

# Course Description

## Performing the Physical Inventory

### Description:

In this course we will cover performing the physical inventory and the risks associated with this phase of the process.

### Learning Objectives:

Upon completion of this course, the learner will be able to:

- Provide consultation on the implementation of a physical inventory
- Recommend key controls and best practices
- Properly test the internal controls related to the physical inventory process

**Estimated Course Duration:** 1 hour (1 CPE)

**Field of Study:** Production

**Program Level:** Basic

**Prerequisites:** None

**NASBA Publication/Revision Date:** 07/13/07

### Course Outline:

#### Overall Cutoff

- Receipts
- Shipments
- Production Activity
- Procedures to Ensure Cutoff
- Cutoff Testing

#### Counting Process

- Count Validation
- Count Approaches
  - Ticket Preparation
  - Ticket Placement
  - Count A
  - Count B
  - Count Auditors
  - Submitted Tickets
  - Data Entry
  - Inventory Differences Report
  - Discrepancies and Recount
  - Recount Results
  - Finalized Quantities
  - Comparing Count and Subledger Quantities
  - Recount Disconnects
  - Root Cause Analysis Report
- Specific Counting Procedures

#### Recording, Analyzing & Finalizing the Results

- Compiling Results of the Accounts
- Analyzing Results of the Physical Count
- Finalizing the Inventory Count
- Processing Changes in the Subledger/General Ledger
- Postmortem on the Process
- Errors and Control Procedures



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