

**PHOKWANE LOCAL MUNICIPALITY**

**INVENTORY MANAGEMENT POLICY**

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# DEFINITIONS

In this Policy, unless the context indicates otherwise, the following definitions are applied:-

***“Accounting Officer”*** means the Municipal Manager for the Municipality as contemplated in section 60 of the Local Government: Municipal Finance Management Act, 56 of 2003

***“CFO”*** means the Chief Financial Officer designated in terms of section 80(2) (a) of the Local Government: Municipal Finance Management Act,56 of 2003

***‘’Cost’’*** shall comprise costs of purchase, costs conversion and other costs incurred in bringing the inventories to their present location and condition

**“*Delegated authority*”** means the official who is given the authority for relevant functions in terms of the municipality’s written delegations;

‘***’Good received note’’*** means a document which is used to acknowledge the receipt of goods in good condition and correct quantities

“***Inventories*”** are assets:

In the form of material or supplies to be consumed in the production process,

In the form of materials or supplies to be consumed or distributed in the rendering of services

Held for sale or distribution in the ordinary course of operations, or

In the process of production for sale or distribution

***“Asset and Inventory Officer”***  shall mean the person appointed as Asset and Inventory Officer

Manager under section 5.1 below.

***“Municipality”*** shall mean the Phokwane Local Municipality;

# *“Net Realisable’’* Is the estimated selling price in the ordinary course of operations less the estimated costs of completion and estimated costs necessary to make the sale exchange or distribution.

***“Obsolete inventory”*** means items that have expired, are redundant or damaged;

***“Re-order level”*** means the level of inventory at which inventory is re-ordered;

**“*Requisition form*”** means a written request to the Inventory Supervisor to supply specified inventory;

***“Responsible manager”*** means the official responsible for the budget of an organizational unit in the municipality, directorate or institution;

***“Store”*** means a place where inventory is stored and reserved for future use, or a source from which supplies may be drawn;

***“Storeman”*** means the official responsible for the requisition, receipt, issue, recording, safeguarding of inventory and cost-effective and efficient management of inventory.

***“Storeman Assistant”*** means the official responsible to assist the Storeman in executing his/her duties as stipulated in this policy.

***“Stores Clerk”*** means the official responsible for capturing requisitions, stock-taking, and working hand in hand with the Storeman in his duties.

***‘’Stock issue note’’*** means a document which is used to authorizethe removal or issue of stock items from stores.

# OBJECTIVE OF THE POLICY

* 1. The policy aims to achieve the following objectives which are to:-
     1. Provide guidelines that employees of the Municipality must follow in the management and control of inventory, including safeguarding and disposal of inventory.
     2. Procure inventory in line with the established procurement principles contained in the Municipality’s Supply Chain Management Policy.
     3. Eliminate any potential misuse of inventory and possible theft.

# SCOPE

* 1. This policy applies to Phokwane Local Municipality’s inventory received by the Storeman and issued to users.
  2. This policy specifically excludes:
     1. Pharmaceutical inventory, livestock and face value forms; and
     2. Equipment and other assets not defined as inventory;

# RELATIONSHIP WITH OTHER POLICIES

1. Accounting Policy
2. Asset Management Policy
3. Supply Chain Management Policy
4. Asset Disposal Policy

# LEGAL FRAMEWORK

# In terms of the MFMA, the Accounting Officer for a municipality must:

* + 1. Be responsible for the effective, efficient, economical and transparent use of the resources of the municipality as per section 62 (1)(a);
    2. Take all reasonable steps to prevent unauthorized, irregular and fruitless and wasteful expenditure and other losses as per section 62(1)(d);
    3. Be responsible for the management, including the safeguarding and the maintenance of the assets, and for the management of the liabilities, of the municipality as per section 63 (1)(a) and (b).
  1. **In terms of the following paragraph of GRAP 12:**
     1. Inventories shall be recognized as an asset if, and only if,
        1. It is probable that future economic benefits or service potential associated with the item will flow to the entity, and
        2. The cost of the inventories can be measured reliably

1. **MEASUREMENT AT RECOGNITION**
   1. Inventories that qualify for recognition as assets shall initially be measured at cost
   2. Where inventories are acquired at no cost, or for nominal consideration, their costs shall be their fair value as at the date of acquisition
2. **COST TECHNIQUES AND COST FORMULAS**
   1. General

The following types of costs formulas shall be used in terms of GRAP 12: Cost formula Circumstances in which the formula will be used:

* + 1. **First-In, First-Out (FIFO)** - All other items apart from those that are required to use specific identification method.
    2. Cost of inventories that are similar in nature and use to the entity should be determined by using the same cost formula. Cost formulas should not be different simply as a result of different geographical locations of inventories.

1. **MEASUREMENT AFTER RECOGNITION**
   1. Inventories shall be measured at the lower of cost and net realization value, except where paragraph 7.2 applies
   2. Inventories shall be measures at the lower of cost and current replacement cost where they are held for:
      1. Distribution at no charge or for a nominal charge, or
      2. Consumption in the production process of goods to be distributed at no charge or for a nominal charge.
2. **RECOGNITION AS AN EXPENSE** 
   1. When inventories are sold, exchanged or distributed the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized. If there is no related revenue, the expense is recognized when the goods are distributed, or related service is rendered. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write –down of inventories ,arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.
   2. Some inventories may be allocated to other assets accounts, for example, inventory used as a component of self-constructed property, plant or equipment. Inventories allocated to other assets in this way are recognized as an expense during the useful life of that asset

# DISCLOSURE

* 1. Inventory disclosed in the notes to the financial statements should be separately disclosed per class. Common classifications of inventories are merchandise, production supplies, finished goods, materials and work-in-progress.

Illustrative example of disclosure required (refer to the standard for detail):

|  |  |  |  |
| --- | --- | --- | --- |
| **Extract from *Statement of Financial Position* Note** | | **20x1** | **20x0** |
| **Current assets** | | **R** | **R** |
| Inventories | 4 | 100,000 | 146,000 |

# INVENTORY PROCEDURES

* 1. The procedures for inventory must be followed to ensure that:
     1. Inventory is safeguarded at all times;
     2. There are accurate records of quantities on hand at all times;
     3. Optimum inventory levels are maintained to meet the needs of users;
     4. Only authorised issues of inventory are made to users; and
     5. Items placed in store are secured and only used for the purpose for which they were purchased.

# Appointment of Responsible Officials

* + 1. The CFO must appoint, in writing in accordance with the organogram, officials to perform the duties of a Storeman, Storeman Assistant, & Stores Clerk in terms of this Policy.
    2. Adequate segregation of duties between the requisition, receipt, recording, storage and safekeeping of inventory and the management and control thereof must be maintained to avoid the potential occurrence of errors and fraud.

# Ordering of Inventory

* + 1. The Storeman with the Stores Clerk must set the Inventory reorder levels for all items in consultation with the CFO, the inventory levels must indicate the minimum and maximum inventory that can be maintained.
    2. Due diligence and care shall be exercised in identifying low value and high value items of inventory
    3. Minimum inventory level of high value items shall be ordered, any maximum order shall be based on specific requirement/need in order to avoid large amount of cash tied up on inventory.
    4. A reorder listing should be printed by Stores Clerk and reviewed weekly by their immediate supervisor.
    5. The Storeman must use the listing as a primary source of information to procure any diminishing inventory and normal supply chain procedures should be followed.
    6. The purchasing requisition in the form of a memo must be drafted in duplicate, with one copy kept with the stores clerk and filed appropriately with the minimum inventory list and an original copy signed forwarded to the procurement section.
    7. A copy of the purchase order form will then be forwarded by the procurement department to the receiving department, for the receiving storeman to match with goods delivery note once goods are delivered.
    8. Orders must thereafter be filed in date sequence by the storeman.
    9. This file must form the basis for follow up of orders and for matching goods that are delivered to inventory department.
    10. The orders file should be reviewed weekly by the immediate superior and any orders, which have not been delivered as per the agreement with the buyer, must be followed up immediately.

# Receipt of Inventory

* + 1. The quantity and quality of the inventory received from suppliers must be according to specifications and information on the order form.
    2. The Storeman must compare the delivery note to the purchase order before accepting the goods.
    3. The invoice or delivery note must match the supplier name and order number.
    4. The Storeman must prepare the Goods Received Note to record all the inventory items ordered and in good condition
    5. The Storeman must ensure that:
       1. All delivery notes are signed by him/her and the driver
       2. All incorrect delivery items are rejected and clearly identified on both copies of the delivery note; and
       3. The supplier signs all amendments
    6. The inventory received must be transferred to the secured store by the assistant storeman with the signed Goods Received Note,
    7. The inventories must be stored in their respective sections once they have been received as detailed in 9.5
    8. The inventory record/register/database or system must be updated on the day the goods are received, by the Stores Clerk

# Storage of Inventory

* + 1. Inventory must be stored in a secured, exclusive use area, under lock and key, furthermore the inventory must be insured in terms of the Risk Management Policy of the municipality.
    2. The area must be used exclusively for the storage of inventory, with limited authorized access only.
    3. The storage facilities of the Municipality will be Hartswater main warehouse located at the Hartswater workshop.
    4. Inventory must be positioned to facilitate efficient handling and checking.
    5. All items must be stored separately, with proper segregation.
    6. Inventory must be clearly labeled for easy identification. Inventory tag/bin cards or inventory labels may be used to identify each item and to aid in the physical verification of the items.
    7. Details on bin/store cards should include the following:
       1. Order number;
       2. Quantity received;
       3. Date of receipt;
       4. Quantity issued;
       5. Date of issue;
       6. Maximum stock level;
       7. Re-order level;
       8. Re-order quantity;
       9. Closing stock; and
       10. Any other relevant information.
    8. Where possible, all items of the same type and reference must be stored together as per the description on the inventory records.
    9. Items with limited shelf life must be rotated on a first in first out basis, in accordance with section 6, sub-section 6.1 of this policy in compliance with GRAP 12, to reduce the occurrence of expired or obsolete stocks.
    10. Due diligence and care must be exercised to prevent damage of, or deterioration of inventory.
    11. Due regard must be given to any safety standards which may apply to the storage of certain inventories.
    12. Steps must be taken to ensure safe custody of items, including precautions against loss or theft.
    13. The Storeman or Delegated Official responsible for the custody and care of inventory must ensure that in his/her absence, such items, where applicable, are securely stored.
    14. The responsibility for the custody of the storeroom keys must be allocated by the delegated authorityto an official who is accountable for its use.
    15. No unauthorized persons/officials shall obtain entry to premises, buildings or containers where inventory is kept, unless accompanied by the responsible official.
    16. Whenever a change in the Storeman occurs, an inventory count must be conducted.
    17. An independent official shall be nominated in writing by the delegated authority to assist the official handing and taking over with the checking of the inventory and any discrepancies.
    18. Should the above not be complied with, the official taking over shall be liable for any discrepancies.
    19. The following fire protection precautions must be adhered to:
        1. Inventories of an inflammable or dangerous nature shall be stored and handled in such a manner that persons or property are not endangered and in compliance with the requirements of any local authority;
        2. The area must be clearly signposted; and
        3. Fire extinguishing equipment must be placed in the area where inventories are held and must be serviced regularly.

# Issue of Inventory

* + 1. Only the Storeman is authorized to issue inventory from the storeroom, unless an official is delegated in the absence of the storeman.
    2. Every Department/unit will hand over a list of people authorized to request items from the store including a list of officials who may request fuel and this should be kept by the storeman and copy kept by the stores clerk. The list may be updated annually.
    3. Inventory must only be issued in terms of the approved forms and procedures put in place by the Municipality, which are as follows:
       1. The Stores Clerk will check the availability of the budget on a weekly basis and print out all the maintenance votes used to issue items from the store and give it to the storeman**.**
       2. The Stores clerk will keep a file of the votes in a separate and will prepare a report of the spending on the votes on a weekly basis and that report will be given to the immediate supervisor.
       3. Budget office must also verify the correctness of the vote number used.
       4. The storeman will use the maintenance vote printout list as a basis to issue out items out of the stores and will not book out items for a department which has depleted its fund.
       5. Where there are funds available, the Storeman will fill-in a requisition for the requester and have the receiving person sign it **(See annexure C)**
       6. The information on the requisition must then be written directly on the stock/bin card. (**See annexure D)**
       7. The Storeman must send all the previous weeks request forms to the stores clerk, and the stores clerk will capture and file the requisitions on a weekly basis.
       8. All requisition forms must be scratched immediately below the last item to prevent items being added once the requisition is authorized by the immediate supervisor.
       9. Request from a department/unit that has depleted its fund, the weekly spending report combined with a report from the said department/unit detailing reasons for the requests and an a summarized written by the immediate supervisor must be send to the CFO and the Accounting Officer for review and approval on overspending on that particular departments vote.
    4. Inventories must be issued and used for official purposes only.

# Obsolete inventory

* + 1. The preparatory work for the disposal of obsolete inventory must be undertaken by the Storeman and verified by the Immediate Superior.
    2. The Accounting Officer or delegated authority must dispose the inventory in accordance with the Asset Disposal Policy and Supply Chain Management Policy
    3. All disposed of items must be updated in the inventory records/register/database for the purposes of proper management and control.

# Inventory count

* + 1. Items may be subject to an inventory count on a Quarterlybasis.
    2. Where the quantity of inventory is too large for the count to be completed on a single occasion, inventory counts may be carried out on a rotational basis with a full inventory count at the end of each financial year.
    3. After every inventory count the stock-taking sheet must be submitted for capturing on the system where a variance report will be printed and filled
    4. Any surplus/deficit must documented in ***Annexure C*** and report to the CFO after investigating any discrepancies between the inventory records/register/database, bin/tag cards or inventory labels and the physical inventory on a monthly basis.
    5. The CFO must submit a report with the findings to the Accounting Officer, in order to have the matter reported to the Executive Committee of the Municipality for the write-off of any inventories losses, or the write –up of surpluses.
    6. The appropriate disciplinary action must be instituted when applicable.
    7. The inventory record, register, database or system must be updated accordingly.
    8. All approved Municipal procedures and processes must be complied with during the inventory count.

# INVENTORY RECORDS

* 1. An inventory record/register/database must be maintained for all inventory items, either manually and / or electronically.
  2. All relevant information must be included for the proper management and control of all inventory items. It is recommended that details include but are not limited to:
     1. Order number/date;
     2. Item description;
     3. Quantity and value of stock on hand;
     4. Quantity and value of stock received;
     5. Quantity and value of stock issued;
     6. Re-order level;
     7. Optimum inventory level;
     8. Quantity and value of obsolete stock; and
     9. Opening/closing balance.
  3. An inventory register/database must be printed monthly and the hard copy filed in a chronological order to maintain a proper audit trail.

# REPORTING

* 1. A report must be submitted at least quarterly to the Chief Financial Officer and/or the Responsibility Manager detailing the following:
     1. Any inventory shortages or surpluses and the reasons for such;
     2. The reconciliation of the General Ledger and the stores in the system
     3. Any inventory deficits proposed to be written-off; and
     4. Any obsolete inventory items.
  2. Inventories purchased during the financial year must be disclosed at cost in the disclosure notes of the Annual Financial Statements of the Municipality.
  3. In terms of GRAP the financial statements shall disclose:
     1. the accounting policies adopted in measuring inventories, including the cost formula used,
     2. the total carrying amount of inventories and the carrying amount in classifications appropriate to the entity,
     3. The carrying amount of inventories carried at fair value less costs to sell,
     4. The amount of inventories recognized as an expense during the period,
     5. The amount of any write-down of inventories recognized as an expense in the period in accordance with Section 7
     6. The amount of any reversal of any write-down that is recognized as a reduction in the amount of inventories recognized as an expense in the period in accordance with Section 7

1. **CLASSIFICATION OF INVENTORY**

|  |  |
| --- | --- |
| **Inventory Category** | |
| 1. Safety Material | 4. Water Maintenance Material |
| 1. Electricity Maintenance Material | 5. Water Stock |
| 1. Mechanical Maintenance Material |  |

Water stock must be accounted for as inventory. This will include water purchased and not yet sold at reporting date insofar as it is stored (controlled) in reservoirs and pipes at year end. Water stock also includes any water purification costs incurred for non-purchased water.

1. **POLICY ADOPTION**

This policy has been considered and approved by the Council of **Phokwane Local Municipality** on this day…………..……… of ……………..………… 2018

**ANNEXURE A:**

**PROCEDURES FOR ORDERING, RECEIPT, MAINTENANCE, ISSUING AND DISPOSAL OF STOCK**

| **NO.** | **PROCEDURE** | **FREQUENCY** |
| --- | --- | --- |
| **1.**  1.1  1.2  1.3  1.4  1.5  1.6  1.7  1.8  1.9 | **Ordering of Stores:**  Stores reorder levels must be set for all items by the CFO which will be as follows:   * Reorder Level * Maximum Level * Minimum Level * Emergency Level   A reorder listing should be printed bi-weekly by the stores clerk and reviewed by the Immediate Superior before it is given to the storeman.  The Storeman:   * Must use the listing as a primary source of information to draft the memo for procuring inventory; and * Physical inspection of stock on shelves shall be conducted before the memo is drafted * Should also consult the Technical Departments about inventory required for planned maintenance.   The purchase memo must be drafted and must be completed in duplicate, with one copy kept with the Stores clerk and filed appropriately with the minimum inventory list while an original copy forwarded to the buying section.  A copy of the purchase order form will then be forwarded by the buying section to the stores section.  The order must be matched to the requisition copy to verify that the correct quantities and correct items have been ordered.  Orders must thereafter be filed in date sequence by the storeman.  This file must form the basis for follow up of orders and for matching goods that are delivered to stores  The orders file should be reviewed weekly by the Immediate Superior and any orders, which have not been delivered as per the agreement with the buyer, must be followed up immediately. | On-going  On-going/Bi-Weekly  On-going  On going  On going  On going  On going  On going  On going |
| **2.**  2.1  2.2  2.3  2.4  2.5  2.6  2.7  2.8 | **Receipt of Stock:**  Goods will be delivered to the receiving area where the documentation will be recorded and then forwarded to the Storeman.  The receiving official must match the delivery note to the purchase order, and fill out a pre-numbered goods received slip.  The Store-man must compare the delivery note to the relevant order before accepting the goods.  The goods received Slip must be signed by the store-man as proof of acceptance of the goods.  The Goods Received Note or Stores Issue Requisition which reflects full particulars of receipts and issues must be maintained by the Stores clerk and updated immediately when goods are received or issued.  Goods that are unused after the completion of the work or the fulfilment of the purpose for which they were issued, must be returned to the store and must be included in stock.  Goods Returned Note shall be filled in if stock is returned by the department to the warehouse. The Goods Returned Note shall be prepared by the Responsible Official and signed by the receiving official.  The Storeman shall acknowledge the receipt of goods from the department by signing the Goods Returned Note | On going  On going  On going  On going  On going  Periodically  Periodically  Periodically |
| **3.**  3.1.  3.2  3.3  3.4  3.4.1  3.4.2  3.4.3  3.4.4    3.4.5  3.4.6  3.4.7  3.4.8  3.4.9  3.4.10  3.4.11  3.4.12  3.4.13  3.5. | **Maintenance of Stores:**  Inventory and equipment belonging to the Council must be clearly marked/ bar-coded as such, to indicate ownership.  Inventory belonging to the Council shall be kept in a place approved of by the CFO, subject to the conditions he or she determines.  No section shall carry inventory in excess of its normal requirements, as may be determined by the CFO.  The CFO shall ensure that at least once every quarter, stock-taking of all stores of the Council takes place as follows:  The Quarterly stock take will take place on the last day of the last month of the quarter or as close to that date as possible.  All Officials of the Municipality must be notified while the Council’s external auditors must be notified of the year-end stock take of the date of the annual year end stock take.  Stores must be closed the day of the stock take. A notice to this effect must be prominently displayed on the stores notice board.  In the case of an emergency, stock items may only be issued on the explicit authority of the Superior Manager who is responsible for inventory management.  Prior to stock take, the Immediate Supervisor must ensure that all transactions up to the date of stock take, have been recorded. All goods received notes, requisition issues and goods returned notes should be captured onto the stores computer system.  An official delegated the responsibility, shall make available stock take listing sheets to counters for recording the physical count figures. Immediate Supervisor shall read out the instructions and procedures of the stock-take prior the stock take commences and avail an attendance register  Stock items must be counted in an orderly fashion from one end to the other, using the two count method by one person and another person counting from the other end.  Stock that has been drawn for use at a later date should be included in the stock-count and not expensed. Consumables should also be included in the stock-count and not expensed.  After each item is counted, the total must be entered onto the stock sheets. After the count the counters must compare their sheets and where there are differences they must both go back an re-count with the storeman  Stock sheets must be signed by counters and checkers.  On completion of the count, all stock sheets must be handed to the stores clerk who will capture the physical count figures into the system and print out a variance report.  Any Surplus/ deficit must be documented in **Annexure C** and reported to the CFO after investigating discrepancies between the system and the physical count.  The CFO will decide whether the surpluses/deficit should be written off or adjusted in with the **Annexure C** report where the CFO will prepare a report to table to council for further steps to be taken, if necessary and approval if  A thorough internal control system must be established by the CFO to ensure that when a change of officials responsible for stores and equipment takes place, accountability with regard to losses and deficits can be clearly established. | On going  On going  On going  Quarterly  Quarterly  Quarterly/Annually  Quarterly/ Annually  Quarterly/ Annually  Quarterly/ Annually  Quarterly/Annually  Quarterly/ Annually  Quarterly/ Annually  Quarterly /Annually  Quarterly/ Annually  Quarterly /Annually  Quarterly/Annually  Quarterly/Annually  Quarterly/Annually  Quarterly /Annually |
| **4.**  4.1  4.2  4.3  4.4  4.5  4.6  4.7  4.8  4.9  4.10  4.11  4.12  4.13  4.14  4.15  4.16  4.17 | **Issue of Stock:**  Only the Storemen are authorized to issue goods from the storeroom, unless an official is delegated in the absence of the storeman.  Goods should only be issued in terms of a properly authorised requisition form.  Every department/ Unit must hand over a list of people authorized to request items from the including a list of officials who may request fuel and this should be kept by the storeman and a copy kept by the clerk  If an official is not listed on the authorised list, they will not be assisted.  The Stores Clerk will check the availability of the budget on a weekly basis and print out all the maintenance votes used to issue items from the store and give it to the storeman  The Stores clerk will keep a file of the votes in a separate and will prepare a report of the spending on the votes on a weekly basis and that report will be given to the immediate supervisor.  Budget office must also verify the correctness of the vote number used.  The storeman will use the maintenance vote printout list as a basis to issue out items out of the stores and will not book out items for a department which has depleted its fund.  Where there are funds available, the Storeman will fill-in a requisition for the requester and have the receiving person sign it **(See annexure C)**  A Stores requisition form must then be completed in duplicate. Control of the issue book is the responsibility of the Storeman  The Storeman and recipient of goods must agree that the goods requisitioned, agree to the goods drawn from stores, which is consistent with the Stores requisition form.  The recipient must sign the issues note/book as evidence that the goods stated on the issue note, have been received.  The information on the requisition must then be written directly on the stock/bin card. **(See annexure D)**  The Storeman must send all the previous weeks request forms to the stores clerk, and the stores clerk will capture and file the requisitions on a weekly basis.  All requisition forms must be scratched immediately below the last item to prevent items being added once the requisition is authorized by the immediate supervisor.  Request from a department/unit that has depleted its fund, the weekly spending report combined with a report from the said department/unit detailing reasons for the requests and an a summarized written by the immediate supervisor must be send to the CFO and the Accounting Officer for review and approval on overspending on that particular departments vote.  The issue note and the requisition must be filed in sequential order. | On going  On going  Annually  On going  Weekly  On going  On going  On going  On going  On going  On going  On going  On going  On going  On going  On going  On going |
| **5.**  5.1  5.2  5.3 | **Disposal of Goods:**  The preparatory work for the disposal of obsolete inventory must be undertaken by the Storeman and verified by the Immediate Superior.  The Accounting Officer or delegated authority must dispose the inventory in accordance with the Asset Disposal Policy and Supply Chain Management Policy  All disposed of items must be updated in the inventory records/register/database for the purposes of proper management and control. | Periodically  Periodically  Periodically |

**ANNEXURE B**

Reference: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Enquiries: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**FINANCIAL DEPARTMENT**

**Attention:** Chief Financial Officer

**INVENTORY COUNT FOR THE PERIOD:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

This is to certify that the quarterly inventory count has been undertaken for all items.

The under-mentioned discrepancies were found:

**1. SURPLUS INVENTORY**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **DESCRIPTION OF ITEM** | **QUANTITY** | **VALUE** | **REASON FOR SURPLUS** |
| 1. |  |  |  |  |
| 2. |  |  |  |  |
| 3. |  |  |  |  |
| 4. |  |  |  |  |
| 5. |  |  |  |  |
| 6. |  |  |  |  |
| 7. |  |  |  |  |
| 8. |  |  |  |  |
| 9. |  |  |  |  |
| 10. |  |  |  |  |

**ANNEXURE B (CONT.)**

**2. DEFICIT INVENTORY**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **DESCRIPTION OF ITEM** | **QUANTITY** | **VALUE** | **REASON FOR DEFICIT** |
| 1. |  |  |  |  |
| 2. |  |  |  |  |
| 3. |  |  |  |  |
| 4. |  |  |  |  |
| 5. |  |  |  |  |
| 6. |  |  |  |  |
| 7. |  |  |  |  |
| 8. |  |  |  |  |
| 9. |  |  |  |  |
| 10. |  |  |  |  |

Total value of issues for the period under review R \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

We certify that an inventory count of items was undertaken by:

1. Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Rank:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Rank:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Rank:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**HEAD OF DEPARTMENT DATE**

**STORES REQUISITION FORM ANNEXURE C**

**2795**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ITEM NO.** | **QTY** | **PRICE** | **DESCRIPTION** | **VOTE NO** | | | | | | | | | | | | | | | | | | | |
|  |  |  |  | **16** | **17** | **18** | **19** | **20** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** | **13** | **14** | **15** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**RECEIVED BY : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**DATE : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**ISSUED BY : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**CAPTURED BY : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**DATE : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**AUTHORISED : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**DATE : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**BIN/STOCK CARDS ANNEXURE D**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ITEM CODE :** | | | | | **MINIMUM STOCK :** | | | | |
| **ITEM DESCRIPTION :** | | | | | **MAXIMUM STOCK :** | | | | |
| **STOCK RECEVIVED :** | | | | | **STOCK ISSUED :** | | | | |
| DATE RECEIVED | ORDER NR | QUANTITY | GRN NR |  | DATE | REQUISITION NR. | ISSUED | QUANTITY | BALANCE |
|  |  |  |  |  |  |  |  |  |