

## **ABSTRACT**

*In manufacturing companies, inventory and warehousing cycles are major cycles which are closely associated to other cycles. In this case, inventory and warehousing cycles have a key role since inventory is one of the biggest assets owned by business entities*

*Inventory constitutes the principal component in inventory and warehousing cycle having the significant amount in the financial statements so that the inventory can also affect income statement reporting. Hence, the value of inventories must be straight reflected in income statement. To answer the needs of adequate inventory assessment, audit of inventory cycle needs to be implemented to support reliable presentation of a financial statement.*

*Key words: audit of inventory and warehousing cycle.*