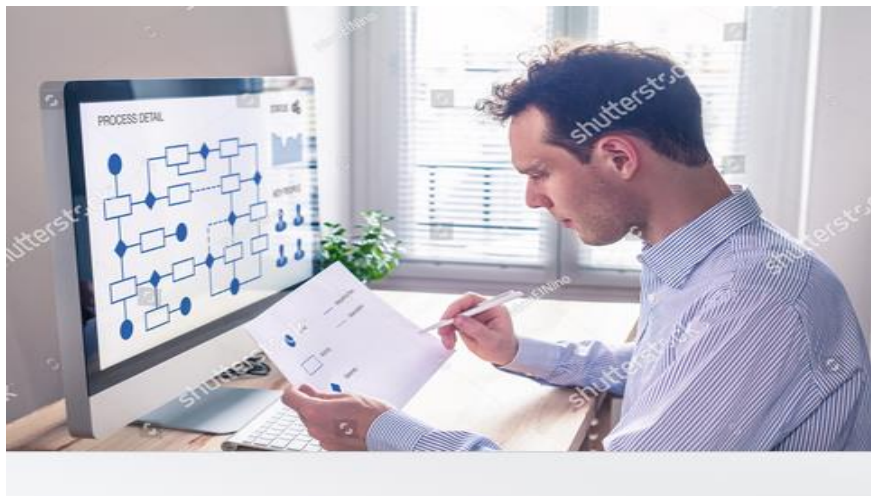


# FOOD AND BEVERAGE CONTROL

## LEVEL III

BASED ON CURICULEM NOVEMBER 2022 VESRSION I



**Module Title: Monitoring Receiving and Storing Stock**

**Module Code: CST FBC3 M06 0322**

**Nominal duration: 64 Hours**

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**November 2022**

**Addis Ababa**

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## Acknowledgement

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## Acronym

SKU

S: supply

V: variant.

(DIS): Discrepancy Identification System

GFM: Global Freight Management

QC: quality control

QA: quality Assurance

ISO

NBIS

EHO: environmental health officer

LIFO

FIFO:

COGS: cost of goods sold

TCS: temperature control for safety

RAM

RFID: Radio Frequency Identification

## Introduction to the module

This module is designed to meet the industry requirement under the food and beverage control occupational standard, particularly for the unit of competency Replenish stock levels. Take delivery of stock Maintain perishable supplies at optimum quality supplies in appropriate conditions Rotate and maintain store

## Module unit

- Replenishing stock levels.
- Taking delivery of stock
- Maintaining perishable supplies at optimum quality
- Appropriating supplies in conditions
- Rotating and maintain stock

### Learning objectives of the Module

At the end of this session, the students will able to:

- Replenish stock levels.
- Take and delivering of stock
- Maintain perishable supplies at optimum quality
- appropriate supply in good conditions
- Rotate and maintain stock

### Module Instruction

For effective use these modules trainees are expected to follow the following module instruction:

Read the information written in each unit

Accomplish the Self-checks at the end of each unit

Perform Operation Sheets which were provided at the end of units

Read the identified reference book for Examples and exercise

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## Unit one Replenish stock levels.

This learning unit is developed to provide the trainees the necessary information regarding the following content coverage and topics:

- Rotating, replenishing and presenting stocks
- Recording stock waste or shrinkage
- Maintaining optimal stock levels on retail shop floor

This unit will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Stocks are rotated, replenished and presented according to organizational requirements for stock levels
- Stock waste or shrinkage is recorded according to organizational procedures
- Optimal stock levels are maintained on retail shop floor

### 1.1. Rotating, replenishing and presenting stocks

**Stock replenishment:** - also known as inventory replenishment entails moving or rotating items along the supply chain at an optimal rate to both meet customer demand on time and keep inventory costs low. Every salesperson knows that having the right amount of product in stock at the right time is crucial. Too much stock, and the company must pay for extra storage, risks losing products with short shelf lives or ends up stuck with unmoving products on shelves for a long time. Too little stock, and the company could lose customers due to shipment delays and

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stockouts. The goal should always be to have product moving through the supply chain in a way that keeps costs as low as possible without hindering customer experience, with raw materials or finished items reordered at exactly the right time to maintain optimal flow. Stock replenishment is the process by which companies try to achieve that goal, usually assisted by inventory management software that can automate stock replenishment processes.

- Reordering point materials or products,
- Moving them from reserve to primary storage or from storage to warehouse order.
- Picking locations are all part of the stock replenishment process that keeps products flow

Replenishment is the controlled and regular movement of inventory from an upstream point on the supply chain to a downstream location that requires sufficient stock to cover demand. The process of inventory replenishment varies depending on the type of business and circumstances. Brands using the periodic method replenish their inventory at fixed intervals, such as every 6 weeks or every 3 months. Inventory levels are only restocked at these specified, predetermined times regardless of seasonality or how low stock levels have dropped.

### **Stock replenishment principles**

1. Multiply your maximum daily usage by your maximum lead time in days.
2. Multiply your average daily usage by your average lead time in days.
3. Calculate the difference between the two to determine your safety stock.

Replenishment analysts manage the inventory for a company or specific department within it and are responsible for forecasting the demand for certain materials and products, followed by purchasing and replenishing them. replenishment managers lead replenishment teams in various retail stores and distribution centers. Their main role is to ensure that the team's goals are regularly met, as well as to develop replenishment strategies to maximize the efficiency of their team. A replenishment specialist manages inventory for a store. As a replenishment specialist, your job duties include ordering supplies when they run low, processing shipments as they arrive, organizing backroom shelves, and displaying products properly in a retail environment.

### **The Key statements of Stock replenishment: -**

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- Stock replenishment is a process that ensures product flows through the supply chain at an optimal rate for fulfilling orders while holding costs low.
- Demand forecasting and optimization of physical storage space are good first steps for an effective stock replenishment process.
- Stock replenishment can occur periodically i.e., inventory assessed and reordering done at the end of preset intervals or on demand, where reordering is based on more immediate customer demand.
- Inventory management software can assist with stock level calculations, monitoring of stock and overall end-to-end inventory visibility.

### **Stock Replenishment Explained**

Stock replenishment helps ensure that the right amount of inventory is available for sale at the right time. Its aim is to keep inventory holding costs as low as possible for the company and optimize stock levels to fulfill customer orders, with no overstock or stockouts. The stock replenishment process dovetails with demand forecasting and physical storage space considerations because it includes deciding how much stock to hold for each item; how much to reorder, and when; and when to move inventory from the reserve or “back” stock to the active stock or picking areas of a warehouse or distribution center.

Each company must establish its own rules and methods for stock replenishment. It’s important to consider customer demand forecasts and the company’s working capital when optimizing inventory levels, and to prioritize high-value stock keeping units.

### **Effective Stock Replenishment**

Effective stock replenishment ensures that goods flow efficiently throughout the supply chain. For retailers, the ultimate goal and importance of effective stock replenishment is to secure customer satisfaction by having the right product in stock for timely shipping and delivery when the customer needs it. For manufacturers and others in earlier stages of the supply chain, the importance of a well-implemented stock replenishment strategy translates into preventing costly delays in production, enabling the reordering of products with satisfactory lead times and

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maintaining cost-effective inventory levels. Smart stock replenishment also positively impacts a company's finances by prioritizing the investment of working capital for high-demand items, avoiding extra holding costs of obsolete stock and preventing customer loss due to stockouts



Figure 1 rotate Replenishment

## 1.2. Recording stock waste or shrinkage

**Shrinkage:** -shrinkage is the inventory loss due to circumstances such as employee theft, shoplifting, administrative error, vendor fraud, damage, being stolen from manufacturer or at the time of sale, and inadequate inventory management.

In terms of accounting, it is said that it occurs when a retailer has fewer items in stock than in the inventory list due to the described errors. The purpose of this chapter is to reflect upon what we understand the term 'shrinkage' to mean and how it is being used and measured by the retail sector. This may seem like a rather obvious set of questions but as we outline below, currently there is little consensus and interpretations vary widely between different parts of the retail industry and between different countries about what the term shrinkage means.

This has made benchmarking highly problematic, and as we will discuss in the next chapter, seriously undermines the efficacy of the various surveys that are regularly undertaken to try and ascertain the scale and extent of the problem.

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shrinkage has been defined looking particularly at what is generally included or excluded and how it is measured. We will then consider the various typologies used to describe shrinkage and go on to suggest that a more meaningful way of considering the problem is to categories it in terms of its maliciousness (those types of shrinkage which are a consequence of malicious activity compared with those which are due to non-malicious actions), particularly when considering ways of reducing its impact on retail companies. chapter will then go to reflect upon the various ways in which shrinkage is valued and presented both internally and externally. shrink-age has been defined looking particularly at what is generally included or excluded and how it is measured. We will then consider the various typologies used to describe shrinkage and go on to suggest that a more meaningful way of considering the problem is to categories it in terms of its maliciousness (those types of shrinkage which are a consequence of malicious activity compared with those which are due to non-malicious actions), particularly when considering ways of reducing its impact on retail companies. shrinkage is valued and presented both internally and externally. Shrink-age Consensus is hard to find on what shrinkage means and what should be included and excluded when this word is used within a retail context. The term ‘shrinkage’ itself seems to have a long tradition within retailing with the term being used as early as the turn of the 20 the century to describe inaccuracies in inventory other texts on retail loss prevention simply ignore the issue altogether and offer no definition.

**Recording wastage**, the true cause isn’t always clear, however if a large amount of draught beer is being recorded as wastage due to excessive foaming, there could be several underlining reasons:

- A poor dispensing technique by a member of staff could highlight someone who has become complacent or requires additional training.
- A draught product which has been incorrectly setup, for example an incorrect nozzle attached to the font, incorrect gas mixture connected, or air within the line.
- Dirty draught lines cause excessive foaming due to the build-up of yeast in the lines. Different products require different frequencies of cleaning. Always read the instructions on the cleaning fluid to ensure the correct dilution ratios are followed for a

thorough clean. Dirty draught lines also change the flavor of the product which could lead to customers returning products. A cleaning guide can be found.

- If the cellar temperature is too high, products will foam recommends container beer is stored between 11 to 13 degrees, while keg products should store at around 5 degrees.

Out of date stock might be first noticed and identified in the wastage records. This would show stock rotation isn't following the first in, first out system or you have slow moving products, which might lead to you reviewing your stocking policy.

One method of theft is by recording drinks for friends as wastage. If Johnny the barman always wastes three pints of Peroni on a Saturday evening when his friends are in, this may lead you to identify possible theft.

### 1.3. Maintaining optimal stock levels on retail shop floor

The use of appropriate inventory control policies is a must in production systems. Production systems are characterized by structural and dynamic complexity. Material and information delays can occur, which may lead to inventory oscillations. In order to handle these dynamics, a system dynamics approach is used. It encompasses inventory control policies on the flow shop, the production network and supply chain level. For the shop floor level, a pheromone-based decision policy is presented, which provides a flexible and autonomous control strategy. For the production network continuous and periodic inventory policies are combined. For the supply chain an adaptive order-up-to policy is developed by weighting the work in progress and the inventory.

**Inventory Control:** -It is important to keep inventory costs low; otherwise, production will be less profitable. Inventory control is about the minimization of the average cost per time period while

satisfying the incoming demand. Since costs of raw materials and finished goods stocks are not considered on the shop floor level, the only inventory costs arise from the buffer levels in this case. In a production network manufacturer integrate and coordinate the general net production plan according to their individual production planning to satisfy customer demand.

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**Inventory Control with System Dynamics:** -The system dynamics models of a shop floor, production network and supply chain will be presented. The three partial models are built and simulated with the continuous system dynamics methodology, which demonstrates the ability to describe the corresponding environments as long as the emphasis is not on the individual products and aggregation is allowed. Furthermore, the continuous perspective yields negligible errors in variables' values. The method enables the modelling of dynamic and uncertain systems due to its inclusion of feedbacks, nonlinearities and shifting loop dominance.

**Shop Floor:** -For the inventory control on the shop floor level a pheromone-based autonomous control policy is proposed. Autonomous control means a decentralized routing of the autonomous

parts themselves. Therefore, there are no standard inventory policies to apply. Rather policies enact the parts to decide autonomously, instantaneously and with local and present information only, which alternative to choose. First intuitive approaches are to set up a policy like 'go to the buffer of the machine with the shortest processing. this process can be compared to ants leaving pheromones on their way to communicate with following ants. the considered shop floor is a matrix-like flow-line manufacturing system producing k different products at the same time. Each of the products has to undergo m production stages. For each of these production stages there are n parallel production lines available. Therefore, the shop floor consists of mix machines. The raw materials for each product enter the system via sources; the final products leave the system via drains. The production lines are coupled at every stage and every line is able to process every type of product within a certain stage. At each production stage a part has to make a decision to which of the lines to go to in the next stage. The service rule for the different products is first in - first out. Each machine has an input buffer in front of it, containing items of the product types in other words: A part is unfished when it decides to switch production lines. This punish-time can be interpreted as a setup time for each product that chooses to switch the production line. A scenario like this can be found in the food processing industry, where for example an enwrapping machine can enwrap different products in different times without any setups. This is different from scenarios where setup times are understood as a punishment only for the first part of the new type that switches production lines.

Keeping the right stock levels for each product is key for eliminating cost overruns in warehousing and having a flexible, streamlined supply chain. With logistics becoming more and more complex, companies need to control inventory demand in the warehouse to provide efficient service. Optimal stock levels let you know when to replenish product in the facility and how much safety stock is needed to prepare orders in progress.

**Stock level:** - refers to the quantity of stock available for an item in the warehouse at a given time. Maintaining an optimal inventory level, the exact amount to cover demand is vital for dispatching orders without resulting in a stockout, i.e., not enough stock in the facility to guarantee the supply of goods. The main goal of optimal stock levels is to achieve profitability in inventory management. Adjusting stock levels to demand avoids inefficiency arising from too much or too little inventory. Calculating stock levels to store only the necessary amount also optimizes storage space and helps to detect errors such as excessively long stock replenishment intervals, obsolete goods, and inflexible production processes. To reach optimal stock levels, companies have to have thorough knowledge of the demand for their products in addition to a long-term forecast. This information makes it possible to employ a goods procurement strategy based on the reorder point, i.e., exactly when the business should order stock from its suppliers to ensure efficient inventory management. In logistics, there's a mathematic stock levels formula applied to calculate when and how much stock a company needs to procure to ensure its target stock level.

### **The importance of keeping optimal stock levels**

Having ideal stock levels strikes a balance between fulfilling regular product demand and improving storage location efficiency. Optimal volumes of goods facilitate inventory control, ensuring product traceability and reducing the risk of obsolete stock. An optimal stock level fosters more effective logistics processes, lowers logistics storage costs, and prevents the loss and deterioration of the stock stored. Determining the right stock volume for each SKU is the first step towards establishing an efficient logistics planning strategy. By precisely calculating demand and the characteristics of the warehouse layout design, you can determine the most adequate storage and conveying systems and slotting and retrieval methods.

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## Self - check

Name \_\_\_\_\_

ID NO \_\_\_\_\_

occupational \_\_\_\_\_

Date \_\_\_\_\_

### Part I true false

1. Adjusting stock levels to demand is avoids inefficiency arising from too much or too little inventory.
2. Inventory is important to keep inventory costs low; otherwise, production will be less profitable

### Part II write and explanation

1. Explain exactly the following term

- a. Stock replenishment: \_\_\_\_\_
- b. Shrinkage: \_\_\_\_\_
- c. Recording wastage: \_\_\_\_\_
- d. Inventory Control: \_\_\_\_\_
- e. Shop Floor: \_\_\_\_\_



## Unit two: Take delivery of stock.

This learning unit is developed to provide the trainees the necessary information regarding the following content coverage and topics:

- Check incoming stocks against orders and delivery documentation
- Identify records and reporting discrepancies
- Inspect items for damage, quality, and use-by dates and record findings
- Record details of incoming stock

This unit will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- checking Incoming stocks are against orders and delivery documentation
- identifying and Recording discrepancies reported
- Inspecting for damage, quality Items and use-by dates and findings recorded according to organizational procedures
- Recording Details of incoming stock according to organisational procedures

### 2.1. Checking incoming stocks against orders and delivery documentation.

This includes inspecting the quality, condition, and quantity of any incoming goods, and allocating them to a space in the warehouse. All items purchased by the business serve a specific function, whether they are supplies to be used internally, or stock to be on sold to customers. Keeping track of all items coming into the warehouse ensures that the right products are received.

#### 2.1.1. Check internal systems to identify incoming stock: -

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This unit describes a fundamental administrative function for the tourism and hospitality industries and applies to the full range of industry sectors and environments. Stock control systems might be manual, but increasingly stock control is computerized. This unit covers any type of stock, other than food items. The receipt and storage of stock is undertaken by frontline operational personnel who work under close supervision and guidance from others. They would be required to apply little discretion and judgment because they operate using predefined organizational procedures. They would report any stock-related discrepancies for the action of a higher-level staff member. The first step in receiving and storing stock is to identify the stock expected to be delivered to the business for the day/shift so you can prepare for these deliveries and you know what to expect. This section identifies the variety of ways in which a business can place an order with a supplier.



**Figure 2.1.1 checking received stock**

### **1.2.2. Delivery Documentation: -**

means, collectively, any and all log books, records, manuals and other data or documents delivered with the supplier, including such data and documents as described in the duties and responsibilities of the Executive shall include those duties and responsibilities assigned to the office or offices held by hospitality under the Employer's By-laws and its practices and procedures, together with such additional duties as may reasonably be assigned to her from time to time by the President or the Board of Directors of the Employer. Sellers and Buyers should ensure that relevant

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**Delivery Documentation** is completed in full – including elections in respect of appropriate supply. If a production order is settled to a material account, the system expects one or more deliveries to stock. Each delivery to stock credits the order and debits the stock account of the material.

**Crediting the Order:** -In Customizing for Shop Floor Control, you define how the production order is to be credited when a goods receipt is posted. A valuation variant is defined for each valuation area. This specifies which price is to be transferred from the material master record when the order is credited.

### **Debiting the Stock Account**

The price control indicator in the material master specifies how stocks of a material are to be valued:

- If the Price control indicator in the material master of the material produced is S, the quantity delivered is multiplied by the standard price. Any difference between this debit posting and the credit posting to the order is posted to a price difference account.
- If the Price control indicator in the material master of the material produced is V, the quantity delivered is valued with the price according to the valuation variant. The stock account for the material produced is debited with these costs and the moving average price changes accordingly.

## **2.2. Identifying records and reporting discrepancies**

Is a master list of the securities held by a brokerage firm on behalf of its customers. The list is updated with every transaction executed by the brokerage. Every brokerage has a stock record department that is charged with maintaining accurate records of all of its transactions on behalf of clients.

### **2.2.1. Identifying stock record: -**

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the stock record department must identify the owner, the quantity of stock, and the location where the security is held or deposited. From that time, it was no longer necessary for stock certificates to be handed over to their new owners. No matter how many times a stock changed ownership, the certificate stayed in place and the change in ownership was recorded.

Today, the company continues to operate as a central record-keeper for securities purchases and sales, as well as a clearinghouse for corporate and municipal securities. The information in the brokerage stock record must match the information at the depository. The stock record departments handle settlements for discrepancies on a daily, weekly, or as-needed basis.

### Understanding the Stock Record involving

- Every brokerage is required to maintain a stock record.
- This is a master list of all transactions made on behalf of its clients and is updated with every transaction.
- In an era in which paper certificates are no longer issued, accurate record-keeping is essential.
- The stock record displays the name of the real and beneficial owner, the number of shares, and the locations of all securities held by the firm. The stock record is updated every time a trade is executed.
- A brokerage today buys, holds, and sells shares in its own "street name," that is, the name of the brokerage rather than an individual client's name. Behind the scenes, the stock record records the name of the real owner.
- That person is known in law as the beneficial owner. That is, the individual is the actual owner of the stock even though its ownership may be recorded under another name, such as a brokerage firm's name, for recordkeeping purposes.
- The Securities & Exchange Commission sets the rules for the creation and maintenance of the stock record.
- Before computerized technology arrived on Wall Street, stocks were issued to their owners in the form of real pieces of paper, called stock certificates.
- The development of the stock record eliminated the need for a broker to hand over the paper securities to the customer. That greatly speeded up and simplified transactions.

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### 2.2.2. Discrepancy Identification System: -

The Discrepancy Identification System (DIS) User Manual provides step-by-step instructions for the use of the Global Freight Management (GFM) DIS application. It can also be used as a help file for specific questions by clicking on topics in the table of contents to the left or searching the Discrepancy Identification System DIS is an Internet-based application that is accessible from the Examples of discrepancies include:

- Astray freight
- Damages
- Theft
- Lost shipments
- Overages
- Pilferage
- Shortages
- Vandalism

### 2.3. Inspecting items for damage, quality, and use-by dates and record findings

Both, inspection and maintenance have an important role in production system. Understanding and highlighting their advantage independently suggest realizing the connection between quality inspection and equipment maintenance. Proceeding observations on various publications inspire us the meaningful of their relationship as such a way to achieve better quality assurance and establishing the performance of production system. Thus, the importance of quality assurance through equipment maintenance becomes increasingly indispensable. Quality and Inspection There are two reasons for the necessity of quality control system. First, QC is an effective daily management process; and second, QC is a requirement for developing quality improvement program, it is imperative that the process is initially controlled. accomplishes its missions by doing an inspection. As a basic operational technique and one of the earliest aspects of, inspection plays an important role in a production system to gain them.

#### 2.3.1. Inspection depending on dates and record finding

First, ensure the delivery has come to the right place by matching the details on the Consignment Note to the Purchase Order raised by your business. The Purchase Order should also be used to check that each item matches the description and quantities ordered. Generally, the boxes or

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cartons will have a description of the item and quantities of its contents. Maintaining accurate reports is essential for accurate bookkeeping as well as resolving any disputes that may arise in the future regarding the items or supplier. If there is no purchase order or record of the order, check with your supervisor or purchasing department before rejecting the goods.

**Check products are not damaged:** -Before accepting the delivery, it's important to conduct a quality check to ensure the items are not damaged or malfunctioning. It's not always feasible to open each carton and check every single item, particularly for large shipments. So, in these cases you may wish to complete a spot check rather than open each and every carton. Check for signs of breakage or faults, and ensure all items are as described on the purchase order. If any damaged items are found in the delivery, record the extent of the damage on the consignment note and immediately notify the supplier with details of the issue to discuss the next steps.



Figure 2.3.1 during inspection dating product

**Log received items into your inventory:** -Enter the items you have received into your warehouse management system as soon as possible, including the date and quantities received. This will allow the stock to be allocated to new orders right away.

**Allocate storage space for goods:** -It's important to pack away a new delivery promptly to ensure no items become lost or damaged. Supplies should be distributed to the appropriate person in the business, or packed away in the usual space to be accessed when required. For

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goods received in as stock, these items will need to be allocated a space in the warehouse for storage until ready to be picked for an order.

**Notify your accounts payable department:** -Send a copy of the signed and dated consignment note to your accounts payable team. This information can then be matched with the invoice from the supplier to ensure payments are only made for items that were actually received.

### 2.3.2. Inspecting items for damage, quality by dates and record findings.

The first challenge in developing an effective QC/QA program is to determine what is meant by the term “quality” and how it can be applied to bridge inspection and load rating. Most people have some conceptual sense of “quality” as being the common users’ view of positive product or services attributes. Most common quality dimensions for consumer products include such attributes as performance, reliability, serviceability, and conformance to standards. As such, the customer perceives that product quality is demonstrated by the product demonstrating performance and reliability, having reasonable service requirements, and conforming to design standards. In summary, the totality of characteristics of an entity that bear on its ability to satisfy stated and implied needs. But there are problems in determining a common view about “quality.” First, different users may have different views and weights for each dimension, Modern quality systems such as the ISO 9000 series define a unified clause that the general dimensions of quality include:

- Definition of needs for the product,
- Product design,
- Conformance to product design, and
- Product support.

These dimensions can be difficult to map to bridge inspection and load rating, since the product of inspection is complex, including bridge safety, definition of maintenance needs, or “successful” bridge management. Since the purpose of the inspection fundamentally is to ensure bridge safety, but operationally is to ensure safety, define maintenance requirements, and determine programmatic and funding needs, mapping these qualities to a model intended for the

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manufacturing of tangible products can be challenging. There is also a well-accepted modern definition of “quality” that utilizes a statistical concept for implementation, stating that “quality” is inversely proportional to variability. The good quality of an entity means that its quality dimensions have little or no variation from target values. Such a definition is more readily mapped to bridge inspection and load rating. It can be easily perceived that quality could be measured by examining the variability in inspection results. Using this definition, one could easily imagine many facets of the bridge inspection or load rating that could be defined as quality dimensions and therefore be analyzed or measured to determine “quality” within bridge inspection programs. Therefore, it may be practical to think of quality in the bridge inspection and load rating process to be represented or measured by determining the variability in quality dimensions as compared with established requirements, procedures and practices. Improvements in quality can therefore be achieved by reducing variation from target values, the target values typically consisting of properly implemented requirements and properly applied procedures. Quality can be measured by quantifying variations relative to established requirements, and the goals of assuring accuracy and consistency in the bridge inspection program can be demonstrated. Procedures used to maintain quality are typically termed “quality control,” (QC) which has the formal definition in the NBIS as follows: “Procedures that are intended to maintain the quality of a bridge inspection and load rating at or above a specified level.” Procedures that evaluate the effectiveness of QC and measure the quality in a program are “Quality Assurance,” that has the formal definition in the NBIS of “The use of sampling and other measures to assure the adequacy of quality control procedures in order to verify or measure the quality level of the entire bridge inspection and load rating program.” The distinction between QC and QA can sometimes be difficult to determine, because similar actions may be undertaken for either purpose.

#### **2.4. Recording and reporting discrepancies.**

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The Discrepancy Reporting is used to record discrepancies on receipt of purchase orders or following the inspection of goods. This module supports the recording of discrepancies and generating reports for individual discrepancies and multiple discrepancies in summary format. Its primary use is to create discrepancy reports for items received that are deficient in some way, or where a discrepancy exists between purchase order or waybill receipt details and what has actually been received.

The Discrepancy Reporting module may also be used for performance reporting on service orders. The Discrepancy Reporting module allows you to record multiple items for a discrepancy report and multiple discrepancy reports for a purchase order or waybill receipt. The module also allows you to review open (outstanding) and closed discrepancies online, and includes the ability to report discrepancies that require further action for distribution to your organizations accounts staff.

You can carry out the following tasks:

- Withhold payment on discrepant or deficient goods
- Update a supplier's performance statistics based on discrepancy reporting information

Discrepancy tasks can be introduced through the stocktaking process. A controlled method for recording discrepancies on receipt of goods are: -

- Printed discrepancy reports, which can be forwarded to the supplier or the forwarder to record the presence of a discrepancy.
- Update to the Supplier's statistics file.
- Integration with the Accounts Payable module to prevent payment for nominated orders.
- The ability to record multiple items for a discrepancy report and multiple discrepancy reports for a purchase order and purchase order item.
- The ability to create user-defined Discrepancy Type Codes in the table file.
- Access to this system either through a menu or directly from receiving windows.
- The ability to close and/or delete discrepancy reports.
- Automatic allocation of a discrepancy number with manual override.



- Provision for returns shipping details (date, carrier, reference, payment) to be printed on the discrepancy report.
- Provision for an automated facility to advise a buyer or expeditor that a discrepancy exists.
- If a supplier representative is contacted, enables entry of contact details, such as contact name.
- If further or additional Quality Inspection is required on future receipt of goods against a purchase order.
- The ability to reprint discrepancy reports.
- The ability to enter free-form narrative text against a discrepancy report.

**The Maintaining Discrepancy Reports:** -the maintaining discrepancy report is process primary use is to create discrepancy reports for items received from a supplier that are either deficient in some way, or where a discrepancy exists between purchase order or waybill receipt details and what has actually been received.

**The Discrepancy Report module supports you to: -**

- Create a new discrepancy report when a discrepancy is discovered following receipt of an invoice, purchase order or waybill, or following a stock inspection.
- Modify an existing discrepancy report, for example, when a credit is received for the discrepancy or discrepant items are replaced by the supplier.
- Delete a discrepancy report if it has been raised in error.
- Close a discrepancy report once a supplier or forwarding agent remedies the discrepancy
- Print a discrepancy report or series of discrepancy reports, individually or in summary format.

**2.4.1. Recording details of incoming stock**

A stock record is a master list of the securities held by a brokerage firm on behalf of its customers. The list is updated with every transaction executed by the brokerage.

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**Stock Recording Systems:** -The recording of stock movements is an important part of Stock Control Stock Recording Systems should be in place e.g., Bin Cards for each item of stock held, recording all stock removed and added Stock Record Cards (which will also show prices of receipts and issues of stock) Computers e.g., Spreadsheet showing all movement of stock.

**Location of Stock:** - will depend upon the type of production process The nature of materials e.g., are they flammable the time taken to transport the materials from the stores to the production cost centers.

**Storage of Stock:** -How and where stock is stored will depend upon the weight of the goods The bulkiness of the goods The risk of physical deterioration The risk of theft

**Stock Taking Physically:** - checking your stock is necessary to ensure that stock records are accurate and as a deterrent against theft. Stock taking can be: Periodic i.e., annually Perpetual i.e., ongoing where the balance of stock is updated after every receipt and issue

**Stock Levels:** - There are disadvantages in having too much stock or too little stock Overstocking causes: High storage costs Cash being paid out before it is necessary High risk of deterioration or obsolescence Understocking causes: Running out of stock and holding up production Customers going elsewhere if production is halted

## 2.4.2. Stock Control

Is used to show how much stock you have at any one time, and how you keep track of it. It applies to every item you use to produce a product or service, from raw materials to finished goods. It covers stock at every stage of the production process, from purchase and delivery to using and re-ordering the stock.

**stock level:** - Efficient Stock level Control system would include four setting : Maximum level of stock, Minimum level of stock, Reorder level for stock and Reorder quantity.

1. **Maximum Stock Level** This is the level by which stock should not rise above When setting a Maximum Stock Level, should be considered: The cost of storage The rate of usage The delivery time of stock from the time the order was placed the risk of deterioration

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2. **Minimum Stock Level:** - This is the level by which stock should not fall below. When setting, a Minimum Stock Level should be considered: The rate of usage Delivery time the level of safety or “buffer” stocks to be held.
3. **Reorder Level of Stock:** -This is the level at which an order for new stock should be made. when deciding on the reorder level should be considered: Rate of stock usage Level of buffer stocks The cost of storage.
4. **Reorder Quantity:** - The reorder quantity is the quantity of materials to be ordered when stocks reach the reorder level and will depend upon: Cost of ordering the stock (taking into account any discounts for bulk buying) Cost of storing the stock.

## Self – check 2

Name \_\_\_\_\_

ID NO \_\_\_\_\_

occupational \_\_\_\_\_

Date \_\_\_\_\_

### **Part I. Choose**

- Which one of the following terms is the example of discrepancy accessible?  
A. Damage B. stock control C. Theft D. A&C
- Before accepting the delivery, it's important to conduct a quality check to ensure the items are not damaged or malfunctioning.  
A. Allocate storage space for goods B. Check products are not damaged C. Theft D none
- Modern quality systems such as the ISO 9000 series define a unified clause that the general dimensions of quality  
A. Product support B. Shortages C. independently. D. all

### **Part II writing,**

- Describe what means stock-----  
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- Write at least four examples of an define the accordingly Recording details of incoming stock  
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### Unit three Maintain perishable supplies at optimum quality

This learning unit is developed to provide the trainees the necessary information regarding the following content coverage and topics:

- Check and adjusting conditions of the equipment and storage areas.
- Conduct temperature checks and protecting supplies from spoilage
- Protect supplies from damage of cross-contamination and pests
- Rotate perishable supplies for maximum use
- Store or displaying stocks promptly in designated location

This unit will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Maintaining environmental conditions for all storage areas and equipment to perishable supplies and regularly checked and adjusted at optimum quality
- Protecting supplies from spoilage temperature and conducted and according to food safety procedures
- protecting Supplies from damage and cross-contamination of pests
- Rotating perishable supplies for maximum use according to expiration dates
- Storing or displaying stocks promptly in designated location

#### 3.1. Checking and adjusting conditions of the equipment & storage areas

Before the Work is turned over it must furnish the necessary instruments, test equipment, services, and personnel required to adjust and balance each piece of equipment in order to provide a smoothly functioning, well-integrated system complying with the letter and intent of the Contract Documents. In accordance with the terms Condition of Equipment Each seller

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will maintain or cause the Equipment (necessary or useful to its business) to be maintained and preserved in good condition, repair and working order, ordinary wear and tear excepted, and will forthwith, or in the case of any loss or damage to any Equipment of any seller within a commercially reasonable time after the occurrence make or cause to be made all repairs, replacements and other improvements in connection therewith which are necessary or desirable, consistent with past practice, or which the Collateral Agent may request to such end. Any Grantor will promptly furnish to the Collateral Agent a statement describing in reasonable detail any such loss or damage in excess of \$250,000 per occurrence to any Equipment.

**There are seven ways of checking obtaining necessary equipment and storage area.**

1. Erect and most suitable for use in emergencies, but establishing a temporary building is a rapid and effective solution to a short-term storage problem. A number of excellent temporary warehouse buildings are now available.
2. Reorganize, recondition, or extend an existing health system warehouse. This approach can be the quickest and cheapest, but only if suitable buildings are available.
3. Occupancy a suitable commercial building. This approach has the advantage of speed and avoids a large capital investment, but nevertheless there will be costs to outfit the space to suit the specific needs of a medical warehouse.
4. Buy a suitable commercial building. Again, this approach has the advantage of speed, assuming funds are available, but there will be fitting-out costs.
5. Build a standard building. many countries have standard designs for health service buildings. Advantages of this approach are that design lead time is reduced, cost is more certain, and the design should be proven. The disadvantage is that the performance of standard designs has often not been evaluated effectively. Poor designs may be perpetuated.
6. Build a purpose-designed building on an existing site, or obtain and develop a new site. This approach is likely to have the longest lead time and may be the most expensive, but this may not necessarily be so, especially if the government already owns the land. It should ensure the closest fit to the specified requirements.

7. Purchase a prefabricated building to install at the preferred site. Assuming a vendor is able to accommodate design requirements, this may be more cost-effective than new construction.

## 3.2. Conducting temperature checks and protecting supplies from spoilage.

Inspectors regularly visit establishments and grade them on their adherence to the codes. It is thus imperative that foodservice employees have a detailed knowledge of sanitation and health codes for their particular areas.

### 3.2.1. Conducting temperature.

The factors involved in maintaining proper internal conditions include temperature, storage containers, shelving, and cleanliness. Problems with any or all of these may lead to spoilage and waste. It should be noted that all states and many municipalities have sanitation and health codes that must be followed by all foodservice facilities. These codes specify storage temperatures, storage containers, and storage procedures, among many other requirements such as hot water temperatures, sanitation requirements, and so on.

**Temperature:** -One of the key factors in storing foods is the temperature of the storage facility. This is particularly important for perishables. Food life can be maximized when food is stored at the correct temperature and at the proper level of humidity. The food controller should occasionally check the temperature gauges on the refrigerated storage facilities to see that the appropriate temperatures are being maintained. The temperatures that follow are generally accepted as optimum for storing the foods indicated:

- Fresh meats: 34 to 36 F
- Fresh produce: 34 to 36 F
- Fresh dairy products: 34 to 36 F
- Fresh fish: 30 to 34 F
- Frozen foods: 10 to 0 F

If temperatures are permitted to rise above these levels, shelf life is shortened and the risk of food spoilage is increased for perishables. Proper temperature can also be a key factor in

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preventing spoilage of nonperishable. Storage facilities for staple food products should usually be room temperature, approximately 65 to 70 degrees F. Sometimes, particularly in older establishments, staples are kept in facilities that are either too warm because of their proximity to hot stoves or steam pipes running through the ceiling, or too cold because they are located in unheated parts of a building. Although the degree of risk is not as great with staples, it should be remembered that all foods are ultimately perishable and that the shelf life of food is increased by storage at proper temperatures.

**Storage Containers:** -In addition to maintaining foods at proper temperatures, care must be given to storing them in appropriate containers. Many staples are purchased in airtight containers, but others are purchased in unsealed containers paper bags, boxes, and sacks which are susceptible to attack by insects and vermin. Whenever practicable, products purchased in unsealed packages should be transferred to tight, insect proof containers. In the case of perishables, both raw and cooked, care should be given to storing them in whatever manner will best maintain their original quality. Many raw foods, such as apples and potatoes, may be stored as purchased for reasonable periods; others, such as fresh fish, should be packed in shaved ice. In general, cooked foods and opened canned foods should be stored in stainless steel containers, either wrapped or appropriately covered.

### **The main critical point storage of characteristics is:**

1. **Shelving:** -For perishable foods, shelving should be slatted to permit maximum circulation of air in refrigerated facilities. For nonperishables, solid steel shelving is usually preferred. At no time should any food product be stored on the floor. Appropriate shelving raised a few inches above the floor level should be provided for larger and heavier containers.
2. **Cleanliness:** -Absolute cleanliness is a condition that should be enforced in all food storage facilities at all times. In refrigerated facilities, this will prevent the accumulation of small amounts of spoiling food, which can give off odors and may affect other foods. In storeroom facilities, it will discourage infestation by insects and vermin. Storerooms should be swept and cleaned daily, and no clutter should be allowed to accumulate. A professional exterminator should be brought in on a regular



basis to prevent rodents and vermin from reaching population levels large enough to cause damage and disease.

3. **Arrangement of Foods:** -The factors involved in maintaining an appropriate internal arrangement of foods include keeping the most-used items readily available, fixing definite locations for each item, and rotating stock.
4. **Keeping the Most-used Items Readily Available:** -It is usually helpful to arrange storage facilities so that the most frequently used items are kept closest to the entrance. Although it has no effect on spoilage or theft, this arrangement does tend to reduce the time required to move needed foods from storage to production and thus tends to reduce labor costs.
5. **Fixing Definite Location:** -Each particular item should always be found in the same location, and attention should be given to ensuring that new deliveries of the item are stored in the same location. All too often, one product is stored in several locations at once (for example, six cans on a shelf and two partially used cases in two other areas). This increases the chances for over
6. **Purchasing, spoilage, and theft.** In addition, it makes difficult the monthly process of taking a physical Inventory. Incidentally, separate facilities for storage of different classes of foods should be maintained whenever practicable and possible. Eggs, for example, should not be stored with fish, cheese, or other foods that give off odors, because their shells are quite porous and they will absorb flavors from other foods. Fish should always be stored in separate facilities.

### 3.3. Protecting supplies from damage of cross-contamination and pests

All food is at risk of contamination from these four types. This is why food handlers have a legal responsibility to ensure that the food they prepare is free from these contaminants and safe for the consumer. cross contamination is defined as the transfer of bacteria or other microorganisms from one substance to another.

**Protecting supply from damage:** - is important It is a legal requirement that a food business, when receiving, storing, processing and displaying food, takes all practicable steps to protect

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food from the likelihood of contamination. Standard food Safety Practices and General Requirements of the Food Standards Code sets out the specific requirements for food businesses. During an inspection of a food business, an authorized officer from the Food Authority or local council may identify issues that need to be rectified. Business owners should speak to their local council environmental health officer (EHO).

**Cross contaminations and pest:** Cross contamination is defined as the transfer of bacteria or other microorganisms from one substance to another. It can happen during any stage of food production.

**There are four main types of contamination: -**

- chemical,
- physical,
- microbial,
- allergen

Other types of cross-contamination include the transfer of food allergens, chemicals, or toxins though these are not the focus of this article. Many people assume that foodborne illness is mostly caused by eating at restaurants, but there are many ways in which cross contamination can occur, including: -

- primary food production from plants and animals on farms
- during harvest or slaughter
- secondary food production including food processing and manufacturing
- transportation of food
- storage of food
- distribution of food grocery stores, farmer's markets, and more
- food preparation and serving at home, restaurants, and other foodservice operations

There are many points at which cross contamination can occur, it's important to learn about the different types and how you can prevent it.

**Types of cross contamination:** -There are three main types of cross contamination: food-to-food, equipment-to-food, and people-to-food.

**Food-to-food:** - Adding contaminated foods to non-contaminated foods results in food-to-food cross contamination. This allows harmful bacteria to spread and populate. Raw, undercooked, or improperly washed food can harbor large amounts of bacteria, such as Salmonella, Clostridium perfringens, Campylobacter, Staphylococcus aureus, E. coli, and Listeria monocytogenes all of which can harm your health if consumed.

Foods that pose the highest risk of bacterial contamination include leafy greens, bean sprouts, leftover rice, unpasteurized milk, soft cheeses, and deli meats, as well as raw eggs, poultry, meat, and seafood. E.g., adding unwashed, contaminated lettuce to a fresh salad can contaminate the other ingredients. What's more, leftovers kept in the fridge too long can result in bacterial overgrowth. Therefore, eat leftovers within 3–4 days and cook them to proper temperatures. If you plan to mix leftovers with other foods, the new meal should not be stored again as leftovers.

**Equipment-to-food:** -Equipment-to-food is one of the most common yet unrecognized types of cross contamination. bacteria can survive for long periods on surfaces like countertops, utensils, cutting boards, storage containers, and food manufacturing equipment. When equipment is not washed properly or unknowingly contaminated with bacteria, it can transfer large volumes of harmful bacteria to food. This can happen at any point during food production both at home and in food manufacturing. A common example of this occurring at home is using the same cutting board and knife to cut raw meat and vegetables, which can be harmful if the vegetables are then consumed raw.

**People-to-food:** - Humans can easily transfer bacteria from their bodies or clothes to food during many steps of food preparation E.g., a person may cough into their hand or touch raw poultry and continue to prepare a meal without washing their hands in between. Other common examples include using a cellphone that's loaded with bacteria while cooking or wiping your hands with a dirty apron or towel. These practices may contaminate your hands and spread bacteria to food or equipment

- Juices from raw foods, e.g., meat and seafood.
- Unclean surfaces, equipment and utensils.
- Dirt, grease and unclean surfaces.
- Bacteria and viruses from unwashed hands and poor personal hygiene.
- Pests and pest droppings.
- Cleaning and other chemicals.
- Jewelers, hair and personal items.
- Glass, metal or other fragments from damaged equipment and fixtures.

**Tips to protect food from contamination: -** It is the business owner's responsibility to set up food safety processes and procedures in the workplace to comply with the Food Standards Code. Business owners and staff can follow some simple steps to protect food from contamination during the receipt, storage, processing and display of food: -

- Store food in food-grade containers and covered, if necessary, to protect it from contamination.
- Store food and packaging above the floor.
- Store raw food – especially meat, fish and poultry – below and away from ready-to-eat food in a cool room or fridge.
- Store chemicals and equipment well away from food items, food packaging and food handling areas.
- Maintain the premises, including all fixtures, fittings and equipment, in a clean and undamaged condition.
- Regularly clean and sanitize food contact surfaces and utensils, e.g., chopping boards, knives.

- Use separate equipment and utensils for raw and ready-to-eat foods, or thoroughly wash and sanitize equipment and utensils between handling raw and ready to-eat foods. Avoid unnecessary contact with food, e.g., use utensils rather than bare hands.
- Thoroughly wash and dry hands before starting work, changing tasks or returning from a break, e.g., between serving customers and preparing food, and after handling raw foods and garbage, or using the toilet.
- Minimize the wearing of exposed jewelers and tie back long hair.
- Cover cuts and wounds with an appropriate dressing.
- Do not handle food if feeling unwell or suffering from a contagious illness.
- Store food in food-grade containers and covered

### 3.4. Rotating perishable supplies for maximum use

Food, whether raw or cooked, is a perishable commodity and has a limited life. The caterer, therefore, has to ensure that she buys produce in the correct quality and quantity in relation to estimated demand, and that it is correctly stored and processed (beverages are less perishable and this contributes to easier control)

#### 3.4.1. Rotation of Stock: -

The food controller must establish procedures to ensure that older quantities of any item are used before any new deliveries. The procedure used to do this is known as the **first-in, first-out method of stock rotation**, commonly called FIFO in the Industry. the steward and staff must be held responsible for storing new deliveries of an item behind the quantities already on hand, thus ensuring that older items will be used first. This reduces the possibilities for spoilage. If this procedure is not followed and those who store foods are permitted to put new food in front of old food on shelves, the chances are increased that the older items will spoil before they are used. Ensuring that stock rotation takes place is particularly important with perishables, but it should not be neglected with nonperishable.

**Rotating Inventory Stock: -** means to arrange the oldest units in inventory so they are sold before the newer units. The goal is to avoid losses due to getting close to (or past) the sell by dates, deterioration, obsolescence. another way, to rotate the stock of goods on hand means that

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the physical flow of goods will result in the first or oldest goods being sold first. However, the accounting cost flows do not have to agree with the physical flow of the goods. This means that a business can diligently rotate its inventory items, and at the same time use the last-in, first-out (LIFO) cost flow assumption. (In periods of inflation LIFO means the higher/recent costs will be moved to the cost of goods sold while the older/lower costs remain in inventory. This can result in less taxable income and less income taxes.)

**Rotating Inventory Stock example:** -A grocery store restocks its shelves by moving the oldest units to the front of the shelves and places the newest units in the back of the shelves. The hope is that the customer will select the most convenient (older) units from the front of the shelf. In order for a company to avoid losses, it is important that the stock of goods in all locations (retail display area, warehouses, factory, etc.) be rotated. When the grocery store rotates its stock, the units are physically flowing first-in, first-out (FIFO). However, in the accounting for the cost of inventory and the cost of the goods sold, a U.S. company is allowed to use a cost flow assumption which is different from the flow of the physical units. Generally Stock rotation is the process of organizing inventory to moderate stock loss caused by expiration or obsolescence.

**FIFO** is most successful in industries where a product's price remains steady and the company sells its oldest products first. That's because FIFO is based on the cost of the first goods purchased, ignoring any increases or reductions in price for newer units. An asset management technique, in which the actual issue or sale of goods from the stores is made from the oldest lot on hand is known as First in, first out or FIFO. It follows a chronological order, i.e., it first disposes of the item that is placed in the inventory first. That is why this method of inventory valuation is regarded as the most appropriate and logical one. Hence used by most of the business persons in maintaining their inventory. If the goods are perishable in nature, then they will get obsolete soon, so it would be beneficial that the earliest stock should be handled first which minimizes the risk of obsolescence. Therefore, the leftover stock in hand will ultimately show the most recent stock that is at the present market price. The method is considered as most suitable one when there is a fall in the prices because the cost that is charged to production will be higher than the replacement cost. However, if the prices are high the same condition will get

reversed and as a result, it is not easy to order the same quantity of materials without having sufficient funds.

**LIFO** works well in industries where prices fluctuate and the newest units are sold first. “Because **FIFO** results in a higher net income during periods of rising prices, it also results in higher income tax expenses,” Ng said. “Conversely, if the LIFO method is used during a period of rising prices, it will result in lower net income. So, this method would result in a lower income tax expense. Last in, first out or LIFO, is a method of accounting for valuing inventory. This method is based on the assumption that the last item placed in the inventory will be sold out first, At the time of inflation in the economy, the value of the unsold stock will be low, while the value of the cost of goods sold will be high, which will ultimately result in low profit and income tax as well. Whereas in deflationary conditions, the whole scenario will get reversed due to fall in the general price level, resulting in higher profits and income tax. Although, the assumption is proved illogical and contradictory to the movement of inventory in the business organization. By virtue of this, LIFO method is no longer adopted for valuing inventory.

**Key Differences Between LIFO and FIFO:** -The points given below explain the fundamental differences between LIFO and FIFO methods of inventory valuation:

- A method of stock valuation in which last received lot in hand is issued first is known as LIFO. FIFO is a short form for First in, first out in which the inventory produced or purchased first, is disposed of or sold out first.
- In LIFO, the stock in hand represents, oldest stock while in FIFO, the stock in hand is the latest lot of goods.
- In LIFO, the cost of goods sold (COGS) shows current market price while in the case of FIFO the cost of unsold stock shows current market price.
- As per International Financial Reporting Framework, LIFO method is not permissible for valuing inventory, which is not in the case of a FIFO.
- When there is an inflationary trend in the country’s economy,
- LIFO will show a correct profit and thus help in tax saving. In FIFO, a little number of records are being maintained, unlike LIFO.



**Table 3.4 rotating stock**

| Factors                          | LIFO Method | FIFO Method |
|----------------------------------|-------------|-------------|
| <b><u>Increasing Prices:</u></b> |             |             |
| 1. Material Cost                 | Higher      | Lower       |
| 2. Closing stock                 | Lower       | Higher      |
| <b><u>Decreasing Prices:</u></b> |             |             |
| 1. Material Cost                 | Lower       | Higher      |
| 2. Closing stock                 | Higher      | Lower       |

### 3.5. Storing or displaying stocks promptly in designated location.

Evaluate which items in your inventory are most often sold. These items should be easily accessible. By looking at your inventory from the standpoint of sales volume, you then can segment your warehouse from front to back organizing items based on volume and frequency. Keeping popular items closest to the delivery area shortens the time and energy needed for staff to get the goods and for customers to leave with them.

**The main point we consider to designated and locate stock are: -**

**Map and Label Everything:** -Think about a big box store and how it is mapped out: There is a section for kitchen, garden, sporting goods, children and so on. Each section is usually designated with a large hanging sign from the top shelf. Each aisle has a number and sections might be subdivided. For example, the children's section might be further divided into nursing, strollers, car seats and safety items.

**Cool down the soup or stock to cool room temperature:** -Once cool, place the stock in a heavy-duty plastic container, or several smaller ones, if you'd like to divide the.



**stock for multiple uses:** - Use this as a guide to map your own warehouse. After you have items placed in the right area, label them. Labeling includes a physical label and a SKU number that corresponds to your digital inventory management program.

**Inventory Management Programs:** -Inventory management programs such as Cin7 and Inventory Control use bar code readers to scan items. When someone buys a product, the software records the price and adjusts the inventory total, which makes it much easier to conduct regular warehouse inventory counts for quality-control purposes. These programs generate reports so you can order inventory from vendors more efficiently. Inventory management systems not only perform these efficiency tasks, they also allow warehouse staff to quickly determine whether a product is in stock.

**Designated Receiving Areas:** - As deliveries of new inventory come in, you need a designated receiving area where items are sorted and moved to the corresponding warehouse area. The designated receiving area is often in the back of the warehouse or near a receiving door if there isn't one in the back. Estimate the average size of deliveries to determine the needed space. If your warehouse inventory includes items with a shelf life or expiration date, place new inventory behind the older inventory so you move products in an orderly way to avoid having expired or wasted items. Train all stocking employees to employ this First in First Out method of inventory control.

**Upkeep and Cleaning System:** -In any warehouse, upkeep is essential to maintaining order. Over the course of conducting business, items are removed from shelves. Set a system in place, whether it is daily, weekly or monthly, to restock shelves with items that are out of place and perform quality-control checks. Equipment and tools should have a storage spot and be returned after use. Aisles should be clean and clear of clutter. All this reduces the chaos caused when items show up in inventory reports but not on the shelves. Train warehouse workers to regularly perform upkeep and cleaning. Seal the containers, and place in the refrigerator or freezer. This will allow the stock to be allocated to new orders right away. It's important to pack away a new delivery promptly to ensure no items become lost or damaged. Supplies should be distributed to the appropriate person in the business, or packed away in the usual space to be accessed when

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required A system for managing the physical location of inventory within a warehouse or stock compound. Stock items are segregated by issue frequency, size, issue quantity, attractiveness or type and placed in dedicated locations within a warehouse or compound

**Location of Storage Facilities:** -Whenever possible, the storage facilities for both perishable and nonperishable foods should be located between receiving areas and preparation areas, preferably close to both. Such locations facilitate the moving of foods from the receiving areas to storage and from storage to the preparation areas. A properly located storage facility will have the effect of:

- A. Speeding the storing and issuing of food
- B. Maximizing security
- C. Reducing labor requirements

All too often, storage facilities are located in areas that are usable for other purposes. This may not be a wise policy, particularly if temperature, security, and sanitary conditions are inadequate and problems develop that result in unwarranted costs. Dry storage areas should be sealed to reduce the risk of infestation. Obviously, it is impossible to seal an area if its location is susceptible to rodents.

**Security:** - Food should never be stored in a manner that permits pilferage. That is another reason for moving foods from the receiving area to storage as quickly as possible. Once in storage, appropriate security must be maintained at all times. A storeroom for staple food products should never be left open and unattended. Employees should not be permitted to remove items at will. Typically, a storeroom is kept open at specified times for specified periods well known to the staff and is otherwise closed to enable the storeroom clerk to attend to other duties. When the storeroom is closed, it should be locked, and the single key should be in the storeroom clerk's possession. In such cases, one additional "emergency" key is usually kept by the manager or in the office safe. Security is also an important consideration in storing perishables, particularly in the case of high-cost items such as meat and fish. The importance of security obviously increases with the value of the items stored. It is sometimes advisable to establish separate control procedures for steaks, liquor, and other high-cost items.

## Self- check .3

Name \_\_\_\_\_

ID NO \_\_\_\_\_

occupational \_\_\_\_\_

Date \_\_\_\_\_

### **Part I True false**

1. A storeroom for staple food products should never be left open and unattended.
2. In any warehouse, upkeep is essential to maintaining order.
3. Rotating perishable supplies can decrease our production suitability.

### **Part II writing**

1. Define the exact difference and similarity of FIFO and LIFO

-----

-----

-----

2. Writing at least five with their definition Storing or displaying stocks promptly in designated location.

1.-----

-----

2. -----

-----

3. -----

-----

4. -----

-----

5. -----

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#### Unit four. Store supplies in appropriate conditions

This learning unit is developed to provide the trainees the necessary information regarding the following content coverage and topics:

- Conduct temperature checks on delivered goods
- Record temperature results
- Identify deficiencies with delivered food items, and rejecting supply
- Choose and preparing suitable environment to store perishable supplies
- Code dates for perishable supplies
- Store supplies in appropriate storage area

This unit will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Temperature checks on delivered goods ensured that they are within specified tolerances are conducted
- Recording temperature results according to organizational procedures
- Identifying and delivering deficiencies with food items, and supply within scope of own responsibility, or report findings are rejected
- Preparing Correct environmental conditions for chosen and the storage of perishable supplies
- Coding dates for perishable supplies to maximize their use
- Appropriating supplies promptly stored in storage area to minimize wastage and avoid food contamination

#### 4.1. Conducting temperature checks on delivered goods.

Conduct temperature checks on delivered goods ensuring they are within specified tolerances  
By the end of this chapter, the learner should be able to.

use appropriate thermometers and implement a range of other methods to ensure that goods are delivered in accordance with specified tolerances.

**Conducting temperature checks:** -It will be necessary to conduct temperature checks upon the delivery of goods to your premises in order to ensure that they have been kept within specified tolerances don't pose a risk to your customers. You will have to closely inspect the supplies and decide whether they are suitable for acceptance or rejection. You may perform spot checks of refrigerated delivery trucks to ensure that they have been maintained at the appropriate temperature. It is common practice to use thermometers when carrying out the temperature checks.

**Types of thermometers include: -**

**Fixed probe** these thermometers may be inserted directly into food or submerged in liquids. They should provide rapid and reliable readings

**Wired probe** these thermometers are quite similar to the fixed probe variety. However, a wire is attached to the thermometer for added convenience

**Bi-metal** – these thermometers are generally used for measuring the temperature of fridges. They feature spirit level readings. Specified tolerances include.

**Chilled supplies:** -supplied at temperatures of five degrees centigrade or below Frozen supplies frozen solid and not showing signs of defrosting or thawing. check it when it is delivered to your business to make sure that it is frozen and has not begun to thaw If food should be chilled or hot, you check the temperature of the food when it is delivered to your business and make sure that it is at or below 5°C or at or above 60°C If food should be delivered within safe time limits, you check the records of delivery departure and arrival times to ensure that the delivery took place within the agreed time limit You need not check every food item or relevant delivery record but you should check some items to make sure that your suppliers are doing the right thing.

**checks on delivered goods:** -Receiving clerks manage incoming deliveries to a warehouse or factory by verifying and signing for shipments, unloading and storing the received items, and processing any returns. there may also be the option of using convenient infrared thermometers. It will also be necessary to check any frozen supplies upon delivery. These supplies shouldn't have signs of thawing or defrosting. You should take particular care and identify any large ice crystals and liquid that has accumulated at the bottom of frozen containers. If the product is broken, scratched, damaged, non-conforming or incomplete. In any of these cases, it is necessary to make a note of the goods' condition on the delivery note at the time of delivery and/or refuse the goods. Is it necessary to check the items being received during the delivery. You Need to Inspect If the goods are very large, bulky, and heavy, the delivery person may require your assistance in unloading them or they could get damaged. Remember the cardinal rule of any delivery: never sign for any package before inspecting it. You must inspect every item to check if there is any damage

### **Master Efficiency Receiving Inventory**

- Optimize Your Receiving Space.
- Keep Your Receiving Space Clean and Organized.
- Real-Time Inventory Tracking Technology.
- Unload Quickly and Safely.
- Always Monitor Quality Control.
- Always Verify the Goods You Receive.

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## Receiving Procedures

- A careful comparison of the number of pieces received with the number listed on the freight bill.
- Examination of the cartons for any evidence of damage.
- Examination of the contents for obvious damage if cartons show any evidence of possible damage

## 4.2. Recording temperature results

**Record temperature results according to organizational procedures** Perform temperature readings and complete temperature recording forms, ensuring the inclusion of key details. Recording temperature results You will be expected to take regular readings of food temperatures and make adjustments to your fridges and freezers as necessary. It would be advisable to take these readings at least two times each day. However, your organization is likely to have specific expectations. The food storage equipment should be labelled, and you will need to consider the appropriate temperatures which should be maintained to avoid the build-up of potentially harmful bacteria. There should be a temperature recording form for you to complete as necessary. Your organization will ideally provide training and guidance in the use of this form.

### Temperature recording forms include:

- Number of the fridge or freezer
- Day of the week and time
- Nature of food checked
- Temperature readings
- Corrective action deemed necessary and taken.

It will be necessary to identify the warmest areas of your fridges and freezers for the recording of temperatures. It is likely that this will be the top shelf. However, your organization may specify the need to mark these areas for easy identification. You will be expected to indicate the specific time and date on which the temperature recording has been taken. You should also specify the exact temperature. If the temperature doesn't match with necessary tolerances, then you will be expected to inform the supervisor. They might make a simple adjustment or call upon technical assistance. If you reheat any food, then you should ensure that it reaches a temperature of 75 degrees centigrade before consumption. This should ensure the removal of any bacteria which were left after the food was cooked for the first time. It will also remove any contaminants that have accumulated since the food has been cooked. Any chilled food should be delivered at a temperature of under five degrees centigrade.

You should also ensure that any frozen food is in a solid state and hasn't begun thawing.

**Other deficiencies that may be identified include: -**

- Damaged packaging
- Food that is past the 'best before' or 'use by' date
- Raw and ready-to-eat food that hasn't been separated
- Food that hasn't been labelled properly
- Food deliveries combined with chemicals and other substances which may pose a risk
- Hot food delivered at temperatures under 60 degrees centigrade.

You will have to act within the scope of your responsibilities upon the identification of deficiencies. You may have the choice of immediately rejecting the delivery or accepting it and then informing the supplier of any issues. It will be necessary to make follow-up contact with the supplier and detail your findings. To reject supply may involve:

- Rejecting supply immediately on delivery by supplier.
- Rejecting supply of goods delivered under concession and not formally received.
- Quarantining contaminated food from other food until the rejection is finalized
- Returning food to the supplier

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- Disposing of contaminated food with the consent of the supplier.

The leading cause of foodborne illnesses is a result of not implementing a temperature monitoring system and keeping raw materials below or above the recommended temperature for more than the suggested time. Food that needs to be stored at certain temperatures and time is known as TCS (temperature control for safety). This includes meat, milk, fish, crustaceans, tofu, beans, rice, etc. These must be kept out of the temperature.

**Danger Zone:** -Serving good quality food as per legal safety standards is extremely important for protecting your customers. As a bonus, this also ensures that you will pass your inspections with flying colors. So, whether you serve an a la carte menu or you run a huge buffet, food safety should never be taken lightly. For this, you need to ensure that everything is served and stored at the right temperature. The ideal environment for bacteria infestation is when temperatures are between 70 -125 F and so, food enters the danger zone when the temperature is between 41-135 F.

Additionally, it's important to remember that the longer the food is kept in the danger zone, the higher the chances are that it would become contained beyond a point of no return. Food should be discarded once it reaches a certain level below standards. All eateries are recommended not to leave their food in the danger zone for more than two hours. If it reaches beyond this, they are strongly advised to discard all items. Also, frozen food should be kept below 40 F, whereas items that are served hot should be kept at a temperature above 140 F.

**Table 4.2 record temperature form**

| Record form (temperature record) |                 |      |             |                  |                |        |
|----------------------------------|-----------------|------|-------------|------------------|----------------|--------|
| Department:                      |                 |      |             | Date: 2020.02.22 |                |        |
| Number                           | Department name | Name | Record time | Fahrenheit °F    | Whether a cold | Remark |
| 1                                |                 |      |             |                  |                |        |
| 2                                |                 |      |             |                  |                |        |
| 3                                |                 |      |             |                  |                |        |
| 4                                |                 |      |             |                  |                |        |
| 5                                |                 |      |             |                  |                |        |
| 6                                |                 |      |             |                  |                |        |
| 7                                |                 |      |             |                  |                |        |
| 8                                |                 |      |             |                  |                |        |
| 9                                |                 |      |             |                  |                |        |
| 10                               |                 |      |             |                  |                |        |
| 11                               |                 |      |             |                  |                |        |
| 12                               |                 |      |             |                  |                |        |
| 13                               |                 |      |             |                  |                |        |

### 4.3. Identifying deficiencies with delivered food items, and rejecting supply.

Food safety management begins when receiving food service deliveries. It is important to provide food service training and have a process in place to guarantee you are bringing safe, quality food into your establishment. To keep your customers safe, follow these guidelines regarding when to reject items during a delivery. Temperatures should be checked on products upon delivery. If anything is not in the recommended range it should be rejected.

- Cold Food - Any cold TCS food should be received at 41°F or lower
- Milk - Can be received at 45°F or lower (Make sure to cool the milk to 41°F or below within four hours)
- Shell Eggs - Receive at 45°F or below
- Hot Foods - Any hot TCS food should be received at 135°F or higher
- Frozen Foods- Should be frozen solid when received

Be sure to reject frozen food if fluid stains are on the packaging or the bottom of the case. Also reject frozen food if there is any evidence of thawing and refreezing, such as ice or frozen fluid on the product or the packaging.

**Examine Food Packaging:** -The packaging of food should always be inspected during food service deliveries. Any package that has holes should be rejected. For canned products, reject anything with bulging ends. Anything with a broken seal, missing label or dirty packaging should not be accepted. Do not accept any products that look like they may have been tampered with.

**Assess Food Quality:** -The quality of the food you are purchasing is very important. Make sure to reject food if it's moldy or is the wrong consistency (e.g., moist foods should never be delivered dry). Never accept a product that shows signs of pest damage. Any food that has an abnormal smell or color should be rejected. The above are general recommendations about when products should be rejected upon delivery. Be sure to review any quality standards your company has in place regarding receiving deliveries to ensure they are being met.

**indicators of spoilage and contamination of perishable supplies reject:**

- degradation of flavor, aroma, color and texture.

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- enzymic browning.
- drying and hardening.
- crystallization.
- infestation of animal and pest waste.
- mound.
- exposed packaged food through damaged packaging.
- odor



Figure 4.3 during reject spoilage supply

#### 4.4. Choosing and preparing suitable environment to store perishable supplies.

Equally importantly, a small business needs to update the inventory setup periodically and conduct an accurate annual physical inventory. This is a lot of work, but the payoff is reduced inventory costs and improved customer service as a result of the timely distribution of stock to stores and customers.

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#### 4.4.1. Suitable environment to store supply

**Setup for Ease of Assembly of Orders:** -The goal of any organizational scheme in a warehouse is to make it as easy as possible for workers to locate and pull merchandise for shipment to customers or transfer to outlets. Because businesses are so diverse, there is no one right way to set up warehouse inventory. Rather, you want to follow general principles of good organization when laying out a warehouse plan. Place high-volume goods close to the shipping and receiving area. Do the same with heavy items. This reduces the average amount of time and effort needed to assemble an order.eg. place all televisions in the same part of the warehouse. Arrange bins and shelving with these considerations in mind, rather than simply lining them up against the walls.

**Label Boxes and Create a Map:** -Label boxes with your inventory control numbers. You may also want to take digital photographs of each item and post it where the product is stored. Finally, create a map showing the location of each category of goods in the warehouse.

**Updating Warehouse Setup:** -The organization of inventory in a warehouse needs to be updated at least once a year to maintain efficient operation and inventory control. Your business will add new product lines and discontinue others over the course of a year. When this happens, there is a natural tendency to stack new products wherever you can find space. During a review of the layout of the warehouse, you can shift stock so everything is located conveniently. Update labels on shelves and do the same for digital photos if you use them. Make corrections to your warehouse map. A good time to perform this review is during the days and weeks just after the annual physical inventory, because during the process of performing the inventory, your employees have already removed clutter and outdated stock. It's simply easier to rearrange shelving and bins at this time.

**Warehouse Inventory Preparation:** -Businesses perform physical inventories on a monthly, quarterly or annual schedule. Taking inventory is an essential accounting function. The key to a physical inventory that is accurate and imposes minimal disruption to normal operations is preparation. Start by ordering count tags, count sheets and any other materials you need. Prior to the inventory date, assign employees to go through every section of the warehouse. They should

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label and set aside damaged and outdated stock. Count all merchandise that will not be used before the inventory and attach count tags. Label the counted stock so workers will not pull it for orders. as the date of the physical inventory approaches, meet with the employees who will do the count and assign two-person teams to specific sections in the warehouse. Assign one employee to take charge of issuing count tags and count sheets. Count tags should be numbered so lost or damaged tags can be tracked.

**Performing the Warehouse Physical Inventory:** -Suspend normal shipping and receiving operation while the inventory count is in progress. Instruct employees to segregate any shipments received until the physical inventory is completed. Each inventory team should consist of one person who does the counting while the second records the information on count sheets. The completed count sheets and unused tags are returned to the inventory clerk by each team as they finish. Supervisors should investigate any unusual counts or discrepancies. In addition, it is helpful to do spot counts to verify that inventory teams made accurate and complete counts.

#### 4.5. Coding dates for perishable supplies

Is (use of a calendar date as opposed to a code) on a food product is a date stamped on a product's package to help the store determine how long to display the product for sale. It can also help the purchaser to know the time limit to purchase or use the product at its best quality. It is not a safety date. After the date passes, while not of best quality, the product should still be safe if handled properly and kept at 40 °F or below for the recommended storage times listed on the chart (see below). If product has a "use-by" date, follow that date. If product has a "sell-by" date or no date, cook or freeze the product by the times on the chart.

**Coding dates food:** code dating (open dating) is found primarily on perishable foods such as meat, poultry, eggs and dairy products. "Closed" or "coded" dating might appear on shelf-stable products such as cans and boxes of food.

#### **Types of Dates: -**

- A "Sell-By" date tells the store how long to display the product for sale. You should buy the product before the date expires.

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- A "Best if Used By (or Before)" date is recommended for best flavor or quality. It is not a purchase or safety date.
- A "Use-By" date is the last date recommended for the use of the product while at peak quality. The date has been determined by the manufacturer of the product. Closed or coded dates" are packing numbers for use by the manufacturer.

**Safety After Date Expires:** - Except for "use-by" dates, product dates don't always refer to home storage and use after purchase. "Use-by" dates usually refer to best quality and are not safety dates. But even if the date expires during home storage, a product should be safe, wholesome and of good quality if handled properly and kept at 40° F or below. See the accompanying refrigerator charts for storage times of dated products. If product has a "use-by" date, follow that date. If product has a "sell-by" date or no date, cook or freeze the product by the times on the chart.

Foods can develop an off odor, flavor or appearance due to spoilage bacteria. If a food has developed such characteristics, you should not use it for quality reasons. If foods are mishandled, however, foodborne bacteria can grow and cause foodborne illness before or after the date on the package. For example, if hot dogs are taken to a picnic and left out several hours, they wouldn't be safe if used thereafter, even if the date hasn't expired. Other examples of potential mishandling are products that have been: defrosted at room temperature more than two hours; cross contaminated; or handled by people who don't use proper sanitary practices. Make sure to follow the handling and preparation instructions on the label to ensure top quality and safety.

**UPC or Bar Codes:** -Universal Product Codes appear on packages as black lines of varying widths above a series of numbers. They are not required by regulation but manufacturers print them on most product labels because scanners at supermarkets can "read" them quickly to record the price at checkout. Bar codes are used by stores and manufacturers for inventory purposes and marketing information. When read by a computer, they can reveal such specific information as the manufacturer's name, product name, size of product and price. The numbers are not used to identify recalled products.

**Dating and Pricing:** -It is desirable to date items as they are put away on shelves, so that the storeroom clerk can be certain of the age of all items and make provisions for their use before

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they can spoil. Of particular concern are items that are used infrequently. The storeroom clerk should visually check the stock frequently to ascertain which items are beginning to get old and then inform the chef, so that items can be put on the menu before they spoil. In addition, all items should be priced as goods are put away, with the cost of each package clearly marked on the package. Following this procedure will greatly simplify issuing, because the storeroom clerk will be able to price requisitions with little difficulty. If items are not priced as they are put away, the storeroom clerk will waste considerable time looking up prices when goods are sent to the kitchen. Computer users need not price goods if the program and inventory cards already have this information.

#### **4.6. Storing supplies in appropriate storage area.**

Materials need to be stored and organized safely on-site to minimize the risks of potentially life-threatening incidents. Storage racks and shelving can potentially store multiple tones of materials or equipment

**Storage Times:** - Since product dates aren't a guide for safe use of a product, how long can the consumer store the food and still use it at top quality.

#### **The basic and most consideration of storage time tips: -**

- Purchase the product before the date expires.
- If perishable, take the food home immediately after purchase and refrigerate it promptly.
- Freeze it if you can't use it within times recommended on chart.
- Once a perishable product is frozen, it doesn't matter if the date expires because foods kept frozen continuously are safe indefinitely.
- Follow handling recommendations on product.
- Consult the following storage chart.

Refrigerator Home Storage (at 40 °F or below) of Fresh or Uncooked Products If product has a "use-by" date, follow that date. If product has a "sell-by" date or no date, cook or freeze the product by the times.

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**Table 4.6 storage supply in appropriate area.**

| <b>Storage of Fresh or Uncooked Products</b>                             |                                     |
|--|-------------------------------------|
| <b>Product</b>   | <b>Storage Times After Purchase</b> |
| Poultry  | 1 or 2 days                         |
| Beef, Veal, Pork and Lamb  | 3 to 5 days                         |
| Ground Meat and Ground Poultry   | 1 or 2 days                         |
| Fresh Variety Meats (Liver, Tongue, Brain, Kidneys, Heart, Chitterlings) | 1 or 2 days                         |
| Cured Ham, Cook-Before-Eating  | 5 to 7 days                         |
| Sausage from Pork, Beef or Turkey, Uncooked                              | 1 or 2 days                         |
| Eggs   | 3 to 5 weeks                        |

**Refrigerator Home Storage (at 40 °F or below) of Processed Products Sealed at Plant.**

If product has a "use-by" date, follow that date. If product has a "sell-by" or no date, cook or freeze the product by the times on the following chart. Storage of Product.

**Table 4.6 storage of processed product.**

| <b>Storage of Processed Products Sealed at Plant</b> |                                 |                      |
|--|---------------------------------|----------------------|
| <b>Processed Product</b>                             | <b>Unopened, After Purchase</b> | <b>After Opening</b> |
| Cooked Poultry                                       | 3 to 4 days                     | 3 to 4 days          |
| Cooked Sausage                                       | 3 to 4 days                     | 3 to 4 days          |
| Sausage, Hard/Dry, shelf-stable                      | 6 weeks/pantry                  | 3 weeks              |



|  |                     |                               |
|--|---------------------|-------------------------------|
| Corned Beef, uncooked, in pouch with pickling juices   | 5 to 7 days         | 3 to 4 days                   |
| Vacuum-packed Dinners, Commercial Brand with USDA seal | 2 weeks             | 3 to 4 days                   |
| Bacon  | 2 weeks             | 7 days                        |
| Hot dogs   | 2 weeks             | 1 week                        |
| Luncheon meat  | 2 weeks             | 3 to 5 days                   |
| Ham, fully cooked                                      | 7 days              | slices, 3 days; whole, 7 days |
| Ham, canned, labeled "keep refrigerated"               | 9 months            | 3 to 4 days                   |
| Ham, canned, shelf stable                              | 2 years/pantry      | 3 to 5 days                   |
| Canned Meat and Poultry, shelf stable                  | 2 to 5 years/pantry | 3 to 4 days                   |

# Self-check.4

Name \_\_\_\_\_

ID NO \_\_\_\_\_

occupational \_\_\_\_\_

Date \_\_\_\_\_

## Part I True False I

4. Taking inventory is an essential accounting function
5. Label boxes is arranged bins and shelving with these considerations in mind, rather than simply lining them
6. wholesome and good quality if handled properly and kept at 40° F or below.

## Part II choose

1. -----is desirable to date items as they are put away on shelves.  
A. Universal product code B. bar codes C. dating and pricing D. all
2. One of the following is correct regarding with storing uncooked product.  
A. Poultry (1-2) days B. Beef and pork (3-5) days C. egg (1-2) D. A&B

## Part III matching

### A.

1. Bacon
2. Ham fully cooked
3. Corned beef
4. Ham canned
5. Cooked Poultry

### B

- A. 2years
- B. 2 weeks
- C. 3-4 days
- D.5-7 days
- E. 7days

## Unit five Rotate and maintain stock

This learning unit is developed to provide the trainees the necessary information regarding the following content coverage and topics:

- Rotate stocks for maximum use and minimum wastage
- Check the quality of stock and report findings regularly
- Dispose all excess or spoilt stock and waste
- Maintain cleanliness of stock handling areas, identifying and reporting problems
- Use stock control systems and equipment

This unit will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Rotating Stocks for maximum use and minimum wastage Reporting the quality stock and findings is regularly checked.
- Specializing all excess or spoilt stock and waste, hazardous substances are safely disposed, to minimize negative environmental impacts
- Storing cleanliness of stock handling and areas maintained, and problems are identified and reported
- accurizing stock control systems and equipment's used according to organizational speed and requirements

## 5.1. Rotating stocks for maximum use and minimum wastage.

Food stock rotation consists in using products with an earlier use-by-date first and moving products with a later sell-by date to the back of the shelf. This ensures that food is used within date and prevents unnecessary and costly waste (of food that has passed its expiry date) Place items with the soonest dates at the front. Stock new items behind the front stock; those with the latest dates should be at the back. Use/sell stock at the front first. Locate products with the soonest best before or use-by dates. Remove items that are past these dates or are damaged. Place items with the soonest dates at the front. Stock new items behind the front stock; those with the latest dates should be at the back

### 5.1.1. Checking the quality of stock and report findings regularly.

A quality composite looks for solid businesses that produce consistent results, are very profitable, and generate high returns on their capital employed. The quality composite combines return on equity, return on total capital, gross margin, net margin, and sales and earnings consistency. Quality in inventory management systems is vitally important to the prosperity and long-term stability of a company, as how a business manages inventory can have a direct effect on overall profits, both in the short-term and long-term. Either excess or insufficient inventory can reduce revenue.

Stocktaking (or stock counting) is when you manually check and record all the inventory that your business currently has on hand. It's a vital part of your inventory control, but will also affect your purchasing, production and sales. Much like any aspect of inventory, the process of stocktaking will vary hugely from company to company.

Despite the name, a stock take is about more than just stock management. Any inventory that your business needs should be included. If you're a manufacturer, for example, then you'll want to record products that you use to create your finished goods — because running out of these would be just as disastrous as running out of stock

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## 5.2. Check the quality of stock and report findings regularly

Relying entirely on your system for accurate stock levels is usually a bad idea. By comparing the figures from a stock take to what you thought you had on hand, you can identify discrepancies and fix them before they become problematic. If you aren't tracking your goods as well as you thought, then it may be a sign that you have poor inventory control. It's worth fixing issues preferably rather than later before they lead to bigger problems such as:

- **Stockouts** :when you run out of products to sell.
- **Overstocking**: when you have too many products on hand.
- **Dead stock**: when your products become obsolete before they can be sold.

Cloud software enables you to easily track your product levels and location, but it can't do everything. Your system might not highlight a transit problem, for example, whereas a manual check will. Use a stock take to identify problems that your inventory management system might have missed: such as damaged products, missing orders, poor control or theft. Sometimes these are one-offs that don't cause too much trouble, but they can also be symptomatic of a deeper flaw. When it comes to monitoring the performance of your business, you don't want to leave anything to chance. Calculating key metrics such as inventory turnover, for instance, requires 100% accurate figures. Once you know exactly how your inventory control is performing, you can start to refine your procedures and plans to increase efficiency and grow margins. For example, you might:

- Reduce the amount of safety stock you keep on hand in case of an emergency or surge in demand
- Change up you're pricing to ensure all your products are selling quickly.

## 5.3. Disposing all excess or spoilt stock and waste

Anybody has a responsibility to dispose of food waste appropriately. It is illegal to provide a person with, or access to prohibited food waste to feed pigs or ruminants. Prohibited food waste should be placed in a garbage bin for collection by your local council or commercial waste

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service for disposal in landfill or composting at a recycling facility. Everyone has a responsibility to ensure food wastes containing animal material are disposed of correctly to reduce the risk of an emergency disease outbreak occurring.

**Waste minimization** is a set of processes and practices intended to reduce the amount of waste produced. By reducing or eliminating the generation of harmful and persistent wastes, waste minimization supports efforts to promote a more sustainable society. Waste minimization involves redesigning products and processes and/or changing societal patterns of consumption and production.

The most environmentally resourceful, economically efficient, and cost effective way to manage waste often is to not have to address the problem in the first place. Managers see waste minimization as a primary focus for most waste management strategies. Proper waste treatment and disposal can require a significant amount of time and resources; therefore, the benefits of waste minimization can be considerable if carried out in an effective, safe and sustainable manner.

Traditional waste management focuses on processing waste after it is created, concentrating on re-use, recycling, and waste-to-energy conversion. Waste minimization involves efforts to avoid creating the waste during manufacturing. To effectively implement waste minimization the manager requires knowledge of the production process, cradle-to-grave analysis (the tracking of materials from their extraction to their return to earth) and details of the composition of the waste

Food wastes containing animal material or wastes contaminated by animal material pose a risk of an emergency or exotic animal disease outbreak if fed to susceptible stock. Stock owners, businesses generating food waste, waste disposal businesses, local authorities, government departments, community groups and private individuals all have responsibilities in preventing stock from accessing food wastes that could contain prohibited matter.

Food waste that contains material derived from a mammal or bird (e.g., blood bone, egg, faces, meat), or that may have been in contact with material derived from a mammal or bird, are prohibited feed for pigs and poultry (mash) and must not be feed to pigs or poultry. This applies to all pigs and poultry, including pets and those owned by hobby farmers.

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Food waste that contains material derived from any vertebrate animal, including fish (e.g., blood bone, egg, fascies, meat), or that may have been in contact with material derived from any vertebrate animal, is restricted animal material push and must not be feed to ruminants.

For example, food or food scraps from a restaurant, a hotel or domestic premises that may have been in contact with meat is both RAM and prohibited feed for pigs and poultry and must not be fed to ruminants, pigs or poultry.

### **The risk to animals**

Organisms that cause animal disease can survive in foodstuffs. Food preparation processes do not destroy all infectious agents. Animals eating foods that contain or have been in contact with animal material may be exposed to these infectious agents and a disease outbreak can result. Food wastes end up in a range of disposal systems. Unless there are extensive controls over how waste is collected and segregated, all waste must be regarded as potentially contaminated.

### **Rubbish bins and camping ground**

Rubbish bins in national parks, tourist areas and some other public places present a source of food waste that animals could access. Bins that are of solid construction and are either contained behind fences or are fixed so as to prevent contents spillage by animals, reduce the risk. Waste bin lids should exclude birds that may spread waste and should be of a style that closes automatically after use. There should also be enough bins or collection services to deal with the volume of waste generated in these sites. Signage about the risks and appropriate disposal of food waste is recommended. Camping grounds can also pose a risk if waste material is disposed directly into the environment e.g., thrown into the bush to decompose or buried in shallow holes. Waste should be disposed of into the disposal system set up by the owners of the camping ground.



## Household scraps

Household scraps present similar risks to other sources of food waste. The legal responsibilities and principles of waste disposal are the same. Household scraps contaminated with animal matter cannot be fed to ruminants, pigs or poultry, and their disposal must ensure that animals do not access them. Burial or composting in secure sites are the primary methods available for disposal where garbage collection services are not available. They should not be discarded to the environment where they can be accessed by animals. Animal matter can be fed to dogs and cats.



Figure 5.3 dispose excess waste

### 5.4. Maintaining cleanliness of stock handling areas, and identifying problems

The warehouse is one of the most important parts of running a business. Ensuring proper maintenance of the warehouse should fall under the top priority list. This is crucial for the business. It is essential to make sure that your warehouse is clean and safe so that the employees don't get sick or your stock doesn't sit in unclean surroundings. Anyone that has worked in a warehouse knows how dirty and unsafe it can get if not maintained properly from time to time.

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Thus, taking preventive measures is very essential to maintain the safety of your employees and the stocks.

### 5.5.1. There are 10 tips to maintain the cleanliness of stock.

**warehouse environment:** Assess cleaning resources and inventory levels. The consistent implementation of a new cleaning policy will depend on available resources, such as cleaning tools, products, and PPE. A well-defined and documented plan will help clarify what and how much to order and help avoid cross-contamination.

**Make a cleaning schedule and update it accordingly:** -The primary duty of maintaining a warehouse is to keep it clean regularly. The space in the warehouse is huge and thus it gets dusty easily. Therefore, you must maintain a cleaning schedule to clean your warehouse at regular intervals. This will ensure that your stocks are safe and the employees working in the warehouse are working in a safe environment. This also reflects the overall value your company possesses. Areas like the shelves and small storage areas should be cleaned and dusted every single month. This is a must to do to avoid items and packages from becoming isolated or damaged.

**Clear out the bins daily:** -The dustbins of the warehouse should never out of check. They should never overflow with litter. If the bins are not cleared out the visitors and the employees of the warehouse might dump litter to other places where they shouldn't. This can cause inconvenience and hazards for both the warehouse and the people working in it.

**Give each employee separate areas to clean:** -The best way to ensure that all the areas are maintained equally is to assign each area to individual on-site. A picker can be assigned to areas like shelves or conveyor belts. This means that each worker has to work in their areas diligently without making a mess before leaving that will require any further clean-ups. If this schedule is carried out regularly then it helps with workload a lot better and makes every significant shift efficient.

**Keep your cleaning supplies ready for the employees:** -You cannot just expect that your employees will keep the warehouse clean and safe without giving them the proper equipment that is needed for the same. If you make them search for different cleaning equipment every time they go into the shift, it will automatically put them off from cleaning the warehouse properly. Walking long distances for a single dustbin during the shifts is not only a waste of their time but also yours. If the employees are assigned to wiping out jobs or for clearing out the litter, you need to make sure that they are provided with suitable cleaning supplies.

**Turn the inventory more often:** -The stock that has been piling on for a long time that not only becomes obsolete and costly for the warehouse to hold but also becomes a primary element of accumulating dust that can lead to hazardous complications. The stock that has been piled for some time must be cast put from the warehouse space. This saves a lot of warehouse space. You must always keep your stock up-to-date so that there is no piling up dust around the warehouse corners. You can also rent out some warehouse spaces for keeping stocks as such.

**Floor labeling:** -Floor labeling is very essential for every warehouse. It is particularly designed to keep the sectors organize and for identifying stocks easily. If you have the proper record of each isle and if you have the detailed data of the stocks contained in those isles, then it will be way easier for you to access the stocks. This will not only save an ample amount of time but also will make assigning the areas to clean to each employee much easier. As each aisle or area will be properly labeled, the employees will be clear of the portion assigned to them.

**Barriers:** -Barriers are very much required for any warehouse to ensure the complete safety of the employees and staff. Barriers can also help your strict access to certain vehicles like forklifts. This keeps the warehouse organized and clean at the same time. There are various types of barriers like pedestrian barriers, crash barriers, bollard systems, column guards, and racking barriers.

**Recycling:** -It does not matter whether you are a big firm or a small chain business; recycling is the most vital part of any industry. This is the most you can do for your environment while running an organization that can cause harm to the environment. Recycle bins should be made available at every firm so that employees don't go on dumping litter any time they want to throw some kind of litter. This ensures that the supplies that are being used during the operations are reused instead of being replaced. Doing something for the environment is becoming more and more important, considering the recent state of the environment. It is our duty as a citizen of the country to do our part for maintaining the environmental balance.

**Re-evaluate and review company structure:** -The complete evaluation of the business including the structure, management, and the employees, should be done minimum twice every year. It is important to evaluate your employees and assess them based on their efforts that are putting in for your firm. You need to assess whether the management is capable enough to meet the ongoing demands and whether the internal structure of your company is beneficial for the firm or not. The most important part of your company is evaluating the health and safety sections. Any accidental incidents that have occurred should be covered and a considerable amount should be provided to the staff as compensation. Lastly, the preventive measure should be framed to avoid similar events.

#### 1.4. Using stock control systems and equipment

Stock control, otherwise known as inventory control, is used to show how much stock you have at any one time and how you keep track of it. It applies to every item you use to produce a product or service, from raw materials to finished goods.

**There are six reasons why stock control is important: -**

- Reduce your storage costs. ...
- Improve your sales forecasts. ...
- Handle returned orders effectively. ...
- Improve your fulfilment accuracy. ...
- Prevent theft and fraud. ...
- Better satisfy your customers.

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## **Stock control systems** - keeping track using computer software

Guide Computerized stock control systems run on similar principles to manual ones, but are more flexible and information is easier to retrieve. You can quickly get a stock valuation or find out how well a particular item of stock is moving. A computerized system is a good option for businesses dealing with many different types of stock. Other useful features include:

- Stock and pricing data integrating with accounting and invoicing systems. All the systems draw on the same set of data, so you only have to input the data once. Sales Order Processing and Purchase Order Processing can be integrated in the system so that stock balances and statistics are automatically updated as orders are processed.
- Automatic stock monitoring, triggering orders when the re-order level is reached.
- Automatic batch control if you produce goods in batches.
- Identifying the cheapest and fastest suppliers.
- Bar coding systems which speed up processing and recording. The software will print and read bar codes from your computer.
- Radio Frequency Identification (RFID) which enables individual products or components to be tracked throughout the supply chain A computerized stock control system will only be as good as the data put into it. Run a thorough stock take before it goes 'live' to ensure accurate figures. It's a good idea to run the previous system alongside the new one for a while, giving you a back-up and enabling you to check the new system and sort out any problems.

## **Choose a stock control system**

There are many software systems available. Talk to others in your line of business about the software they use.

Make a checklist of your requirements. your needs might include:

- multiple prices for items
- prices in different currencies
- automatic updating, selecting groups of items to update, single-item updating

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- using more than one warehouse
- ability to adapt to your changing needs
- quality control and batch tracking
- integration with other packages
- multiple users at the same time
- Avoid choosing software that's too complicated for your needs as it will be a waste of time and money.

Inventory control systems, such as inventory control apps, offer a variety of functions that help companies manage various types of inventories. Inventory control systems typically consist of inventory management apps paired with barcode tagging to identify inventory assets, and information about each item is stored in a central database. Barcode labels serve as inventory trackers, allowing users to bring up information about the item on a computer system, such as the item's price, the number of items in stock, the location of an item within a warehouse, and more.

The best inventory control apps are mobile-compatible, with companion apps that allow users to track and manage inventory while they move throughout a facility or from site to site. There are many inventory tracking apps for smartphones, some of which are mobile-exclusive, while others have desktop applications to allow users to track inventory from any device. There are also many inventory tracking apps designed specifically to meet the needs of warehouse managers. When looking for an inventory management app, look for features that accommodate your company's needs, such as trigger alerts when inventory levels reach pre-defined thresholds, re-ordering capabilities, and analysis and reporting to support functions such as forecasting.

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# Self-check.5

Name \_\_\_\_\_

ID NO \_\_\_\_\_

occupational \_\_\_\_\_

Date \_\_\_\_\_

## **Part I True False**

7. Quantity in inventory management system is a vitally important to prosperity and long -term stability.
8. Disposing waste food is the duties and responsibility of food and beverage control.
9. Waste minimization is a set of processes and practices intended to reduce the amount of waste produced

## **Part II Matching II**

A

B

1. Recycling
2. Stockout
3. Dead stock
4. Over stock
5. Dispose

- A. Obsolete before
- B. Product on hand
- C. product to sell
- D. vital part of any industry
- E. waste elimination

# Reference

[https://www.foodstandards.gov.au/consumer/safety/faqsafety/documents/Technical\\_Fact\\_Sheet\\_Food\\_receipt\\_Feb\\_2008.pdf](https://www.foodstandards.gov.au/consumer/safety/faqsafety/documents/Technical_Fact_Sheet_Food_receipt_Feb_2008.pdf) on 28/10/2016

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