

Audit Area	FIXED ASSETS ACQUISITION – AUDIT PROGRAM
Prepared /Date by	
Reviewed/Date by	

	CONTROL OBJECTIVE	TEST OF CONTROL	TEST REF.	REF FINDING
	<p>To ensure the following:</p> <ul style="list-style-type: none"> • Adequacy of the laid down Procedures on fixed assets Procurement. • Compliance with the laid down procedures. • Accuracy and completeness of records. 	<ol style="list-style-type: none"> 1. Establish cut off periods for the purpose of the reviews to be carried out. 2. Obtain the following documents: <ol style="list-style-type: none"> I. Policies and Procedures on fixed assets procurement. II. Fixed Assets Register. III. Physical file for each fixed asset. IV. Minutes of meetings on fixed assets. V. Payment vouchers with their supporting documents. VI. List of approved suppliers. 3. For each class of asset ensure the following: <ol style="list-style-type: none"> a. Purchase Requisition [PR] was properly raised by the user department. b. Minimum of three quotations were obtained from different suppliers. c. The quotations were really from the approved suppliers. <p>Make enquiries on the management objectives</p>		

		<p>regarding the choice of a supplier; i.e. lowest price [Regardless of quality] or Highest quality [Regardless of the price].</p> <p>d. Draw a suppliers comparison table taking into cognisance the incentives given by each supplier; e.g. discounts, warranty period, support services etc</p> <p>e. Consider the chosen supplier in each case and make sure that the selection criteria were fully applied.</p> <p>f. Review the purchase order [PO] and make sure that:</p> <ul style="list-style-type: none">• It is in the chosen supplier's name.• It contains the list of assets, specifications and quantities as per the PR.• It states the terms of payment i.e. single or instalments payment and Payment before or after delivery.• Expected delivery date.• Dully approved by appropriate authorities [At least two officers].		
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		<p>g. Check the Goods Receipt Note [GRN] to ensure that:</p> <ul style="list-style-type: none">• The fixed assets supplied were in conformity with the PR and the PO. In terms meeting specifications and quantities.• Assets supplied in piecemeal are supported by different GRN.• Dully signed by appropriate authorities [At least two responsible officers]. <p>h. Check the suppliers waybills and invoices to ensure that:</p> <ul style="list-style-type: none">• The assets stated are in agreement with the PR, the PO, and the GRN in terms of specifications, quantity and value.• They were in the name of MTNN.• Correct amount is stated. This could be done by casting and cross casting [price by quantity] and add up the total.• The vendor management or it's representative dully signed the waybills and the invoices. <p>i. Check the payment vouchers [PV] to ensure</p>		
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		<p>that:</p> <ul style="list-style-type: none"> • The payee names correspond with names on the quotation, the PO, the GRN, the waybill and the invoices. • The amount paid corresponds with the amount on the PO, the GRN, and the invoices. • Discounts were taken care of [where applicable]. <p>j. Trace the payment to the cashbook in the General Ledger.</p> <p>k. Establish date sequence as follows: PR date->PO date->Waybill date->GRN date->PV date.</p>		
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