

SPECIFIC-CASE

WORKSHEET 8 OF 9

Persistent Zone Discrepancy Investigation Worksheet

Scenario: cycle counts for one specific zone consistently show a negative discrepancy against the ERP or stock card for three or more consecutive counting periods. The zone's balance is corrected after each count, but the same gap reappears. A recurring discrepancy in one zone is not a counting error — it is a process failure with a specific location.



Complementary worksheet for
Warehouse Management Essentials
by Ibrahim Anwar

What This Is For

A discrepancy found once in a cycle count is an event. A discrepancy found in three consecutive counts for the same zone, after the balance was corrected each time, is a system failure. The correction is working — the numbers match right after each count. But the process that creates the discrepancy is still running. The gap reopens between counts, reliably, because the underlying cause was never identified.

This worksheet investigates the zone, not the individual SKU. It maps every transaction recorded for the zone across three consecutive count periods, verifies whether each transaction appears in both the physical document trail and the stock record, and determines whether the discrepancy is SKU-level (a recording error on specific items) or zone-level (an access or recording procedure that applies to the whole zone). The worksheet produces one specific corrective action — not a policy reminder — that must be implemented before the next count and verified by comparing the post-fix count result against the baseline recorded here.

Benefits

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

- Distinguishes between SKU-level errors (wrong location code on transactions) and zone-level failures (procedure or access control breakdown) — two different fixes.
- Builds a complete transaction audit trail for the affected zone across multiple count periods, making the root cause visible rather than inferred.
- Produces the post-fix baseline against which the corrective action is verified — without this baseline, 'the fix worked' is a claim, not a measurement.
- Generates documentation that an auditor can follow: here is the discrepancy, here is the investigation, here is the fix, here is the verification.
- Stops the correction-without-resolution cycle: balance corrected, discrepancy returns, balance corrected again.

Framework To Use

— SKU-Level vs Zone-Level Diagnosis

The distribution of discrepancies across SKUs determines the scope of the problem and the level of the fix required.

<p>SKU-LEVEL PATTERN (SPECIFIC SKUS IN THE ZONE SHOW DISCREPANCIES; OTHERS ARE CLEAN)</p> <p>Probable cause: wrong location code being recorded on transactions for those specific SKUs. Pickers or recorders are assigning a nearby location code instead of the correct one. Fix: enforce location-code scan or visual verification before any transaction is submitted for those SKUs.</p>	<p>ZONE-LEVEL PATTERN (MOST OR ALL SKUS IN THE ZONE SHOW DISCREPANCIES)</p> <p>Probable cause: a recording or access control procedure that applies to the whole zone is not being followed. Could be batch recording at period end for this zone, or goods leaving the zone without documents. Fix: zone-specific procedure audit — identify which step in the recording workflow is being skipped and enforce it with a named accountable person.</p>
--	--

How To Use

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

- 1 Fill in one section of four rows per count period (three periods minimum). Each row is one SKU from the zone that showed a discrepancy.
- 2 Pull the Record Balance before counting from the stock card or ERP — the number the system held, not the expected number.
- 3 Fill in the Physical Count result and calculate Discrepancy.
- 4 In the Inbound and Outbound transaction columns: list the total quantity of transactions recorded for this SKU in this zone since the last count. Pull from the stock card or ERP transaction history.
- 5 Answer Transactions Verified in Record: did every physical document (PO receipts, Delivery Orders) for this SKU in this period appear in the stock record? If you find a physical document with no matching record entry, that is your unrecorded transaction.
- 6 If Unrecorded Transaction Found = Yes: record it and close the row. The gap is explained. The fix is enforcing real-time entry.
- 7 If Unrecorded Transaction Found = No after reviewing all documents: the discrepancy is either an access control failure or a location code error. Fill in the Probable Cause column with the specific mechanism.
- 8 After completing three count periods: identify whether the discrepancy pattern is SKU-level or zone-level. Write one specific corrective action and a named person responsible.
- 9 Re-run the count two weeks after implementing the fix. Compare the post-fix discrepancy against the average from the three investigation periods. If the discrepancy has dropped below the 3% investigation threshold: fix confirmed.

Example Use

A pharmaceutical distributor's Zone C (injectable ampoules) shows a consistent negative discrepancy of 8–12 units across three consecutive weekly counts. After each count, the balance is corrected. Three weeks later, the same gap reappears. IRA for Zone C is running at 91%, well below the 95% threshold.

The owner opens the worksheet. Three count periods: April 18, April 25, May 2.

April 18 count: SKU AMP-04 (saline solution 500 ml, 20-unit packs). Record Balance: 140 units. Physical Count: 128. Discrepancy: -12. Inbound qty since last count: 40. Outbound qty since last count: 18. That math: 128 (opening last count) + 40 - 18 = 150 expected. But physical is 128. Gap of 22 units — larger than the recorded outbound explains.

Transactions Verified: the owner pulls all Delivery Orders with Zone C ampoule transactions for the April 11–18 period. She finds DO-1244 dated April 14: 22 units of AMP-04 dispatched. The DO exists as a physical document. It does not appear in the stock card. Unrecorded Transaction Found: Yes. Cause: DO-1244 was processed during a Friday afternoon rush and the office entry was deferred to Monday. By Monday, the count period had closed.

Same pattern for April 25 and May 2: in both periods, at least one outbound DO for Zone C was recorded to the stock card 24–48 hours after physical dispatch. The zone-level pattern: recording lag on outbound transactions, consistently occurring on high-volume delivery Fridays and Mondays.

The discrepancy is not an access problem. It is a batch-recording window that opens on Friday afternoon and closes Monday morning. The fix: require stock card entry for Zone C outbound transactions before goods leave the zone, not by end of day. Named responsible: Pak Rudi (Zone C recorder). Implementation: May 9. Manager sign-off required on all Zone C outbound transactions for 30 days to enforce the new timing.

Two-week re-count (May 16): Zone C IRA = 98.7%. Discrepancy on AMP-04: zero. Fix confirmed. Documented.

Reflection Prompts

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

1. For any row where Transactions Verified = N: pull the physical receiving documents and outgoing documents for that zone and period. Compare them line by line against the stock card or ERP entries. A discrepancy that appears in three consecutive counts without a confirmed unrecorded transaction is either a recording gap (someone recording transactions in a batch at period end rather than in real time) or an access control problem (goods leaving the zone without a document).

2. After completing the table: does the discrepancy appear across all SKUs in the zone or only specific SKUs? If specific SKUs, the issue is likely SKU-level (wrong location code being recorded on transactions). If all SKUs, the issue is zone-level (a recording or access procedure that applies to the whole zone is not being followed).

3. Design one specific corrective action — not a general policy reminder — and implement it before the next count. Examples: require the recorder to scan the location code label before any entry is submitted (catches wrong-code errors); require a manager sign-off on all outgoing transactions from this zone for 30 days (identifies unauthorised outflows). Re-run the count two weeks after implementation and compare the discrepancy to the baseline in this table.

Tips and Traps

TIPS

- Pull the physical Delivery Orders and receiving documents before sitting down with this worksheet. The investigation is a document-matching exercise. Starting it without the physical documents means relying on the stock record to investigate the stock record — which proves nothing.
- Three consecutive periods is the minimum for a meaningful pattern. Two periods can be coincidence. Three confirms the process failure is recurring, not random.
- When the pattern is zone-level (all SKUs show discrepancies), interview the most experienced person who works in that zone — not to assign blame, but to understand what the actual workflow looks like in practice versus the written procedure. The gap between the two is where the cause lives.
- Post the corrective action on the zone's physical wall as a brief instruction, not only in a policy document. 'All Zone C outbound transactions must be recorded before goods leave this zone — no exceptions' on a printed card at the zone entrance changes behavior faster than a memo.

TRAPS

- Treating the discrepancy as 'probably a counting error' after the second consecutive occurrence. A counting error that reproduces identically across three periods is not a counting error. It is a process failure that is being mistaken for one.
- Implementing the corrective action without a verification count. 'We fixed the procedure' is not a confirmed fix until the next count shows the discrepancy has dropped below the investigation threshold.
- Running this investigation on a zone that has never had a documented counting procedure. The investigation assumes there is a procedure to compare reality against. If there is no procedure, write one first — the investigation will otherwise produce 'no procedure found' as the root cause for every row, which is true but not actionable at the SKU level.
- Correcting the balance after each count without running this investigation. A balance correction without investigation is a number that looks right. A balance correction after investigation is a number that is right, and will stay right.

Appendixes

Appendix A – Transaction Verification Checklist

Use per count period to confirm all physical documents are matched to stock record entries for the zone under investigation.

Inbound transactions to verify:

- All Purchase Orders received in this zone during the period:
each PO has a matching stock card inbound entry with correct date, quantity, and location code
- All inter-warehouse transfer receipts for this zone:
each transfer has a stock card inbound entry and a corresponding outbound entry at the source location
- All returned goods receipts:
each return has a stock card entry with reason noted

Outbound transactions to verify:

- All Delivery Orders dispatched from this zone:
each DO has a matching stock card outbound entry with correct date, quantity, and location code
- All inter-warehouse transfer dispatches:
each dispatch has a stock card outbound entry and a corresponding inbound entry at the destination (if internal)
- All goods moved for internal use or samples:
each movement has an internal transfer document and a stock card outbound entry with reason code

Any row where document exists but stock entry does not:

- Unrecorded transaction found
- Record the missed transaction
- Balance corrects automatically
- Note the document reference in the Probable Cause column

Appendix B – Specific Corrective Actions by Root Cause

SKU-level cause (wrong location code on transactions):

- Action : Require recorder to physically read the location code label before submitting any entry for this SKU.
For digital systems: make location code a required scan, not a free-text field.
- Verify : At next count, check whether the same SKUs still show discrepancies. If clean: fix confirmed. If recurring: the code label may be unreadable or absent – replace it.

Zone-level cause – recording lag (batch entry at period end):

- Action : Require real-time entry for all transactions in this zone.
Post a physical sign at the zone entrance: "Record before goods leave this zone." Manager sign-off for 30 days.
- Verify : At two-week re-count, check whether the recording timestamp in the system is within 30 minutes of the transaction time.

Zone-level cause – access control (goods leaving without a document):

- Action : Physical barrier at zone exit: goods may not leave without a completed Delivery Order in hand.
Log every entry and exit to the zone for 30 days.
- Verify : Compare zone exit log against Delivery Orders for the period.
Any exit without a DO is an access control failure.



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.

Available on Google Play Books

play.google.com/store/books

PT Hibrkraft Kreasi Indonesia · Cileungsi, Bogor · hibranwar.com