



LAGOS STATE GOVERNMENT

Ref No: TR/STO/003/2022

Ministry of Finance,
State Treasury Office,
The Secretariat,
Alausa – Ikeja.
30th November, 2022.

TREASURY CIRCULAR NO. 003

THE DEPUTY GOVERNOR,
THE RT. HONOURABLE SPEAKER OF THE HOUSE OF ASSEMBLY,
THE CHIEF JUDGE,
SECRETARY TO THE STATE GOVERNMENT,
HEAD OF SERVICE,
CHIEF OF STAFF,
HONOURABLE COMMISSIONERS/SPECIAL ADVISER,
PERMANENT SECRETARIES/TUTORS-GENERAL,
CLERK OF THE HOUSE OF ASSEMBLY,
STATE AUDITOR-GENERAL,
AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
CHAIRMEN, LOCAL GOVERNMENT COUNCILS/LOCAL COUNCIL DEV. AREAS,
CHAIRMAN, CIVIL SERVICE COMMISSION,
CHAIRMAN HEALTH SERVICE COMMISSION,
CHAIRMAN, JUDICIAL SERVICE COMMISSION,
CHAIRMAN AUDIT SERVICE COMMISSION,
CHAIRMAN LOCAL GOVERNMENT SERVICE COMMISSION,
CHAIRMAN, TEACHING SERVICE COMMISSION,
CHAIRMAN, LAGOS STATE HOUSE OF ASSEMBLY SERVICE COMMISSION,
CHAIRMAN, STATE PENSION COMMISSION
CHAIRMAN, LAGOS STATE INDEPENDENT ELECTORAL COMMISSION,
CHAIRMAN, STATE SPORTS COMMISSION,
CHAIRMAN, STATE UNIVERSAL BASIC EDUCATION BOARD,
CHAIRMAN, LAGOS STATE PRIMARY HEALTHCARE BOARD,
EXECUTIVE CHAIRMAN, LAGOS STATE INTERNAL REVENUE SERVICE,
HEADS OF EXTRA-MINISTERIAL DEPARTMENTS,
CHIEF EXECUTIVE OFFICERS OF PARASTATAL ORGANIZATION,
CHIEF REGISTRAR OF HIGH COURT OF LAGOS STATE,
HEADS OF TERTIARY INSTITUTIONS,
CHIEF MEDICAL/MEDICAL DIRECTORS OF HOSPITALS,
DIRECTORS/HEADS OF ADMINISTRATION & HUMAN RESOURCES,
DIRECTORS/HEADS FINANCE AND ACCOUNTS.

PHYSICAL STOCK COUNT FOR THE YEAR ENDED 31ST DECEMBER, 2022

In furtherance to the adoption of the International Public Sector Accounting Standard (IPSAS) Accruals Basis in the Year 2016, it has become imperative to remind **all Accounting Officers in Ministries, Departments, Agencies**, and all other Stakeholders in the Lagos State Public Service to follow the appropriate procedures for the end-of-year physical stock-taking exercise for the Year ending 31st December 2022. The procedures to be adopted for the Year 2022 stock-taking exercise are as follows:

STOCK TAKING PROCEDURES

A. BEFORE STOCK TAKING

- i. Prepare work plan
- ii. Clearly identify the types of stock owned by the MDA and the location.
- iii. Make sure the store room is clean and tidy, and inventory items are clearly laid out.
- iv. Teams of two must be made available to undertake the stock take and they should remain in one another's presence throughout the count.
- v. A sufficient number of teams should be selected and briefed to undertake the stock take within the designated time.

- vi. A record of the most recent delivery to store and the most recent issue from store should be noted and retained with the record of the stock take.

B. DURING STOCK TAKING

- i. No stock should be received or issued into the store whilst the stock take is in progress.
- ii. Each item of stock should be physically counted and the details reported on the stock sheet. One person should count the items whilst the other member of the team records the count.
 - Where necessary, label each area to evidence that it has been counted
 - Damaged goods or obsolescent items should not be recorded, but removed to a separate location. A review of such items should be made at the conclusion of the stock take and reported to the Director of Finance and Accounts for STO's necessary action.
- iii. All unusable, damaged or obsolete stocks must be reported to the Management.
- iv. Stock-taking should be done in the presence of the Internal Auditor as an observer.

C. AFTER STOCK TAKING

- i. At the conclusion of the stock take, each stock sheet must be signed by the staff undertaking the count.
- ii. The person who is taking the lead responsibility on the count should ensure that all areas have been counted and review the sheets for errors and or omissions.
- iii. The stock listed on the stock sheet must be priced. Where possible, the price entered on the stock sheet should relate to the price at which the item was originally purchased and not the current cost of replacing the item.
- iv. However, where changes in values are not significant, financial reporting regulations permit the use of the current purchase cost.
- v. Stock should also be priced in the units at which the stock was bought e.g. if stock is bought in packets of ten, then the units should be counted and valued as packets of ten.
- vi. **The format for each class of stock:**

S/N	ITEMS DESCRIPTION	UNITS OF MEASUREMENT	OPENING BAL. AS AT 1/1/2022	CLOSING BAL. AS AT 31/12/2022	PHYSICAL COUNTS	PRICE PER UNIT N	TOTAL VALUE N	CONDITION OF STOCK	VOC

Director/HOD (F&A)

Store Supervisor

Countersigning officer

Internal Auditor

- vii. After the stock take is completed and finalized, as soon as possible, make a detailed report of the preparations and observations of the period before, during, and after the count.
- viii. The Stock sheet should be submitted to the Financial Intelligence and Research Directorate at the State Treasury Office on or before Monday 9th January 2023.

2. It is imperative for all Directors/Heads of Finance and Accounts to comply with the contents of this circular in order to include the inventory balances of their various MDAs in the 2022 Financial Statements.

3. Accordingly, all Heads of Ministries, Departments, and Agencies are enjoined to note the content of this Circular for compliance and service-wide publicity.


 Abiodun Muritala
 Permanent Secretary (STO)/Accountant-General