

5. The information in the first two columns, 'Language' and 'Rack No.', must be entered manually. The objective of the 'Language' column is to physically verify the total quantity of books in the library that are written in a specific language. Throughout the process of completing stock verification, the information entered in the 'Rack No.' column will be useful for returning to that rack in the event that more verification (duplication of accession number, etc.) is required (e.g., duplicate accession numbers).
6. Provided that all of the books have barcode labels affixed to them, the barcode labels can be scanned (using a scanner) to enter the accession numbers in the appropriate column, i.e. the "Accession Number" column. Once the accession number has been registered, the 'Vlookup' formula of Microsoft Office Excel can be used to retrieve the appropriate details (viz., Title and Status information) associated with the accession number from the 'AccessionRegister' sheet.
7. After all the books (accession numbers) have been validated and their correct status has been determined, all such verified accession numbers may be merged with the 'AccessionRegister' sheet so that all duplicate accession numbers can be highlighted using the 'Highlight Duplicate' function in Excel. Prior to integrating verified data in to 'AccessionRegister' sheet, duplicate accession numbers, incorrect book status, incorrect titles, etc., must be corrected. After removing all duplicate accession numbers using Excel's 'Remove Duplicates' function, only the unique numbers will remain, which correspond to the missing accession numbers.

The librarians must remember that a book should only be considered lost if it has been discovered absent/missing in two or three consecutive stock verification activities.

Depreciation on Books and Method of Calculating Depreciation

If a library reports that books have been lost, the value of such books must be deducted from the books of account. Several elements, such as the date and cost of purchase, depreciation rate, residual value, treatment of gifted books, etc., will be used to determine the worth. The perception among librarians is that the value of books does not diminish, but rather increases. While books are considered capital assets, their value is depreciated annually

from an accounting perspective, despite the fact that it may be entirely accurate from a librarianship standpoint.

Prior to 2012-13, the annual rate of depreciation was determined in accordance with the rates specified in the Income Tax Act (issued annually after the presentation of the Union Budget), which ranged from 40 to 60 percent. Yet, according to the Formats of Financial Statements for Central Higher Educational Institutions issued by the Ministry of Human Resource Development of the Government of India in 2014, libraries are required to use a flat rate of depreciation of 10% beginning in 2013-14. The Formats of Financial Statements for Central Higher Educational Institutions stipulate further that where an asset has been fully depreciated, a residual value of Re. 1/- must be shown in the balance sheet because it cannot be depreciated further. (Formats of Financial Statement for Central Higher Educational Institutions, 2014).

Books received as gifts or donations by the library are treated as assets under the Formats of Financial Statements for Central Higher Educational Institutions, and as such, the prices listed on the books shall be taken into account for the purpose of depreciation on such volumes. When there is no such pricing, value is determined by evaluation. The authors believe that the Stock Verification Committee may determine prices for donated books appropriately in the absence of explicitly stated pricing.

As manually calculating the value of depreciation is a time-consuming operation, the authors recommend establishing an Excel spreadsheet with the necessary formulas and obtaining the depreciation value of each lost title.

Report Writing

Preparing the Stock Verification report is an integral component of any physical verification procedure. So, it is stipulated that the report must contain the following:

- Introduction with details of the Stock Verification Committee, duration of the exercise with dates, etc.)
- General Financial Rules, 2017 in the Context of stock verification of Library Books
- Methodology Adopted
- Possible reasons for losses (if any)
- Major Findings
- Recommendations for strengthening the library security system (if any), writing-off of books (if any), etc.

In addition to the aforementioned, the authors believe that the report must include the facts that 1) under an open access system, the loss of certain volumes is inevitable; and 2) losses cannot be blamed to dishonesty or carelessness. The report may also contain a subject-by-subject overview of lost books, which would add great value and demonstrate the exercise's seriousness.

6 DATA RECORDING AND APPROVALS

After the competent authority (Library Advisory Committee/Vice-Chancellor/any other authorised body) approves the recommendations for writing-off volumes, it is essential that the Accession Register and the LMS are updated accordingly. The authors suggest using the batch file to update the data of approved-for-writing-off volumes in the LMS. Since data recording is essential for accurate record keeping, libraries must ensure that the library catalogue accurately reflects the data so that users can save time when locating books. Libraries are required to report information regarding the deletion (writing-off) of any data to the Academic Council/Executive Council/any other relevant body of the institution. In doing so, the procedure will be closed for future auditing inquiries.

7 DISCUSSION

The authors are of the opinion that libraries do not maintain accurate data of daily book use. It is noted that the number of volumes consulted at a library is significantly higher than the number of books borrowed by library patrons. According to the GFR for 2017, a loss of five volumes per one thousand volumes of books issued/consulted in a given year may be considered acceptable, provided that such losses are not the result of dishonesty or negligence. For instance, if a particular library circulates 20,000 books per year, 100 volumes would represent a realistic/acceptable loss. But, assuming that library users consult 50,000 books annually, the justifiable loss (after adding the number of books issued in a year, i.e. 20,000, to the number of books consulted, i.e. 50,000) would be 350. For the purpose of accurate reporting of reasonable loss, it is crucial that libraries maintain consultation records on a regular basis.

About the depreciation calculation, it is noted that depreciation may only be performed if libraries have recorded the date of book acquisition and the cost of each book. Once such data and the list of books (discovered to be missing) are incorporated, it would be relatively straightforward to calculate depreciation on books from their date of acquisition.

Regulation 215 (ii) of the GFR 2017 implies, as mentioned in the paper, that "loss of a book with a value exceeding Rs. 1,000/- and rare books regardless of value shall always be investigated and suitable action taken." According to the standard interpretation of the regulation among LIS experts, disciplinary action will be taken against the library employees. According to the authors, the term "suitable action" might be interpreted in numerous ways. It may involve adding trained personnel to the security checkpoint, installing CCTV cameras and a security gate, and bolstering the library's security system as a whole.

About the investigation of losses of books valued at above Rs. 1000/- or

rare books, it is advised that a committee be formed to investigate the causes of such losses, with the library personnel having the chance to provide all accessible documents to such a committee. Thus, the library staff must ensure that they retain any significant document that they may deem pertinent for presentation to the Committee. Because the price of books has multiplied several times over the past three to four decades, the Ministry of Finance, Government of India, should consider increasing the upper limit of the GFR to at least Rs. 3,000 per book, from the current Rs. 1000/-.

8 CONCLUSION

Physical stock verification of library books is not only a periodic check of the availability of books that the library has acquired over the years, but also a chance to preserve and correct book records. After the data are corrected, library patrons will have an easier time locating the books they require and may spend less time searching for books. Using technology to its fullest extent is crucial for achieving the highest level of accuracy in inventory counting. Libraries must ensure that they conduct timely stock verification of library books so that the records reflect accurate information about the volumes, resulting in staff efficiency and time savings for library users.

In addition to the above, the authors opine that the report must contain the facts that 1) in an open access system, loss of some books is inevitable or bound to happen; and, 2) losses can't be attributed to dishonesty or negligence. The report may also include subject-wise summary of lost books that would add significant value to the report and reflect seriousness in carrying out the exercise.

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