

SOP Template: Routine Cycle Counting and Stocktaking Instructions

This SOP provides detailed **routine cycle counting and stocktaking instructions** to maintain accurate inventory records, ensure stock integrity, and minimize discrepancies. It covers the procedures for regularly scheduled counts, reconciliations, variance investigations, and reporting to support efficient inventory management and accurate financial reporting. The goal is to optimize stock control, reduce lost or misplaced items, and enhance overall warehouse operations.

1. Purpose

To establish a standardized procedure for routine cycle counting and stocktaking activities in order to:

- Ensure inventory accuracy
- Support timely financial reporting
- Maintain operational efficiency
- Reduce shrinkage and loss

2. Scope

This SOP applies to all staff involved in inventory management, stock control, and warehouse operations.

3. Responsibilities

Role	Responsibility
Warehouse Manager	Supervise and approve cycle count activities, ensure SOP compliance, analyze discrepancies
Inventory Staff	Perform counts, record results, investigate variances, report findings
Finance Team	Review reports, update financial records, support audits

4. Frequency

- **Cycle Counting:** Conducted weekly, monthly, or quarterly based on ABC classification
- **Full Stocktaking:** Conducted annually or as required by policy/audit

5. Procedure

- Preparation**
 - Review cycle count schedule and select items/zones to be counted
 - Print physical count sheets or set up electronic devices
 - Disable inventory movements during counting for selected items
- Physical Counting**
 - Count items as per location by two authorized staff (blind count preferred)
 - Record actual quantities found on count sheets/devices
- Reconciliation**
 - Compare physical count with system records
 - Identify any variances and note details
- Variance Investigation**
 - Investigate discrepancies exceeding predefined variances
 - Document root causes and corrective actions
- Reporting**
 - Submit cycle count results and variance reports to Warehouse Manager
 - Update inventory records as approved
 - Retain documentation for audit purposes

6. Controls and Documentation

- Maintain signed count sheets/records for 2 years
- Access controls to inventory and records
- Immediate reporting of significant discrepancies

7. Related Documents

- Inventory Adjustment Policy
- Annual Stocktaking Plan
- Audit Trail Report Template

8. Revision History

Version	Date	Description	Author
1.0	2024-06-07	Initial SOP created	[Your Name]