

20-Point Inventory Profit Leakage Quick Audit

This quick audit helps you recognise possible inventory-control weaknesses across five areas of your operation. It is not a formal audit and not an Inventory Profit Protection™ (IPP™) assessment — it is a practical starting point.

For each item, mark whether it reflects your current practice. Items you cannot check confidently are worth a closer look.

1. Receiving

- ☐ Quantities are verified against the delivery note before sign-off.
- ☐ Goods receipt is documented for every delivery.
- ☐ Damage on arrival is recorded before stock is put away.
- ☐ Discrepancies with suppliers are logged, not just verbally raised.

2. Stock Records

- ☐ Stock is recorded in standard, consistent units.
- ☐ Stock movements (in, out, transfers) are documented as they happen.
- ☐ Physical stock is periodically checked against recorded stock.
- ☐ Stock adjustments require approval — they are not made freely.

3. Warehouse Control

- ☐ There is clear accountability for who is responsible for which stock area.
- ☐ Access to the warehouse/store is controlled, not open to all staff.
- ☐ Damaged or returned stock is physically separated from sellable stock.
- ☐ Higher-value or higher-risk inventory receives closer monitoring.

4. Dispatch

- ☐ Stock only leaves the premises against approved, documented release.
- ☐ The person releasing stock is not the same person recording it, where staffing allows.
- ☐ Movement between locations is controlled and documented.

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Returns are documented, not just physically placed back on the shelf.

5. Reconciliation & Management

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Spot mini-counts happen periodically, not only once a year.

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A full physical-to-record reconciliation happens on a fixed schedule.

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Discrepancies are investigated, not simply written off.

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Reconciliation results are reported to management, not just filed away.

How to Read Your Results

Mostly checked: your control foundation looks relatively strong. A mix of checked and unchecked items: some control gaps may deserve attention. Mostly unchecked in one or more areas: several warning signs are present and worth investigating soon. This self-check does not estimate financial losses or diagnose fraud — it highlights where to look first.

Want a professional read on this?

Inventory Profit Protection™ (IPP™) provides a structured approach for investigating and closing the gaps this audit surfaces. Book a Business Growth Strategy Session™ at sonofmanmarketing.com/contact/