

Standard Operating Procedure (SOP)

Material and Inventory Evaluation for Changes

Purpose

This SOP details the process for **material and inventory evaluation for changes**, covering regular assessment of stock levels, quality control measures, identification of obsolete or excess materials, documentation of inventory adjustments, communication with procurement and production teams, and continuous improvement strategies. The objective is to maintain accurate inventory records, optimize material usage, and ensure timely updating of inventory to support efficient operations and minimize waste.

Scope

This SOP applies to all inventory management staff, procurement, production, and quality control teams involved in material handling, storage, and inventory records.

Responsibilities

- **Inventory Management Team:** Oversee and execute inventory evaluation and updates.
- **Warehouse Staff:** Physically inspect and report on inventory status.
- **Procurement Team:** Adjust purchasing plans based on evaluated inventory changes.
- **Production Team:** Coordinate material usage and provide feedback on material needs.
- **Quality Control Team:** Monitor and report on material quality issues.

Procedure

1. **Stock Level Assessment**
 - Perform regular physical inventory counts as scheduled.
 - Compare physical counts with digital inventory records.
2. **Quality Control Measures**
 - Inspect materials for damage, expiration, or quality issues during each evaluation.
 - Separate non-conforming materials for further assessment.
3. **Identification of Obsolete/Excess Materials**
 - Identify slow-moving, obsolete, or excess materials based on usage reports and shelf-life.
 - Create a list for appropriate action (e.g., disposal, return, repurposing).
4. **Documentation of Adjustments**
 - Document all inventory adjustments in the inventory management system, including reason and authorization for changes.
 - Maintain supporting records for audit trail.
5. **Communication and Coordination**
 - Notify procurement and production teams of significant inventory changes or needs.
 - Coordinate on material order adjustments and production scheduling as required.
6. **Continuous Improvement**
 - Review inventory discrepancies and root causes for recurring issues.
 - Implement corrective actions to improve inventory accuracy and minimize waste.

Records and Documentation

Document/Record	Description	Retention Period
Inventory Count Sheets	Physical inventory count results	2 years
Inventory Adjustment Logs	Records of adjustments with reasons	2 years
Obsolete/Excess Material Reports	Lists and actions taken for non-usable materials	2 years
Quality Control Inspection Reports	Documentation of QC findings during evaluations	2 years

Review and Revision History

Date	Revision	Description	Approved By
2024-06-25	1.0	Initial Release	Inventory Manager

References

- Company Inventory Management Policy
- ISO 9001:2015 - Quality Management Systems
- Relevant Inventory Software User Manuals