RETAIL PRICE MARKDOWN AUDIT CHECKLIST TEMPLATE

Markdown Audit Checklist

Use this template to review markdown authorization, product eligibility, discount accuracy, labels, POS execution, display segregation, inventory quantities, clearance progression, exceptions, corrective actions, and management sign-off across retail locations.

STORE / LOCATION	AUDIT TYPE	DATE AND WINDOW	AUDITOR

1. Audit setup, governance, and sample plan

1 Confirm the correct store, audit type, date, approved window, and current markdown policy.

CRITICAL | DROPDOWN + DATE + TIME

AUDIT TYPE | Routine / targeted — DATE | Select — WINDOW | Start to end

Execution tip: Use the assigned location and latest approved markdown standard so results remain comparable.

2 Define the sample by department, category, markdown reason, discount stage, stock value, and risk level.

CRITICAL | SAMPLING PLAN

PLANNED SAMPLE | Count — CATEGORIES | Count — HIGH-RISK ITEMS | Count

Execution tip: Include seasonal, ageing, short-dated, damaged-package, high-value, and recently changed markdowns.

3 Confirm the store manager, pricing owner, inventory owner, and loss prevention contact.

PEOPLE PICKER

STORE OWNER | Select — PRICING | Select — LOSS PREVENTION | Select

Execution tip: Use named owners so price, stock, and exception actions can be assigned immediately.

4 Review previous markdown errors, customer complaints, refunds, overrides, shrink findings, and open actions.

CRITICAL | LINKED RECORDS

OPEN ISSUES | Count — COMPLAINTS | Count — REPEAT SKUS | Count

Execution tip: Start with repeated SKUs, high discount values, and unresolved customer-impacting errors.

5 Confirm approved markdown files, item lists, scanners, label printers, POS access, and reference reports are available.

READINESS CHECKLIST

Markdown file current — Scanner ready — Printer ready — POS access ready

Execution tip: Test the tools and approved source records before entering the sales floor.

6 Capture arrival geo-location, timestamp, and an approved reference photo of the markdown area.

CRITICAL | GEO + TIME + LIVE PHOTO

GEO | Verified — ARRIVAL | Timestamp — Add live photo

Execution tip: Use live capture where policy allows to verify when and where the audit was completed.

2. Markdown authorization and source records

7 Verify each markdown event has an approved reference, business reason, owner, and effective period.

CRITICAL | AUTHORIZATION LOOKUP

EVENT ID | Reference
REASON | Select
STATUS | Approved / not approved

Execution tip: Do not accept informal messages or verbal approvals as the only source of authorization.

8 Confirm the approved item list, SKU, variant, pack, quantity, and participating locations match the markdown execution.

CRITICAL | ITEM-LIST COMPARISON

Exact match | Partial match | Mismatch | Add evidence

Execution tip: Check the exact product and location scope before reviewing labels or transactions.

9 Verify the approved markdown price, discount percentage, or price stage matches the source record.

CRITICAL | MARKDOWN VALUE COMPARISON

APPROVED PRICE | $
APPROVED DISCOUNT | %
STAGE | 1 / 2 / final

Execution tip: Use the value effective at the exact audit date and time.

10 Confirm required approval levels were obtained for the markdown value and stock exposure.

CRITICAL | APPROVAL THRESHOLD CHECK

Threshold	Required approver	Actual approver	Result

Execution tip: Escalate markdowns that exceed local delegation or value thresholds.

11 Verify manual markdowns, one-off discounts, and emergency price changes have separate authorization.

CRITICAL | MANUAL OVERRIDE REVIEW

MANUAL EVENTS | Count
AUTHORIZED | Count
EXCEPTIONS | Count

Execution tip: Manual activity should have a reason, named approver, timestamp, and affected quantity.

12 Confirm cancelled, reversed, expired, or superseded markdown instructions are closed and no longer active.

CRITICAL | STATUS VALIDATION

Closed correctly | Residual risk | Still active | Add evidence

Execution tip: Check source files, labels, POS, and store communication for residual activity.

3. Product eligibility and stock identification

13 Confirm each sampled product meets the approved markdown reason and eligibility rule.

CRITICAL | ELIGIBILITY VERIFICATION

MARKDOWN REASON | Select
EVIDENCE | Reference
RESULT | Eligible / not eligible

Execution tip: Check season, age, condition, shelf life, campaign exit, or approved commercial reason.

14 Scan the item and verify SKU, barcode, variant, size, colour, flavour, model, and pack match the approved record.

CRITICAL | BARCODE AND ATTRIBUTE CHECK

Correct item | Unclear | Wrong item | Scan / photo

Execution tip: Similar variants can create hidden errors, so compare every differentiating attribute.

15 Confirm only the approved quantity has been marked down.

CRITICAL | QUANTITY CONTROL

APPROVED QTY | Count
MARKED-DOWN QTY | Count
VARIANCE | Count

Execution tip: Separate approved marked-down stock from full-price, reserved, quarantined, and non-sellable stock.

16 Verify recalled, quarantined, expired, reserved, or otherwise restricted stock is excluded from sale.

CRITICAL | RESTRICTED-STOCK CHECK

No recall match | No quarantine stock | Not expired | Not reserved

Execution tip: A markdown must never be used to release stock that is not legally or operationally sellable.

17 Confirm mixed batches, shelf-life groups, or condition grades are identified and priced according to policy.

BATCH AND CONDITION CONTROL

Batch / grade	Quantity	Markdown stage	Result

Execution tip: Do not apply one markdown across stock with materially different eligibility or remaining life.

18 Verify serialized, high-value, or controlled items retain required traceability after markdown.

CRITICAL | SERIAL AND TRACEABILITY CHECK

SERIAL / TAG | Enter
EVENT ID | Reference
STATUS | Verified

Execution tip: Record the unique identifier and keep authorization linked to the exact item.

4. Markdown label and ticket execution

19 **Confirm the markdown label, ticket, or sticker is applied to the correct product or approved display position.** CRITICAL · PRODUCT-LABEL MATCH

Correct match | Unclear | Wrong item | Add photo

Execution tip: Check the exact item or facing, not only the wider bay or markdown zone.

20 **Verify the original price, markdown price, discount, dates, and required conditions are accurate and readable.** CRITICAL · LABEL CONTENT VERIFICATION

Original price	Markdown price	Discount	Dates

Execution tip: Use the approved source record and check all customer-facing information.

21 **Scan the markdown barcode, PLU, or price-embedded code and confirm it resolves to the correct item and value.** CRITICAL · MARKDOWN BARCODE SCAN

Scans correctly | Hard to scan | Wrong / missing

Execution tip: Test the actual printed or digital code instead of relying only on visual inspection.

22 **Check the markdown label does not obscure product identity, expiry, warnings, ingredients, serial numbers, or legal information.** CRITICAL · PLACEMENT AND DISCLOSURE REVIEW

Product visible | Expiry visible | Warnings visible | Traceability visible

Execution tip: Relocate labels that cover information customers or staff must still be able to read.

23 **Confirm old, duplicate, layered, damaged, or conflicting labels have been removed.** CRITICAL · OBSOLETE-LABEL SWEEP

OBSOLETE LABELS: Count | REMOVED: Count | OPEN ACTIONS: Count

Execution tip: One product should not present multiple active prices or conflicting markdown messages.

24 **Verify electronic shelf labels, digital displays, or print queues reflect the approved markdown status.** CRITICAL · DIGITAL AND PRINT SYNC

DEVICE / QUEUE: Reference | DISPLAYED VALUE: $ | SYNC STATUS: Pass / fail

Execution tip: Check device status, displayed value, effective time, and synchronization result.

5. POS and transaction accuracy

25 **Scan each sampled marked-down item at POS and confirm the checkout price matches the approved markdown price.** CRITICAL | MARKDOWN-TO-POS COMPARISON

MARKDOWN PRICE | $ — POS PRICE | $ — DIFFERENCE | $

Execution tip: Retain the transaction reference for every mismatch, especially customer overcharges.

26 **Verify the receipt shows the correct item, quantity, original price where required, markdown value, tax, and total.** CRITICAL | TRANSACTION DETAIL CHECK

Item correct — Quantity correct — Markdown correct — Tax / total correct

Execution tip: A correct POS screen can still produce an incorrect receipt or final total.

27 **Test markdown accuracy at assisted checkout, self-checkout, mobile POS, and other active payment points.** CHANNEL TEST GRID

Checkout type	Items tested	Errors	Action

Execution tip: Use the same SKU across checkout types to isolate channel-specific errors.

28 **Confirm coupons, loyalty prices, staff discounts, and promotions combine with markdowns only as allowed.** CRITICAL | DISCOUNT STACKING TEST

ADDITIONAL OFFER | Select — EXPECTED RESULT | Allowed / blocked — ACTUAL RESULT | Pass / fail

Execution tip: Test permitted and blocked combinations to prevent unintended double discounting.

29 **Verify tax, rounding, currency, and price-format rules are applied correctly to markdown transactions.** CRITICAL | CALCULATION VALIDATION

SUBTOTAL | $ — TAX | $ — FINAL TOTAL | $

Execution tip: Compare the final receipt with approved tax and rounding rules for the location.

30 **Record every overcharge, undercharge, failed scan, or manual price intervention with customer impact and evidence.** CRITICAL | TRANSACTION DISCREPANCY RECORD

SKU | Enter — IMPACT | $ — TRANSACTION | Reference

Execution tip: Prioritize overcharges and repeated errors because they create direct customer and compliance risk.

6. Display, segregation, and merchandising

31 Confirm marked-down products are displayed in the approved shelf, rail, table, bin, or clearance zone.

DISPLAY COMPLIANCE + PHOTO

Compliant | Partial | Incorrect | Add photo

Execution tip: Use the current visual standard and capture evidence of material execution gaps.

32 Verify marked-down stock is clearly separated from full-price stock where policy requires it.

CRITICAL | SEGREGATION CHECK

Clearly separated | Some mixing | Mixed stock | Add evidence

Execution tip: Prevent customers or staff from applying a markdown price to an ineligible item.

33 Confirm clearance signs, price boards, and promotional communication match the approved markdown mechanics.

CRITICAL | SIGNAGE ACCURACY

Sign price	Label price	POS price	Result

Execution tip: Customer-facing signs must agree with labels and POS conditions.

34 Check sizes, variants, and product groups are organized so customers can identify the correct marked-down item.

ASSORTMENT ORGANIZATION

Organized | Needs attention | Confusing | Add photo

Execution tip: Avoid mixed piles or rails that make the applicable price unclear.

35 Verify damaged, contaminated, expired, incomplete, or unsafe goods are not presented as normal markdown stock.

CRITICAL | SELLABILITY CHECK

Safe to sell | Complete | Within date | No contamination

Execution tip: Move non-sellable items into the approved quarantine, return, or disposal workflow.

36 Confirm markdown displays are replenished, faced, and maintained without exceeding approved quantities.

DISPLAY QUANTITY CONTROL

DISPLAY QTY | Count
BACKROOM ELIGIBLE | Count
OVERFILL / MIX | Count

Execution tip: Replenish only eligible stock and retain separation from full-price inventory.

7. Inventory, quantity, and valuation control

37 Compare physical marked-down quantity with the approved event quantity and system balance.

CRITICAL | THREE-WAY QUANTITY COMPARISON

APPROVED QTY | Count
PHYSICAL QTY | Count
SYSTEM QTY | Count

Execution tip: Count the actual units and investigate every unexplained difference.

38 Verify the markdown value or inventory valuation adjustment was posted using the approved method.

CRITICAL | VALUATION CONTROL

RETAIL REDUCTION | $
VALUE ADJUSTMENT | $
POSTING | Verified

Execution tip: Check cost, retail value, margin, and accounting treatment according to policy.

39 Confirm the markdown event, file, or batch was posted once and duplicate adjustments were prevented.

CRITICAL | DUPLICATE-POSTING CHECK

Single posting | Possible duplicate | Duplicate found | Add evidence

Execution tip: Review transaction IDs and posting logs for repeated files or manual entries.

40 Verify transfers, online reservations, returns, click-and-collect stock, and inter-store movements retain the correct price status.

CRITICAL | MOVEMENT-STATUS REVIEW

Movement	Quantity	Price status	Result

Execution tip: Track whether stock keeps, loses, or requires reapproval of the markdown after movement.

41 Confirm remaining stock moves to the next markdown stage only at the approved time and discount level.

CRITICAL | MARKDOWN PROGRESSION CONTROL

CURRENT STAGE | Select
NEXT STAGE DATE | Date
STATUS | On time / early / late

Execution tip: Do not accelerate or delay the next stage without documented approval.

42 Reconcile sold, remaining, transferred, returned, quarantined, disposed, and written-off quantities.

CRITICAL | MARKDOWN STOCK RECONCILIATION

Sold	Remaining	Removed	Variance

Execution tip: Every approved unit should have a traceable final status.

8. Expiry, clearance progression, and disposition

43 Verify short-dated or expiry-driven markdowns follow the approved timing and remaining shelf-life rule.
CRITICAL | SHELF-LIFE THRESHOLD CHECK

EXPIRY DATE | Date
DAYS REMAINING | Count
RULE | Pass / fail

Execution tip: Use product-specific acceptance windows and do not sell beyond the approved date.

44 Confirm each markdown stage begins and ends at the approved date and time.
CRITICAL | STAGE TIMING VERIFICATION

STAGE STARTS | Date / time
STAGE ENDS | Date / time
AUDIT TIME | Timestamp

Execution tip: Check for labels installed too early, too late, or left active after the stage ends.

45 Verify final-clearance products move to return, donation, disposal, or write-off when the selling window closes.
CRITICAL | FINAL DISPOSITION DECISION

Disposition complete | Pending | Still on sale | Add evidence

Execution tip: Do not leave expired or closed-event stock available for sale.

46 Confirm unsold stock is removed from customer areas and system availability promptly.
CRITICAL | REMOVAL AND SYSTEM UPDATE

Removed from shelf | Removed online | System updated | Area checked

Execution tip: Check the shelf, stockroom, online channel, and inventory record together.

47 Capture evidence for disposal, destruction, donation, supplier return, or controlled write-off.
CRITICAL | DISPOSITION EVIDENCE

DISPOSITION TYPE | Select
QUANTITY | Count
REFERENCE | Enter

Execution tip: Link quantity, reason, approval, date, witness, and proof to the markdown event.

48 Confirm closed markdown events have no residual labels, price files, displays, or open quantities.
CRITICAL | EVENT CLOSURE SWEEP

Fully closed | Residual item | Open exposure | Add evidence

Execution tip: Review sales floor, stockroom, POS, digital channels, and reporting before closure.

9. Exceptions, fraud, and loss prevention

49 Check for unauthorized markdown labels, handwritten prices, manual price changes, or altered tickets. CRITICAL · UNAUTHORIZED ACTIVITY CHECK

No issue | Suspicious | Unauthorized | Add evidence

Execution tip: Treat unapproved customer-facing price changes as critical until validated.

50 Test whether markdown labels can be removed, transferred, or switched to higher-value products. CRITICAL · LABEL-SWITCHING RISK TEST

CONTROL USED | Select
TRANSFER RISK | Low / medium / high
RESULT | Pass / fail

Execution tip: Use approved controls such as destructive labels, item-specific codes, or secure attachment.

51 Review users, stores, or categories with unusually high discount depth, frequency, or value. CRITICAL · EXCEPTION ANALYTICS

HIGH-RISK USERS | Count
HIGH-RISK EVENTS | Count
VALUE | $

Execution tip: Compare activity with role, category, stock age, sales, and approved events.

52 Confirm employee purchases of marked-down goods follow conflict, timing, approval, and reservation rules. CRITICAL · EMPLOYEE-PURCHASE CONTROL

Eligibility followed | No reservation breach | Approval retained | No extra discount

Execution tip: Check whether staff received preferential access or unauthorized additional discounts.

53 Review voids, refunds, returns, exchanges, and post-sale overrides involving marked-down items. CRITICAL · POST-SALE EXCEPTION REVIEW

Exception type	Transactions	Value	Finding

Execution tip: Look for refunding at a higher price, repeated overrides, or transactions without valid stock movement.

54 Confirm material or suspicious markdown exceptions are escalated with evidence and preserved records. CRITICAL · INVESTIGATION AND EVIDENCE

CASE ID | Reference
OWNER | Select
EVIDENCE | Attached

Execution tip: Retain transaction, user, item, time, camera, approval, and corrective-action references.

10. Reporting, corrective actions, and sign-off

55 Calculate markdown authorization, label, POS, quantity, and closure accuracy for the audited sample.
CRITICAL | AUDIT SCORE AND METRICS

SAMPLE ACCURACY | %
CRITICAL FAILURES | Count
VALUE AT RISK | $

Execution tip: Report both overall compliance and customer-impacting critical failures.

56 Escalate unauthorized markdowns, overcharges, unsafe stock, fraud indicators, and major quantity variances immediately.
CRITICAL | CRITICAL ESCALATION

Escalated · Pending · Not escalated · Add evidence

Execution tip: Use the shortest response time for customer, legal, safety, and loss risks.

57 Assign every material finding a root cause, named owner, priority, due date, and evidence requirement.
CRITICAL | CORRECTIVE ACTION REGISTER

Finding	Root cause	Owner	Due date

Execution tip: Separate immediate containment from permanent process, system, or training correction.

58 Retest corrected labels, POS prices, stock quantities, displays, and system status before closure.
CRITICAL | RETEST + CLOSURE PROOF

Retest passed · Retest failed · Closure proof

VERIFIED BY | Select

Execution tip: Do not close the action until the customer-facing execution and system result both pass.

59 Review repeat errors by SKU, reason, discount stage, category, store area, user, and source system.
TREND REVIEW

REPEAT SKUS | Count
REPEAT CAUSES | Count
REVIEW DATE | Date

Execution tip: Use recurring patterns to improve markdown planning, approvals, labeling, POS setup, and training.

60 Complete store manager and pricing or inventory reviewer approval with timestamp.
CRITICAL | DUAL SIGNATURE + TIMESTAMP

STORE MANAGER | Sign
PRICING / INVENTORY | Sign
SUBMITTED | Timestamp

Execution tip: Require acknowledgement of open risks, actions, evidence, and follow-up dates before submission.