

LIVE-PROJECT REPORT ON INVENTORY AUDIT AT JANATHA FISH MEAL & OIL PRODUCTS, KOTA.

Submitted By

DEPARTMENT OF MANAGEMENT STUDIES (MBA)
MOODLAKATTE INSTITUTE OF TECHNOLOGY, KUNDAPURA

Project Duration: 4 Days (27-02-2023 to 02-03-2023)

Project Team (MBA 2023-25)

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Under the Guidance

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Special Thanks To

Project Coordinators		
Mr. Sujith Bangera Store Manager, JANATHA GROUPS	Mr. Ananth Nayak Assistant Manager, Business Support, JANATHA GROUPS	Mr. Jowin Rodrigues Internal Auditor, JANATHA GROUPS

Store Coordinator

Mr. Panduranga Mr. Ashok Mr. Rama	Mr. Nithin Mr. Santhosh	Mr. Ashwath Mr. Satish
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INVENTORY AUDIT

ABOUT

Inventory Audit check ensures that financial records match a company's inventory records aligning with physical inventory count.

AUDIT OBJECTIVES

- To check and verify the Inventory items present at the store.
- To identify inventory deviations with the book of records maintained by the company.
- To identify missing or unaccounted items in the store inventory with book of records.

MODUS OPERANDI

To check and verify on stock/inventory present at the company. In other words, Inventory audit refers to comparison of physical stock in the company go-down with the stock recorded in the company's record books or computer systems. Inventory audit is done by the auditor. This process identifies present available inventory and rectifies the deviation and raises questions for the reason of deviations. This process helps in smooth flowing of the company.

AUDIT STRATEGY

- Location based Inventory Audit to be conducted.
- Each team to verify stock based on Item List of respective location.
- Identified unaccounted or missing items to be listed and reported separately.
- Each team is to be assisted by a store coordinator in identifying location and items.
- Group of 6 members were divided into 3 teams.

- **Team 1**

- Team Members: Jovial and Pannaga
- Team Coordinator: Mr. Jowin Rodrigues, Internal Audit
- Store Coordinator: Mr. Nithin

- **Team 2**

- Team Members: Sushmitha and Lakshminarayana
- Team Coordinator: Mr. Sujith, Store Manager
- Store Coordinator: Mr. Panduranga

- **Team 3**

- Team Members: Karthik and Mulla Sameer
- Team Coordinator: Mr. Ananth Nayak, Assistant Manager
- Store Coordinator: Mr. Ashwath & Mr. Ashok

AUDIT OUTCOME SUMMARY

Sl. No	Particulars		Inventory Count
1	Total Location Audited		21 Location
2	Total Items Audited	:	3617
3	Correct Items	:	1545
4	Items with Variations	:	1053
5	Items Missing	:	812
6	Unaccounted Items Identified	:	207

Table 1 Showing summary of audit outcome

- ❖ On verification, 85 of the unaccounted items are identified as existing item placed in different location appended to item with variation

LOCATION WISE REPORT

Items Audited in the boxes mentioned below: Hardware, Spare Parts, Pipes and Fittings, Safety Equipment and others.

SL. No.	Particulars	IC- B1	IC- B2	IC- B3	IC- B4	IC- B5	IC- B6	IC- B7	IC- B8	IC- B9	IC- B10
1	Total Items Audited	9	34	26	16	23	33	24	60	20	32
2	Correct Items	6	14	5	11	15	11	12	41	06	14
3	Items with Variations	1	7	6	02	05	14	06	03	09	6
4	Items Missing	1	6	15	03	03	02	06	16	04	11
5	Unaccounted Items Identified	1	07	0	00	00	06	00	00	01	01

Table 2

- Note:- IC refers to Inventory count

SL. No.	Particulars	IC- B11	IC- B12	IC- B13	IC- B14	IC- B15	IC- B16	IC- B17	IC- B18	IC- B19	IC- B20
1	Total Items Audited	15	08	08	46	42	18	16	37	28	98
2	Correct Items	12	00	02	33	26	05	02	30	12	66
3	Items with Variations	01	07	04	08	13	06	03	05	13	15
4	Items Missing	02	01	02	04	03	07	11	02	03	12
5	Unaccounted Items Identified	00	00	00	01	00	00	00	00	00	05

Table 3

SL. No.	Particulars	IC-B21	IC-B22	IC-B23	IC-B24	IC-B25	IC-B26	IC-B27	IC-B28	IC-B29	IC-B30
1	Total Items Audited	04	47	50	52	11	15	18	38	11	11
2	Correct Items	00	38	20	33	01	08	14	27	01	04
3	Items with Variations	01	01	16	05	06	05	01	00	05	02
4	Items Missing	02	07	13	10	03	01	03	08	04	05
5	Unaccounted Items Identified	01	01	01	04	01	01	00	03	01	00

Table 4

SL. No.	Particulars	IC-B31	IC-B32	IC-B33	IC-B35	IC-B36	IC-B37	IC-B38	IC-B39	IC-B40
1	Total Items Audited	23	24	06	17	25	02	16	40	24
2	Correct Items	13	12	01	07	10	00	02	05	06
3	Items with Variations	01	05	02	01	04	00	02	22	09
4	Items Missing	09	03	02	08	10	01	02	12	08
5	Unaccounted Items Identified	00	04	01	01	01	01	10	01	01

Table 5

SL. No.	Particulars	IC-B41	IC-B42	IC-B44	IC-B45	IC-B46	IC-B47	IC-B48	IC-B49	IC-B50
1	Total Items Audited	60	03	04	01	07	27	50	06	05
2	Correct Items	07	00	02	00	00	00	12	00	00
3	Items with Variations	17	01	00	00	02	00	09	00	00
4	Items Missing	23	01	01	01	04	00	25	05	04
5	Unaccounted Items Identified	13	01	01	00	01	27	04	01	01

Table 6

SL. No.	Particulars	IC-B51	IC-B52	IC-B 53 B54 B57	IC-B53 B56	42IC-B55	IC-B56	IC-B57	IC-B58	IC-B59
1	Total Items Audited	04	68	43	39	226	03	03	07	48
2	Correct Items	00	16	00	03	175	00	01	04	29
3	Items with Variations	02	27	35	21	17	02	00	02	15
4	Items Missing	01	08	07	15	33	01	02	01	03
5	Unaccounted Items Identified	01	17	01	00	01	00	00	00	01

Table 7

SL. No.	Particulars	IC-B61	IC-B62	IC-B63	IC-B65	IC-B66	IC-B67	IC-B68	IC-B70	IC-B71	IC-B72
1	Total Items Audited	16	04	29	10	05	18	05	03	04	25
2	Correct Items	10	01	21	08	00	08	02	00	03	07
3	Items with Variations	04	00	05	01	00	01	00	00	00	00
4	Items Missing	01	02	02	01	04	08	02	02	00	17
5	Unaccounted Items Identified	01	01	01	00	01	01	01	01	01	01

Table 8

SL. No.	Particulars	IC-B74	IC-B75	IC-B76	IC-B78	IC-B79	IC-B80	IC-B81	IC-B82	IC-B85	IC-B86	IC-B89
1	Total Items Audited	02	09	27	30	26	04	04	22	06	21	17
2	Correct Items	00	04	06	26	22	02	02	19	01	01	10
3	Items with Variations	00	00	01	01	01	00	00	00	01	01	05
4	Items Missing	01	04	19	02	02	02	02	02	03	18	01
5	Unaccounted Items Identified	01	01	01	01	01	00	00	01	01	01	01

Table 9

SL. No.	Particulars	IC-B90	IC-B91	IC-B92	IC-B93	IC-B94	IC-B95	IC-B96	IC-B97	IC-B98	IC-B99	IC-B100
1	Total Items Audited	21	12	12	05	10	05	10	04	09	17	03
2	Correct Items	05	03	07	01	04	02	03	01	06	04	00
3	Items with Variations	03	01	02	01	00	00	01	00	00	06	00
4	Items Missing	06	02	02	02	05	02	05	02	03	07	02
5	Unaccounted Items Identified	07	06	01	01	01	01	01	01	00	00	01

Table 10

SL. No.	Particulars	IC-B101	IC-B102	IC-B104	IC-B107	IC-B108	IC-B109	IC-B112	IC-B113	IC-B114
1	Total Items Audited	12	10	04	02	04	04	02	06	02
2	Correct Items	05	04	03	00	01	01	00	05	00
3	Items with Variations	04	01	00	00	01	01	00	00	01
4	Items Missing	02	02	01	01	01	01	01	00	01
5	Unaccounted Items Identified	01	03	00	01	01	01	01	01	00

Table 10

SL. No.	Particulars	IC-Rack A	IC-Rack B	IC-Rack C	IC-Rack D	IC-Rack E	IC-Rack F	IC-Rack G	IC-Rack H	IC-Rack I	IC-Rack J	IC-Rack K
1	Total Items Audited	65	109	141	102	73	76	98	109	97	19	44
2	Correct Items	12	56	57	22	45	18	27	59	46	03	23
3	Items with Variations	35	37	75	58	12	29	42	35	38	13	11
4	Items Missing	08	15	08	21	15	28	28	14	12	02	09
5	Unaccounted Items Identified	10	01	01	01	01	01	01	01	01	01	01

Table 11

SL. No.	Particulars	IC- Rack L	IC- Rack M	IC-PLC Godrej	IC- Room 1	IC- Room 2	IC- Room 3	IC- Wardrobe 1
1	Total Items Audited	37	40	26	162	25	63	128x
2	Correct Items	03	07	01	45	00	10	41
3	Items with Variations	15	20	00	79	02	07	29
4	Items Missing	18	05	05	28	04	28	48
5	Unaccounted Items Identified	01	08	20	10	19	18	10

Table 12

SL. No.	Particulars	IC- Wardrobe 2	IC- Wardrobe 3	IC- Civil Room	IC- Cylinder Room	IC- Engine Room
1	Total Items Audited	25	85	03	08	09
2	Correct Items	11	69	00	02	05
3	Items with Variations	01	06	01	06	02
4	Items Missing	05	05	01	00	02
5	Unaccounted Items Identified	08	05	01	00	00

Table 13

AUDIT FINDINGS

We found that electric switches with different amps were kept together in a single box which lead towards confusion. The rack allotted for some machinery/motors was not big enough resulting in misplacement of the same. The flanges kept in place and label assembled to it was different resulting in confusion. Some of the products like rubber shoes and waterproof shoes were kept in different places because of lack of space allotted. Cleaning in the store like dust and other things needs to maintained, need to add more tube lights in the store. Lots of unaccounted items were found. Bearing, Gaskets, Spare parts, Pipe fittings and joints were kept neatly in order which is appreciated. The method of storing items was well appealing. Safety measures were up to date and employee safety was well maintained.

AUDIT FEEDBACK

As per the audit, the products are all misplaced from its original place and has been kept in other racks, not concerned with that particular box this leads to excess time utilization in searching for the product creating confusion to the inventory manager. Few of the products like measurement gaze were damaged and not being used was still stored on the rack and was considered in the list to be in the working condition. Misplaced items need to be kept in respected places to avoid further confusion. Some items were kept in same box leading to inefficient inventory management. Some areas have poor lighting conditions and require necessary measures to be taken. A better sorting and organizing the inventory, would be good for the smooth functioning of the store.

AUDIT EXPERIENCE

Every day was a new experience & every experience taught us a lot of things which strengthened our core understanding of inventory and its management.

We had learnt lot of things from audit processing that every little inventory item is important in auditing, we gained so much knowledge & experience about practical inventory audit. The working staff helped us lot in identifying & handling the products in the store for smoother audit process. The coordinators and the staff displayed lot of patience and were quick to respond to our query.

The project assisted us in understanding standard industry practice to identify and differentiate the inventory item based on its brand, size, quality, material of construction & other identifiable factors. We got information about utilization of particular items in the industry and its importance. There were some products which were misplaced and had to be relocated to correct location, by its characteristics and model numbers.

We learnt lot of smart work that every item/product is not countable one by one in numbers, we can calculate it mathematically by using our smartness. Nothing is easy until we put our concentration and interests. We must have patience & thirst to learn new things that makes us perfect in everything.

OUR IMMENSE THANKS AND GRATITUDE TO,

- ❖ The Managing authority, IMJ Institutions Kundapura.
- ❖ The Managing authority, Janatha Fish Meal and Oil Products, Kota.
- ❖ The Managing authority, MIT Kundapura.
- ❖ Department of Business Administration, MIT Kundapura.
- ❖ Project Coordinators, Janatha Fish Meal and Oil Products, Kota
- ❖ Faculty Coordinators, MIT Kundapura
- ❖ Store Coordinators, Janatha Fish Meal and Oil Products, Kota
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