

Fixed Assets Audit Internal Controls Checklist



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General Information:

- Audit Date: _____
- Audit Team Members: _____

Asset Documentation and Records:

Asset Register:

- Verify the existence of an up-to-date asset register.
- Confirm that asset details in the register match physical assets.
- Ensure proper authorization for changes to the asset register.

Acquisition Records:

- Review purchase orders and invoices for asset acquisitions.
- Check for evidence of proper approvals and receipts.

Disposal Records:

- Verify documentation for asset disposals, including sales and write-offs.
- Confirm proper approvals and supporting documents.

Depreciation Records:

- Review depreciation schedules and calculations.
- Ensure compliance with accounting standards.

Asset Physical Verification:

Asset Tags and Labels:

- Confirm that assets are labeled with identification tags.
- Ensure tags are securely attached and include necessary information.

Asset Location:

- Physically locate and inspect assets in their assigned locations.
- Verify that assets are in their documented places.

Condition Assessment:

- Assess the condition of assets, noting any damage or wear.
- Document assets that appear obsolete or no longer in use.

Asset Ownership and Responsibility:

Ownership Assignment:

- Verify that each asset is assigned to the appropriate department or individual.
- Ensure documentation supports ownership assignments.

Asset Transfers:

- Review records of asset transfers between departments or locations.
- Confirm proper approvals and documentation for transfers.

Asset Disposal and Write-Off Controls:

Disposal Authorization:

- Confirm that disposals are authorized by relevant personnel.
- Review documentation supporting disposal decisions.

Write-Off Procedures:

- Verify that write-offs are based on valid reasons and properly documented.
- Ensure that write-offs are approved by authorized personnel.

Depreciation Control:

Depreciation Calculation:

- Review depreciation calculations and methods used.
- Ensure consistency with accounting standards.

Approval for Depreciation Changes:

- Confirm that any changes in depreciation methods or rates are properly authorized.
- Review documentation supporting changes.

Asset Reconciliation:

Reconciliation Process:

- Verify the existence of a periodic reconciliation process between the asset register and financial records.
- Ensure reconciliation discrepancies are investigated and resolved.

Segregation of Duties:

Authorization and Custody:

Confirm segregation of duties between those responsible for asset authorization and custody.

Record Keeping and Asset Handling:

Ensure separation of responsibilities for maintaining records and handling physical assets.

Audit Findings and Recommendations:

Summarize audit findings related to internal controls.

Provide recommendations for strengthening internal controls and addressing any control weaknesses.

Signatures:

Lead Auditor: _____ Date: _____

Audit Team Member: _____ Date: _____

Reviewed by (if applicable): _____ Date: _____

The Fixed Assets Audit Internal Controls Checklist outlines key control measures to ensure the accuracy and security of fixed asset data.