

# Northern Cape Provincial Government

## Office of the Premier



## Consumables Management Policy

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## **1. Terminology**

“Department”	:	Office of the Premier
“Accounting Officer	:	Head of department

## **2. Legislative Framework**

Section 10.1.1 of Treasury Regulations (March 2005) which states the following:

“The Accounting Officer of an institution must take full responsibility and ensure that proper control systems exist for assets and that –

- (a) preventative mechanisms are in place to eliminate theft, losses, wastage and misuse; and
- (b) stock levels are at an optimum and economical level.”

## **3. Objectives**

The objective of this policy is to set clear standards for the effective and efficient management of receiving and distribution of consumables.

## **4. Procedures**

### **4.1 Procurement of consumables**

Acquisitions management section is responsible for procurement of consumables in line with the acquisition management system description and Supply Chain Management policy. After an order has been issued, a copy thereof together with the quotation of the winning supplier and the approved requisition are handed to the logistic management officer.

### **4.2 Receipt of consumables**

The quantity and quality of the consumables received must be according to the specifications (quotation).

The logistics management officer must compare the delivery note/quotation (not all service providers issue delivery notes) with the consumables before signing receipt.

The logistic management officer must reject all incorrect items and clearly identify it as such on both copies of the delivery note/quotation. The

supplier must sign as evidence thereof. Proper follow ups should be done by the logistics management officer to ensure that all outstanding items are received.

### **4.3 Issuing of inventory**

The logistics management officer prepares a distribution sheet (P3) for the end users to sign delivery of consumables. The distribution must be properly signed off as evidence that goods have been received in the correct quantity and quality. The distribution sheet also makes provision for outstanding items, if any.

The logistic management officer also issues the end-users with a customer survey to be completed. The purpose of this survey is twofold – to evaluate both the Supply Chain Management section and the service provider.

### **4.4 Reporting**

On a monthly basis, the logistics management officer should analyse the findings raised in the customer surveys. Investigations should be done, if needed to address findings. An improvement plan should be compiled, making recommendations to mitigate the reoccurrence of findings in order to improve performance.

Negative findings on the performance of service providers will be communicated to them and will also be recorded in the supplier performance reports.

Consumables will be recorded at cost in the statement of financial performance in the Interim and Annual Financial Statements.

## **5. Implementation**

This policy is effective from date of approval.

Endorsed by SMT