



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

# Governance and Audit Committee

Thursday, 25 June 2026

Report of Councillor Philip Knowles,  
Cabinet Member for Corporate  
Governance and Licensing

## Stock Management Policy

### Report Author

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### Purpose of Report

A draft Stock Management Policy has been developed for consideration by the Governance and Audit Committee.

### Recommendations

**The Committee is asked to review and recommend the Stock Management Policy, as shown at Appendix A, to Cabinet.**

### Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Effective council
Which wards are impacted?	All Wards

## **1. Implications**

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

### ***Finance and Procurement***

- 1.1 The Financial Regulations set out the roles and responsibilities in respect of stock controls in section 21.11 and following a recent stocks audit, it has been highlighted that there is an absence of formal procedures for the controlling of various areas of stock.
- 1.2 Therefore, in order to maintain effective internal controls and reduce the potential for theft and loss an overarching Stock Management Policy has been developed.
- 1.3 The Policy will act as an overarching guide, but services will be required to develop specific stock procedures that are specific to the stocks they hold of which work has already commenced on developing draft controls within service areas.

*Completed by: David Scott – Assistant Director of Finance and Deputy S151 Officer.*

### ***Legal and Governance***

- 1.4 Formal policies and procedures are approved by the Cabinet. Governance and Audit Committee are asked to recommend this Policy to Cabinet.

*Completed by: James Welbourn, Democratic Services Manager*

### ***Risk and Mitigation***

- 1.5 It is essential that the Council has a Stock Control Policy to ensure that Council assets are protected thereby reducing the risk of theft. It is also important that the Council is aware of its stock levels in the event of an insured peril where it would need to be evidenced as part of any claim.

*Completed by: Tracey Elliott, Governance & Risk Officer*

## 2. Background to the Report

- 2.1 The Council approved Financial Regulations set out the roles and responsibilities in respect of stock controls. This is referenced at section 21.11 of the Financial Regulations and is set out below:

### **Stocks & Stores**

#### *Responsibilities of Directors*

- *To make arrangements for the maintenance of reasonable levels of stocks and stores in their control.*
  - *To ensure that appropriate up to date records of the level and value of stocks and stores held are maintained.*
  - *To ensure periodical physical examinations of stocks and stores held, against the stock records, should be carried out at a frequency based on the value and vulnerability of the stock.*
  - *To ensure proper security is maintained at all times for all stocks & stores.*
- 2.2 A recent stocks audit undertaken has highlighted an absence of formal procedures for the controlling of various areas of stock and the findings of this report are presented by the Council's internal audit elsewhere on this agenda.
- 2.3 Therefore in order to strengthen the formal arrangements, an overarching Stock Management Policy has been developed, and this is shown at Appendix A. The formation of this Policy is to:
- Ensure stock is available to support service delivery (waste services, grounds maintenance, housing repairs and ICT equipment)
  - Maintain strong financial and audit controls over all stock items
  - Reduce waste, loss, theft, and unnecessary disposal
  - Support compliance with the Council's Contract Procedure Rules and Financial Regulations
  - Provide clear responsibilities and procedures for staff handling stock
  - Ensure accurate, timely stock records for operational and financial reporting
- 2.4 The Policy will act as an overarching guide, but services will be required to develop specific stock procedures that are specific to the stocks they hold. These will provide operational details of how stock is held, the stock access controls, reconciliation procedures and the movement of stock received and being booked out.

### **3. Key Considerations**

- 3.1 Members having considered the internal audit report will identify the requirement to develop a Stock Management Policy which has been developed and is presented at Appendix A.

### **4. Reasons for the Recommendations**

- 4.1 The reasons for the proposals are set out in the report.

### **5. Appendices**

- 5.1 Appendix A – Draft Stock Management Policy