STOCK VERIFICATION

* It is a statutory necessity.
* To verify the accuracy of the stock records.
* To disclose the possibility of fraud, theft, loss etc.
* To reveal any weakness in the overall storage system, so as to make improvement
* To enable better control of inventories.
* Various methods of stock verification can be adopted. Annual stock taking shall be carried out before closure of every financial year. As per statutory requirement each item must be physically checked as per its unit of measurement at least once in a year and entry to the effect that the physical stock verification is carried out by way of counting, weighing, or measuring and found correct to be made in the relevant ledger pages and initialed by the verifying officer. Discrepancies if any found are recorded and immediately investigated.
* The stock check should be planned in such a way that all the items are checked at least once in a year and the important items and costly or attractive items checked two, three or four times a year.