INVENTORY MANAGEMENT POLICY AND PROCEDURES

Purpose

The purpose of this Inventory Management Policy and Procedures document is to establish a framework for the effective and efficient management of Trendie's inventory. This policy aims to ensure that all inventory activities, including ordering, storage, and distribution, are conducted in a manner that supports operational needs, minimises costs, and complies with relevant Australian legislation and regulations.

Scope

This policy applies to all departments and employees involved in inventory management at Trendie, including purchasing, warehousing, distribution, and record-keeping activities. It covers all inventory items, including raw materials, finished goods, and supplies, and outlines the procedures for handling these items throughout their lifecycle.

Policy Principles

- **Accuracy and Accountability:**

    Trendie is committed to maintaining accurate inventory records and ensuring accountability at all stages of the inventory management process. This includes the proper recording, tracking, and reporting of inventory levels to support operational efficiency and financial integrity.

- **Efficiency and Cost-Effectiveness:**

    Inventory management practices must be efficient and cost-effective, aiming to minimise inventory holding costs while ensuring adequate stock levels to meet operational requirements. This involves optimising order quantities and minimising wastage or obsolescence.

- **Compliance with Legislation and Regulations:**

    All inventory management activities must comply with relevant Australian laws and regulations, including the Australian Consumer Law, Work Health and Safety (WHS) Act 2011, and applicable industry standards. This includes adherence to safety guidelines for storing and handling inventory.

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- **Security and Loss Prevention:**

  Measures must be implemented to safeguard inventory against theft, damage, and loss. This includes secure storage facilities, regular inventory audits, and access controls.

- **Quality Control:**

  Inventory items must be inspected upon receipt and during storage to ensure they meet quality standards. Damaged or defective items should be identified and reported immediately for appropriate action.

Responsibilities

- **Employees:**

  Employees involved in inventory management are responsible for adhering to this policy and following the established procedures. They must accurately record inventory transactions, report discrepancies, and handle inventory items in a safe and secure manner.

- **Managers:**

  Managers are responsible for overseeing inventory management activities within their departments. They must ensure that employees are trained in inventory procedures, monitor inventory levels, and conduct regular audits to verify accuracy and compliance.

- **Inventory Control Team:**

  The Inventory Control Team is responsible for maintaining accurate inventory records, coordinating inventory counts, and investigating discrepancies. They are also tasked with developing and implementing procedures to improve inventory management practices.

Procedures

- **Ordering and Receiving Inventory:**

  - **Ordering**: Inventory orders must be placed based on approved purchase requisitions and in accordance with the organisation's procurement policy. Orders should be made in economic order quantities (EOQ) to optimise stock levels and minimise holding costs.

  - **Receiving**: Upon receipt of inventory, the receiving personnel must inspect the items for quality and accuracy against the purchase order. Any discrepancies or damages must be documented and reported immediately to the Inventory Control Team.

  - **Documentation**: All received inventory must be recorded in the inventory management system, including details such as quantity, item description, and date of receipt. A Goods Received Note (GRN) should be generated for each receipt.

- **Storage and Handling:**

  - **Storage**: Inventory items must be stored in designated areas that are secure, clean, and comply with WHS requirements. Hazardous materials must be stored according to safety regulations, including the Work Health and Safety Regulations 2011.

  - **Labelling**: All inventory items must be clearly labelled with identifying information, such as item code, description, and expiry date if applicable.

  - **Handling**: Employees must follow safe handling practices when moving or transporting inventory. This includes using appropriate lifting techniques and equipment to prevent injury and damage to the items.

- **Inventory Record Keeping:**

  - **Inventory System**: All inventory transactions, including receipts, transfers, and issues, must be recorded in the inventory management system promptly. Accurate record-keeping is essential for tracking inventory levels and supporting financial reporting.

- **Stock Levels**: Minimum and maximum stock levels must be established for each inventory item to ensure optimal stock availability. Automated reorder points should be set in the system to trigger replenishment orders when stock reaches the minimum threshold.

- **Inventory Audits and Stocktaking:**

  - **Regular Audits**: Regular inventory audits must be conducted to verify the accuracy of inventory records and identify any discrepancies. Discrepancies must be investigated, and corrective actions taken to prevent recurrence.

  - **Stocktaking**: A physical stocktake must be conducted at least annually to reconcile inventory records with actual stock on hand. The results of the stocktake must be documented and reported to the Inventory Control Team and senior management.

- **Issue and Distribution:**

  - **Requisition**: Inventory items must be issued based on approved requisitions from authorised personnel. Each requisition should include details such as the item requested, quantity, and intended use.

  - **Distribution**: Inventory items must be distributed in accordance with the organisation's distribution procedures. This includes ensuring that items are packaged securely and delivered to the correct location.

- **Returns and Disposal:**

  - **Returns**: Items returned to inventory must be inspected and, if in good condition, recorded back into the inventory system. Damaged or defective items should be reported for appropriate action.

  - **Disposal**: Inventory items that are obsolete, expired, or damaged beyond repair must be disposed of in accordance with the organisation's disposal policy and relevant environmental regulations.

Compliance and Enforcement

Trendie is committed to ensuring compliance with this Inventory Management Policy and Procedures. Employees found violating this policy may be subject to disciplinary action, which may include retraining, formal warnings, or termination of employment, depending on the severity of the breach.

Legislation and Regulations

This policy is aligned with relevant Australian legislation and regulations, including but not limited to:

- **Australian Consumer Law**:

  Ensuring compliance with product safety and consumer rights.

- **Work Health and Safety (WHS) Act 2011**:

  Ensuring a safe working environment and proper handling of hazardous materials.

- **Environmental Protection Act 1994**:

  Compliance with regulations related to the disposal of hazardous and non-hazardous materials.

Review and Updates

This Inventory Management Policy and Procedures document will be reviewed annually to ensure its relevance and effectiveness. Any updates or changes will be communicated to all employees. It is the responsibility of all staff involved in inventory management to familiarise themselves with the most current version of this policy.

Implementation

All employees involved in inventory management will receive training on this policy and the associated procedures. The policy will be accessible to all staff via the company intranet and included in the employee handbook.