STOCK HANDLERS SOLUTIONS

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Variance Investigation Log

Turning a list of discrepancies into something you can act on

Published by Stock Handlers Solutions · Independent inventory verification, Nairobi

A variance report tells you the size of the problem. It does not tell you what happened. Classifying each discrepancy is what converts a count into a process improvement — and it usually shrinks the figure that has to be written off as loss. This is the order Stock Handlers Solutions works through on every count.

Work through the causes in this order

Step	Check	Typical finding
1	Recount the largest variances	A surprising proportion resolve here
2	Look for offsetting pairs	Duplicate code or unit-of-measure error
3	Check movement history on the worst lines	Unrecorded internal issue or transfer
4	Test cut-off either side of the count date	Timing, not loss
5	Review receiving records against deliveries	Short delivery signed for, or double entry
6	Check write-offs and disposals	Goods removed, paperwork never raised
7	Review master data for the affected items	Wrong unit, vague description, dead code
8	What remains after all of the above	The figure worth treating as loss

Log sheet

Print as many copies of this page as you need. One line per variance, worst by value first.

Item code	Qty var.	Value	Probable cause	Action / owner

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Pattern is the evidence — what SHS looks for

Process errors cluster around particular items, suppliers, transaction types or periods, and they produce surpluses as well as shortfalls. Loss does not produce surpluses, and it concentrates in items that are small, valuable and easily resold. One count has no pattern in it — which is why an annual count is a poor tool for telling the two apart.