



**REVIEW OF FIXED ASSET REGISTER**

NAME OF MUNICIPALITY: \_\_\_\_\_

FINANCIAL YEAR: \_\_\_\_\_ REVIEW DATE: \_\_\_\_\_

No	Procedure	Achieved/ Not Achieved	Recommendations	Resolved
<b>A</b>	<b>Opening Balances</b>			
A1	Agree opening balances per class of assets, as per the FAR, to the general ledger, trial balance and audited financial statements			
A2	Reconcile restatements to prior year amounts to working papers/supporting schedules			
<b>B</b>	<b>Additions</b>			
B1	Agree the additions total as per the FAR to the Capital Ledger (Capex), if not already transferred to the Property, Plant and Equipment GL account.			
B2	If transferred to the GL, agree the additions total as per the FAR to the Journal processed to Property, Plant and Equipment GL account.			
B3	For assets purchased under a capital threshold, inspect the listing of minor assets, to ensure that such assets have been recorded			
B4	Review the accruals schedule at year end and compare to FAR to ensure that the assets received and not paid for by year end are recorded.			
B5	Review the repairs and maintenance accounts to ensure that assets have not been incorrectly expensed.			
B6	If deemed cost is applied to any asset, review the methodology and supporting workings to ensure reasonability applied to determining the deemed cost value.			
<b>C</b>	<b>Disposals</b>			
C1	Agree the lists of disposed assets by means of auction, scrapping, donation			

No	Procedure	Achieved/ Not Achieved	Recommendations	Resolved
	etc, to the FAR, to ensure that all disposals have been accounted for.			
C2	Agree the disposed assets on the FAR to the disposal schedules			
<b>D</b>	<b>Review of Useful lives and Residual Values</b>			
D1	Compare the useful lives for the respective classes of assets to the accounting policy adopted by the municipality. Consider review of this policy should the useful lives for certain categories/classes be inconsistent.			
D2	Review the methodology and supporting documentation for reviewing useful lives and residual values to ensure that it adequately addresses the review process			
D3	For a sample of selected assets, recalculate the change in accounting estimate and depreciation charge for the year			
D4	Review the logic of the journals processed with regard to the change in useful life or residual value			
<b>E</b>	<b>Impairment and reversal of impairment</b>			
E1	Review the methodology and supporting documentation for consideration of impairment indicators			
E2	Review the logic of the journals processed with regard to impairment or reversal of impairment			
E3	For assets recorded at cost, ensure that the reversal of impairment loss is limited to the carrying amount of the asset calculated as if the impairment has never occurred.			
<b>F</b>	<b>Depreciation</b>			
F1	On a sample basis, recalculate the depreciation of different classes of assets to ensure accuracy and compliance with the accounting policies			
F2	Inspect the FAR to confirm that land has not been depreciated.			
F3	Inspect the FAR to confirm that assets that have reached its residual value, is not being depreciated beyond that			

No	Procedure	Achieved/ Not Achieved	Recommendations	Resolved
	value.			
F4	Conduct a reasonability test on accumulated depreciation for individual assets by dividing the accumulated depreciation by the cost of the asset, to determine that accumulated depreciation is aligned to the period the asset has been depreciated.			
F5	Review the work in progress disclosed in the FAR to ensure that depreciation has not been calculated.			
<b>G</b>	<b>Closing Balances</b>			
G1	Cast and cross cast the FAR to determine the correct totals have been calculated			
G2	Agree the closing balances on the FAR to the general ledger and trial balance at financial year end			
G3	Identify assets with a zero or near zero carrying amount, and determine if these assets are still in use. If so, consider the need to review the useful life of these assets			
G4	Review the FAR to determine that there are no duplicated assets (same barcode numbers or unique identifier)			
G5	Review the FAR to determine that there are no assets with negative carrying amounts.			
G6	Agree the closing balances to the disclosure in the AFS that is in the process of preparation.			
<b>H</b>	<b>GRAP Compliance</b>			
H1	Review the accounting policies as per the annual financial statements to ensure the consistency applied in preparation of the FAR			
H2	Review the FAR to determine that the following are included: <ul style="list-style-type: none"> <li>• Detailed asset description and type;</li> <li>• Barcode, unique identifier, serial number, erf number</li> <li>• Location and custodian</li> <li>• Purchase price and acquisition date</li> <li>• Estimated original useful life and Estimated residual value</li> <li>• Remaining useful life</li> <li>• Depreciation and Accumulated depreciation</li> </ul>			

No	Procedure	Achieved/ Not Achieved	Recommendations	Resolved
	<ul style="list-style-type: none"> <li>• Disposal – date, proceeds, depreciation up to date of disposal</li> <li>• Change in useful life or residual value – date reassessed etc</li> <li>• Impairment loss recognised or reversed</li> <li>• Carrying amount at the beginning and end of the reporting period</li> <li>• Funding source</li> <li>• Condition of asset</li> </ul>			
H3	Review the componentisation of assets on FAR. Determine that there are no infrastructure assets recorded as a single line item on the FAR eg. Stanger Road.			
H4	Consider impact of asset threshold on FAR in terms of materiality, individual nature of items and as whole (nature and rand amount)			
H5	For assets that could not be found during verification, but have not been written off at year end, consider making disclosure in this regard in the AFS note.			
H6	Compare deeds search and valuation roll to FAR to ensure all land is accounted for.			
H7	Compare eNatis reports to FAR to ensure completeness of vehicles			
H8	Check photos provided by verification team for assets – it may be the same photo being repeated.			
H9	Review assets classification of Investment Property, Heritage assets, Biological assets, Inventory etc to ensure appropriateness of such classification.			
H10	Compare the finance lease register to the FAR to ensure that such assets have been capitalised.			
H11	For assets classified as inventory, determine that the asset has been written down to lower of cost or net realisable value.			
H12	Review methodology and supporting evidence for the review of useful lives and residual values, to determine reasonability.			