An Assessment of the Effectiveness of Stock Records System; Ministry of Public Works, Kenya

Mugwe Eric Mwangi

MSC Procurement & Logistics Student

Jomo Kenyatta University of Agriculture and Technology

School of Human Resource Development

P.O Box 62000-00200, Nairobi, Kenya

Phone: +254-725871321

E-mail: ericmugwe84@yahoo.com

Abstract

Government uses a big portion of its budget in procurement of common user items. It is therefore necessary that items procured are accounted for properly through an effective stock records system. The purpose of the study is to assess the effectiveness of stock record system for common user items at Supplies Branch Nairobi; Ministry of Public Works.

The study revealed that stock record practice was not strictly adhered to, item movement documentation was not regularly conducted, stock record facilities were not available and staff skills were inadequate. Thus it was concluded that successful stock records system has a significant positive relationship with regulating the flow of items in such a way that the right quantity is available when required to meet operational needs, access information to assist in making future decisions in relation to price and source of supply and derive the benefits of perpetual stock verification system.

Key words: Assessment, effectiveness, common user items, stock records, stock record system.

1. Background of the Study

The problem of ineffective stock records system has existed for too long and is a universal rather than a peculiar problem, Burton (1989). Thus, it is not limited to a single organization but all business for it is not only limited to the private sector but also to the public sector organization. Many business organizations the world over have not given stock records system the prominence it deserves. Stock records system began to gain recognition as a result of the industrial revelation that swept the advance countries of America and Europe in the 1930s. According to Cole (1997) the revolutions resulted into robust industrial activities; Industrialist, therefore, had to learn how to control and manage the few available materials through stock records system.

The problem of ineffective stock records system may be attributable to the failure to give a deserved attention to the function of stores and inability to employ the services of well qualified stores officers to

take charge of record management, Baily (1979). Added to this problem is the habit of stock record procedure violation by stores personnel, Carter and Price (1993). Stock records are therefore used to track down the movement of the items from the time they enter the storehouse to the time of issue to users for the intended purpose, Jessop and Morrison (1994).

It is through an effective stock record system an organization can regulate the flow of items in such a way that the right quantity is available when required to meet operational needs and also to access information to assist in making future decisions in relation to price and source of supply, Baily and Farmer (1980).

A proper stock recording system helps in deriving the benefits of perpetual stock verification system and indications about the right time, right quality, and right quantity, Burton (1981). Stock records according to Baily and Farmer (1980), are expected to maintain particulars of receipt, issues and balances remaining in stock for each individual item held in the storehouse from day to day. For the records to provide accurate up-to- date information which is useful to the stock controller, it requires that every transaction of receipt or issue of a particular item is recorded promptly and accurately. According to Saleemi (2007), proper up-to- date and complete records result in reduction of wastage and misappropriation in the stores department.

Inventory record inaccuracy has had a significant impact on decreasing levels of customer service, increasing costs, and decreasing productivity. Customer service decreases due to more inaccurate stock information, more backordering, and more stock-outs. This excess inventory has increased annual carrying cost and increases the chance for product obsolescence, Burton (1989).

Inventory records inaccuracy has also resulted to expediting product on transit so that customer service is not missed. This process takes a considerable amount of time of purchasers, receivers, and supervisors to update records, order the product, and receive the product. These types of orders have also been very expensive on both ends of the supply chain based on time and excess freight costs from expediting smaller orders, Baily (1979).

1.1 Statement of the Problem

Based on an audit exercise carried out at Supplies Brach at the end of financial year 2010/2011 some significant discrepancies were noted; more than 65% of the inventory records did not match the physical inventory at the store, Supplies personnel could not explain ksh 3.8 million in missing inventory due to phony inventory sheets. The impact of inaccurate inventory records on the performance of Ministry of Public works has been severe because the stores rely on the inventory record to make important operations decisions. At a glance, the records showed that vital information was left out despite spaces on the cards and forms being made available. Items ordered by users were unavailable in stock even when records were indicating their presence. From the records it was not possible to ascertain the balances of items in the storehouse.

A July 2011 study report commissioned by Public Procurement Oversight Authority titled, 'stock record system for common user items in Kenya: ' notes that "stock record system in government ministries was inaccurate and resulted to poor stock control and it was estimated that government ministries on average lose kshs 230 million every financial year due to inventory records inaccuracy'. The hypothesis was that effectiveness of stock record systems for common user items was, affected by factors as stock record practice, staffing, stock record facilities and item movement documentation.

1.2 Objectives of the Research

1.2.1 General Objective

To assess the effectiveness of stock records system for common user items at Supplies Branch Nairobi, Ministry of Public Works; Kenya

1.2.2   Specific Objectives

1. To establish the effect of the existing stock records practice to the effectiveness of stock records system for common user items.

2. To identify the effect of staff skills on the effectiveness of stock records system for common user items.

3. To determine the effect of stock record facilities availability to the effectiveness of stock records system for common user items.

4. To determine the effect of stock control documentation to the effectiveness of stock records system for common user items.

1.3 Research questions

1. What is the effect of the existing stock records practice to the effectiveness of stock records systems for common user items?

2. What is the effect of staff skills on effectiveness of stock records system for common user items?

3. What is the effect of stock record facilities availability to the effectiveness of stock system for common user items?

4. What is the effect of stock control documentation to the effectiveness of stock records system for common user items?

1.4 *Justification of the Study*

The findings and recommendations may assist in proper management of stock records system which will facilitate decision making and hence quality service to customers at Supplies Branch Nairobi; Ministry of Public Works.

The research findings would hopefully add to the body of knowledge in the area of stock records system for common user items which would help researchers & scholars and be a basis for reference and informed decision making for government officials, planners & policy makers in stores management and provide information necessary to bridge any existing gaps in stock records system for common user items.

1.5 *Scope of the Study*

The research project looked into an assessment on effectiveness of stock records system for common user items in public sector with particular reference to the Supplies Branch Nairobi; Ministry of Public Works. The study covered Supplies Branch activities that sum up the effectiveness on stock records system.

The public sector is wide and complex, and this work was basically descriptive. Though relevant reference was made to other areas, the basic area of focus remained Supplies Branch.

The target population of the study was total population of 4 supplies personnel and all 600 stock records for all 120 common user items held at the Branch during the financial year 2011/2012.

1.6 Assumptions

The researcher made the following assumptions;

    i.   There would be no policy change in Ministry of Public Works which would interfere with Supplies Branch Nairobi in so far as its mandate of procuring common user items to Ministries and Departments was concerned.

    ii.   The stock records documents would be made available to the researcher and necessary cooperation accorded.

    iii.   The system of stock recording observed by the researcher in March 2012 would still be in use until the researcher completed his research.

1.7 *Limitations of the study*

    (i) Due to issues of confidentiality the researcher was not able to get access to all necessary records and certain information would not be made available by the organization. The researcher however used the questionnaires to get information required.

    (ii) The inability of the respondents to adequately fill the questionnaires as required, due to inexperience and limited professional qualification, however the researcher provided basic guidance and clarifications to the respondents to ensure optimal response.

    (iii) Financial challenges as funds initially allocated for the research project were not adequate to cater for all the expenses due to the length of the study; however the researcher worked within the budget to ensure the research project was completed as planned.

2. Literature Review

2.1. Theoretical perspective

2.1.1 Stock Record System

According to Jessop and Morrison (1994), a stock record system is the means of capturing and storing information and a facility for the analysis and use of this information so that the operation of the stores function and the control of stock can be performed in an efficient manner. The author further says that the system of stock recording and the mechanism for the use of recorded information must be very carefully selected. Records and techniques should be appropriate to the items in question and the cost implication taken into account. An organization should carefully choose the best system suitable to it to avoid a situation whereby a lot of money would be spent on maintaining a very expensive system for items of low value. A stock record system can be manual or computerized.

Carter and Price (1993), has highlighted the use of modem technology and argues that computers have the ability to store and retrieve information. The authors argue that many companies now use computers to hold and constantly update stock records. The computer can in the simplest applications merely replace a set of stock record cards by maintaining a set of information on stock levels and carrying adjustments as necessary when directly instructed.

Cole (1997), defines a stock record system as a formal set of records that contain information about stock held within the stores system. The range of this information will depend upon the system employed and the scope of the operation. However, there are basic functions which every stock record system should aim to cover the fundamental one being data held at any given time. It is because of the wide range of information held within a good record system that Carter and Price calls it the "clerical memory".

A similar description of stock records system has been given by Saleemi (2007), who says that stock records refer to documents which give information regarding the movement of stock. These include records kept both for account and costing purposes. These are individual accounts for each item of stock on which are recorded all receipts and issues of that particular item and thus the balance at hand.

2.1.2 Stock Record Practice

Inventory personnel must review various inventory records to ensure accuracy. During the review, they should ensure that quantities are legible and have a correct unit of issue, and that all added items are identified and legibly recorded. Enter any remarks legibly and state them explicitly, Jessop and Morrison (1994). Physical inventory procedures include comparing the inventoried quantities with the quantities in stock records to check if there are differences. If the inventory and stock record quantities match, post the inventory and date of inventory in the stock records. Also, enter the inventoried quantity in the stock record to reflect the on-hand balance. If differences exist, stock control personnel should reconcile the records. Reconciliation is the process of resolving inventory discrepancies. Reconciliation process consists of several steps. It is dependent upon the type of material, cost, and the circumstances that led to a discrepancy, Carter and Price (1993).

A major difference exists when the physical count of a stock item differs from the confirmed stock record balance by 10 percent or more. A minor difference exists if the count differs less than 10 percent. Adequate, updated and correct inventory records are to be set up and maintained in stores. All transactions of all inventories are to be properly documented and sufficient audit trail is to be submitted. In the classification of the items, the same definitions should be used. These guidelines should apply to all non-expandable and attractive items, Carter and Price (1993).

According to the GOK Supplies Manual, (2010), Storekeepers must verify the issue request before issuing the items and require the receiving staff to acknowledge receipt on the form with a copy sent to the accounts section. Issue stocks on a "first-in first-out" basis, particularly for items with an expiry date or a limited shelf life is recommended and Update the inventory movement records without delay.

According to the GoK Supplies Manual,(2010), it is important for a stores organization to have a common supply language which is used to positively and uniquely identify any item in a supplies range. This is achieved through the introduction of a single name for an item of supply and a code number assigned to it. This code number represents the maximum data required to adequately identify the essential characteristics of the item. After clear identification and assignment of a code number, a catalogue is prepared and distributed to users who must use the codes consistently when communicating their needs to the storehouse.

Jessop and Morrison (1994), say that the normal way of identifying an item is by simple description. However this is not entirely satisfactory for stores purposes because several different names may be used for the same thing, e.g. a dustbin, refuse container or rubbish receptacle. At the same time in order to identify some item accurately, a very long and complicated description is required. It is therefore necessary to develop a stores code which gives each item of stock a letter, figure or a combination of both which is then used to identify the item. It is important to mention here that each item should have only one code.

2.1.3 Common User Items Movement Documentation

The work of capturing data relating to various stores activities taking place in the storehouses is an important aspect of a stock record system. Without a record of the movement of the items in the supplies system accountability is not possible and unscrupulous employees may take advantage of lack of documentation to misappropriate the organizations stores. It is not enough to have records but the records must be up-to date through the posting of transactions as soon as they occur.

However, Baily and Farmer (1980), advocate that transactions must be posted promptly and correctly to the records if they are to provide accurate up-to-date information which the stock controller needs. If left pending for long, transactions can easily be forgotten and the objective of maintaining stock records will not be met because stock records will be indicating balances that are not real and hence they will not be reliable. GoK financial Regulations and procedures, (2010), say that it is important that the receipts of all stores are entered in record immediately. Documents of a stores receipt transaction should enable any one of it's elements —order, receipt and payment —to be identified with and checked against the other two.

According to Carter and Price (1993), receipt of goods must be strictly controlled to ensure efficient stores management. Contributing to the function of receipt and inspection of goods Jessop and Morrison (1994), agree that goods supplied to an organization must be properly looked after. Normally, a certain process of stores recording is followed, which in its natural course forms the basis of stores accounting system. Saleemi (2007), argues that appropriate standard records and documents should be used for receipts and inspection of goods.

Before goods are withdrawn from a storehouse, there must be some authority for the transaction. This is because according to Jessop and Morrison (1994), items in stock represent money and therefore should not be misappropriated, wasted or improperly used. Storekeepers should have full details of the name, designation and specimen signatures of all persons empowered to approve issue notes. Further, issue documents should contain the description and stores code number entered by the user who prepares the document in the first place, Carter and Price (1993)

According to Carter and Price (1993), specialized control documents have been developed to enable the issue of stock to be successfully monitored and controlled. It is important to ensure that all stock records are updated and that an accurate picture of the total stock situation can be maintained to ensure sufficient supplies of all materials. Stock control as described by Jessop and Morrison (1994), is the operation of continuously arranging flows of materials so that stock balances are adequate to support the current rate of consumption, with due regard to economy. Stock control documentation therefore is the capture of data relating to stock balances, dues in, dues out, consumption record, forecast requirement, leadtime and economic order quantities (EOQ).

According to Jessop and Morrison (1994), stock records are important when estimating future consumption because past performance acts as a guide. The authors further say that the basic method of controlling stock by quantity is by means of fixing, for each commodity, stock levels which are recorded in the stock record system and subsequently used as a means of indicating when some action is necessary. Carter and Price (1993), argue that stock records and control are two sections of stores management that have to work very closely together because stock records provide statistical information.

2.1.4 Stock Record System Facilities

These are the necessary equipments and stationery required for the efficient working of a stores organization in the area of recording and maintenance of data relating to the movement of common user items in and outside the organization.

The GoK Supplies manual (2010), states that supplies documents should be kept in a secure place where only the authorized staff can access them. This in effect means that lockable filing cabinets and desks with drawers should be provided to the staff in charge of stock records so that stock records can be protected from dust, direct sunlight and dampness by provision of appropriate facilities.

Stock records cards and forms should be available at all times to replace the completed ones. This will prevent a situation where stock recording can be done on ordinary papers which can easily be mislaid. Stock record forms should be of the correct design otherwise data in the forms can be illegible. The more copies of the document are wanted, the thinner the paper must be if carbon or similar copying method is used, Baily (1979).

Appropriate calculators are required by the stock recording staff so that errors in arithmetic are not made on stock records if the staff has to use their mental ability. Baily (1979), say that mistake in arithmetic is one of the common errors in stock records where for example a balance of 210 can be shown after deducting an issue of 520 from a balance of 710.

2.1.5 Staff skills

Lyson (2000), defines training as 'A planned process to modify attitudes, knowledge or skill behavior through learning experience to achieve effective performance in an activity or range of activities. Its purpose in the work situation is to develop the abilities of the individual and to satisfy the current and future human resource needs of the organization" The authors further say that employees may be trained internally on the job or externally in a college offering different courses.
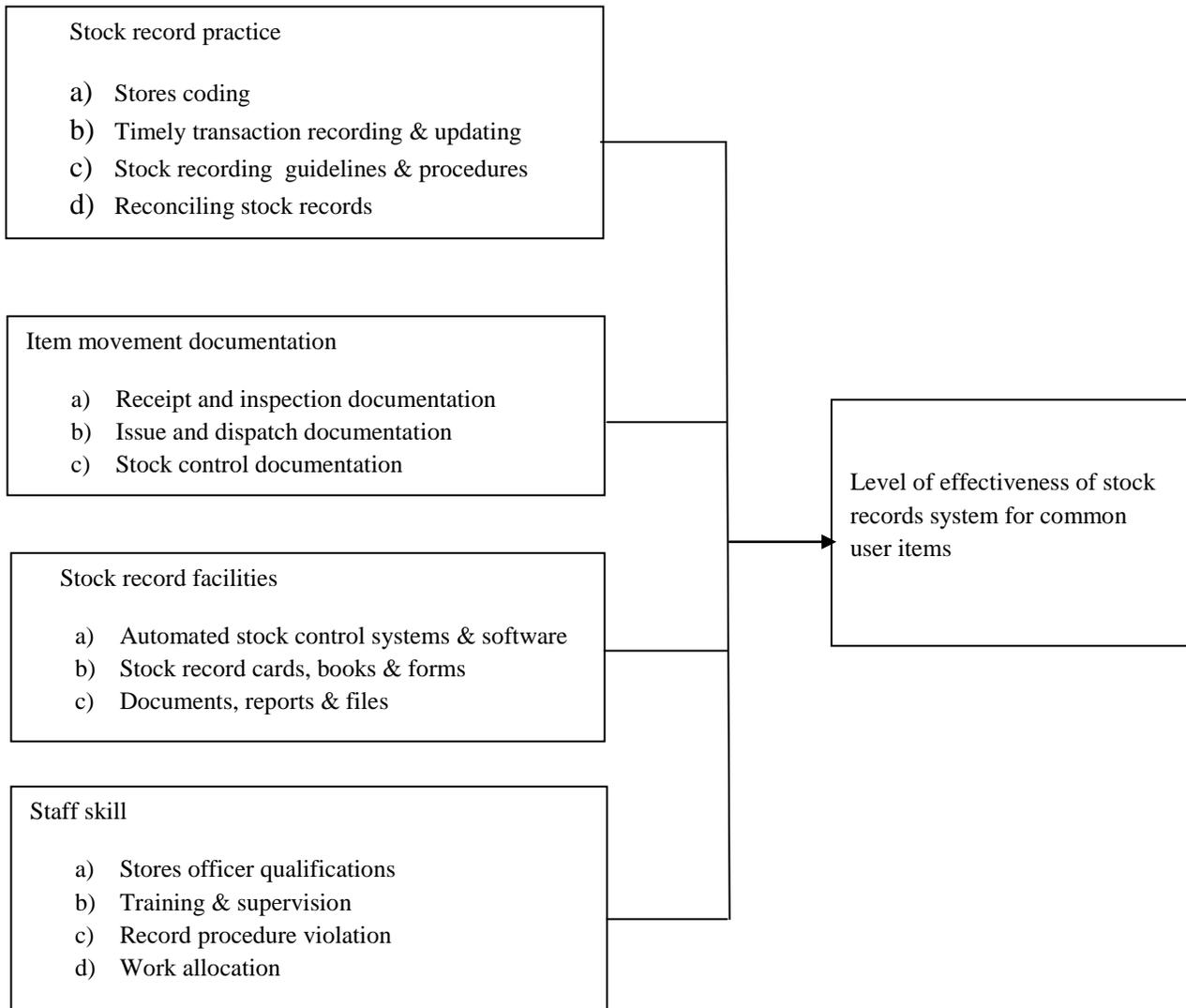
According to GoK Supplies manual, (2010), supplies personnel arc the direct custodians of government stores and assist in achievement of economy in expenditure on supplies by the application of proper stores accounting, prevention and detection of losses, wastage or misuse of stores and disposing of stores in the most advantageous manner to the Government. The manual therefore recommends that in order to keep costs to the minimum, a supplies organization should ensure that supplies staff are properly trained, supervised and allocated for the work they are required to perform.

Baily and Farmer (1980), say that for the supplies function to achieve a superior supply performance, it is necessary to recruit, train and develop personnel with the capacity and motivation to do better work. It is finally assumed that if the above is done each individual person will be able to handle and discharge in a professional manner the task or responsibility placed on him.

Carter and Price (1993), indicate that training of staff is vital if full use is to be made of their abilities and talents. The authors stress that labour is a very expensive resource and therefore it makes good economic sense to make full use of it .Incompetent employees can render an organization virtually ineffective. Recruitment of the right kind of people in the organization and their training should therefore be done.

The issue of personnel planning is aptly put by Cole (1997), who says that it is important to ensure that sufficient numbers of the appropriate caliber of people is available to the organization in pursuit of its objective.

2.2 Conceptual framework

Stock record practice

a) Stores coding
b) Timely transaction recording & updating
c) Stock recording guidelines & procedures
d) Reconciling stock records

Item movement documentation

a) Receipt and inspection documentation
b) Issue and dispatch documentation
c) Stock control documentation

Stock record facilities

a) Automated stock control systems & software
b) Stock record cards, books & forms
c) Documents, reports & files

Staff skill

a) Stores officer qualifications
b) Training & supervision
c) Record procedure violation
d) Work allocation

Level of effectiveness of stock records system for common user items

Independent Variables   Dependent Variable

Figure1. Conceptual framework

2.3 Empirical literature

Poorly kept records cannot provide useful information to managers for good decision making and therefore lead to wrong decisions with the consequence of overstocking or under stocking, loss of stores and failure to benefit from low prices offered by suppliers because of bulk purchases. Previous researchers on the subject have the following to say in relation to stock record system.

Muchiri, (2011), found out that all the stores Ledger and stock control cards at Muranga District Hospital lacked information on basic control methods and systems that are a prerequisite for an efficient stock

control system. As such decisions on what to procure was not dependent on stock control techniques but rather on stock outs.

While researching on the physical and recorded stock balances at Kenya Meteorological Department, Murirni, (2006), recommended that records should be up-dated immediately so as to avoid delays in posting which finally lead to discrepancies. Murimi also says that reconciliation of stock records and physical stock should be done regularly preferably on a weekly basis so as to allow for immediate corrective measures in case of any discrepancies detected.

Nyakwaka, (2007), found out that poor records management contributed to inefficiency and ineffectiveness of inventory control. Proper management of this function can assist the organization in formulation of stock policies and control systems.

Kisyula, (2008), in his study found out that some information could not be obtained because of poor record keeping. He recommended that supplies personnel should keep and maintain proper records. All the used documents and files should have control numbers indicated on each for ease of reference when they are required.

2.4 Research Gap

Although there are several studies on stock records system for common user items, which provide recommendations to maintain stock records system for common user items, little is known by the researcher on research studies conducted on effectiveness of stock records system for common user items in the Public sector more specifically Supplies Brach; Ministry of Public Works thus there is a literature gap, this study seeks to fill the gap.

3 Research Methodology

3.1 Research Design

The research adopted descriptive approach. Descriptive research was used to obtain information concerning the current status of the phenomena to describe what exists, with respect to variables or conditions in a situation (Mugenda and Mugenda, 1999). Descriptive design was used in this study since the researcher intended to look at the problem at hand thoroughly to define it, clarify it, and obtain pertinent information that could be of use in assessment of effectiveness of stock records system for common user items.

3.2 Population of the Study

This study's population consisted of 4 supplies personnel and all 600 stock records for all 120 common user items held at the Branch during the financial year 2011/2012. Stock records included; 150 Stores ledger card, 50 Weekly summary sheet, 50 Weekly stock return, 150 Bin card, 200 Issue and receipt voucher.

3.3 Sample Size

According to Gay (1981) a sample of 10% is representative. From the target population of 600 (stock records) a sample size of 10% was taken giving a sample size of 60 stock records and 4 respondents consisting of Supplies Branch stores staff.

3.4 Sampling Technique

Mugenda and Mugenda (1999) observe that purposive sampling technique allows the researcher to use cases that have the required information with respect to the objects of his or her study. Therefore, 4 stores staff were handpicked to represent the entire population for stores staff under study because they were informative. In most cases studying the sample is sufficient Mugenda & Mugenda (1999). Simple stratified random sampling was used to select five categories of stock records namely Stores ledger card, Weekly summary sheet, Weekly stock return, Bin card, Issue and receipt voucher where the stock records sample size came from. Stratified sampling was suitable when dealing with homogenous subgroups like stock records which form several segments or stratas. To get the required number of stock records (60) from the five categories the researcher applied systematic sampling method. This number was selected out of the approximated 600 stock records which represent 10% as proposed by Mugenda and Mugenda (1999). They quoting from Gay (1981) recommend 10% of cases in descriptive studies. In this study the stratum consists of stock record categories.

3.5 Data Collection Instruments

The instruments that have been applied in this study were questionnaires

3.5.1 Questionnaire

Questionnaires were useful instrument of collecting the primary data since the respondents could read and then give responses to each item (Orodho, 2004). Each item in the questionnaire was developed to address a specific objective, research question or hypothesis of the study. So, the researcher must know how information obtained from each questionnaire item would be analyzed Mugenda and Mugenda (2003).

3.6 Pre testing

Pre testing was done to see the applicability of the tools and seeing how the questionnaires were acceptable to the respondents. Pre testing was done in Supplies Branch Nairobi; Ministry of Public Works. After the pre test, alterations were made to tools.

3.7 Data Collection Procedure

3.7.1 Questionnaire

The researcher delivered pre-formulated written set of questions focusing on the use and maintenance of stock records to the Supplies Officer and three Supplies Branch personnel. The researcher requested them to fill the questionnaires at their own time so that he may personally collect them later. A maximum of five days were given to respondents to fill.

3.7.2 Observation

The researcher visited the the three storehouses and observed staff performing the procedures of receiving, storing and issuing of common user items and entering the transactions in the records. Attributes observed were recorded.

3.7.3 Document analysis

The researcher used a list of features to observe the stock records of common user items at Supplies Branch.

3.8 Methods of Data Analysis

Data collected was coded and cleaned to remove outliers or missing values and categorized manually according to the questionnaire items using frequency tables and percentages. The coded data was then

transferred to a computer sheet and was processed using Statistical Package for Social Sciences (SPSS) version 20. Frequency tables, bar graphs and pie charts were used to analyze the quantitative data. This was analyzed and reported by descriptive narrative (Mugenda & Mugenda, 1999). The results of the data gave the researcher a basis to make conclusions about the study.

4. Research Findings and Discussion

4.1. Response Rate

The response rate was regarded adequate in line with the literature by Mugenda and Mugenda, (2003) which recommends 70% as a good response rate in descriptive studies. The researcher's target population was all the four supplies staff and all 600 stock records used to capture data relating to the movement of the items during the 2011/2012 financial year. A document analysis guide was used to analyze the stock records.

4.2 Stock Record Practices

The first objective was to establish the existing stock record practices at Supplies Branch under the following headings;

4.2.1 Stores Coding

The researcher used a document analysis guide to establish the existence or otherwise of a stores code and if it was used consistently on all the stock records.

Table 1. Stores code usage

Stock record	Code not Indicated	Code indicated	Total	Percentage
Stores Ledger card	15	0	15	100
Weekly summary sheet	5	0	5	100
Weekly stock return	5	0	5	100
Bin card	9	6	15	58
Issue and receipt voucher	20	0	20	100
Total	54	6	60	90

Table 1 shows that four stock records namely stores ledger card, weekly summary sheet, weekly stock return and issue and receipt voucher did not have code numbers indicted .However only 58 % of Bin cards had their code numbers indicated. Overall 90% of the stock records had stores code not indicated and only 6% had been indicated. This resulted to improper identification and recording of stock items as some could be identified by various names causing confusion.

4.2.2 Timely transaction recording & updating of stock records

Response of the three stores staff directly involved in updating stock records on how often they updated the three commonly used records is as shown here in the table below.

Table 2. Frequency of updating records

Stock records	Daily	After 1 day	After 2 days	Not scheduled
Stores ledger card	-	-	-	1
Bin card	-	-	-	2
Issue and receipt voucher	3	-	-	-
Total	3	0	0	3

Table 2 above shows that only issue and receipt voucher was updated the same day as transaction took place. The explanation for this is that the user departments present this document to the Branch and it has to be completed before issues can be made from the storehouse hence it is completed as the customer waits. The stores ledger, stock control card and the Bin card were posted at the convenience of the stores staff and hence had no scheduled time within which they were to be completed.

4.3 Item Movement Documentation

Here the researcher embarked on finding out the existing common user items documentation practice. The following stores activities were studied;

4.3.1 Receipt and Inspection of Goods Documentation

The stock records used during the receipt function portrayed the following information as shown in the table below;

Table 3. Receipt of goods documentation

Stock record	Spaces to be filled	Spaces not filed	Percentage
Stores ledger card	165	135	81
Weekly summary sheet	55	0	0
Weekly stock return	30	30	100
Bin card	180	84	47
Issue & receipt voucher	240	168	70
Total	670	465	69

From the data collected by the researcher receipt of goods was not documented to a rate of 69% with only Weekly stock return having all the spaces dedicated to receipt filled. The Weekly stock return was required to be submitted to Supplies Branch headquarters hence it was mandatory that all spaces be completed

4.3.2 Issue and Dispatch of Goods Documentation

The stock records used during the issue and dispatch procedure portrayed the following information;

Table 4. Documentation of issue and dispatch of goods

Stock record	No of records	Spaces to be filled	Spaces not filled	Percentage
Stores ledger card	15	165	135	81
Weekly summary sheet	5	55	0	0
Weekly stock return	5	30	30	100
Bin card	15	180	108	60
Issue and receipt voucher	20	240	192	80
Total	60	670	453	68

An analysis of the stock records used during the issue and dispatch of goods from the Branch showed that 68% of the records were not filled. However the weekly summary sheet was used fully to capture data relating to issue of goods. This in return resulted to lack of crucial and timely information for stock control decision making which could be attributed to cases of overstocking, stock out, deterioration, obsolescence and pilferage.

4.4 Common user items Stock Control Documentation

Here the researcher collected data from 15 stock ledger and stock control cards whose basic function is data capturing on stock control. These data comprises of consumption record, forecast requirements, dues in, dues out, leadtimes and balances. Data collected is as per table shown here below;
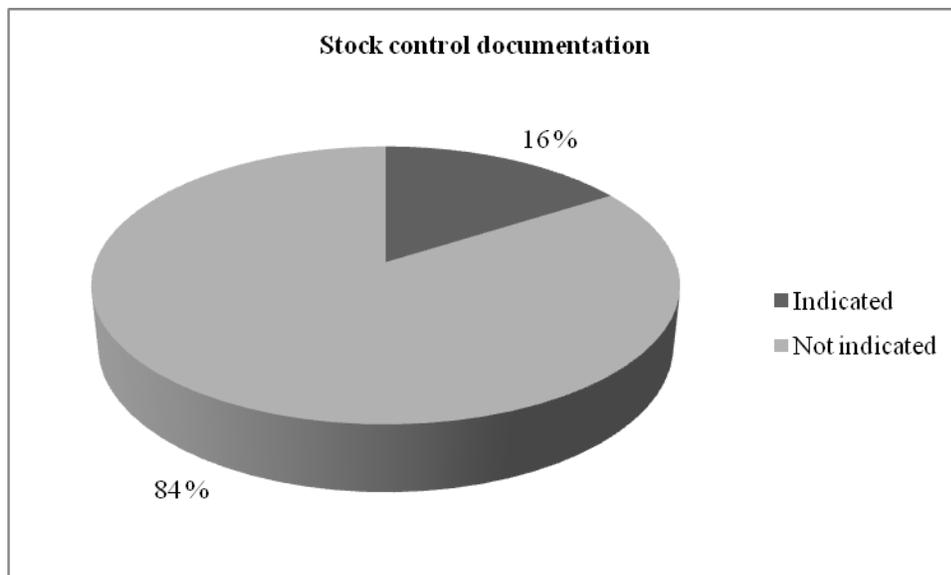
Figure 2. Stock control Documentation

Data collected from stores ledger cards shows that out of eleven spaces set aside for indicating status of common user items in the Branch so that decision relating to procurement can be made only one representing 16% was completed. This means that 84% of the records do not have information that can be used in forecasting Branch requirements.

4.4.1 Adequacy of Stock Control Documentation

A question was posed to the respondents on whether information on stock record cards was adequate to avail the necessary information for common user items.

Table 5. Adequacy of stock control documentation

Stock control data	Response	Percentage
Adequate	4	0
Not adequate	0	100

Table 5 shows that 100% of the respondents felt that information on stock record cards was not adequate to forecast requirements for common user items. This resulted to inability to regulates the flow of items in such a way that the right quantity is available when required to meet operational needs and also to access information to assist in making future decisions in relation to price and source of supply.

4.5. Stock record facilities

Table 6. Automated stock control systems & software usage

Section	Required	Available	Percentage
Stock control	1	0	0
HB & CT	1	0	0
Stationary	1	0	0
H & sanitary	1	0	0
Total	4	0	0

Lack of proper automation of the entire stock control system in all stores was indicated as a challenge to proper maintenance of stock records system by 100% of respondents. It is cumbersome to manipulate stock control data without the aid of stock control software. It is clear that the stores staff rely on manual system which can result to inaccuracies, errors, delayed reports, poor forecasting & ineffective decision making.

4.5.1 Stock Record Cards & Reports

The researcher was able to get a stocktaking report from the Branch supplies officer and extracted the following data for 15 stores Ledger and stock control cards.

Table 7. Stocktaking report (Comparison of physical and card balances)

Description	No. of cards	Percentage
Correct balances	3	13
Discrepancies	12	87
Total	15	100

According to the data collected by the researcher 12 out of 15 stock Ledger cards translating to 87% showed that the balances on them was found not to be correct during the stocktaking, only 13% had correct balances, this therefore could not provide authentic information for stock control decision making and corrective action.

4.6 Staff Skills

The researcher gave a questionnaire to the Branch Supplies Officer on the staff establishment at the Branch so as to know whether they are adequate, well trained and supervised in order to effectively maintain the stock records.

Table 8. Supplies staff training

Professional qualification	No. of staff	Percentage
Professional Course in Supply Management Final Stage	0	0
Professional Course in Supply Management Foundation Stage	2	50
Advanced certificate in supply management	2	50
Certificate in supply management	2	50
Total	2	50

Out of the four supplies staff only two or 50% had Certificate in supply management, Advanced certificate in supply management and Professional Course in Supply Management Foundation Stage qualifications in purchasing and supplies management. It therefore means that the two store men do not have adequate knowledge and skills relating to managing an efficient stock record system other than the experience gained over time.

The number of supplies staff was too small for the workload as indicated by 100% of the respondents. Similarly, the fact that 50% of the staff did not have the basic training in supplies management made the stock recording work a daunting task.

Figure 3. Staff Adequacy and work allocation

It is evident from the data collected that the Branch has a seriously problem of work allocation with only 11% of the authorized number handling the workload. This state of affairs has led to a situation where for example, one store man has been assigned too much task which has impacted negatively on the effectiveness of the stock records completeness, accuracy, timeliness because the staff does not have time to complete all the work required of them.

5. Summary, Conclusions and Recommendations

5.1 Summary of the Findings

This study had four main objectives. To establish the effect of the existing stock records practice, identify the effect of staff skills, determine the effect of stock record facilities availability, determine the effect of stock control documentation to the effectiveness of stock records system for common user items.

The findings showed that the existing stock records practice was not reliable as stores coding was not fervently adhered to and identification of stock items during receipt, issuing, control and recording was not proper which resulted to inaccurate information as records indicated some items as out of stock whereas the were physically available and vise versa. Stock records were also not updated immediately stores transactions took place. This situation implies that the balances on the cards could not be relied on to give timely information. This further explains the reason why items were unavailable in the stores even when the records indicated their existence.

Without a record of the movement of the items in the supplies system accountability it was not possible and unscrupulous employees took advantage of lack of documentation to misappropriate the organizations stores, records were not up-to date through the posting of transactions as soon as they occurred.

The study also found out stock record facilities were not adequately provided; only partial automation of stock control systems and software were available and therefore the principle merit of a good and proper system stock record and benefits of perpetual stock verification system could not be attained, additionally sound stock record system vital for procurement decision making was also not accomplished. This in itself explains the reason why stock control data was missing on the records and total value of an item was not indicated on receipts and issues transactions.

The researcher established that the Supplies Branch stores staff lacked appropriate qualifications, proper training & supervision, violated record procedures & there wasn't proper work allocation; this by extension affected the effectiveness of stock record system. Added to this problem is the habit of stock record procedure violation by the top, middle and junior cadre personnel's in the organization.

5.2 Conclusion

It can be concluded that aspects of existing stock records practice had influence on the effectiveness of stock records system for common user items.

The study further reveals that there a significant positive relationship between the Item movement documentation and the effectiveness of stock records system for common user items. This implies that the more sound the Item movement documentation controls are adhered to the higher the chances of deriving the benefits of perpetual stock verification system.

The attainment of effectiveness of stock records system is based to a large extent also on the use of appropriate Stock record facilities and resources, use of automated stock control systems & software to regulate the flow of items in such a way that the right quantity is available when required to meet operational needs and also to access information to assist in making future decisions in relation to price and source of supply.

Finally staff skills contributed to ineffectiveness of the stock record system due to deficient stores officer qualifications, lack of training & inadequate supervision, record procedure violation, poor work allocation.

5.3 Recommendations

In light of the findings outlined herein, the following recommendations were made:

(i)   Stock records practice should be complied with fully during receipt, issuing, control and recording to ensure accurate and timely inventory management information.

(ii) Item movement documentation should be keenly observed to ensure comprehensive capturing of data relating to various stores activities taking place in the storehouses and accountability.

(iii) Stock record facilities be adequately provided and full automation of stock control systems and software availed coupled with proper integration with other areas of supply chain management to attain the benefits of perpetual stock verification system.

(iv) Stores staff should be adequately equipped with appropriate qualifications, proper training & supervision, ensure adherence of stock record procedures & proper work allocation to promote effectiveness of stock records systems.

5.4 Suggestion for Further Research

In this study, some factors have not been properly accounted for due to its scope. It is therefore suggested that further research should be done on some topics related to this one. In this regard, the following are recommended for further research:-

i)   To determine stock record practice improvement in public sector.

ii)   To identify the contribution of item movement documentation control in relation to value based inventory management in of public sector

iii)   To establish the challenges facing Stock record facilities provision in public sector.

iv)   To identify the relevance of improved staff skills in stock records system in public Sector.

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