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ALL ACCOUNTING OFFICERS AND CHIEF FINANCIAL OFFICERS

OFFICE OF THE ACCOUNTANT GENERAL PRACTICE NOTE 3 OF 2001:

LOGIS FINANCIAL YEAR-END: STOCK TAKES & DISCREPANCIES

With reference to the Treasury Regulations for departments, constitutional institutions and trading entities (issued in terms of the PFMA, 1999), Accounting Officers must ensure that processes and procedures are in place for the effective, efficient, economical and transparent use of the institution's assets. Therefore it is imperative for Departments to perform regular and accurate stock takes.

Taking the above into account, it is recommended that Departments conduct at least one complete stock take per year. The recommended time for this stock take is +/- 2 weeks before the financial year-end (taking into account the size of the Department i.e. the amount of ledgers). Reconciliation between what is reported in LOGIS and actual counts should be performed and adjustments should be made on LOGIS before the financial year-end run.

The following LOGIS information needs to be provided to the financial section in each Department who will include this information into the Departmental financial statements, for the Accounting Officer to submit to both the Auditor-General (for auditing) and to the relevant treasury (as per the requirements of the PFMA).

INFORMATION	LOGIS REPORT	INCOME STATEMENT ENTRY
Closing Balance	RY005 - See attached examples	Inventory and Equipment
Discrepancies: - Surplus & shortages	RY006 - See attached examples	Miscellaneous expenses (losses)

It is further recommended that additional periodic stock takes be performed throughout the year to determine discrepancies as quickly as possible, thereby minimizing loss and improving accuracy. These periodic stock takes can be performed quarterly and as per the determined cycle counts.

Kind Regards

I A MAMOOJEE
ACCOUNTANT – GENERAL
For **DIRECTOR - GENERAL**