

Fraud Detections, Preventions and Management in Stores/Warehouses in an Emerging Economy

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ABSTRACT

This paper work is centered on fraud detections, preventions and management in a store/warehouse in an emerging economy and it can be revealed that fraud and related misconduct involves a willful or deliberate act with intention of obtaining an unauthorized benefit. The stores in most organization in are which all kinds of materials needed for function is therefore basically concerned with holding stocks. The finding revealed that theft of that, entry to warehouse and storage are should be controlled through a single door/gate and no unauthorized person should be allowed inside the warehouse/storage area, and key of all warehouse/storage areas should kept in safe custody under the control of the store manager, stores, it is paramount that all items having a shelf-life must be tagged indicating data or receipt and expiry data.

INTRODUCTION

Fraud and related misconduct involves a willful or deliberate act or failure is act with the intention of obtaining and unauthorized benefits. Put simply, Fraud is an act of deception intended for personal gain or is cause a loss to another party. Hence, Fraud in this context means an act of personal gain that is carried out by stir personal. Fraud resembles theft in that both involves some form of illegal taking but the two should not be confused. Fraud requires an additional element of false pretenses created to induce a victim to turn over property, services, materials or money. Theft by contrast, requires only the unauthorized taking of another's property with the intent is permanently deprive the other of the property. It is punished more severally.

Carter (1989) opined that management is an economic organ of an industrial society. Every act, every decision, every deliberation of management has as its first dimension and economic dimension. Hence, management may be thought of as the task of Planning, Organizing and Controlling any Organization or group (Proctor T, 1982).

it is germane to point out at this juncture that, fraud detection prevention and management control can be conferred on understanding the role of the Stores Manager in relation to the material side of the organization. It is the job of the Stores Manager to ensure that his operations is running as efficiently as possible and that it is making a worthwhile contribution to the overall objectives of the organization.

This paper will be delved into fraud detection, prevention and management in a store or warehouse in an emerging economy.

STORES FUNCTION AND RESPONSIBILITIES

The stores in most organization is areas in which all kinds of material needed for product, distribution, Maintenance, packaging, etc. are stored, received and issued. The stores function is therefore basically concerned with holding stocks. However, stores management coves a great deal more than just these aspects, and includes the following activities.

- a. Holding, controlling and issuing stock.
- b. Control of all storehouse, stockyard and outside storage units.
- c. Material handling functions
- d. Quality control activities
- e. Training of stores staff
- f. Clerical administration of stores operations.

Types of materials held in stock

The following is a generalized list of typical items to be found in a medium-sized productive operation.

- I. Raw material
- II. Component parts
- III. Packaging
- IV. Spare parts
- V. Tools, gauges, jigs
- VI. Work-in-progress
- VII. Finished stocks
- VIII. Maintenance materials

However, the range, value and complexity of items held by any particular stores will depend upon the size and complexity of the operations involved. Different types of organizations have different types of items in stock. For examples, a production operation will have raw materials, component parts, work-in-progress and packaging and associated materials. A distribution operation will have finished stock, component parts and part-completed work. An engineering and maintenance operation will have spare parts, tools, equipment and cleaning and servicing materials.

Because of this wide variation in the item that can be found in any stores, the storekeeper needs to have a wide working knowledge of a great number of materials types and operation.

BASIC FUNCTION OF STORES

The modern stores has a wide variety of function that it has to perform as efficiently as possible. The way in which stores management carries out these tasks will be reflected in the overall efficiency of the organization. The function includes the following.

- (a) To supply all the material and related services to ensure continuation of the operation.
- (b) To store, control and issued all work-in-progress and part completed items
- (c) To store, control and issued all tools equipment and spare needed by the operation of the organization.
- (d) To receive, store, control utilize all scrap and excess materials produced by the Organization.
- (e) To ensure that adequate health and safety precaution are taken in relation to the whole stores operation.
- (f) To control all training and staff development within the stores areas.

RELATIONSHIP BETWEEN STORES AND OTHER MAJOR DEPARTMENTS

The concept of service in relation to store operation

The stores by virtue of its functions must be seen as providing a service to the rest of organization in which it operates. The standard of that service will affect the overall efficiency of the organization. The relationship between stores and other major department within the organization are therefore very important. Although stores is providing the service, it need a certain amount of participation and information from the other major department to ensure that the service provided is efficient and meets the needs of the organization in every sense.

STORES FUNCTIONS AND RESPONSIBILITY

PRODUCTION

As this is obviously one of the most important users of the stores services, stores management has to ensure that all material needed for the continuation of production are available as and when required.

Production management's part in this relationship is to ensure that adequate warning is given to stores about the need for material together with information about the types and quality required, future demands and also the performances of the materials issued.

DISTRIBUTION

The relationship here is very important when store management has control of finished stock, which have to be distributed to depots and warehouse throughout the organization's distribution network. Stores management has to ensure that adequate stocks are available in correct quantities and marshaled ready for loading on to the method of transport employed.

Distribution is responsible for supplying stores management with up-to-date information about the needs and wants of the distribution system and it must make every efforts to give stores management adequate notice of loading quantities, destinations, types and marshalling points, to ensure and efficient service form the stores system.

ENGINEERING DEPARTMENT

The engineer is responsible for ensuring that the plant and machinery operated by the organization is kept in working order and is performing at its designed efficiency. Stores management has to ensure that all the necessary spare parts, tools and equipment are in stock or easily available from supplier' stock. The engineering department will often work to an engineering schedule (a timetable of engineering activities covering two or three month). A copy of this schedule must be needed during the times period covered by the schedule. This will ensure that the items required by the engineer will be available, as and when they are required, thus avoiding the situation of stripped down machines being left for weeks awaiting spare parts.

QUALITY CONTROL AND INSPECTION

Quality control is the department which is responsible for administering the standard set by the organization in relation to all the material both used and produced by the organization. Inspection is a very important part of the process. Stores management has to ensure that all deliveries of good are held aside until checked and passed by quality control, and must set up system for informing quality control that items have been delivered. All items checked and subsequently rejected have to be held by stores. During this period stores have

to ensure that the stocks labelled “For rejection” is not allowed to become part of the acceptable working stock. problems of rejected stocks beings used in production can be very costly in terms of loss output and reputation.

PURCHASING DEPARTMENT

The links between the stores and purchasing in terms of their activities have always been very close. In many cases these two departments are united under the heading of “supply management”. Where two separate operations do exist, the relationship between them is vital. Purchasing is responsible for buying all the goods and services needed by the organization. Purchasing relies on stores for a wide variety of supportive activities. Purchasing needs stores to keep it informed about the levels of stocks at any given time, and it is up to stores to keep purchasing to ensure that stocks are procured and that a balanced and economic flow of goods and services is provided.

Purchasing, because of its physical separation from the store area and the factory floor (many purchasing officers are not actually on the production site), relies on stores for up-to-date and accurate information, based on factory and user feedback to the store keeper, about the performance of the goods and services it is providing. This information about the performance of stock can be very important in ensuring maximum efficiency of the purchasing operation and its evaluation of the materials purchased.

Stores must also remember that it is the purchasing department which is responsible for the buying of goods and material and all that it involves, so stores must resist the temptation of become directly involved with suppliers, unless directed regarding the delivery, quality, progressing and selection of goods without the full background information that the purchasing department will have. The organization that employs the “supply management’ approach to its store and operations will lend to suffer less from this kind of problem.

SALES DEPARTMENT

The relationship between stores and sales is a very important one. Stores is responsible for ensuring that all stocks held for sale are stored. Issued and controlled as efficiently as possible. The sales staff will often rely on stores to ensure that finished stock is available as and when required, they will also require stores to ensure that marshalling of stock is carried out and that the process of stocking-up in relation to sales promotions and other marketing activities are carried out effectively. Stores may also be responsible for the control of spare parts and accessories used in connection with the finished product, which have to be supplied as and when require by the sales department. Stores management must also be aware of the forecasts about future sales, so as to be able to make plans in terms of stock levels, storage space, outside warehousing and staff levels.

MAINTENANCE DEPARTMENT

Stores has to ensure that all the materials, tools, spare parts and equipment needed by the maintenance department are in stock as and when required. This will include the general maintenance items, i.e cleaning material, paints, carpentry tools, etc, as well as the more specialized items used in ventilation systems, heating systems and other elements must be aware of all long-and short-term maintenance plans, as produced by the maintenance will have to be ordered in advance of need, and stores management will therefore need to have a complete knowledge of all plans, dates, requirements and possible consequences of maintenance.

GENERAL ACCOUNTS DEPARTMENT

The relationship between stores and accounts covers several very important areas. Accounts relies on stores for information concerning the value of stock held, and about items damaged and therefore to be written off the asset list. The accounts department will often risk stores to confirm the receipt of goods and invoiced, especially in cases of doubt or query. Stores also provide a continuous supply of data regarding the use of stock in the operations and therefore aids the accounts department in its function of cost allocation to particular batches or jobs as carried out by the operation function.

DUTIES AND RESPONSIBILITIES OF STORES MANAGEMENT

There is a very wide range of duties and responsibilities that stores management has to perform at various times and stages of the storehouse operation. All are very important to the overall efficiency of the organization and its objectives. The duties of stores in the various aspects of its work are discussed below:

Economy: One of the basis duties of stores is to ensure that all operations within the stores system are performed as efficiently and as economically as possible. The stores manager must ensure that the basic aim of stock is part of this responsibility. This duty to ensure minimum coasts should be clear to every member of the stores team.

Stock control: It is the responsibility of stores management to ensure that to process of stock control is performed within the stores section. The stores manager must ensure that the basic aims of stock control are achieved. Stores must analyze the information concerning production, sales and distribution needed to maintain the stock control system.

Stock records: It is the responsibility of stores management to ensure that adequate and up-to-date record are maintained for every item held in stock, whether on site or in a depot or warehouse. These records must provide the kind of information required to control and maintain the levels of stock established, i.e level of stock, order levels, code number, suppliers references, etc.

Stocktaking and checking: The stores manager is responsible for organizing, supervising and collating all stock checks carried out by the organization. He will be required to formulate counting sheets, allocate staff, check result, investigate discrepancies and produce final figures for use in the final accounts.

Storage of Stock: It is one of the basic duties of stores to unload and store all the goods delivered to the store. Storage of materials entails the correct location of goods in connection with suppliers' instructions, and requires skill and knowledge on the part of the stores staff, bearing in mind that some materials need particular conditions of storage e.g. must be kept dry etc. It is the duty of stores to ensure that goods do not suffer damage or deterioration because of inefficient storage.

Identification and location of stock: It is the responsibility of stores management to formulate and update a system of coding so as to allow efficient identification and location of all goods and services held within the stores operation. It is also the duty of stores to ensure that, if an item required is not available, then a suitable alternative is recommended (where one exists)

Issue and dispatch: It is the duty of stores to ensure that the goods and services required for the operation are issued as and when required bearing in mind for the proper authorization and strict clerical control of all issues of stock. The issue process should be smooth and efficient. It is often the issue of stock procedure that determines the status of stores throughout the whole organization.

Inspection: It is the duty of stores to inspect and check all the deliveries made to the store. These checks to include such factors as quantity, type, quality, damage and shortage. In many cases suppliers will not accept responsibility for damaged goods unless they are reported within a specified number of days of delivery. Information arising from such inspections has to be passed to purchasing.

Security of stores: It is the duty of stores management to ensure that security is maintained at all times within the stores buildings and stockyards. The security element of the stores manager's job covers not only theft, but also damage, fire and spillage. It also includes ensuring that doors, windows and stockyard fencing are secure.

Materials handling: One of the basic jobs of any stores team is the handling of all materials quickly and safely. Moving goods from the store to the factory or warehouse is a very important duty of the stores manager and his staff.

Receipt of stock: It is the duty of the storekeeper to receive and handle all the items delivered to the stores, to check the documentation (delivery notes, packing note, etc.) and to inform purchasing stores management of all goods received.

STOCK MAINTENANCE

SCOPE AND IMPORTANCE OF SECURITY IN AN ORGANIZATION

One of the most important aspects of stores management is security, which covers not only theft and fraud, but also stock deterioration, damage, location and special storage. Mike Comer of Network Security Ltd states "security is a management responsibility" (Carter RI, 1989).

METHODS OF STORES SECURITY

There are two main methods by which the security of the stores can be attempted. The advantages and disadvantages of each are discussed.

Security services: This means making use of specialized organizations that supply a trained team of security guard and other personnel to guard against theft.

Advantages

- i. Trained staffs are able to cope with difficult situations
- ii. 24 hour cover is available if required
- iii. It reduces the damaging effect of conflict between members of the company's own staff.

Disadvantages

- i. Very expensive service
- ii. Security staff do not become involved in stock loss other than theft or fraud
- iii. Friction can arise between the organization's staff and management because of outside intervention in cases of theft.
- iv. Trade union defense of members involved in thefts will be far stronger in cases where security services are involved.
- v. A high security staff turnover makes it difficult to build relationships with them.

Stores management security: In every store the storekeeper and stores manager are ultimately responsible for the goods held in their charge. In view of this, most organizations rely on the stores management to control stores security.

(a) Advantages

- IX. Stores staff will have specialized knowledge to call upon.

- ii. This method builds up good relationships and trust between the organization and its staff.
- iii. Good security is in the stores staff's own interest
- iv. Stores management will be held accountable for stock loss
- v. Stores staff will be able to cover the aspects of deterioration, damage and special stores.

Disadvantages

- i. Large-scale theft involving store staff may not be uncovered
- ii. Stores management would not be fully trained in security techniques.

REASONS WHY STORES SECURITY IS VITAL

Storehouse security is vital for several reasons, all of which reflect both the value of stock and its operational role within the organization.

- (a) Stock records become meaningless as a means of control if stock is lost and not recorded. The calculated level of stock indicated by the stock cards will bear no resemblance to the actual; stock held.
- (b) Stock control of any sort becomes impossible unless stock records data is reasonably accurate.
- (c) Production planning relies on stock being available against a predetermined plan. If stock is not secure then these plans will need constant reforming with all the losses in output and efficiency that involves.
- (d) Stock represents a major part of the organization's capital or money, therefore any stock lost because of theft, fraud or damage will have to be replaced, which will increase the organization's costs and reduce its profits. The value of stock lost every year is impossible to calculate, but the figure must run into millions of pounds, to which must be added the loss of profits and revenue arising from production hold-ups and lost contracts. Good security will therefore reap definite financial rewards.

STORES MANAGEMENT AND SECURITY

Responsibilities of stores management in relation to storehouse security

The stores manager has a direct responsibility for stores security in all the areas in which materials are stored, marshalled and handled, namely:

- (a) Stores buildings;
- (b) Stockyards;
- (c) Stock sheds;
- (d) marshalling points;
- (e) Work-in-progress stores.

The wide range of responsibilities and duties of the stores manager in relation to stores security are discussed below. Each of these responsibilities demands great care and attention to ensure a comprehensive security cover.

Security policy: It is vital the organization has a uniform security policy, which should include the following points:

- (a) Appointment of a senior manager with overall responsibility for security;
- (b) Allocation of a reasonable budget to cover the costs of security;
- (c) Consistent enforcement of the company penalties for theft, from the shop floor to the manager.
- (d) Regular discussions at managerial level regarding security.

Custody of keys: The stores manager is responsible for all the keys and locks used within the stores area, and he should therefore ensure that the following rules are observed.

- (a) All keys should be numbered so that the correct key can be matched to the correct lock quickly efficiently.
- (b) All keys should be registered in the central; security log held by the overall security department.
- (c) Individual members of the stores staff should be made responsible for certain keys and must be accountable in terms of stock losses.
- (d) keys taken from the central key bank (where all the stores keys should be held) must be booked out to those who take them and similarly signed back when they are returned. This will enable all keys to be accounted at any time.
- (e) The number of duplicate keys must be kept to a minimum to ensure adequate control, although a degree of duplication is necessary for operational and emergency factors. However, any duplication of keys must be strictly controlled and only under taken after consultation between all parties involved.

Security of Installations: The stores manager is responsible for ensuring that all the installations under his control are secure. These installations will include the following:

- (a) **Store building:** The storekeeper must ensure that all doors, windows, skylights, entrances, shutters and other possible means of entry are secure to prevent unauthorized persons from entering the stores building. Such “no entry” should also apply to pests. e.g. rats, mice, birds, foxes, etc, as these vermin can cause a great deal of damage.
- (b) **Stores offices:** The store manager must ensure that all cupboards, cabinets, filing systems, desks etc are locked. Valuables must not be left in the office as this will encourage unauthorized entry and theft. Office doors must be locked when the office is not in use.
- (c) **Stockyards:** The stores manager must ensure that the stockyard is secure. This will include inspection of fencing to ensure complete coverage. All breaks in or damage to the fencing must be repaired as soon as possible and the stores manager must contact the maintenance department and request repairs. The stores manager will also ensure that the stockyard gates and all locks are secured, as well as the stockyard office.
- (d) **Work-in-progress stores:** The stores manager is responsible for all work-in-progress stores. All stock held must be secured and correctly recorded.
- (e) **Marshalling areas:** These are often the most difficult to secure because of the need for a high degree of access by other departments (e.g loading, materials handling, etc). In some instances lockable pallet cages can be used to secure stocks that need to be mobile. Pallet cages are pallet with metal cage fixed on top with a lockable entrance.

Regular inspection of all installations is vital to maintain security. In some ____ of 24-hours usage, the stores team may inspect all installations at regular periods, especially during the hours of darkness.

Control of entry into store installations: The stores manager must ensure that no unauthorized persons are allowed to enter the stores area. This restricted entry is for the following reasons.

- (a) To prevent of stores
- (b) To prevent persons who should not be in the stores being injured by, for example, falling stock or fork-life trucks.

Many stores construct counters to ensure that unauthorized persons cannot easily enter the stores. In the case of more open areas, such as stockyards, a system of pass cards can be employed. Such cards are issued by management only to those persons who should be in the store at any given time. In some instance entry to stores can be controlled by an electronic sensor and the pass cards are specially coded only to allow entry by the holder.

Marking of stock: It is the responsibility of the stores manager to ensure that certain materials held by the store are marked in some way to identify their ownership and origin. This applies especially to items of equipment or items which are of high value and therefore or liable to theft or misuse.

There are two reasons for making stock. Firstly, it discourages theft, in as much that marked stock cannot easily be sold or used outside the organization and therefore the store may lose a degree of its attraction for theft. Secondly, it ensures that, if stock is stolen and subsequently recovered by police or other agencies, the later will know to whom the goods rightfully belong and thus will arrange for them to be collected. A great deal of stock is recovered every year by police but, because of the lack of identification, not all of it is returned to the organization from which it was stolen.

The marking of stock can be achieved in several ways, as follows:

- (a) **Colour marking by paint of dye:** The colour is often related to the organization’s trade mark and will therefore be easily associated with the company associated with the company if the stock is stolen and subsequently found. For example, the Yellow Cab Company could use yellow to mark its spare parts.
- (b) **Trade marks:** Many organizations use the method of embossing or engraving their name and trade mark on item of equipment to identify it as belonging to them.
- (c) **Dye making:** This has been used in the case of very valuable items of stock. It enables the police and the organization’s officials to check members of staff and suspects: if the item is touched by hand the dye will be transferred on to the hands of the thief, indicating his involvement in the theft.

Fire precautions: These are very important in relation to stores security and it is the responsibility of stores management to ensure that all precautions necessary are taken so that all equipment and procedures are employed properly. Industrial fires cost organizations hundreds of million pounds every year, and loss of life and high insurance premiums all add to make fire prevention vitally important as part of the storehouse operation.

- (a) “No smoking” signs must be clearly placed in all parts of the store, regardless of the materials being held. One of the major causes of fires is cigarettes and matches carelessly discarded. The storekeeper must ensure that the “no smoking” rule is maintained.
- (b) Fire-fighting equipment must be in strategic positions throughout the store’s installations and must be regularly inspected and maintained. The following are some of the types of fire-fighting equipment.

- i. Extinguishers (gas-operated form discharges): different types of these have been developed to deal different kinds of fires and they should be located according to their application.
- ii. Hose reels: These are for dealing with major conflagrations and are often linked to a large tank or mains supply.
- iii. Sprinkler systems: These are designed to saturate a given area with water of chemical form in case of fire in a large area. Sprinklers are controlled by thermostat and smoke sensor so that a given amount of smoke or heat will trigger off the sprinkler system.
- vi. Fire blankets: These are made of a fireproof fabric and are used to smother very small fires or, in some cases, to wrap around a fire victim whose clothes have caught fire.
- v. Fire buckets: These are standard fire-fighting equipment in every installation. The buckets are usually filled with sand and are to extinguish very small fires.
- (c) Alarm system must be used in all stores to ensure that any outbreak of fire is quickly detected and the alarm is raised. The storekeeper must ensure that there are no obstructions covering the alarm unit. Alarm systems are usually linked to all parts of the organization and a central control board in the Security Office indicates where each alarm is situated.
- (d) Fire drills must be properly organized and clear fire instruction must be played on the notice board and other place within the store. These instructions must give precise directions as to the actions to be taken in the event of first especially if the materials stored are of highly flammable or dangerous nature.
- (e) Regular inspections by the local fire brigade's prevention officer will help to ensure a safe and efficient system.
- (f) Fire doors and emergency exits must at all times be kept absolutely clear and a clear passageway along gangways must be maintained to facilitate quick exit from the store in case of fire.

Segregation of high risk materials: Most stores find it more efficient and cost effective to store all so-called "high risk" material, such as petrol, oils, chemicals, explosives, spirits, etc. in a store specially designed for that purpose. Such a store is usually placed a reasonable distance from the main buildings of the organization. Segregation has the following advantages.

- (a) Expensive fire-fighting and prevention equipment can be concentrated in areas where it is most likely to be needed and will therefore provide better fire cover.
- (b) In cases of fire in the main store, it will not be able to reach the high risk stock and therefore the risk of a large-scale conflagration is greatly reduced.
- (c) Fires in the high risk store can be left to burn themselves out if need be because it is separated from the main building.
- (d) Application of the "20/80 rule" (see V, 19) will show that concentration of efforts to prevent fires in a small high risk store will benefit the whole operation in terms of overall fire risk.

Knowledge of materials: Part of the storekeepers' job is to have a sound knowledge of the materials and items he is dealing with. Such knowledge will include all the basic characteristics of a material, and its behavior in given conditions and circumstances. He must also be able to recommend alternatives (if they exist) to items requested but not stocked. To be able to do this the storekeeper must have experience and in some cases training. The following are reasons why storekeepers must have knowledge of materials:

- (a) Application of the materials issued by the stores will often be guided by the advice of the storekeeper. Operations will expect him to have a working knowledge of all materials held and their daily usage and application characteristics.
- (b) Production processes involved must also be known by the storekeeper so that allocated issues (see VI, 2 (d)) can be made properly and the correct materials issued for a particular part of the process.
- (c) Work-in-progress is held by the stores and therefore the storekeeper must have a knowledge of what parts will be needed to be placed on the shopfloor in relation to the work-in-progress held.
- (d) Handling of materials also requires a great deal of materials knowledge to ensure that materials are handled and moved properly to minimize the danger of damage. Many items have special handling instructions that need to be understood and related to the method of handling employed (fork-lift truck, pallet truck, crane, etc).
- (e) Inspection of materials and quality control operations (see VII, 12) require that the storekeeper has a sound knowledge of materials and will know what to look for in relation to faults, damage and substandard stock when either delivered to the store or issued by it.
- (f) Units of issue are also a very important part of the storekeeper's materials knowledge especially in relation to the recent changes in measurement from imperial to metric. It is vital that the storekeeper has a sound knowledge of all units of issue for the material he holds in stock to ensure that correct amounts are issued and used.

- (g) Dangerous materials need: Specialized handling and care if the risk of fire, explosion or contamination is to be minimized. In many cases the segregated store which hold risk materials will be managed by a storekeeper who has been trained and is experienced in handling such materials and will know how to store them properly to reduce the risks (Kareem T.s, 2011).

HEALTH AND SAFETY

Common causes of accident in the store: The incidence of accidents in stores will depend partly upon the material stored, but will also be greatly affected by the way work is organized and by the working environment. The following are some of the causes common to most stores.

- (a) Incorrect manual handling of materials causing strain, muscle damage and long periods of sickness.
- (b) Faulty equipment that suddenly breaks down at a vital moment.
- (c) Poor storage conditions in the form of bad floors and unstable racks, shelves, bins and general fittings.
- (d) Storage and handling equipment overloaded or misused against manufacturer's specifications.
- (e) Lack of supervision within the stores resulting in bad store practice, untidiness and carelessness.

Statement of safety policy: A statement of safety policy should be issued by the management of the stores to give a clear indication of responsibilities and policies in relation to safety. The following statement is a typical one from a modern and well-organized store.

PURCHASING AND SUPPLIERS SECTION

STATEMENT OF SAFETY POLICY-STORES

- (a) The policies contained within the Corporate and Departmental Statements of Safety Policy and those matters referred to herein will be implemented to provide the means for all store employees to work in a safe environment. The organization and arrangements for the time being in force for the implementation of the policy will be as described in these statements.
- (b) The Purchasing and Supplies Manager has overall responsibility for ensuring that there are safe conditions work within the stores, that sufficient information, instruction, training and supervision is available 'to enable hazards to be avoided, and that each employee may contribute to his own safety and health at work. He will take all reasonable steps to meet those responsibilities as set out in his terms of reference and will issue codes of safe practice which must be adhered to at all times.
- (c) On a routine basis the responsibility is assigned to all Stores Supervisor as set out in his terms of reference will make periodic visits to the various stores within control and will ensure that particular attention is paid to the provision and maintenance of the following:
 - i. Machinery, plant, equipment and systems of work they are safe and without risk to health;
 - ii. Safe and healthy arrangements for the handling and use of materials;
 - iii. Adequate welfare facilities;
 - iv. A clean and tidy work place.
- (d) It is the intention of the Purchasing and Supplier Management to highlight hazards to safety and to compile lists to know hazards together with details of preventative and (when appropriate) emergency action to be taken. These will be posted on the store notice boards and will be issued to Union Stewards and Safety Representatives. All employees must report immediately any accidents or unsafe working conditions to their supervisor. In the event of absences by the Stores Supervisor, the Purchasing and Supplies manager will assume routine responsibility.
- (e) All employees are reminded of their own duties under 8 of the Health and Safety at Work etc. Act 1974, in particular it is their duty to take all reasonable care for the health and safety of themselves and those working with them and around them who may be affected by their omissions at work.
Everyone must report immediately to their supervisor and dangerous or defective plant, machinery, equipment or store and any unsafe working systems or environment. All accidents should be reported immediately to the appropriate supervisor who will ensure that the accident Register completed together with the accident report forms which should be forwarded to the Purchasing and Supplies Manager as soon after the accident as is practicable and certainly within twenty-four hours.
- (f) Protective clothing and equipment provided for use must be worn when carrying out those functions for which they were issued.
- (g) The Department Safety Officer will assist with advice and help as required and will co-ordinate the Sections efforts with the rest of the Public Services and Works Department.
- (h) The procedure for dealing with any question arising out of any points set out in this statement is to be dealt with as laid down in the Procedure for Dealing with Grievances.
- (i) Failure to comply with the Health and Safety & Work Act and with the instructions set out above will result in disciplinary action being taken, in accordance with the Council's disciplinary procedures.

Codes of safe practice: Stores management should also issue statements giving detailed guidance on safe practices and procedures to all members of the stores staff. The following is a typical code of safe practice.

WAREHOUSE SECURITY, SAFETY AND MAINTENANCE

A warehouse in an industrial unit has a large variety of items. The number of items in the warehouse is also very large, which may range from 50,000 to 100,000 in some plants, depending upon the nature and size of the plants. The value of the inventory in the warehouse may be millions of dollars. Many of the items in the warehouse are of attractive nature and are likely to be pilfered by the store staff, or by those who come for getting the items issued from the warehouse. Warehouses are also not free from thefts. (Kareem, T.S. 2011).

Besides security of items, some of the items need a suitable physical environment for their safety. For example, rubber items should not be exposed to sun or heat. Chemicals are to be stored away from the metallic parts as the chemical fumes may adversely affect the metallic components with corrosion. Similarly, refractory materials are to be kept in a dry place free from moisture. Any ingress of moisture will damage some of the refractory materials, making them unsuitable for use. Electronic components are to be stored at low temperatures as they are likely to be damaged above 50°C. Some of the materials are sensitive to dust for example electrical contact are likely to have a flashover in presence of dust and moisture. Different materials require different types of care to keep them safe and to ensure that they retain their characteristic even after a long storage period.

Some materials have a limited shelf-life, for example, medicines, some chemicals, cable jointing materials and jointing materials for the conveyor belts. A close watch has to be kept in storage of such items and they are to be consumed before expiry of their life.

Safety of people is as important as the safety of materials. The Warehouse staff have to handle various types of items, for example, Very heavy castings, big items, sharp-edged materials, chemicals, and explosives. They must use protective gadgets and follow safe working practices to avoid getting physically injured.

Fire is a big threat to stores. The warehouse should be protected from fire hazards. Any accidental fire can result in huge losses of materials.

Explosives are to be stored and handled with special care to ensure that nothing untoward happens during their storage and handling.

Kareem (2011) stressed that to ensure physical security and safety of material in all the stores, the following guidelines should be implemented and strictly adhered to

(1) Security

Entry to Warehouse

- The entry to the warehouse/storage area should be controlled through a single door/gate, and no unauthorized person should be allowed inside the warehouse/storage area. This will plug the responsibility of pilferage of materials.
- Vehicle entrance gates in the main warehouses should be kept locked and opened only for receipt/issue of bulky items. If the gates are kept open, anybody can come in and go out with the material without any difficulty.

Management of Warehouses Keys.

- Keys of all warehouse/storage areas should be kept in safe custody under the control of the stores Manager.
- The store keys should be assigned to storekeeper permanently assigned, the Office, Warehousing section will, as required, issue store keys to authorized persons and should record receipt and return in the Key issues register. The key issue Register should have up-to-date entries at all times.
- All keys other than those permanently assigned must be taken back at the end of the workday and kept under safe custody.
- Explosive/dangerous materials store keys must be kept in a separate steel box controlled by the officer, Warehousing Section, and issued only to the concerned storekeeper for receipt/issue of explosive, when necessary.

Closing of Warehouse

- The officer, warehousing section is responsible for ensuring that, prior to his department; all Warehouse/storage area doors/ gates are properly secured. The door locks should be sealed properly with the signature of the stores officer with date and time of closure.
- Names of the persons who are required to work after the working hours and on holidays for issue of material in an emergency should be pre-planned and be informed to all concerned. In case the duty chart is not needed in advance, only authorized persons should be allowed to open the stores as and when needed.

- Any damage to locks/keys must be immediately reported to the stores Manager, who should report the loss of the keys to the security Officer and arrange replacement of locks on an urgent basis.
- Attractive items are to be kept in secured areas/locked cabinets. A close vigilance should be kept for attractive items such as bulbs, pen erasers, small tools, cells etc.

(2) **Marking of stores**

To reduce the frequency of stealing in the storehouse, warehouse and stockyards, it is advisable to mark items with the name initials of the firm or other symbols of identification so that if anything's is stolen, it may be traced.

Valuable portable equipment which can be pocketed or kept in the likes micro meter, batteries, tolls etc, should be marked. The marking should be in colour marking dye of paint, trade marks and dye marking.

i. **Colour marking by paints or dye:** The colour most case are company colour, trademarks or logos and will therefore be easily associated with the company if the stock is stolen and subsequently found.

ii. **Dye marking:** This has been in use in the case of high valuable items of stock. It enables the police and the organization's officials to check member of staff and suspect if the items is touched by hand, the dye will be transferred to the hand of the thief, indicating his involvement in the theft.

3. **Access to premises:** The free entry and exist is limited/restricted to only the storekeeper of storehouse staff alone. All staff should not be admitted to storehouse, stockyard and warehouse at large. There are points at which non-store staffs should get to. The store keeper in charge is responsible for the care and custody of all materials from the time of delivery until the time issue. The steer security should be alert of the risks involved when the store-staff have closed and security should take charge, when on duty.

(4) **Safety in operations**

- The Warehouse personnel must work gloves, safety helmet, and safety shoes during materials handling. Acids resistant gloves and goggles should be worn for extra safety during handling of chemical.
- A periodic check should be carried out to ensure that preventive maintenance is carried out on material handling and overhead cranes installed in the main warehouse and other storage areas. These facilities must be tested at regular intervals for safe working load and safe working condition.
- Instruction for proper use of material handling equipment should be available to all concerned. In fact, all the staff should be properly trained in the use of these facilities.
- Only authorize persons and operators under the supervisor of the officer, Warehousing section, should be permitted to operate cranes or forklifts for material handling inside and /or outside the warehouse and stores.

(5) **Stores from Fire**

- No smoking/fire hazard' signs should be displayed on all warehouse/stores entrance doors/gates and at prominent places inside the warehouse/stores, and must be strictly observed.
- Fire extinguisher should be place, with the approval of the safety Section, at strategic location inside the warehouse/store.
- Warehousing section employees must be aware of physical location of fire extinguisher in their respective stores and must know how to use them.
- The Officer of Warehousing Section should periodically inspect the fire-fighting equipment and immediately report any deficiency to the Stores Manager who should take immediate corrective action in conjunction with the Safety section.

(6) **Safe Working Area**

During unpacking of created material, working area must be cleared and free of wires, nails or strapping's materials etc.

Special care is to be taken in handling chemicals. In case of spillage, the affected are should be immediately cleared in accordance with instructions of the manufacturer safety Section.

Electric/gas welding should not be permitted inside the Warehouse/stores area, except in case (s) of emergency repair, when it will be carried out under the strict supervision of the Officer, Warehousing in coordination with the section.

(7) **Maintenance of Stores**

Once in a month all storage area should be inspected for security and safety of material and the following must be ensure.

- Wire fences around explosive stores/dangerous materials and open storage yards must be in goods condition.

- Passage lanes inside the warehouse/storage area are to be properly marked for movements of material handling equipment.
- Materials should be properly placed in storage with locations clear marked and area must be clean and tidy.
- Electrical wiring in the Warehouse/other storage areas should be properly secured without any damage to outlet/switches and all light must be functional.
- Illumination levels in all the warehouse storage areas should be good.

(8) Storage of Material

The Officer, Warehousing section should inspect and arrange cleaning and preservation of all stored materials at least once in year even more frequently as required.

- The manufacturer's surfaces during cleaning and preservation.
- Rubberized parts should be preserved as per manufactures and, if necessary, stored in a cool place.
- Electronics spares should be cleaned and preserved properly.

Chemicals should not be unpacked for inspection However, in case (s) where signs of deterioration are apparent; the user department/Safety section should be contacted for advice.

- In case where material deterioration is suspected/observed, the user department should be contacted of inspection and/or functional test of the items to ascertain of its services have been affected.

(9) Review of shelf-Life

All items having a shelf-life must be tagged indicating date of receipt and expiry date. To ensure maximum utilization of materials before expiry, for example, Vulcanizing material and castle refractors, the Officer, warehousing section should periodically review such items and prepare a list with details of the items and their corresponding expiry dates. This information is to be relayed by the stores Manager to the user department to ensure timely utilization of the material. Special attention should be given to material whose remaining shelf life is less than three month.

(10) Knowledge of Material: It is important for staff to have a good knowledge of the materials used in the manufacture, relevant technical terms, method of measurement, common defects and the purpose for which the materials are eventually used. Meanwhile, the knowledge possessed by the storekeeper will be accompanied by practical experience of handlings and storing them (Kareem, T.S 2011).

ACKNOWLEDGEMENT

I acknowledge the authors of books, journals and other references materials used in the process of this paper, and also to the people who stood by me in time of challenges, indeed all their assistance will always be remembered. I pray that Almighty God will be with everybody who is committed to my progress and achievement in life (Amen).

My sincere appreciation goes to my publisher, International Institute For Science, Technology And Education,(IISTE). I must confess that, their contributions tremendously improved the quality of this paper for this, I am indeed very grateful.

Conclusion

In conclusion, receiving and stores play a more important role than is sometimes recognized in supporting and facilitating a firm's production operations, receiving is responsible for expectations receipt and general inspection of materials, as well as for a thorough review and compares of all relevant documentation with the materials. Store is responsible for identification and safe efficient physical handling and storage.

The receiving operation is an important control point in a firm's materials system. This is the only point at which the purchasing control documents actually meet the materials themselves. Subsequently, stores assume responsibility for the physical care and control of the firm's inventory. Some this materials represent from 15 to 30 percent of the organization's total invested capitals this responsibility is a significant one to say the list.

In conclusion, to the custodial and material control aspects of the responsibility these functions directly influence costs, the manner in which receiving and stores activities are conducted clearly influences inventory carrying costs and to some extent, the direct labour cost of production.

We can realized that, if all machinery are, put in place, it will be easy for any efficient and effective Store (s) Manager to detect fraud and also prevent its occurrence in all houses.

It can be realized that, the value of the inventory in the warehouse may be millions of Naira, and many of the items in the warehouse are of attractive nature and are likely to be pilferage by the store staff or by those who come for items issued from the warehouse hence, it is paramount that the Store Manager put in place an adequate security system to prevent the menace.

It can also be concluded that, one of the most important aspect of Stores Management is security, which covers not only theft and fraud, but also stock deterioration, damage, location and special storage and they all management responsibility for effective and efficient storage system. It is germane that Stores Manager take proper control of all stores functions in an emerging economy in other to contribute positively to the development of the organization through cost reduction.

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