

# Inventory Audit Checklist

## Pre-Audit Set Up

- ☐ **Set Audit Objectives** – Define purpose: accuracy, compliance, cost control
- ☐ **Assign Roles** – Delegate tasks to staff or auditors
- ☐ **Gather Records** – Collect purchase orders, invoices, stock reports
- ☐ **Prepare Audit Space** – Clean, organised, and distraction-free area

## Inventory Review

- ☐ **Count Physical Stock** – Verify each item manually or with scanners
- ☐ **Use Cycle Counts** – Focus on high-value or fast-moving items
- ☐ **Apply Cut-off Rules** – Pause transactions during audit
- ☐ **Classify Inventory (ABC)** – Group by value: A (high), B (medium), C (low)

## Cost & Compliance

- ☐ **Review Freight Costs** – Check shipping, damage, and delays
- ☐ **Check Finished Goods Costing** – Include materials, labour, overhead
- ☐ **Verify Overhead Allocation** – Ensure indirect costs are correctly applied

## Reconciliation & Reporting

- ☐ **Reconcile Counts** – Match physical vs system records
- ☐ **Analyse Inventory Trends** – Review turnover, margins, and anomalies
- ☐ **Sign Off Audit** – Include auditor name, date, and signature
- ☐ **Log Issues & Observations** – Note discrepancies, expired or damaged stock

## Security & Equipment

- ☐ **Check Entry Points** – Confirm locks and access controls
- ☐ **Test Equipment** – Ensure scales, scanners, and sensors work