

SERVICE PROFILE

SUPPLY CHAIN SERVICE

INVENTORY PHYSICAL VERIFICATION

ABOUT US

MEKONSULT Group is an Investment and Project Management Group with variety of services and subsidiaries operating in various sectors of the economy.

Our Investment Management include establishment and management of subsidiaries and associate companies in Real Estates and Construction, Natural Resources, Agribusiness, Packing and Packaging and Financial Services; while our Project Management Services include Inventory and Warehouse Management, Property and Facilities Management, Collateral Management, Debt Management, Fixed Assets Management, Commodity Tracking as well as generally managing our clients Balance Sheet items on a real time basis using latest available techniques/technologies.

More information on the company can be found at: www.mekonsult.co.tz

WHY US?

Our people have the right blend of technical expertise, knowledge, and experience to enable us to exceed your expectations. MEKONSULT team maintains a rigorous strict confidentiality and high professional standards and conduct. Our team will be carefully selected to meet specific needs of our clients.



ABOUT INVENTORY VERIFICATION

- Inventory is an asset that has multiple movements a day, and hence daily inventory verification is a tedious task for any business.
- Inventory Verification or Stocktaking is a physical checking of stock of goods or inventory in the store after a regular interval of time. Inventory Verification or Stocktaking is made periodically, normally made at the end of the financial year at the time of finalization of accounts.

WHY INVENTORY VERIFICATION?

The Primary objective of Physical verification of Stock is to confirm the physical existence of goods. It also aids in understanding the Internal controls placed in the Inventory management process.

Inventory Verification helps the company reduce the loss of inventory to a great extent, providing assurance to the management that the inventory reflected in the financials are reliable. Inventory is the most valuable asset of any company and is most susceptible to pilferage, fraud, wastage, or damage.



OUR OBJECTIVES

- Verify the accuracy of store/warehouse records.
- Present the value of the inventory closing stock.
- To enhance preparation of final accounts of the organization.
- Disclose fraud, thefts, and losses of the goods in stock.
- Show any weakness in the system of storage and control over the stock of goods.

Purpose for Inventory Verification

The main purpose of conducting an inventory verification is to prove the existence of the existing stock and to assist our clients in determining its realizable value.

OUR ROLE

As a supply chain solution organization on different supply chain services we offer management solutions tailored to match your specifications and requirements.

Mekonsult Limited is a resilient supply chain that provides the capacity, flexibility, and efficiency to help your operation run seamlessly.

As a result, you benefit from supply chain optimization that is responsive, while lowering costs.

Get ahead of supply chain challenges with flexible warehousing inventory management.


Our services include inventory physical verification with professional and extensive expertise in the region (Tanzania) by conducting verification of inventory with proper planning and expertise, thus validating the existence and location of the various inventory possessed by a company.

As a result, your inventory is managed flawlessly, and your supply chain efficiency is maximized.



Supply Chain Value Added Services

- Report on inventories, which have not been found together with their relevant particular i.e. Item Code and Description as per Inventory list.
- Report on inventories, which have been physically found but are not traceable in the Inventory list together with their previous locations, if available.
- Report on inventories, which have been impaired, or which are not in usable condition (SRN) and needs to be written off together with their Items code, Description etc.
- Suitable adjustments/accounting of the excess and shortages giving full details as to the locations is to be provided.
- Report on inventories, which were placed at wrong locators from where they are supposed to be.
- Report on inventories, which were found without items code, proper labelling, improper staking shall need to be spotted out.
- A detailed list of movement of inventories during the period of physical verification is to be prepared. This list shall form a part of the final report.



Our Inventory Verification Service includes the following

- A physical count of the inventory based on different locators/stock keep units (SKU's)
- Marking the physically verified stock
 - Identifying obsolete and damaged stock
- Ensuring supporting documents are maintained for each of the stock items available
 - Identify the variances as per the inventory reflected in books and reconcile as per available documents of the inventory movement





Efficiencies gained from outsourcing Inventory Management allow a company to:

- Strategic Positioning
- Increased Value
- Maintain focus on core competencies.
- Reduced Operational Cost
- Risk Mitigation
- Deepen competitive advantages.
- Enhance marketplace differentiation.
- Avoid outlying, resource-intensive tasks.
- Reduce logistics and carrying costs.

Our Consideration in Performing Inventory Physical Verification

1. **Scope of the physical verification**

Our audit team shall understand the scope of the physical verification from the management. Generally, Scope will be a Specific Percentage of Physical verification or Coverage of a particular value of goods in a given point in time of a period.

2. **Obtaining Stock Statements**

Obtain the List of inventories with the details such as quantity, value and location of goods as of a specific date from the inventory management system used by the company. Said differently, this list is nothing but the inventory details per the entity's financial records.

3. **Sorting the Stock Statements**

It's not practically possible to physically verify all the goods unless the quantity of goods is very small in size. So, the Audit team shall sort the inventory listing based on the nature and groups of inventories available. This helps auditors to focus on each specific items.

4. **Low Value Items**

Auditor shall be very skeptical about the lower value of items and if the errors in all the lower value of items might be material when considered in aggregate. So, consider the Lower value items also while doing physical verification. The Physical verification shall be a good mix of higher and lower value items.

5. **Avoid Movement of Goods**

Audit team shall expect that there is no movement of goods (Raw Materials/Work In Progress/Goods ready for sale) to Production or for sale. This helps avoid unnecessary differences between the audited goods and goods at the factory. So, it's always advisable to hold off on the movement of goods during the physical verification of stock.

OUR TEAM



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OUR SERVICES



Consulting and Outsourcing



Project and Asset Management



Advisory and Assurance



Property and Facility Management

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