

# SOP: Inventory Tracking and Stock Level Monitoring

## Purpose

This SOP establishes **inventory tracking and stock level monitoring** processes to ensure accurate recording, management, and control of stock levels. It covers procedures for regular stock counts, real-time inventory updates, discrepancy resolution, reorder point determination, and reporting. The goal is to maintain optimal inventory levels, prevent stockouts or overstocking, and support efficient supply chain operations.

## Scope

This SOP applies to all personnel involved in the handling, management, and control of inventory items within the organization.

## Responsibilities

- **Inventory Manager:** Oversees implementation and adherence to this SOP, reviews inventory reports, approves discrepancy resolutions, and analyzes reorder data.
- **Warehouse/Stock Staff:** Conducts physical stock counts, updates inventory records, reports discrepancies, and assists with stock level monitoring.
- **Procurement Staff:** Initiates purchasing based on reorder points and communicates with suppliers as needed.

## Procedure

1. **Regular Stock Counts (Cycle Counting & Full Inventory Checks):**
  - Schedule and conduct periodic physical counts of all inventory items (weekly, monthly, or quarterly as determined by management).
  - Record actual quantities and compare with inventory records.
  - Document discrepancies for review.
2. **Real-Time Inventory Updates:**
  - Record all stock receipts, issues, and returns immediately in the inventory management system.
  - Ensure all transactions are properly authorized and documented.
3. **Discrepancy Resolution:**
  - Investigate identified discrepancies between physical and recorded stock.
  - Document findings and root causes.
  - Adjust records as approved by the Inventory Manager.
4. **Reorder Point Determination:**
  - Establish minimum stock levels (reorder points) for each item based on usage rates, lead times, and safety stock requirements.
  - Monitor inventory to trigger reordering when items reach their reorder points.
5. **Reporting and Analysis:**
  - Generate regular inventory reports (weekly/monthly) including current stock levels, items below reorder points, and discrepancies.
  - Review trends and make recommendations for inventory optimization.

## Documentation and Records

- Stock count sheets
- Inventory adjustment forms
- Inventory reports
- Discrepancy investigation reports

## References

- Inventory Management Policy

## Revision History

Version	Date	Description	Author
1.0	[Insert Date]	Initial Release	[Insert Name]