

The Speaker
Cllr M. Siyonzana

APPROVAL OF MANGAUNG ANNUAL STOCK COUNT FOR THE FINANCIAL YEAR END 2020/2021

1. PURPOSE

To obtain approval on the stock that was counted for the financial year end 2020/2021.

2. BACKGROUND AND DISCUSSION

It is a statutory requirement that all municipalities should at least once or twice a year, conduct a stock count on all stock related items. The outcomes of the stock count must be compiled and be submitted to Council for consideration and approval.

The counting of stock was conducted as per stock count year end plan 30 June 2021. **(See Annexure A).**

Stock Count Notifications: Annexure B

- ✚ On the 12th of May 2021, the Chief Financial Officer issued out a circular to all users notifying them of the year end procedures including stock taking procedures and the dates. **(See annexure B1).**
- ✚ On the 11th of June 2019, office of the Chief Financial Officer through Supply Chain Management issued out an invitation to partake in stock count to the office of Auditor General. **(See annexure B2)**
- ✚ On the 11th of June 2019, the Chief Financial Officer through Supply Chain Management issued out an invitation to partake in stock count to the office of internal Auditor. **(See annexure B3)**

Appointment of the Stock count teams: Annexure C

- ✚ The Stock teams were appointed by the Acting General Manager: Supply Chain Management to physically count stock **(see appointment letters with instructions annexure C1).**
- ✚ Attendance registers were signed by all stakeholders involved in the stock counting **(see annexure C2).**

✚ Pictures of stock counters

✚ The instructions were read to all stakeholders which includes:

- Roles and responsibilities
- Procedures during stock count.
- Separation of stock counters team
- Issuing of stock papers

3. The actual physical stock count was conducted on the 23rd of June 2021 in the warehouses of Supply Chain Management. **(See Annexure D).** There was no stock delivered during stock count. The following is the summary of stock balances per warehouse:

STOCK TAKING AS AT 30 JUNE 2021

STORE	STOCK VALUE
General Store	R2 353 750.66
Mechanical Store	R837 264.58
Consumable Store	R890 694.76
Stationery Store	R2 353 750.66
TOTAL	R 4 633 368.46

Damaged Stock

There was no damaged stock identified during stock count.

Redundant and Obsolete Stock: Annexure E

The whole items in the shelves of Mechanical Store are identified as obsolete because majority of stock items were last issued in 2017. Fleet Management had outsourced the maintenance of fleet and the items in the stores can no longer be fitted into the vehicles as they are old models. See Annexure E

Stock Take Adjustments & Shortages: Annexure F

There was no surplus stock identified during stock count.

Surpluses:

There was no surplus stock identified during stock count.

Slow Moving Stock: Annexure G

Items from:

General Store

Although, there were slow moving stock items identified during June 2021 stock count, they cannot be removed from the shelves as they are still in use.

✦ Stock Control Vote Balancing: Annexure H

4. LEGAL IMPLICATIONS

Municipal Finance Management Act 56 of 2003

Local Government Municipal Systems Act 32 of 2000

5. FINANCIAL IMPLICATION

- ✚ Stock items from Mechanical Store to be declared as obsolete and be disposed by means of an auction.

6. RECOMMENDATION

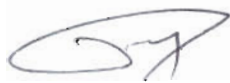
It is recommended that:

1. That the Council take note of the stock count amounting to **R 4 633 368.46** for the financial year ending 2020/2021
2. The Council approves stock count report, obsolete stock for the year 2020/2021

Recommended by:

Approved by:

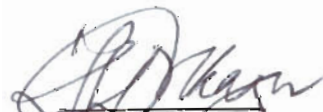
Ratified by:



Mr S. Mofokeng
CFO



Mr T Maine
Acting City Manager



Mr T Mkaza
EXCO Representative

Annexure A
Stock Count
Year end plan

STOCK COUNT YEAR END PLAN AS AT 30 JUNE 2021

Date OF ACTIVITIES	LOCATION	OFFICIALS INVOLVED	JOB TITLE	RESPONSIBLE MANAGER	STOCK VALUE
<ul style="list-style-type: none"> Closing of the Warehouse: 21/06/2021 	All Warehouses	1. P Booyesen 2. L Manel 3. T Diamond	Acting Warehouse officer Acting Store man Store man	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	General Stock Consumable and Stationery Stock Mechanical Store
<ul style="list-style-type: none"> Rounding up of capturing & verifying stock issued: 21/06/2021 	All Warehouses	1. P Booyesen 2. L Manel 3. T Diamond	Acting Warehouse Officer Acting Storeman Storeman	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	General Stock Consumable and Stationery Stock Mechanical Store
<ul style="list-style-type: none"> Printing Stock sheets: 22/06/2021 	All Warehouses	1. P Booyesen	Acting Warehouse officer	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	General Stock Consumable and Stationery Stock Mechanical Store
<ul style="list-style-type: none"> Registration of stock count teams: 22/06/21 	SCM premises	1. T Nkoana	Acting Senior Practitioner: Logistics & Warehouse	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	General Stock Consumable and Stationery Stock Mechanical

						Store
<ul style="list-style-type: none">Meeting and reading out stock count procedures: 22/06/21	SCM premises	1. S Malimane	Manager: Logistics & Warehouse	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	General Stock Consumable and Stationery Stock Mechanical Store	
<ul style="list-style-type: none">Issue Stock sheets: 23/06/21	SCM premises	1. P Booyesen	Acting Warehouse officer	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	General Stock Consumable and Stationery Stock Mechanical Store	
<ul style="list-style-type: none">Counting stock: 23/06/21	Stock	1. R Sentso 2. P Mokheseng 3. L Masia 4. S Khumalo	Stock counts teams	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	General Store Consumable Store	
<ul style="list-style-type: none">Stock verification on the system: 24/06/21	Stock	1. P Booyesen/ T Nkoana	Acting Warehouse officer/Acting Senior Logistics Practitioner	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	General Store Consumable Store	
<ul style="list-style-type: none">Counting stock: 24/06/21	Stock	1. R Sentso 2. P Mokheseng 3. L Masia 4. S Khumalo	Stock counts teams	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	Stationery Store Mechanical Store	

<ul style="list-style-type: none"> Stock verification on the system: 24/06/21 	Stock	1. P Booyesen	Acting Warehouse officer	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	Stationery Store Mechanical Store
<ul style="list-style-type: none"> Balancing & Authorizing stock recons: 25/6/21 	All Stores	1. P Booyesen 2. T Nkoana	Acting Warehouse officer Acting Senior Practitioner: Logistics & Warehouse	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	To be determined
<ul style="list-style-type: none"> Journalizing shortages and compiling write offs & return to stores: 28/06/2021 	All Stores	1. P Booyesen	Acting Warehouse officer	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	To be determined
<ul style="list-style-type: none"> Verification of final stock report & Sign off stock sheets: 29/06/21 	All stores	1. P Booyesen 2. T Nkoana 3. S Malimane	Acting Warehouse officer Acting Senior Practitioner: Logistics & Warehouse Manager	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	To be determined
<ul style="list-style-type: none"> Submit stock figures: 29/06/21 	All stores	1. T Nkoana	Acting Senior Practitioner: Logistics & Warehouse	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	To be determined

<ul style="list-style-type: none"> • Compile comprehensive report: 30/06/21 	All Stores	1. S Malimane	Manager: Logistics & Warehouse	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	To be determined
<ul style="list-style-type: none"> • Submit completed detailed stock file report to GM: SCM for recommendation to the CFO, for Council consideration: 30/06/21 		1. S Malimane	Manager: Logistics & Warehouse	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	To be determined
<ul style="list-style-type: none"> • Submit detailed stock report recommendations to Council: 30/06/21 		1. MO Masisi	Acting GM: Supply Chain Management Unit	S Malimane Office no 1 LOGISTICS & WAREHOUSE 051-4113201	

Annexure B

Invitations

AG

Internal Audit



MANGAUNG
METRO MUNICIPALITY
METRO MUNISIPALITEIT
LEKGOTLA LA MOTSE

DIRECTORATE
FINANCE

2021/06/11

To: OFFICE OF THE AUDITOR GENERAL

Invitation: Annual Final Stock count:

You are kindly invited to the annual stock count which will be held in Mangaung Supply Chain Management Unit's warehouses. The date of the stock count will be the 23rd to the 24th June 2021 as per the annual stock count plan.

Your presence in this regard will be appreciated.

Regards

LLS MALIMANE
MANAGER: LOGISTICS & WAREHOUSE

Date 2021.06.11

Supported/ not supported:

MO MASISI
ACTING GM: SUPPLY CHAIN MANAGEMENT

Date 15/06/2021



MANGAUNG
METRO MUNICIPALITY
METRO MUNISIPALITEIT
LEKGOTLA LA MOTSE

DIRECTORATE
FINANCE

2021/06/11

To: Internal Audit Office
Attention: Mr. G Ntsala

Invitation: Annual Final Stock count:

You are kindly invited to the annual stock count which will be held in Mangaung Supply Chain Management Unit's warehouses. The date of the stock count will be the 23rd to the 24th June 2021 as per the annual stock count plan.

Your presence in this regard will be appreciated.

Regards

LLS MALIMANE
MANAGER: LOGISTICS & WAREHOUSE

Date 2021.06.11

Supported/ not supported:

MO MASISI
ACTING GM: SUPPLY CHAIN MANAGEMENT

Date 15/06/2021

Annexure C

Appoitment of teams

Attendance registers

Pictures.



MANGAUNG

METRO MUNICIPALITY
METRO MUNISIPALITEIT
LEKGOTLA LA MOTSE

DIRECTORATE
FINANCE

14/06/2021

To: Mr S Khumalo

Appointment: Stock Counter

You are hereby appointed as a Stock Counter for the annual stock count schedule to take place from the 22-30 June 2021

Regards

MO MASISI

ACTING GM: SUPPLY MANAGEMENT

15/06/2021

DATE:



MANGAUNG

METRO MUNICIPALITY
METRO MUNISIPALITEIT
LEKGOTLA LA MOTSE

DIRECTORATE
FINANCE

14/06/2021

L. SCOTICANE

To: ~~Me P~~ Mokheseng

Appointment: Stock Counter

You are hereby appointed as a Stock Counter for the annual stock count schedule to take place from the 22-30 June 2021

Regards

MO MASISI
ACTING GM: SUPPLY MANAGEMENT

15/06/2021

DATE:



MANGAUNG

METRO MUNICIPALITY
METRO MUNISIPALITEIT
LEKGOTLA LA MOTSE

DIRECTORATE
FINANCE

14/06/2021

To: Me P Mokheseng

Appointment: Stock Counter

You are hereby appointed as a Stock Counter for the annual stock count schedule to take place from the 22-30 June 2021

Regards

MO MASISI

ACTING GM: SUPPLY MANAGEMENT

15/06/2021

DATE:



MANGAUNG

METRO MUNICIPALITY
METRO MUNISIPALITEIT
LEKGOTLA LA MOTSE

DIRECTORATE
FINANCE

14/06/2021

To: Mr R Sentso

Appointment: Stock Counter

You are hereby appointed as a Stock Counter for the annual stock count schedule to take place from the 22-30 June 2021

Regards

MO MASISI

ACTING GM: SUPPLY MANAGEMENT

15/06/2021

DATE:



STOCK TAKING AS AT 30 JUNE 2021

Stock Count Procedure/instructions for stock counters

1. Stores must be closed, no outsider will be allowed in the store except auditors & stock counters
2. In each store, there will be four independent teams of counters who do not operate in the stores.
3. Each team will consist of two members per team who are not appointed as store men.
4. The store owners will be not allowed to count stock during this financial year end.
5. Each store owner will only direct the shelves where the items are situated to the team of stock counters.
6. Each team must receive stock counting sheet which shows the item descriptions only.
7. Each team must count the items according to the stock sheets given to them.
8. The complete stock sheets must be signed by each team member after completing each sheet.
9. The completed sheets must be submitted to the Senior Practitioner/ SCM officer: Warehousing for capturing the information on the system.
10. The system will detect the shortages and surpluses as soon as the information is uploaded.
11. Any damage noted during stock count must immediately be brought to the attention of the Senior Practitioner/SCM officer: Warehousing.
12. Any obsolete or slow moving items must also be brought to the attention of the Senior Practitioner/SCM Officer: Warehouse before the beginning of the stock count.
13. In cases of mistakes, the team will receive the sheet back to recount and confirm the figures.

Senior Practitioner/SCM Officer: Logistics & Warehouse

1. Must take note of the slow moving items or obsolete items
2. Must submit a request to write off report for slow moving items or obsolete to the Manager: Logistics & Warehouse Management for review.
3. Must allocate the stock sheets to the stock counting team
4. Capture the figures submitted by the counting team in the system.
5. Note the differences in the figures of the systems and stock counted.
6. Returns the stock sheet for recount where mistakes exist.
7. Must submit complete stock sheets for review to the Manager: Logistics and Warehouse Management
8. Must submit the report for shortages and surpluses noted during stock take to the Manager: Logistics and warehouse Management
9. Must submit damages report to the Manager: Logistics & Warehouse Management for review
10. Do the adjustments journals after authorization is obtained.



MANGAUNG

LOCAL MUNICIPALITY
PLAASLIKE MUNISIPALITEIT
LEKGOTLA LA MOTSE

DIRECTORATE
FINANCE

Financial Management

Manager:

1. Is responsible in consultation with the General Manager: Supply Chain Management for informing the users of the planned financial year end stock taking.
2. Is responsible in consultation with the General Manager: Supply Chain Management for inviting Internal auditors
3. Must submit a request report for an approval to move the obsolete stock from the shelves to redundant store from the City Manager through the General Manager.
4. Must submit a request report for an approval to declare stock damaged and obsolete from the City Manager through the General Manager
5. Must submit a report for shortages and surpluses from the City Manager through the General Manager
6. Must authorize the captured data on the system.
7. Must review a variance report and submit to the General Manger: SCM for authorization
8. Authorize adjustment journal on the system after authorization is obtained.
9. Reconcile the Stock Control Account with the stock balances after sock taking process.
10. Submit a reconciliation report for to the General Manager: Supply Chain Management.
11. Compile a comprehensive report and submit for Council noting.

MO MASISI
ACTING GENERAL MANAGER: SCM

Date: 15/06/2021



MANGAUNG

LOCAL MUNICIPALITY
PLAASLIKE MUNISIPALITEIT
LEKGOTLA LA MOTSE

DIRECTORATE
FINANCE

Financial Management

I hereby acknowledge and understand the roles and responsibilities as read by the Manager: Logistics and Warehouse & signed by the General Manager: Supply Chain Management:

NAME OF THE OFFICIAL	SIGNATURE	TITLE	DATE SIGNED
1. T NKOANA		ACTING SENIOR PRACTITIONER	
2. P Booysen		Acting Supply Chain officer: Warehouse	
3. L Manel		Acting Warehouse officer	
4. T Diamond		Warehouse officer	
5. R Sentso		Stock Counting officer	
6. S Khumalo		Stock Counting officer	
7. L Soothoane		Stock Counting officer	
8. P Mokheseng		Stock Counting ofier	

STOCK TAKING 2020/21

DATE: 23 JUNE 2021

VENUE: LOGISTICS AND WAREHOUSE (STORES)

NO.	NAME AND SURNAME	EMAIL ADDRESS	CONTACT DETAILS	SECTION	SIGNATURE
1.	Pathele Sinto	Pathele.Sinto@Mangaung.co.za	411 3237	Logistic & Warehouse	
2.	Ruleng Mareseng	Ruleng.Mareseng@Mangaung.co.za	411 3008	Sim's office SECRETARY	
3.	Sebastian Thumulo	Sebastian.Thumulo@Mangaung.co.za	411 3237	Internal control	
4.	L.M Soothomra	Lynia.Mosoa@Mangaung.co.za	"	ASSISTANT Logistics	
5.	M. Mankwaba	Nthabiseng.Mankwaba@Mangaung.co.za	x 8031	Internal Audit	
6.	P. Booyse	Petrus.Booyse@MANGAUNG.co.za	411 3233	STOCKMAN KAN ETHEKE	
7.	T. J. J. J. J.	Tebolo.Diamond@Mangaung.co.za	411 3236	STOREMAN	


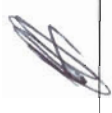





8.	NKONKA T-A	Thabang.NKONKA@mangaung.co.za	411 3237	Logistics & Warehouse	
9.	NANEL LS	Lisizi.Nanel@mangaung.co.za	0514113338	WAREHOUSE	
10.	Salome Molimane	lelollo.molimane@mangaung.co.za	051-4113301	Logistics + W	
11.					
12.					
13.					
14.					
15.					
16.					
17.					

STOCK TAKING MEETING 2020/21

DATE: 22 JUNE 2021

VENUE: LOGISTICS AND WAREHOUSE

TIME: 14:00

NO.	NAME AND SURNAME	EMAIL ADDRESS	CONTACT DETAILS	SECTION	SIGNATURE
1.	Ruleng Maling	Ruleng.Maling@mangaung.co.za	0514113208	Gen's office	
2.	RATHIPE. SENTHO	Rathipe.Sentho@mangaung.co.za	0514113237	Logistic 4 WAREHOUSE OFFICE	
3.	Salome Malina	letlotlo.malina@mangaung.co.za	051-4113201	Logistics + Warehouse	
4.	PETRUS BOGSTER	PETRUS.Bogster@mangaung.co.za	051-4113233	WAREHOUSE #1	
5.	LISIZI MANGEL	LISIZI.Mangel@mangaung.co.za Telokho.Diamond	0514113238	WAREHOUSE	
6.	LEBOHO DIAMONIS	Mangaung.co.za	0514113236	WAREHOUSE	
7.	Thabang Nkomo	Thabang.NKOMA@mangaung.co.za	0514113243	LOGISTICS & WAREHOUSE	

8.	SABATA KHUMALO	Sabata Khumalo Mangaung.co.za	051-411 3237	Assistant Internal Control	Khumalo
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					



