

Fixed Assets, Audit 01-12
Risk Analysis Work Sheet
January 2, 2001

<u>Risk</u>	<u>Control</u>	<u>Control In Place</u>	<u>Assessment</u>
Control and recording-keeping over the movement of fixed assets (purchase and transfers) may not be adequate.	Annual fixed asset inventory is performed by departments and overseen by the Property Control Section. In addition, Property Control performs counts and verification of assets in approximately ten departments. Established procedures are in place regarding the purchase and transfer of fixed assets.	Yes. Also, asset transactions are reconciled on a quarterly and annual basis by agreeing system amounts to the general ledger. However, unlocated assets are sometimes noted during the annual inventory.	Medium
The safeguarding of assets within departments is not adequate	Assets are tagged and accounted for on a periodic basis.	Yes. However, unlocated (lost) assets are identified during each annual inventory. Therefore, control of assets at the departmental level can be considered inadequate in some instances.	Medium
Record-keeping over the disposal of fixed assets may be inadequate.	Established procedures are in place regarding asset disposal including documentation and approval.	Yes. However, given that almost \$12M worth of fixed assets were disposed of in FY00, accurate and timely record-keeping could be at risk.	Medium

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Acquired fixed assets are not recorded and/or not recorded accurately in the financial system.	The system flags certain object codes that indicate an impending fixed asset purchase through ADPICS. A holding report is produced by the system (to FAACS) for the Property Control Section, which shows the impending asset acquisition. Based on the report, Property Control later matches the vendor invoice and the FIN26 for subsequent input to FAACS.	Yes. Property Control, on a daily basis, reviews the asset holding report and utilizes it to match vendor invoice and FIN26 and subsequent input into FAACS. It also uses the hold report as follow-up to ensure timely receipt of the support documentation.	Low
Assets amounts per FAACS do not agree to the general ledger (FAMIS).	A quarterly system reconciliation is performed by the Accountant II, which accounts for additions, disposals and transfers. In addition, a spreadsheet is maintained based on FAACS and is reconciled to the general ledger annually. Differences are investigated and resolved on a timely basis.	Yes.	Low.