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1. PURPOSE

To ensure that corporate governance procedures are followed

2. SCOPE

Depot Warehouse

3. REFERENCES

Generic stock control procedures
Distribution Excellence Audit document

4. DEFINITIONS

Distribution Excellence Audit

5. RESPONSIBILITY

Warehouse Manager
Stock Controller

6. DOCUMENTATION

Warehouse Checkers note
Security Checkers note
Applicable reports
Packaging transfer control sheet
Cullet Weigh-Bridge print out
Crate Destruction Control Sheet

7.1 STOCK TAKE

- Preparation for stock counts forms part of the **General Housekeeping Rules**. On each shift half pallets must be counted and labelled. All breakages and quality issues should be kept in a bin allocated per shift. All stock to be written off needs to be ring fenced. All empties should be stored by grouping like empties. All bins should be numbered and clearly outlined. The warehouse should be clean.
- The reports on the stock movements need to be printed.
- Ideally the first loads must be despatched and there are no inter-depot movements (physically and systematically) before the stock picture is taken
- A printed count sheet with the bin route listed should be used. This form provides space for the tally, for stock codes and stock status.
- Two counters will count inside the warehouse. They will count fulls and empties inside the warehouse. Each counter will conduct an individual count. Each

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counter will start on opposite ends of the warehouse. They will follow a clearly defined route and will cross paths at some point. No discussion should take place between the two at any time during the count.

- Two counters will count outside the warehouse. Each will count independently.
- At the end of the count variances need to be resolved by going to the specific bins where the variances were found. Once the variance is resolved, these forms need to be signed off by each counter and the stock controller.
- The physical count then needs to be compared to the system report.
- Actual stock variance report is executed and posted. Hard copies must be printed before exiting the screen as information will be unavailable after posting.
- All documentation needs to be signed off by the stock controller and warehouse manager.
- The Warehouse Manager needs to perform a weekly stock count independent of the other counters and once the variances are posted he needs to sign-off all documentation. This count is a sample count although the sample needs to be a substantial one and he must ensure he covers the entire warehouse in a month.
- The Operations Manager needs to perform a stock count monthly and sign off all documentation at completion. This count is a sample count as he does not need to count the entire stock. The count should also be unannounced.
- The financial planner / manager for Operations need to count once a month.
- Internal Audit will conduct ad-hoc counts.

7.2 STOCK OUTS

- The delivery has stock but the inter-depot shipment or production stock transfer has not arrived on time. There is no or some physical stock available on despatch.
 - Check if any stock is available in Cash & Carry to satisfy distribution shipment short-loads.
 - The Stock Controller must determine the estimated time of arrival from the production line and advise the Load planner/Distribution Controller.
 - If the stock will not arrive in time, a written list of all potential affected shipments must be given to the Distribution Controller / Site Controller.
 - The Distribution Controller / Load Planner will determine which shipments must be amended (changed or deleted). This way customer expectations can be managed.
 - The Warehouse Supervisor / Warehouseman will delete the applicable line items from the shipments. Each affected load must be recorded in a register.
 - **If the line item is deleted from the delivery, the line item must be rejected from the order BEFORE the truck returns to the depot. If not done in time, the customer will be billed for the undelivered stock. Timing is extremely important.**

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- The Distribution Controller / Load planner will inform the customers to make alternative arrangements.

7.3 ZONE TRANSFERS

- The production representative informs the warehouse supervisor of the empties required. The warehouse supervisor then allocates a bin for production.
- The warehouse supervisor summons the security officer who completes a stock transfer ticket and signs it. A copy of the ticket goes to production, a copy to the stock controller to transfer the stock on the system and a copy remains with the security officer's book.
- The security officer oversees the physical stock transfer where after he resumes his other duties.
- The process for the transfer of full stock from production to the warehouse is exactly the same.
- The stock controller has the responsibility to ensure that all stock movements are accurately recorded on the system and that it is backed by signed documentation.
- The security officer is the 'gate keeper' and needs to ensure integrity. There is no need for security officers to permanently sit fulfilling this role but instead they should be called for movements by the warehouse supervisor.

7.4 Distribution BIT's

- All Distribution Bit's must be off loaded at Site Control and put into the Distribution Bit's store.
- Bit's must be cleared daily from the Bit's store and sent to Site Services for destruction.
- The Beer decanting form must be completed and signed before being decanted
- Salvaged Bit's will only be allowed to be returned back to the Warehouse if authorised by the Warehouse Manager or the Stock Controller.

7.5 Inter Depot BIT'S

- All Inter depot Bit's found on trucks whilst off loading must be taken to the Frozen Area.
- The Stock Controller will investigate these Bit's and charge the transporters accordingly.
- These inter depot Bit's will be sent to Site Services for destruction.
- The stock controller must sign the Beer decanting form.

7.6 Frozen Zone

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- All stock being placed in the Frozen Zone must have a reason stated on it with all applicable detail, (shipment number, reason for return)
- All stock in the frozen zone will only be removed with authorisation by the Warehouse Manager or Stock Controller.

7.7 Warehouse Breakages

- All warehouse breakages must be recorded on the warehouse breakages report by the warehouse supervisor / warehouseman on each shift.
- Each shift should be allocated an area in the breakages cage. At shift hand-over the warehouse breakages report and the physical breakages should be checked.
- The warehouse breakages report must be handed to the stocks department daily for verification.
- After verification by the stocks department these breakages will be sent to the decanting area for destruction.
- A beer decanting form must be signed off by the stock controller/stock clerk and the contractor for all beer being decanted.
- The stock controller / stock clerk will write off these breakages on the system.

7.8 Packaging Full Beer Receipts in warehouse

- All full beer to be binned separately by brand pack.
- Each shift to record receipt on manual production sheets by bin, brand, pack and quantity in pallets and cases.
- At the end of each shift physical records must be reconciled with full beer case counters on all production lines by warehouse supervisor and packaging team leaders.
- Warehouse supervisor to receipt all full beer stocks on the system daily on each shift after agreement and sign off.
- Filling bins at shift handover must be recorded on packaging transfer control sheet by outgoing supervisor.
- A 24 hour cut off to be performed by packaging team leader and warehouse supervisor daily and signed off.
- Case counter numbers agreed, recorded and zeroed by packaging team leader and warehouse supervisor.
- All packaging variances to be investigated and commented on the packaging transfer control sheet.
- Stocks and Packaging Logistics Manager to agree numbers daily.

7.9 Crate Destruction

- All crates identified as defective by packaging to be placed in a separate area for checking.

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- The stock controller/stock clerk must complete the Crate destruction Control Sheet and ensure that the crates are granulated on the same day.
- Stocks department to charge packaging for the crates after destruction at Site Services.
- Stock Controller to agree totals with packaging logistics manager weekly and monthly.
- On a weekly basis the stock controller must reconcile the crate destruction control sheet information with the system transactions.
- The contractor must ensure that the granulated crates are taken off site monthly.
- Stock controller to ensure that the monthly write off balances to the weighbridge totals.

7.10 Cullet

- Cullet to be taken to Site Services daily and placed into Cullet bins.
- Site Services will contact Waste removal to fetch the bins.
- The Bins will be weighed by production security on the weigh bridge and recorded.
- Cullet report to be printed weekly and sent to Stock department and packaging logistics manager.
- Cullet numbers to be agreed by stock controller and packaging logistics manager weekly.
- Cullet to be charged to packaging weekly.

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