

m SCOA REGULATIONS

NATIONAL TREASURY INVENTORY MANAGEMENT WORKGROUP MEETINGS

No.	Presented Agenda Item	Description of Comments/ Questions	Potential Impact	Contributor Name	Contributor Organisation	Date Received	Date Closed	Action Owner	Progress Status	Notes
1	Prep Session	Input received from NT teams and guidance to update the processes.	Updating of the processes	Internal NT team	NT	28-Oct-24	28-Oct-24	Silma	Closed	Noted - processes updated accordingly.
2	SCM Slide 25 Inventory Man.	Please provide more detail related to the item master, particularly the system requirements for the item master, in a following discussion.	System requirements	Chat comment	Unidentified	15-May-24	26-Jul-24	Silma	Completed.	Included in processes, feedback from OCPO, see modernisation presentation.
3	SCM Slide 25 Inventory Man.	Please provide more detail related to the item master, particularly the system requirements for the item master, in a following discussion.	System requirements	Chat comment	Unidentified	15-May-24	07-Jun-24	Silma	Completed.	<b>mSCOA 2014:</b> Inventory items / assets are: (a) in the form of materials or supplies to be consumed in the production process; (b) in the form of materials or supplies to be consumed or distributed in the rendering of services; (c) held for sale or distribution in the ordinary course of operations; or (d) in the process of production for sale or distribution. Refer to <b>GRAP 12</b> and <b>GRAP 17</b> for a discussion of the various types of inventory, property, plant and equipment. <b>The municipality should determine the classification of these items and account for them accordingly.</b>
4	SCM Slide 25 Inventory Man.	Budget check should be at requisition stage.	Addressed by updating the slides.	Chat comment	Unidentified	15-May-24	04-Jun-24	Silma	Completed.	Slide amended.
5	SCM Slide 25 Inventory Man.	Please include another sub-process for inventory returns and return to supplier (operational items and capital items).	Additional sub-process required.	Chat comment	Unidentified	15-May-24	12-Jun-24	Silma	Completed.	Updated inventory disposal process flow.
6	SCM Slide 25 Inventory Man.	Please address the difference between the capital spares and inventory as well as the treatment thereof.	Item definition.	Hennie Le Roux	Mossel Bay Municipality	15-May-24	07-Jun-24	Silma	Completed.	<b>mSCOA 2014:</b> Inventory items / assets are: (a) in the form of materials or supplies to be consumed in the production process; (b) in the form of materials or supplies to be consumed or distributed in the rendering of services; (c) held for sale or distribution in the ordinary course of operations; or (d) in the process of production for sale or distribution. Refer to <b>GRAP 12</b> and <b>GRAP 17</b> for a discussion of the various types of inventory, property, plant and equipment. <b>The municipality should determine the classification of these items and account for them accordingly.</b>
7	SCM Slide 25 Inventory Man.	Please include a process to calculate the net realisable value of inventory.	Additional sub-process required.	Chat comment	Unidentified	15-May-24	07-Jun-24	Silma	Completed.	This is in progress and will be embedded in the process.
8	SCM Slide 25 Inventory Man.	Please include a sub-process for the purchase of water and calculation of water inventory.	Additional sub-process required.	Chat comment	Unidentified	15-May-24		Silma	Completed.	Separate process.
9	SCM Slides 26 to 28	Please include processes or detail related to insurance of inventory and the safety of inventory.	TBA	Chat comment	Unidentified	15-May-24	23-Aug-24	Silma	Completed.	Refer to Financial Accounting processes.
10	SCM Slide 27 Inventory Man.	What is the definition of slow-moving items?	Item definition.	Chat comment	Unidentified	15-May-24	04-Jun-24	Silma	Completed.	<b>mSCOA 2014:</b> Inventory items / assets are: (a) in the form of materials or supplies to be consumed in the production process; (b) in the form of materials or supplies to be consumed or distributed in the rendering of services; (c) held for sale or distribution in the ordinary course of operations; or (d) in the process of production for sale or distribution. Refer to <b>GRAP 12</b> for a discussion of the various types of inventory, including items which are expected to be used over a period exceeding one financial year, items held for strategic stockpiles and spare parts. <b>The municipality should determine the classification of these items and account for them accordingly.</b>
11	SCM Slide 27 Inventory Man.	Request for slow-moving items to have a process of their own, explaining how to identify it, by value or do we consider the strategic intent? It is important from an audit perspective to clarify this item.	Additional sub-process required.	Sandisile Koza	Cape Town Metro	15-May-24		Silma		The objective is to define the process, and therefore accounting requirements on valuation and identification of slow moving should be determined via the municipal internal policy.
12	SCM Slide 27 Inventory Man.	Slow moving items like cables that have been in stores for a long times, how do you account for it? It is a risk to write them off because you might need them in future, they are of strategic importance, but also high risk for theft.	TBA	Chat comment	Unidentified	15-May-24	Noted	Silma	Completed.	The objective is to define the process, and therefore accounting requirements on valuation and identification of slow moving should be determined via the municipal internal policy.
13	SCM Slide 27 Inventory Man.	Please consider adding a separate process to deal with slow-moving items. Also, consider the different classifications per municipality, and the distinction between inventory items and "plant and equipment" assets.	Additional sub-process required.	Chat comment	Cape Town Metro	15-May-24		Silma	Completed.	The objective is to define the process, and therefore accounting requirements on valuation and identification of slow moving should be determined via the municipal internal policy.
14	Commodity list	Use of standard commodity list - should the same list be used in processes that interface with SCM?	Noted	SJ Niemand	Vendor	30-Sep-24	30-Sep-24	Silma	Noted.	Correct.