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STOCK WRITE-OFFS AND SURPLUSES FOR THE 2025/2026 FINANCIAL YEAR

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Department Financial Services

Section Supply Chain Management

File number 6/1/1

PURPOSE OF REPORT

The purpose of this report is to obtain Council approval for the write-off of stock items that were identified as shortages, as well as the recognition and recording of surplus stock identified during the 2025/2026 financial year stock take.

FACTS AND BACKGROUND

During the 2025/2026 annual stock take, the stock count teams identified **11 discrepancies** relating to stock shortages. These items are recommended for **write-off**, as the variances could not be traced to specific events, transactions, or store issues.

Stock Nr	Description	UOM	Sys Qty	Physical Qty	Diff	Stock Value	Comment
A P14	PIPE PEX 15MM CL2	M	51	50	-1	-17.51	1 unit was counted short. The variance is likely the result of human error in stock handling.
C – B24/3	BOOT SAFETY HIKER SIZE 6	PR	40	39	-1	-965.79	1 unit was counted short. The variance is likely the result of a human error, such as an unrecorded transfer.
C P10/1	TOILET PAPER 2-PLY 48's	EA	25	23	-2	-346.18	2 units were counted short. The variance is likely the result of human error in stock handling.
H R15	GLOVE BRUSH CUTTER	EA	12	11	-1	-476.20	1 unit was counted short. The variance is likely the result of human error in stock handling.
O S109	SCISSOR 210MM	EA	11	10	-1	-32.01	1 unit was counted short. The variance is likely the result of human error in stock handling.
O S33	PENCIL HB	EA	89	85	-4	-56.62	4 units were counted short. The variance is likely the result of human error in stock handling.
O S69	WALLET DOCUMENT PASTEL YELLOW	EA	10	0	-10	-228.30	10 units were counted short. The variance is likely the result of human error in stock handling.
O T8	OVERALL TROUSER ORANGE 42 EPWP	EA	9	8	-1	-203.40	1 unit was counted short. The variance is likely the result of a human error, such as an unrecorded transfer.
R J2	VEST HIGH VISIBILITY – M – YELLOW	EA	90	88	-2	-116.59	2 units were counted short. The variance is likely the result of a human error, such as an unrecorded transfer.

Stock Nr	Description	UOM	Sys Qty	Physical Qty	Diff	Stock Value	Comment
R J3	VEST HIGH VISIBILTY – L – YELLOW	EA	82	81	-1	-58.29	1 unit was counted short. The variance is likely the result of a human error, such as an unrecorded transfer.
R R1	BAGS REFUSE BLACK PER BALE	BALE	528	522	-6	-2116.76	6 units were counted short. The variance is likely the result of human error in stock handling.
					NET:	**-R4 617,65**	

In addition, during the 2025/2026 annual stock take, the stock count teams identified **28 discrepancies** relating to surplus stock. These items are recommended for recognition and recording as **surplus stock**, as the variances could not be traced to specific events, transactions, or store issues.

Stock Nr	Description	UOM	Sys Qty	Physical Qty	Diff	Stock Value	Comment
A B6	BEND PVC 50MM x 45° CL12	EA	8	9	+1	59.60	1 additional unit was counted. The variance is likely the result of human error in stock handling.
A H4	WASHER FIBRE 19.7 x 24.15 x 1.6MM	EA	7	8	+1	10.15	1 additional unit was counted. The variance is likely the result of human error in stock handling.
A P4	PIPE PVC 160MM X 6M CL12	EA	24	25	+1	1340.19	1 additional unit was counted. The variance is likely the result of human error in stock handling.
B C1	COUPLER STRAIGHT 15MM CxC	EA	58	62	+4	132.68	4 additional units were counted. The variance is likely the result of human error in stock handling.
B C2	COUPLER STRAIGHT 22MM CxC	EA	37	39	+2	89.98	2 additional units were counted. The variance is likely the result of human error in stock handling.
B C7	COUPLER STRAIGHT 22MM F.I.xC	EA	36	38	+2	60.17	2 additional units were counted. The variance is likely the result of human error in stock handling.
B E2	ELBOW 28MM CxC	EA	14	15	+1	101.10	1 additional unit was counted. The variance is likely the result of human error in stock handling.
B E3	ELBOW 22MM M.I.xC	EA	36	37	+1	38.52	1 additional unit was counted. The variance is likely the result of human error in stock handling.
B P10	HDPE COMP MALE ADAPTOR 20MM	EA	21	24	+3	22.95	3 additional units were counted. The variance is likely the result of human error in stock handling.
B P14	BALL VALVE LEVER 22MM FxF	EA	50	51	+1	181.59	1 additional unit was counted. The variance is likely the result of human error in stock handling.
B P2	HDPE COMP COUPLING 20MM	EA	11	13	+2	25.64	2 additional units were counted. The variance is likely the result of human error in stock handling.
B P25	NIPPLE REDUCING 20MMx15MM POLYPROP	EA	15	16	+1	6.90	1 additional unit was counted. The variance is likely the result of human error in stock handling.
B S17	CEMENT BUILDING BLOCK 140MM	EA	50	51	+1	15.65	1 additional unit was counted. The variance is likely the result of human error in stock handling.

Stock Nr	Description	UOM	Sys Qty	Physical Qty	Diff	Stock Value	Comment
B-E5	ELBOW 15MM F.I.xC	EA	66	70	+4	116.28	4 additional units were counted. The variance is likely the result of human error in stock handling.
C B27	BATTERIES AA	EA	84	85	+1	13.43	1 additional unit was counted. The variance is likely the result of human error in stock handling.
C P11	PAPER HAND TOWEL 1-PLY FOLDED (BOX OF 2400)	BOX	13	15	+2	390.38	2 additional units were counted. The variance is likely the result of human error in stock handling.
C P8	TOILET PAPER 1-PLY 48's	EA	14	15	+1	144.35	1 additional unit was counted. The variance is likely the result of human error in stock handling.
F J2	JACKET BUNNY WINTER – M - NAVY	EA	50	51	+1	763.80	1 additional unit was counted. The variance may have resulted from stock issued but not collected, or an issue transaction incorrectly recorded.
M H1/1	MANHOLE TYPE 2A COVER POLYMER	EA	4	5	+1	945.00	1 additional unit was counted. The variance is likely the result of a cover being left behind from a stock issue relating to stock code M H1.
O J4	OVERALL JACKET ORANGE SIZE XL EPWP	EA	24	25	+1	218.97	1 additional unit was counted. The variance may have resulted from stock issued but not collected, or an issue transaction incorrectly recorded.
O S111	FLAGS "SIGN HERE" POP-UP 12*45MM	EA	41	43	+2	132.44	2 additional units were counted. The variance is likely the result of human error in stock handling.
R S3	RAINSUIT – L – LINED NAVY	EA	42	43	+1	360.32	1 additional unit was counted. The variance may have resulted from stock issued but not collected, or an issue transaction incorrectly recorded.
R S5	RAINSUIT – 2XL – LINED NAVY	EA	9	10	+1	407.36	1 additional unit was counted. The variance may have resulted from stock issued but not collected, or an issue transaction incorrectly recorded.
W A2	AIR FRESHENER LIQUID 5LT	EA	16	17	+1	91.20	1 additional unit was counted. The variance is likely the result of human error in stock handling.
W B5	BLEACH LIQUID 5LT	EA	36	37	+1	39.00	1 additional unit was counted. The variance is likely the result of human error in stock handling.
W C3	ALL PURPOSE CLEANER 5LT	EA	26	28	+2	147.34	2 additional units were counted. The variance is likely the result of human error in stock handling.
W H3	LIQUID HAND WASH 5LT	EA	38	41	+3	247.82	3 additional units were counted. The variance is likely the result of human error in stock handling.
W W10	BOLT & NUT 6MM x 40MM GALVANISED	EA	73	74	+1	3.82	1 additional unit was counted. The variance is likely the result of human error in stock handling.
					NET:	**+R6 106,63**	

LEGAL IMPLICATIONS

Supply Chain Management Policy
Asset Management Policy
Municipal Finance Management Act
General Recognised Accounting Practices (GRAP)

FINANCIAL IMPLICATIONS

The stock write-offs and surpluses will result in a net effect of **+R1 488,98 (Excluding VAT**).

COMMUNICATIONS IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Corporate and Community Services

None

Director: Financial Services

The annual stock take identified both stock shortages and surplus stock variances, with a net positive financial effect of **R1 488,98 excluding VAT**. Although the individual variances could not be traced to specific events, transactions, or store issues, the nature of the discrepancies indicates the need to strengthen stock handling, recording, issuing, and reconciliation controls to reduce the likelihood of future variances.

Monthly spot checks and interim stock counts are performed during the financial year, with specific focus on high-value, fast-moving, and frequently issued items, in order to strengthen inventory controls and reduce the risk of future stock discrepancies.

To improve stock handling and accountability, the following additional measures should be implemented:

1. All stock issues, returns, transfers, and adjustments must be supported by approved documentation and captured timeously on the stock system.
2. Access to stores must remain controlled, with clear segregation of duties between staff responsible for issuing, receiving, recording, and verifying stock.
3. Variances identified during stock counts must be investigated promptly, documented, and reviewed by the responsible supervisor before any adjustment is processed.
4. Store personnel and user departments must be reminded of the importance of accurate requisitions, collections, returns, and recording of stock movements to ensure reliable inventory records.

Director: Infrastructure and Planning Services

None

Municipal Manager

None

RECOMMENDED

1. that Council note the results of the annual stock take conducted for the 2025/2026 financial year.
2. that Council approve the write-off of stock shortages to the value of **R4 617,65**, as on 30 June 2026.
3. that Council approve the recognition and recording of stock surpluses to the value of **R6 106,63**, as on 30 June 2026.