HIGH-VOLUME

WORKSHEET 2 OF 9

Weekly Cycle-Count Log

Count one SKU group per week on a fixed schedule. Counter must be different from the daily transaction recorder for the same group.

Complementary worksheet for
Warehouse Management Essentials
by Ibrahim Anwar

SECTION 1

What This Is For

A full physical inventory finds discrepancies once a year, after they have compounded for twelve months. A cycle count finds them within weeks, while the cause is still traceable and the correction costs almost nothing. This log is the operational instrument that makes cycle counting sustainable in an SME warehouse: one group of SKUs per week, two hours of one employee's time, a rotation that covers the entire catalog within four to eight weeks without stopping any other operation.

The operator who reaches for this sheet is not responding to a problem — they are preventing one from forming. The value is not in catching a large discrepancy. It is in the habit of catching small discrepancies when the cause is recent enough to investigate: a missed receipt entry from last Thursday, a picker who recorded the wrong location code, an adjustment that was applied without a reason written down. Found in the next weekly count, these are ten-minute corrections. Found in the annual count, they are unexplained variances that auditors ask about.

SECTION 2

Benefits

What you get when you actually run this worksheet on a real situation:

- Detects recording errors within days of their occurrence, when the transaction trail is still warm and the cause is findable.
- Builds a live IRA score from actual count data — no separate measurement exercise required.
- Separates the counters from the transaction recorders, creating the independence that prevents one person from hiding their own errors.
- Produces retained count forms that serve as audit evidence that the system ran per procedure, not just as a verbal claim.
- Scales to any catalog size: 50 SKUs or 500, the weekly rotation logic stays the same — only the group size changes.

SECTION 3

Framework To Use

Three-Step Discrepancy Resolution

A discrepancy found in a count is not yet an error. The resolution sequence determines whether the correction is accurate or merely cosmetic.

SECTION 4

How To Use

Follow these steps in order. Each one builds on the previous.

1. Before the week starts: confirm which SKU group is being counted this week. Post the rotation schedule so the group assignment is not decided on the day of the count.
2. Assign a counter who does not record daily transactions for the same SKU group. Write their name in the Counter Name column before counting begins.
3. Pull the current Balance per Record for each SKU from the stock card or system. Write it down before starting the physical count — not after.
4. Count physically. Do not look at the Balance per Record while counting. The count is only independent if it is blind to the expected number.
5. Record the Physical Count result. Calculate Discrepancy as Physical Count minus Balance per Record. Enter with a + or − sign.
6. For any non-zero Discrepancy: trace all inbound and outbound transactions for that SKU since the last count. If an unrecorded transaction explains the gap, record the missed transaction and note it in Probable Cause. The balance corrects automatically — no adjustment entry needed.
7. If no unrecorded transaction is found: create an adjustment document with a reason code and an authorizing signature. Write the reason code in this log's Action Taken column.
8. Sign and retain this form. File it with the count forms from the previous three weeks. An auditor asking for evidence of cycle counting will ask for these.

SECTION 5

Example Use

A food distributor with 180 SKUs counts Group 2 (SKUs 46–90) on Wednesday. Counter finds a discrepancy on SKU RIC-25 (premium jasmine rice, 5-kg bags): record shows 84 bags, physical count shows 79 bags.

Counter records 79 in the Physical Count column. Discrepancy: −5. She does not adjust the balance immediately.

She pulls the stock card for RIC-25 and traces every transaction since last Wednesday's count. The card shows 12 bags inbound Monday (PO-3341), then an outbound of 17 bags Tuesday (DO-1188). Opening balance last Wednesday was 84. Expected: 84 + 12 − 17 = 79 bags.

The math resolves cleanly: the stock card shows 84 because DO-1188 was never recorded. The picker confirmed the outbound but the office entry was missed.

Counter notes in Probable Cause: "DO-1188 outbound 17 bags not entered to stock card." Action Taken: "DO-1188 recorded; balance now 79."

After recording DO-1188, the system balance updates to 79. No adjustment entry needed. The discrepancy is resolved at its source, not papered over.

IRA for this week's 45-SKU sample: 44 matched, 1 resolved via found transaction = 44/45 = 97.8%. Above the 95% threshold. The missed entry is logged as a recording process issue for the weekly team briefing.

SECTION 6

The Worksheet

Tear this out, copy it onto a fresh sheet, or fill it in directly.

Weekly Cycle-Count Log

Count one SKU group per week on a fixed schedule. Counter must be different from the daily transaction recorder for the same group.

DATE	COUNTER NAME	SKU CODE	LOCATION CODE	BALANCE PER RECORD	PHYSICAL COUNT	DISCREPANCY (+ / −)	PROBABLE CAUSE (IF ANY)	ACTION TAKEN	COUNTER SIGNATURE

SECTION 6 (CONTINUED)

Reflection Prompts

After filling in the worksheet on the previous page, work through these.

1. For any row with a discrepancy: do not correct the balance immediately. Trace inbound and outbound transactions for this SKU since the last count first. If an unrecorded transaction explains the gap, record the missed transaction — the balance corrects automatically. If no missed transaction is found, record an adjustment with a reason code and an authorising signature.

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2. After four consecutive weekly logs: calculate this month's IRA sample. Count rows where Physical Count = Balance per Record, divide by total rows counted, multiply by 100. If IRA is below 95 percent, which SKU groups or zones account for most of the discrepancies? That is where the recording procedure needs tightening.

SECTION 7

Tips and Traps

TIPS

- Run the count mid-day on a fixed weekday. Mid-day is when receiving and shipping activity is lowest. A fixed day prevents the count from being deferred because 'this week is busy' — every week has a busy period.
- Pull the Balance per Record column before the counter starts — ideally printed from the system, not written from memory. The counter should not be able to see the expected balance while counting physically.
- Schedule Category A SKUs (high value) more frequently: monthly minimum. The same rotation logic applies but the group size is smaller and the cycle shorter. On a 200-SKU catalog: 40 Category A SKUs, 10 per week, complete coverage monthly.
- If a discrepancy cannot be resolved within one week, escalate before the next count — not after. An unresolved discrepancy carried into the next count obscures whether the second count's result is accurate.

TRAPS

- Having the same person count and record daily transactions for the same SKU group. The independence requirement is not optional. Without it, the count is not a check — it is self-confirmation.
- Discarding count forms after data is entered. The form is the evidence. An auditor who asks 'how do I know this count was done?' cannot be answered with 'we entered the numbers into the system.'
- Adjusting the balance to match the physical count without writing a reason code. A balance adjustment with no reason attached is indistinguishable from a concealed error, which is exactly what it may be.
- Stopping the investigation at step one. Finding an unrecorded transaction explains the discrepancy but does not explain why the transaction was not recorded. That second question — why — is the one that prevents the same error next week.

SECTION 8

Appendixes

Appendix A — IRA Calculation from Weekly Logs

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IRA (Inventory Record Accuracy) per counting cycle:

  IRA (%) = (rows where Physical Count = Balance per Record
             / total rows counted this cycle) × 100

Note: rows where a missed transaction was found and recorded count as
"accurate" for IRA purposes — the system eventually captured the
transaction. Only rows requiring an unexplained adjustment count as
"inaccurate."

Thresholds:
  >= 98%   : target. System is working as designed.
  95–97%   : acceptable. Monitor trend over next two cycles.
  < 95%    : recording system cannot be trusted for procurement decisions.
             Identify which SKU groups are driving the gap. Fix recording
             procedure for those groups before next count.
  < 90%    : critical. Procurement planning is unreliable. Stop batch
             recording immediately; switch to perpetual entry.
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Appendix B — ABC Cycle Count Frequency Schedule

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Reference schedule for a 200-SKU catalog:

Category A (40 SKUs, top 70–80% of stock value):
  Target frequency : monthly
  SKUs per week    : 10
  Cycle            : 4 weeks

Category B (60 SKUs, next 15–25% of value):
  Target frequency : quarterly
  SKUs per week    : 5
  Cycle            : 12 weeks

Category C (100 SKUs, bottom 5–10% of value):
  Target frequency : every 6 months
  SKUs per week    : 4
  Cycle            : 26 weeks

Total per week: 10 + 5 + 4 = 19 SKUs
Counter time required at 6 min/SKU: ~2 hours per week

Adjust SKUs-per-week up or down based on actual catalog size.
The category ratio (20/30/50 split) holds regardless of total count.
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WHERE THIS WORKSHEET COMES FROM

Warehouse Management Essentials

Control What Enters, What Is Stored, and What Leaves Your Warehouse

by Ibrahim Anwar

This worksheet is one of nine in the *Warehouse Management Essentials* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

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