

Standard Operating Procedure (SOP)

Inventory, Stocktaking, and Loss Prevention

This SOP details the procedures for **inventory, stocktaking, and loss prevention**, including regular stock monitoring, accurate record-keeping, periodic physical counts, discrepancy identification and resolution, secure storage practices, and strategies to minimize theft and damage. The goal is to maintain accurate inventory levels, ensure operational efficiency, and prevent financial losses within the organization.

1. Purpose

To establish standardized procedures for inventory management, periodic stocktaking, and loss prevention to ensure accurate records, operational efficiency, and protection of company assets.

2. Scope

This SOP applies to all personnel involved in inventory handling, record-keeping, and security across all storage and operational locations of the organization.

3. Responsibilities

- **Inventory Manager:** Oversee inventory records, coordinate stocktaking, review discrepancies.
- **Warehouse Staff:** Execute stock movements, maintain accurate records, assist in physical counts.
- **Security Personnel:** Implement access control, monitor for theft or damage.
- **Auditors:** Conduct periodic audits to ensure compliance.

4. Procedure

1. Inventory Record-Keeping

- All stock movements (receipts, issues, transfers, disposals) must be recorded in the inventory management system (IMS) **immediately**.
- Records should include item description, quantity, date, responsible personnel, and any supporting documentation.

2. Regular Stock Monitoring

- Monitor minimum and maximum stock levels to avoid overstocking or stockouts.
- Set reorder points in the IMS to trigger procurement when threshold levels are reached.

3. Physical Stocktakes

- Conduct periodic physical counts (quarterly, biannually, or as needed).
- Use standardized stocktake sheets or digital devices for counting.
- Counts must be done by at least two staff members to reduce errors and prevent fraud.
- Stocktakes should be conducted outside of routine business hours when possible.

4. Discrepancy Identification and Resolution

- Compare physical counts with IMS records.
- Investigate and document all discrepancies.
- Adjust IMS after approval from the Inventory Manager or supervisor.

5. Secure Storage Practices

- Restrict access to inventory storage areas to authorized personnel only.
- Implement CCTV surveillance, locks, and alarm systems as appropriate.
- Store valuable or sensitive items in secure, locked enclosures.

6. Loss Prevention Strategies

- Conduct regular staff training on theft prevention, handling procedures, and reporting suspicious activity.
- Implement clear policies for handling damaged or expired goods.
- Investigate suspected theft, damage, or loss promptly; take corrective and disciplinary actions as per company policy.

7. Audit and Review

- Perform regular internal and external audits of inventory records and physical stock.
- Review and update SOPs annually or as necessary.

5. Documentation

- Inventory logbooks/IMS entries
- Stocktake count sheets

- Discrepancy reports
- Loss/damage/theft incident reports
- Audit findings and corrective actions

6. Revision History

Version	Date	Description of Change	Author
1.0	2024-06-13	Initial SOP template issued	[Your Name/Title]