

MARULENG LOCAL MUNICIPALITY



INVENTORY POLICY

2026-2027

COUNCIL RESOLUTION: 5007/05/2026
DATE: 28 May 2026

MARULENG LOCAL MUNICIPALITY INVENTORY POLICY

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1. Definitions

The following words and phrases shall, when used in this policy, have the following meanings:

1.1 "CFO" shall mean the Chief Financial Officer of the Municipality;

1.2 "inventory" shall mean all inventory of the municipality, including the stores referred to in section 7;

1.3 "storekeeper" shall mean the person appointed as storekeeper under section [4.] below,

2. Object of Policy

The object of this policy is to regulate the management, administration and control of inventory in the municipality.

3. Scope of Policy

This policy applies to all inventory kept within and outside the store building under supervision of the storekeeper.

4. Storekeeper

4.1 The CFO shall appoint a person in the Finance Department of the municipality as storekeeper.

4.2 The storekeeper shall be responsible for:

4.2.1 the safekeeping of inventory in accordance with section 5;

4.2.2 the receiving and issuing of items of inventory from the store rooms;

4.2.3 the maintaining of a proper record keeping system for inventory;

4.2.4 the performance of such other tasks as may be assigned to him or her according to the relevant job descriptions or the procedures referred to in section 7.

5. Safekeeping of Inventory

5,1 Inventory shall, until it is issued, at all times be safeguarded and kept in a suitable protected area. Wherever practical, such area shall be in an enclosed place, the entrance to which shall be locked.

5,2 No unauthorised entrance to any such area is permissible. Authorisation to enter such area may be granted only by the CFO.

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issue of stock. Such value will be disclosed in the annual financial statements of the municipality.

- 7.6 In cases of slow-moving, expensive items, a valuation shall be obtained in writing from specialist suppliers of such items, on the basis of which the cost shall be adjusted in the records of municipality.

8. Insurance of Inventory

- 8.1 The CFO shall insure inventory on at least a yearly basis with the municipality's appointed insurance firm.

- 8.2 The amount inventory shall be insured at shall not be less than the amount as determined in accordance with section 7 above.

CERTIFICATE OF ENDORSEMENT:

The Agreement to this Policy shall come into effect on the date of endorsement and shall cease only in the event where such changes/variations has been reduced to writing and been signed by the Accounting Officer. Unless in the event where any changes in any applicable Act, Legislation has jurisdiction to supersede.

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ANNEXURE

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

N O	PROCEDURE	FREQUENCY
	Ordering of Stores: Inventory items should only be ordered once the minimum inventory holding level are reached or when new product lines are requested by the Directorates. A reorder listing should be printed daily and reviewed by the Storekeeper The Storekeeper: • Must use the listing as a primary source of information to complete the purchase requisition; and • Should also consult the Technical Department about stores required for planned maintenance The purchase requisition must be completed in duplicate, with one copy kept in the requisition book and 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 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 daily by the Storekeeper and any orders, which have not been delivered as per the agreement with the Ongoing buyer, must be followed up immediately.	Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing
	Receipting of Stores Stores will be delivered to the receiving area where the documentation will be recorded and then forwarded to the Storekeeper. The receiving official must match the delivery note to the purchase order, and fill out a pre-numbered goods received note Items that exceed the quantity ordered and that do not match the description of the goods ordered will be returned by supplier transport to the supplier without issue of acknowledgment documentation. The Storekeeper must compare the delivery to the relevant order before accepting the goods. The goods received note must be signed by the Storekeeper as proof of acceptance of the goods A stores register which reflects full particulars of receipts and issues must be maintained by the Storekeeper and updated immediately	Ongoing Ongoing Ongoing Ongoing Periodically Periodically

	when goods are received or issued	Periodically
	Stores 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	Periodically
	Sections returning the remaining stores on the completion of work, must send to the Storekeeper an advice note detailing the stores that were returned, The CFO shall trace a sample of these advice notes to the stores register on a periodic basis	
3	Maintenance of Stores	
	Stores and equipment belonging to the Council must be clearly marked bar-coded as such, to indicate ownership	Ongoing
	Stores belonging to the Council shall be kept in a place approved of by the CFO, subject to the conditions he or she determines	Ongoing
	No section shall carry stores in excess of its normal requirements, as may be determined by the CFO	Ongoing
	Designated officers will be responsible for the safe custody of stores issued to their section, and must, if requested to do so by the CFO, furnish full details of any stores held by their section	Ongoing
	The CFO shall ensure that at least once every financial year, stock-taking of all stores of the Council takes place as follows	Annually
	The financial year-end stock take will take place on the last day of the financial year or as close to that date as possible	Annually
	All Heads of Sections and the Council's external auditors must be notified of the date of the annual year end stock take	Annually
	Stores must be closed at noon the day before stock take. A notice to this effect must be prominently displayed on the stores notice board.	Annually
	In the case of an emergency, stores may only be issued on the explicit authority of a designated official	Annually
	Prior to stock take, the Storekeeper 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 entered onto the stores register.	Annually
	An official delegated the responsibility, shall make available stock take listing sheets to auditors for recording the physical count figures	Annually
	Stock items must be counted in an orderly fashion from one end to the other, by persons not dealing with stock on a regular basis	Annually
	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. Consumables should also be included in the stock-count and not expensed	Annually Annually
	After each item is counted, they must be marked with a sticker to indicate that they have been counted	Annually
	After each item is counted, the total must be entered onto the stock sheets	Annually
	Stock sheets must be signed by counters and checkers	Annually
	On completion of the count, all stock sheets must be handed to the CFO.	Annually

	Physical count figures will be verified to the computerised listing. The Stock Controller should not be involved in any aspect of this verification Should any discrepancies arise, a recount of the product is done, and the requisition entries are re-checked All write-offs of obsolete or damaged stock should be authorised by the CFO. The CFO shall submit a report stating the quantity and value of any surplus or shortage of stores revealed by the stock-take, together with the reasons for this, who may then require the Storekeeper to furnish him with reasons for any shortages, in writing The CFO shall then report such surpluses and shortfalls to the Council for further steps to be taken, if necessary. 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	Annually Annually Annually Annually
4	Issue of Stores Only the Storekeeper will be authorised to issue goods from the storeroom, Stores should only be issued in terms of a properly authorised requisition form. Specimen signatures of all persons authorized to sign requisitions shall be supplied to the Storekeeper. If the signature is not of an authorised official, the requisition should be sent back to the respective section. The Storekeeper must verify that the correct vote is entered on the requisition for the type of goods requested and that there is sufficient budget provision against the vote. An issue note must then be completed and printed in duplicate. Control of the issue book is the responsibility of the Storekeeper. The Storekeeper and the recipient of goods must agree that the goods requisitioned, agree to the goods drawn from stores, which is consistent with the issue note. The recipient must sign the issues note/book as evidence that the goods stated on the issue note, have been received. Once the stores have been issued, the stores register must be updated by the Storekeeper. The issue note and the requisition must be filed in sequential order	Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing
5	Disposal of Stores The CFO must furnish the Council with a list of stores to be disposed of, together with the reasons for their disposal.	Periodically

.	only be handed over to the purchaser on full payment of the purchase price, or when other satisfactory arrangements for payment have been made with the CFO Stores disposed of by public auction provided that the approval of Council is obtained.	Periodically Periodically
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5. PROCEDURE

5.1 Provision of Stores

5.1.1 The requirements for stores and their location will be reviewed by the Municipal Manager on an annual basis, or more frequently, as required.

5.1.2 Creation of new stores or closure of existing stores will be planned in conjunction with the Chief Finance Officer to ensure that such changes proceed in an orderly fashion and with due economy.

5.2 Stores Personnel

5.2.1 Stores personnel will work under the day to day basis under the supervision and management of the manager responsible for stores.

5.2.2 The job description and performance plan of the managing official referred to in 5.2.1 will incorporate the management of stores personnel and overall management of the stores in terms of Stores Operational Procedures, as amended from time to time.

5.2.3 The task and duties of stores of store personnel will be incorporated in a job description that will:

- Describe the task and responsibilities in sufficient details to enable responsibility for acts and omissions to be allocated as a basis for performance management and discipline.
- Specifically, the job description of Storekeeper specifies the responsibility for unexplained inventory differences.
- Be signed for as acceptance of tasks and duties by each of personnel concerned.

5.3 Stores Infrastructure

5.3.1 Store infrastructure will be managed by the manager responsible for store or other municipal official as may be determined by the Chief Financial Officer.

5.3.2 Store infrastructure will be provided and maintained to ensure that:

- Stores personnel are able to discharge their duties in an environment that promotes efficiency and maintained of human dignity.
- Inventory is physically protected from deterioration as a result of exposure to the elements or any other agency likely to cause such deterioration.
- Inventory is securely stored and that access thereto is able to be restricted.
- Additional security is provided for inventory items that are subject to the risk of pilferage.

SIGNATURE:  _____

DATE: 28/05/2026

MUROA ML
ACTING MUNICIPAL MANAGER