

INVENTORY POLICY

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1 PURPOSE

- 1.1 This policy outlines the principles of inventory management across CQUniversity and ensures the appropriate recording, security and regular stocktake of University inventories.
- 1.2 This policy forms part of the University’s financial management practice manual, which contributes towards meeting the University’s obligations under the [Financial and Performance Management Standard 2019](#) (Qld), by ensuring the existence of an effective asset management system to facilitate the identification, management and recording of assets.

2 SCOPE

- 2.1 This policy applies to all forms of inventory held by CQUniversity.

3 POLICY STATEMENT

Recordkeeping

- 3.1 Business areas that hold inventory must maintain a recordkeeping system that records:
 - additions
 - issues, sales or transfer, and
 - returns.
- 3.2 Where practical, inventory records will be maintained by employees who are not responsible for the physical handling of stock in store.
- 3.3 The head of business area (or nominee) will consider the value of stock and the level of risk when determining the type of recording system used and the sophistication required.

Stocktake

- 3.4 A physical count or stocktake of inventory held by each business area will be undertaken annually by the head of business area (or nominee) in accordance with the [Inventory Stocktake Procedure](#).

Physical control

- 3.5 The head of business area (or nominee) will ensure the secure storage of inventories. The value and nature of inventories on hand together with the associated risks will be taken into consideration when determining the level of physical security required.

Efficient and economical use

- 3.6 Inventory levels must be maintained at a level that minimises excess holdings. When determining the level of inventory to be kept on hand, business area managers will consider the cost to the University of running out of inventory items as opposed to the costs of holding inventory on hand.

4 RESPONSIBILITIES

Compliance, monitoring and review

- 4.1 The Chief Operating Officer and Deputy Director Financial Accounting and Operations are responsible for implementing, monitoring, reviewing and ensuring compliance with this policy.
- 4.2 The head of the business area (or nominee) is responsible for the control of physical inventory and for ensuring that this policy is adhered to and applied consistently within their own business area.
- 4.3 Compliance and monitoring will be assessed through monthly reconciliations and regular analytical reviews.

Reporting

- 4.4 There are no additional reporting requirements.

Records management

- 4.5 Employees must manage records in accordance with the [Records Management Policy and Procedure](#). This includes retaining these records in a recognised University recordkeeping information system.
- 4.6 University records must be retained for the minimum periods specified in the relevant [Retention and Disposal Schedule](#). Before disposing of any records, approval must be sought from the Records and Privacy Team (email records@cqu.edu.au).

5 DEFINITIONS

- 5.1 Terms not defined in this document may be in the University's [glossary](#).

6 RELATED LEGISLATION AND DOCUMENTS

[Financial Accountability Act 2009](#) (Qld)

[Financial and Performance Management Standard 2019](#) (Qld)

[Inventory Stocktake Procedure](#)

7 FEEDBACK

- 7.1 Feedback about this document can be emailed to policy@cqu.edu.au.

8 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
Approval Authority	Council
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Administrator	Chief Operating Officer
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Notes	This document was formerly known as the Inventory Policy (FMPPM) (last approved 11/07/2017).