

## WORK PROGRAM

**Company / Division / Department** : \_\_\_\_\_  
**Section** : FIXED ASSETS  
**Year/Period** : \_\_\_\_\_

<i>Note: Program based on presumed or anticipated conditions. If program is changed as a result of conditions found in the field, document the change accordingly.</i>	<b>Working Paper Ref.</b>	<b>Done by &amp; Date</b>
<p><b>A. <u>OVERALL AUDIT OBJECTIVES</u></b></p> <ol style="list-style-type: none"> <li>1. Fixed assets represent all tangible assets owned or held under finance lease/hire purchased that are used in the company's operations or under construction.</li> <li>2. The procurement of the fixed assets is properly done based on company's policies and procedures and limit of authority.</li> <li>3. Fixed assets are properly recorded at cost/valuation.</li> <li>4. The fixed assets physically exist.</li> </ol> <p><b>B. <u>NOTES</u></b></p> <ol style="list-style-type: none"> <li>1. Review and update the work program.</li> <li>2. Determine and document population, sample size and sampling method.</li> </ol> <p><b>C. <u>AUDIT PROCEDURES</u></b></p> <ol style="list-style-type: none"> <li>1. Prepare/update system notes and identify auditee's internal controls over fixed assets such as:             <ul style="list-style-type: none"> <li>• Purchasing decision and authorisation level</li> </ul> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> </li> <li>• Payment or hire purchase/finance lease arrangement properly approved</li> </ol> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/>		

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<hr/> <ul style="list-style-type: none"> <li>• Maintenance of a complete fixed assets register</li> </ul> <hr/> <hr/> <hr/> <ul style="list-style-type: none"> <li>• Frequency of physical checks and reconciliation to the register</li> </ul> <hr/> <hr/> <hr/> <ul style="list-style-type: none"> <li>• Physical safeguard e.g. control over unauthorised access and movements of fixed assets</li> </ul> <hr/> <hr/> <hr/> <ul style="list-style-type: none"> <li>• Monitoring over actual purchases vs. budget</li> </ul> <hr/> <hr/> <hr/> <ol style="list-style-type: none"> <li>1. Obtain fixed asset register (PBA) by category indicating:           <ol style="list-style-type: none"> <li>a) Cost/valuation (including finance lease/hire purchase)</li> <li>b) Additions/disposals during the period</li> <li>c) Depreciation charges</li> <li>d) Net book value</li> <li>e) Any other relevant information including leasing agreements</li> </ol> </li> </ol>		

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<p>1. Select items &gt;\$\$_____ and :</p> <p>a) Vouch to invoice and agree description, price, date, etc.</p> <p>b) Ensure appropriate authority for acquisition.</p> <p>c) For acquisition through tender/quotation, ensure company's policies, procedures and LOA are complied with.</p> <p>d) For ownership, vouch to delivery order &amp; invoice/registration card (for motor vehicle)/title deeds(for land, building etc)</p> <p>Notes :</p> <p>i. For second and subsequent audit, perform work on additional fixed assets.</p> <p>ii. Steps a, b and c can be cross-referenced to 'Purchasing and Payment' section if same samples are selected.</p> <p>1. Check physical existence of assets (for existing and additional assets):</p> <p>a) Select items &gt;\$\$_____ from fixed asset register and physically inspect. Ensure the assets are in usable condition and located at company's premises (unless expressly stated).</p> <p>b) Ensure that the assets are properly tagged.</p> <p>c) Physically select _____ items and trace to fixed asset register to ensure they are recorded.</p> <p>1. Where fixed assets are transferred between companies in the group, ensure that proper approval and procedures are complied with.</p> <p>2. Agree the depreciation methods and rates per Fixed Asset Register to the company's accounting basis/policy.</p> <p>3. Recompute the depreciation charges (for selected samples) to ensure accuracy.</p> <p>4. For disposal of fixed assets:</p> <p>a) Ensure proper authorisation.</p> <p>b) Ensure sale proceed is received and properly recorded.</p> <p>c) Profit or loss on disposal is properly recorded.</p>		

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<p>1. Insurance coverage: Determine whether fixed assets are adequately covered by comparing the net book value and the sum insured.</p> <p>2. Other steps</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>3. Clear review points</p> <p>4. Prepare 'Report on Deficiency Finding' (if any).</p>		

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<p>Reviewed by:</p> <p>Date:</p>		