Physical inventory - check list

	WHO	WHEN	Transaction
General information / instruction			
1. Define responsibilities			
Finance responsible assigned			
Inventory manager or his representative			
Chief financial officer			
Inventory count team			
2. Prepare annual planning			
3. Prepare site procedure			
Before count			
1. Organize a preparatory meeting with the operational team to :			
Define which warehouses and products are included in the inventory count,			
Review counting instructions,			
Define roles and responsibilities.			
Validate that the number of fork drivers and counting team is adequate			
2. Notify affected parties providing adequate lead time to plan appropriately.			
Suppliers			
Customers			
Employees concerned			
3. Prepare the storage area			
Arrange items so they can be easily counted,			
Ensure there are no hazards in the warehouse that could be dangerous during the inventory count,			
Clearly mark package quantities if necessary;			
4. All planned pick up that can not be physically anticipated or postponed and need to happened at the same time of the counting activity, it is possible to anticipate all the transactions in the system so that the products are no more in the balance on hand			
5. Review available equipment and supplies: Printers, printer paper, tags and PC's			
6. Block inventories			
7. Create inventory document			MI31
8. Print out the counting sheet			MI21
9. Count team and key punchers briefing (precising, unit of measure, lot number, safety, procedure to bring counting sheet to key punchers...)			
10. An assigned zone is given to each count team.			
11. Count sheets and tags are given to each team			
Count			
1. Each count team has an assigned zone to count from one part to the other			
One person counts the item and attaches a tag to the inventory items that were counted,			
The second records on the inventory document the actual quantity counted.			
Key punching			
1. Entering count			MI04
Inventory validation			
1. Recording of count results is made and a list of discrepancies is calculated			MI20
2. A list of inventory discrepancies is printed.			MI11

3. The Finance responsible assigned identifies items that require a second count according to the rules defined in the site procedure.			
4. As far as possible, it is a different count team who performs the second count.			
5. The results of the second count are recorded, and if necessary a third count can be asked.			MI04
6. A definitive list of inventory discrepancies is drawn up and sent to the inventory manager.			MI20
7. Finance responsible assigned validates the physical inventory.			MI07
After count			
1. Unblock warehouse			
2. Inventory discrepancies above the recounting threshold are analyzed and explained by • the inventory manager who sends his analysis to the Finance responsible assigned.			
3. The analysis and final list of inventory count discrepancies are:			
Signed off and dated by the inventory manager and the Finance responsible assigned,			
The analysis and final list of inventory count discrepancies are archived			
4. Posting on IAC e-room, an inventory report including:			
An inventory summary (inventory type, area, coverage rate, list of adjustment…)			
A list of the people who participated to the count			
An explanation of the most significant variances in quantity/ value (above the fixed threshold)			
A signature (hand written or by mail) of the report by all the people having responsibilities in the count.			
Validation by: ◦ the Finance Manager or the Business Controller, ◦ the plant manager ◦ the Enterprise Supply Chain Director (when the sum of the adjustment is above a threshold defined in the procedure)			
5. Update a progress report on the cycle counts			
Check the checklist is completed!			