

CHAPTER 10 - STOCK ACCOUNTING AND AUDITS

1001. **Provisions Stock Record.** Units holding stock are to maintain full stores accounts for stock on computerised and or manual (where authorised) stock records. All stock received is to be taken on charge, and removed from charge only when issued to messes, galleys or kitchens, and repayment customers in accordance with Volume 2 Chapter 4. Particulars of each transaction are to be entered as soon as possible from the relevant receipt and issue vouchers so that the stock records will provide an up-to-date record of transactions and of stocks held.

1002. **Computer Accounting User Guides (CAUG) and Other Instructions.** Instructions relating to stock accounts and stocktaking can be found in the relevant single-Service CAUG, local manual accounting instructions or management manuals.

1003. **Stock Record Actioning.** Each entry on the stock record is to be supported by a voucher. Whenever an anomaly is noted on vouchers during the actioning of the stock records, it is to be brought to the senior caterer's attention.

1004. **Receipt and Issue Vouchers.** Receipt and issue vouchers affecting the stock record are to be actioned and initialled to that effect within 24 hours of the transaction.

1005. **Control of Stock.** Stock is to be controlled as follows:

- a. **Daily Issues.** Stock issued to meet daily requirements is to be signed for by the senior chef in each galley or kitchen. The issue voucher is used to support the entry in the stock account and is to be retained for audit purposes.
- b. **Caterer's Ready Issue Store.** Stock held in the caterer's ready issue store (e.g. broken packages) are to remain on stock record charge except in units where catering offices are an integral part of the galley or kitchen, ready use stocks may be off charge at the discretion of the responsible Officer.
- c. **Galley or Kitchen Stock.** Small quantities of stock held in the galley/kitchen need not be accounted for, however, the senior chef is responsible for their safe custody and is to ensure that stocks do not accumulate to a level higher than that recommended.

1006. **Transactions Not Accounted for in Stock Record.** Stock, which is lost after having been issued off charge is to be classed as a small stock loss, and recorded as Category B2 in the write-off register. Paperwork is to be endorsed 'Not for Store Account Action' and filed for record purposes, after appropriate credit action has been taken on the monthly balance sheet.

1007. **Stocktaking RN.** As well as maintaining endurance, stocktaking is integral to ensuring that storekeeping and stock control are maintained at an acceptable standard, stock is in date and that storeroom and refrigerated compartments are well maintained, clean and hygienic. When carrying out all stocktaking TRICAT Stock Variance Reports are to be raised.

- a. **Stocktaking Cycle.** In accordance with Compliance Management Tool (CMT) Check 3.

- (1) Over a period of **four** months the LO or a nominated independent officer is required to instigate a 100% muster of complete stockholdings of Fresh/Dairy, Frozen, Dry and Portfolio stores.
- (2) Records of all stocktaking are to be recorded on the monthly Foodmis report.
- (3) More frequent stocktakes may be ordered by the LO/SR Logs (CS).
- (4) **Stocktaking discrepancies greater than 10%, are to be reported to NCHQ via the units relevant Waterfront.**

(5) Whenever charge is transferred, the person assuming responsibility is to complete, within 3 months for LO's and 2 months for the SR Logs (CS), a 100% muster of complete stockholdings of Fresh/Dairy, Frozen, Dry and Portfolio stores.

b. **Random Stocktaking Cycles (CMT 3).** In accordance with Compliance Management Tool (CMT) Check 3.

(1) A random stocktake of 40 items across all commodities held on board is to be conducted every month. The LO or SR(CS) are to carry out the muster, detailing the amounts mustered on the form. Best Before Dates (BBD) are to be filled in for all items mustered. On completion of the muster the results are entered on TRICAT and processed. The report is printed, signed and retained within the account for audit. This stocktake will alternate on a monthly basis between the LO and SR(CS). Additional random stocktakes may be ordered at anytime or as required to ensure best practice by the LO and SR(CS).

1008. Stocktaking & Stock Control for Queen Elizabeth Class (QEC) Ships. The QEC Catering Services construct is placing confidence in the availability of internal lifts to deliver provisions directly to the storerooms using 292 Caged Storage Units (CSUs) as their storage media.

The following procedures are to be followed for receipt, accounting and management of provisions onboard:

- a. **Receipt.** Provisions will be delivered via the RN food contract and will be checked for quality and quantity before being placed into a CSU which will then be sealed with a serial numbered security seal. A manifest of contents and best before dates will be attached to the CSU.
- b. **Accounting on receipt.** The received provisions will be entered into TRICAT in accordance with current policy. As TRICAT cannot accommodate multiple storage locations the manifest will also be entered onto a locally produced Provision Location Database (PLDB). This has a search function that can identify the location of a commodity by CSU serial number, storeroom location marking (including CSU column and row within the storeroom) by a grid reference. The search function will also display the Best Before Dates or Use By Dates. The quantity of the commodity will not be inputted into the PLDB and therefore will not be used to update TRICAT at any time.
- c. **Management of Serial Numbered Security Seals.** The use of Serial Numbered Security Seals will be strictly controlled with numbers entered into a Security Seal Log when a CSU is sealed. The officer checking for quantity will sign against the seal number in the Log. When the seal is broken to gain access to a CSU the number will be checked against the log and struck off as necessary. If a number does not match the log the whole contents of the CSU will be mustered as will all relevant commodities relating to the contents. If there are any anomalies a full investigation will take place and any necessary disciplinary action taken.
- d. **Stocking.** To ensure that 100% of all categories are mustered in a **four** month period, traditionally, most units muster 1 category per month. Due to the size and complexity of QEC storerooms, a 100% stocktake will be conducted prior to a Major Store Ship which will not only aid stock rotation but ensure that stock held onboard is at a level that is suitable for accurate and thorough stocktaking. Random stock takes will be conducted in accordance with current policy. The use of security seals and manifests displaying contents of CSUs and BBDs will ease the stocktaking process as sealed CSUs will not have to be physically mustered until the seal is broken.

1009. **End of Month Stocktake - Army.** On the last working day of each month, when the final issues for that month have been made, an officer detailed by the CO is to conduct a 100% stocktake of **all** the messing commodities held in the ration store. The value of all items listed will form part of the ration account audit on account closure.

STOCK ACCOUNTING (RAF)

1010. **Placing of Orders.** OC Cat Sqn/Flt is required to sign all demands for all provisions.

1011. **Kitchen Larder Stocks.** OC Cat Sqn/Flt is to ensure that strict control is maintained by the NCO IC kitchen over all issues made from kitchen larder stocks. The maximum value of kitchen larder stocks is not to exceed 7 days income.

1012. **Voucher Register.** A voucher register is to be maintained. There is a requirement to:

- a. Number vouchers consecutively throughout the messing period.
- b. Indicate whether the voucher is a receipt or an issue.
- c. Enter date and order number placed with local trader.
- d. Check the numerical sequence of filed vouchers and, if present, tick the voucher filing record check.

1013. **Voucher checks.** A voucher check is to be carried out by OC Cat Sqn/Flt who is to select and examine 10% of the vouchers recorded in Forms 6826 during the month and is to include a minimum of four receipt vouchers. The voucher is to be endorsed by OC Cat Sqn/Flt with '10% spot check' followed by his signature and the date. A manuscript record is to be maintained of the voucher numbers checked.

1014. **End of Month Stock Check.** On the last working day of each month, when the final issues for that month have been made, an officer detailed by the CO is to take stock of **all** the messing commodities held in the kitchen store using the certificate of stocktaking and stock account to record the quantities counted.

TRANSFER OF CHARGE

1015. Transfer of charge is undertaken as follows:

- a. Whenever charge is transferred from one person to another, the person assuming responsibility is to verify all stocks in all locations.
- b. A certificate verifying the completion of a 100% stocktake is to be raised.
- c. When an officer is appointed by the Commanding Officer to take temporary charge of the catering account, the actions described in a & b above are to be followed. This procedure is also to apply when the charge is re-transferred and the temporary charge ceases.
- d. The instructions at a & b above are to be followed when senior caterers who are in 'Charge of Accounts' are relieved by another person.

EXTERNAL AUDITS

1016. **Director of Internal Audit (DIA).**

- a. The audit of inventory accounts or tenders by DIA, will normally take place at the same time as the audit of the account of the parent unit. Both copies of the inventory are to be made available for audit.
- b. The audit is concerned with the overall accounting system and ensuring that laid down accounting procedures are being operated correctly. The auditor will therefore examine a representative sample of accounting records, vouchers, registers, etc.

- c. Arrangements for each audit will be made by DIA direct with the unit involved. Commands will normally already be made aware of the inclusion of the unit for audit in DIA's annual plan.
- d. The programme arranged by DIA is to be adhered to as far as possible, but if a need for a change arises, (i.e. in the case of HM Ships and RFAs), the reasons are to be notified in advance to enable consideration to be given for revision of the programme.
- e. Units are to make available appropriate computer transaction access levels to the auditing team in accordance with instructions detailed in the CAUG.
- f. In preparing for a DIA audit all accounts, whether computerised or manual, are to be posted up to date, and vouchers correctly filed before the audit commences.
- g. Following an audit visit the auditors will render a report on the account to the Commanding Officer of the Unit, copied to the relevant Command.

1017. **National Audit Office (NAO).** The NAO is directly responsible to Parliament for auditing the accounts of every government department, to ensure that systems of accounting exist for the control of public funds and are being correctly operated. Accounts may also therefore be subject to periodic audit by NAO. Arrangements for NAO visits may be made direct with units, but relevant commands should be made aware of any impending NAO audit.

1018. **Assurance.** DE&S CMO Food Category Manager require by the 1 Apr annually, a letter of assurance from each FLC confirming that food consumed by entitled and non-entitled personnel within their units is accounted for in accordance with JSP 456 Pt.2 Vol 2.

1019 – 1099. Reserved.