

SOP: Inventory Tracking and Reconciliation Schedules

This SOP details the **inventory tracking and reconciliation schedules**, encompassing procedures for accurate inventory monitoring, periodic stocktaking, data verification, discrepancy resolution, documentation standards, and reporting timelines. The goal is to maintain precise inventory records, prevent stock discrepancies, optimize supply chain efficiency, and support financial accountability through systematic reconciliation processes.

1. Purpose

To standardize the process for inventory monitoring, routine reconciliation, and discrepancy management, enabling reliable inventory levels, efficient supply chains, and compliant reporting.

2. Scope

This SOP applies to all staff responsible for inventory control, stock management, and reconciliation across all warehouse and storage locations.

3. Responsibilities

- **Inventory Manager:** Oversee all inventory tracking and reconciliation activities.
- **Warehouse Personnel:** Conduct physical stock counts and report discrepancies.
- **Finance Team:** Audit inventory records and validate reconciliations.

4. Procedures

4.1 Inventory Tracking

1. Enter all incoming and outgoing stock into the inventory management system immediately upon receipt/dispatch.
2. Document batch/lot number, quantity, date, and responsible personnel for each transaction.

4.2 Reconciliation Schedules

| Reconciliation Type | Frequency | Responsible Party | Notes |
|---------------------------------|-----------|---------------------------|-----------------------------|
| Cycle Count | Weekly | Warehouse Staff | Sampled high-turnover items |
| Full Physical Inventory | Quarterly | Inventory Manager & Staff | All items, full site audit |
| System-to-Physical Verification | Monthly | Finance Team | Random spot checks |

4.3 Data Verification & Discrepancy Resolution

1. Compare physical count data against inventory system records.
2. Investigate discrepancies & identify root causes (e.g., shipping errors, data entry mistakes).
3. Document findings in the discrepancy log and initiate corrective actions as required.
4. Escalate unresolved or significant discrepancies to the Inventory Manager within 24 hours.

4.4 Documentation Standards

- Maintain signed physical count sheets or electronic logs for all reconciliations.
- Record all investigations and corrective actions in the discrepancy resolution log.
- Archive all reports digitally for a minimum of three years.

4.5 Reporting Timelines

| Report | Frequency | Recipient |
|-----------------------------|-----------------------|----------------------------|
| Cycle Count Summary | Weekly | Inventory Manager |
| Full Inventory Report | Quarterly | Finance & Operations Heads |
| Discrepancy & Action Report | Monthly, or as needed | Finance & Compliance |

5. Review & Amendments

This SOP is to be reviewed annually by the Inventory Manager and updated as operational needs or regulatory requirements change.

6. References

- Inventory Management Policy
- Company Compliance Manual
- Applicable industry regulations