

# INVENTORY POLICY (FMPM)

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## 1 PURPOSE

- 1.1 The purpose of this policy is to outline the principles of inventory management across the CQUniversity and to ensure the appropriate recording, security and regular stocktake of all University inventories.
- 1.2 This policy also contributes towards meeting the University's obligations under the [Financial and Performance Management Standard 2009](#) 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 the University and to all staff responsible for the identification, management and recording of inventory in accordance with the [Delegation of Authority Policy \(FMPM\)](#) and organisational structures of the Finance and Planning Division and relevant responsibility centres.

## 3 POLICY STATEMENT

### Policy Framework

- 3.1 The [Financial Management Practice Manual](#) (FMPM) is the University's financial management policy framework. As such, this policy forms part of and must be read in conjunction with the FMPM.

### Recordkeeping

- 3.2 Responsibility centres that hold inventory are required to maintain a recordkeeping system that records the following:
  - additions
  - issues, sales or transfer, and
  - returns.

- 3.3 Where practical, inventory records are to be maintained by staff who are not responsible for the physical handling of stock in store.
- 3.4 Responsibility centre managers are to consider the value of stock and the level of risk when determining the type of recording system used and the sophistication required.

### **Stocktake**

- 3.5 A physical count or stocktake of all inventory held by each responsibility centre is to be undertaken annually by the responsibility centre manager in accordance with the [Physical Stocktake Procedures for All University Inventory Policy \(FMPM\)](#).

### **Physical Control**

- 3.6 Responsibility centre managers are to ensure the secure storage of all inventories. The value and nature of inventories on hand together with the associated risks are to be taken into consideration when determining the level of physical security required.

### **Efficient and Economical Use**

- 3.7 Inventory levels must be maintained at a level that minimises excess holdings. When determining the level of inventory to be kept on hand, responsibility centre managers are to 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 Deputy Director, Financial Accounting and Operations is responsible for managing the implementation of this policy and for ensuring that its provisions are adhered to and applied consistently across the University.
- 4.2 Responsibility centre managers are responsible for the control of physical inventory and for ensuring that this policy is adhered to and applied consistently within their own responsibility centre.
- 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 All records relevant to this document are to be maintained in a recognised University recordkeeping system.

## **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](#)

[Financial and Performance Management Standard 2009](#)

[Financial Management Practice Manual](#)

[Physical Stocktake Procedures for All University Inventory Policy \(FMPM\)](#)

## 7 FEEDBACK

7.1 University staff and students may provide feedback about this document by emailing [policy@cqu.edu.au](mailto:policy@cqu.edu.au).

## 8 APPROVAL AND REVIEW DETAILS

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