



Fixed asset management services

Capability document

Sharp & Tannan Group




1932
Founded by C.R. Sharp



INR
900+
Billion top line audited




500
+
Employees



10
Offices



22
Partners



30
Listed clients serviced



 Russell Bedford
taking you further
Affiliations

MEMBER OF THE
 **FORUM OF FIRMS**



10th
***Ranked Assurance Firm in India**

* Prime Academy 2018 report

Introduction

Fixed assets are valuable assets for an enterprise. Companies with multiple manufacturing locations and offices find it challenging to maintain a proper trail (physical and document form) of their fixed assets. 'The work from anywhere trend' has made it more challenging for companies to manage their moveable assets like laptops. The law requires an appropriate classification of the fixed assets and requires the auditor to vouch for their accurate reporting/ disclosure for legal and tax purposes. We possess the necessary expertise and experience in managing your fixed assets keeping in mind the clients' operating and legal requirements.



Our philosophy

We aim at providing high-quality fixed assets management services to our clients keeping in mind the following.

1. **Importance:** Fixed assets occupy a central position in an organisation's business. A proper control over fixed assets in terms of physical control, documentation and security assumes significant importance. We understand this business need and take necessary actions while servicing our clients.
2. **Cost - benefit analysis:** Fixed assets require heavy investment, especially in capital-intensive industries like manufacturing, processing, etc. We aim at justifying the value-addition we deliver vis-à-vis the cost that the client has incurred on the asset/asset class.
3. **Objectivity:** When it comes to advise our clients we are practical and have a solution driven approach. We define the areas requiring attention, and design our scope of services accordingly.



Our approach

We are clear in our approach. We follow our standard practice of:

Identification / Tagging of Assets: This ensures physical existence of the asset and its present condition.

Tracing in the books: Tracing refers to identifying and documenting the asset in the books of account. Tracing ensures that the fixed assets which are physically present are correctly reflected in the financial accounts.

Reconciliation & generating exceptions: Lapses in physical and documentary records are tallied if proper and periodical reconciliations are made and reported to the management.

Identification / Tagging of Assets

Tracing in the books

Reconciliation & generating exceptions

This approach and methodology of working is consistently followed at Sharp & Tannan.

A. Identification and tagging

- 100 % physical verification of the assets.
- During this activity, along with the quantity of the assets, the make, capacity, manufacturer and all other relevant and available details are captured on spread sheets to the extent viable.
- Temporary / Initial tagging (Unique tag number) is done during physical verification.
- Permanent tagging (Barcode / QR Code tag /Painted Tag) number is generated/assigned for such freezed Assets list by outsourced vendor based on the details provided by us and respective block wise labels shall be printed /painted.
- Assets (Plant & Machinery) captured pictorially (subject to safety permissions & devices provided by Company).
- This activity is repeated for every asset across an identified location.

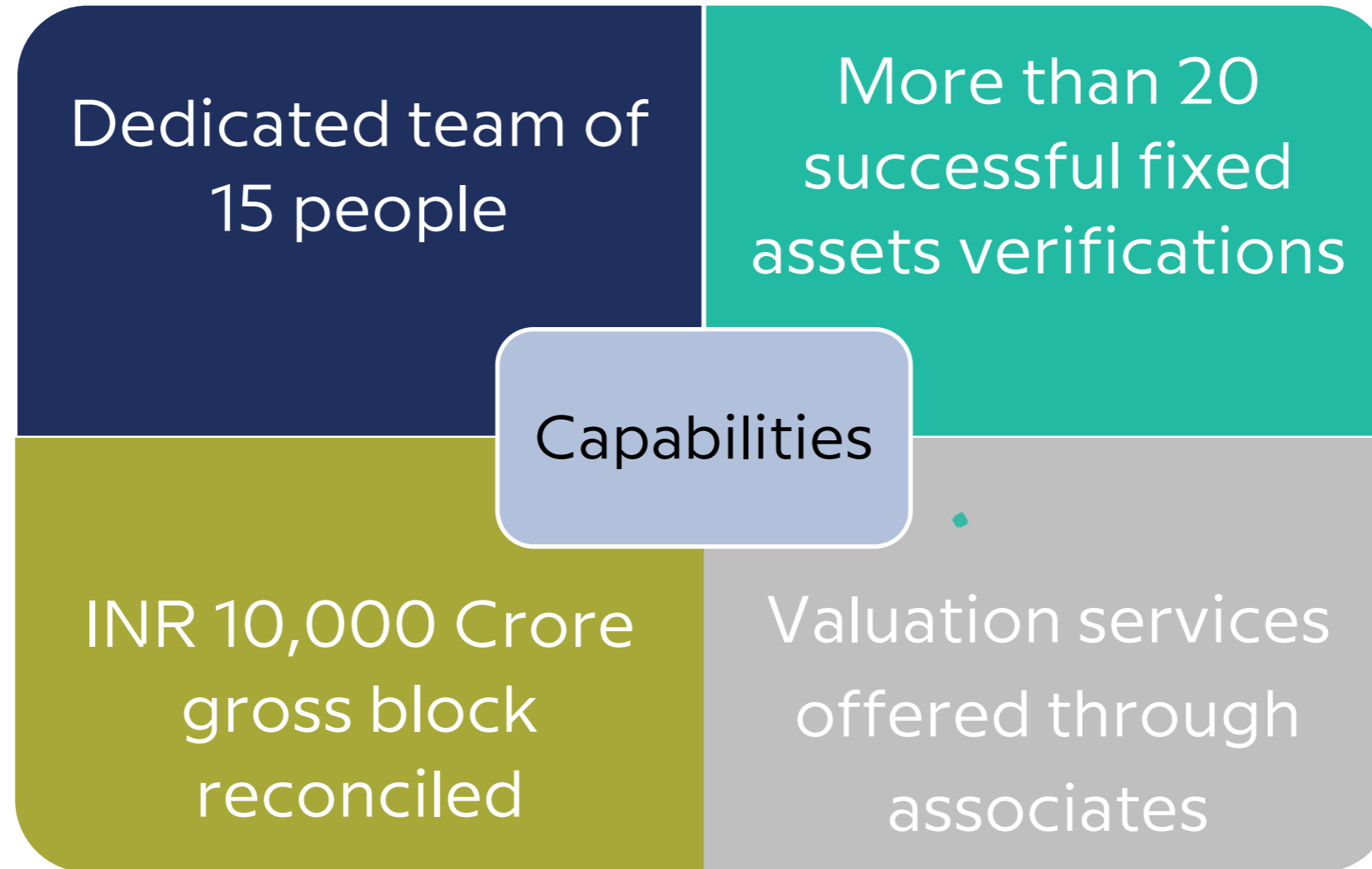
B. Book building and reconciliation

- Asset line level dumps to be generated (for quantity part) based on the invoices available for the concerned location or shall be provided by concerned incharge.
- Details such as MOC (Material of Construction), model, manufacturer, capacity, etc from invoices shall be captured in Fixed Assets Register provided.
- Reconciliation shall be carried out between physical sheet and constructed Fixed Asset Register till cut-off date.
- Issues, if any, to be handled during reconciliations are
 - Inter Transfer of Assets to different locations.
 - Multiple assets capitalised through single entries and vice versa.
 - Asset Scrapped/Discarded – and not removed from FAR
- Valuation exercise may be carried out for the assets not reconciled with the books and available records.
(Separate Exercise)
- Reconciliation shall be carried out over constructed FAR to the extent possible.

C. Generating exceptions

- Final deliverable includes
 - Reconciliation of constructed Fixed Assets Register (FAR) V/s Physical sheet, which usually generates the following exceptions:
 - Assets lying in FAR but not found in physical verification.
 - Assets found physically but not located in the FAR.
 - Inter-location adjustments.
 - List of assets for which valuation needs be carried out – This may be required for unreconciled assets (Assets for which invoices not available). (Valuation is a separate exercise)
- Final Spread sheets of all the assets' location wise.
- Tagging (Sticking of Tags) shall be carried out.

Our capabilities



Consulting partners and other key persons



Amit Shah | Partner - Consulting

- Amit has been involved in GRC and Consulting for over 16 years.
- His engagements both in the GRC and Consulting sectors are specifically in the chemicals and IT sectors.
- Amit has led more than 15 fixed assets assignments.

Email: amit.shah@sharpandtannan.com



Hemant Vyas | Assistant Manager

- Hemant is associated with our firm for the last 20 years
- He has till date handled 20+ fixed assets assignments

Email: hemant.vyas@sharpandtannan.com

Consulting partners and other key persons



Mayank Parekh | Audit Senior

- Mayank has a 13+ years of experience in Finance and GRC.
- He has executed more than 5 fixed assets assignments

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