

**PROCUREMENT (PURCHASING),
STOCK & INVENTORY**

FEBRUARY, 2023

PROCUREMENT, STOCK & INVENTORY

1. PURCHASING

The purchasing function involves:

- Identification of needs, for goods and services,
- Identification of costs to cover the needs for those goods and services,
- Identifying the suppliers, procuring estimates (at least three)
- Negotiating favorable trading terms with them,
- Placing an order
- Receiving the goods and/or services and paying for them
- Preparation of accounting and archiving expenditures.

1.1. Control objectives

The control objectives here will be to ensure that:

All purchases are duly authorized and approved before the goods and services are ordered.

- a) All goods received or services rendered are according to specification and in quantities requested for.
- b) Liability for all purchases is accurately reflected in the books of account and that suppliers are paid only in accordance with the agreed terms.
- c) Goods ordered are actually received into stores as may be appropriate and relevant accounting records updated accordingly.

1.2. Identification of needs, for goods and services

Need for goods or services will be identified by the any staff member who will fill a requisition form through their respective departments. On approval the form will be sent to the Logistics Section within the Finance Department.

1.3. Identification of costs to cover the needs for those goods and services,

The Logistics section will seek out for the most favorable cost of the good or service.

1.3.1. Purchasing Capitals Assets

- a) Any non-consumable item of equipment, needed to start program operations, valued from USD200 upwards is called a fixed asset.

