



INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF KENYA

**ASSET MANAGEMENT SEMINAR
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Asset Verification – Planning & Reporting

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(Examples)**

Introduction



Asset verification is the process of making valid the information on assets, for example for property, plant and equipment; confirming the existence, location and condition of the asset.

Introduction



Asset verification is an important part of asset management. It may be carried out because of various reasons listed as follows:

1. Part of management activities such as planning, budgeting, coordinating and delegating responsibilities.
2. Financial reporting (Mainly as part of the audit process).

Introduction



3. Verification may be required for compliance purposes where the law, donors or other regulatory bodies require the verification to be done.
4. Done to update the asset register and other information on asset.
5. Other reasons include due diligence, fraud, insurance, valuations, hand over, change of possession, new management etc.

Introduction



Asset verification can be done by:

1. The organization (Relevant management/dept. heads and staff).
2. Auditors, as part of their audit processes.
3. Asset management service firms (A firm can outsource it's asset management services).

Please note that asset verification may require high level expertise for some assets e.g. Plant engineers!

2. The steps



1. INITIAL CONSULTATION

The initial consultation focusses upon what is needed. It could be a verification for the first time therefore need for a new asset register or simply to update the existing one.

To enhance the accuracy of the verification, it is important to identify clearly what has to be verified, the purpose and who needs the report.

2. The steps



Where there is an existing data set to be matched against, the requirements need to be clearly identified and discussed. The initial

2. The steps



2. INITIAL PROJECT PLAN

A clear and detailed project plan is required to ensure that an asset verification is completed within the given time-scales. Any project plan is constructed in conjunction within the organization resources and needs.

The plan will be detailed and covers among others:

2. The steps



1. Obtaining relevant documents with asset information e.g. from the organization,
2. Ascertaining the scale of work,
3. Determining the time, personnel and other resources required and to be deployed,
4. Time tabling of events, including a Gantt chart with clear performance objectives,

2. The steps



5. Classifications to be used in asset verification and relevant codes under each.

3. DATA COLLECTION

This is done by the trained staff on the ground and is enabled by use of codes and data is entered using barcode readers/scanners and photos and data keyed is keyed in on the spot.

2. The steps



For data collection, quality procedures must be in place to ensure the accuracy and validity of data being entered. So quality assurance need to be put in place and in some situations it may require confirmation by say a relevant head of department.

2. The steps



4. DATA COMPILATION

Once data is entered, it has to be processed, for example data from various sources is collated and a draft comparison, done to compare the preliminary findings with the available records.

Any errors or gaps should be addressed immediately.

3. The Report



5. DRAFT AND FINAL REPORTS

An initial draft report is done for discussion with management. Then a final report will be done, and the contents, findings and discussions will be based on the specifications of the exercise.

Typical audit reports will highlight major issues in records and weaknesses in controls.

Alternatively we may have an asset register, a new one or updated/revised.

3. Verification Reports



The contents of verification reports will depend on the nature of the task and the intended user.

Generally a report will have:

1. An executive summary,
2. Scope and approach of the work done
3. Observations
4. Risk assessment, weaknesses in internal controls

3. Verification Reports



5. A listing of the assets, conditions and other information based on the Terms of Reference

6. Appendices explaining or providing more information to support the contents of the report.

The reports can vary from one process to the next.

3. Verification Reports



Check examples of
Sample asset verification
reports!