

**Internal Control Assessment**  
**Section 11: Fixed Assets**

Agency:  
 Bus Area:  
 Fiscal Year:

	Question	Yes	No	NA	Comments
	<b>Construction:</b>				
1	Are actual expenditures compared to planned expenditures by project?				
2	Are capital outlay plans updated to reflect approved change orders affecting the original budget?				
3	Are procedures in place to ensure that procurement regulations are met and documented, including the approval from the Public Procurement Review Board?				
4	Are procedures in place to ensure that construction-in-progress and completed projects are properly recorded?				
5	Are procedures in place to ensure that budgeted items at all levels do not exceed the amount fixed for projects?				
6	Does the agency comply with the guidelines set forth for projects by DFA-OPTFM?				
	<b>Fixed Assets: Overview</b>				
7	Are fixed assets only acquired for use in furthering the agency's programs and missions?				
8	Is access to the fixed asset system limited to employees who need access to perform their job responsibilities?				
9	Are all assets within the required capitalization or control limits being recorded in the Fixed Asset System in a timely manner?				

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10	Are proper stewardship and control over assets being enforced? (i.e. periodic inventory)				
11	Do financial records and reports properly reflect the fixed asset balances?				
12	Are fixed assets protected from theft?				
13	Does the agency have procedures for reporting theft of a fixed asset?				
14	Are segregation of duties maintained between the recording of fixed assets in the Fixed Asset System and the purchase and disposal of fixed assets?				
15	Does the agency adequately and timely prepare reports required by the State Property Office?				
16	Does the agency abide by all policy and regulations issued by the State Property Office?				
17	Are fixed asset purchases in accordance with MS Code, Section 31-7-13, Bid Requirements?				
18	Does the agency properly record excluded assets that are not required to be reported by the State Property Office?				
19	Are excluded assets safeguarded against damages or theft?				

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20	Have employees been informed of State Property Office regulations and internal procedures?				
21	Are internal procedures documented in writing?				
22	Are procedures in place to ensure proper recording of donated assets?				
23	Does the agency follow the proper procedures for recording an asset without a purchaser order?				
24	Are DFA-OFR instructions for GAAP reporting followed and appropriate schedules submitted in a timely manner?				
25	Are source documents from audit trails provided for all fixed asset transactions?				
26	Does the agency review proper recordings of assets in the fixed asset system?				

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	<b>Fixed Assets: Betterments and Upgrades</b>				
27	Are all transactions involving betterments or upgrades evaluated on a case-by-case basis?				
28	Does the agency determine whether cost should or should not be entered in the fixed asset management system?				
29	Are costs entered into the fixed asset management system properly referenced against the underlying original asset?				
30	Does the agency assign realistic useful life to all depreciable assets when reporting additions (betterments) to the State Property Office?				
31	Are asset acquisition cost, acquisition date and useful life properly recorded so that accurate depreciation is calculated?				
	<b>Fixed Asset: Disposal and Transfers</b>				
32	When an asset is disposed, does the asset show a deactivation date?				
33	Does the agency have a policy for handling surplus property?				
34	Are all surplus items reported timely to the State Property Office?				
35	Does the agency have a policy for handling obsolete and/or broken assets?				

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36	Are asset transfers properly documented indicating the receiving party?				
37	Does segregation of duties exist between physical control and disposal of assets?				
38	Is stolen property reported to security immediately and removed from inventory?				
	<b>Fixed Assets: Federal Fixed Asset Accounting Requirements</b>				
39	Does the agency ensure that assets purchased with federal grant funds conform to state and federal rules and regulations?				
40	Are cost principles and administrative requirements pertaining to federally funded assets followed?				
41	Does the fixed assets management system reflect property as purchased with federal funds and the specific federal program?				
42	Are grantors notified (if required) when capitalized assets acquired with grant funds are no longer used in the grant program?				
	<b>Fixed Assets: Maintenance of Assets</b>				
43	Are maintenance costs of assets (owned or rented) periodically reviewed and analyzed?				
44	Are maintenance contracts current and cover only assets approved by management?				

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45	Are procedures in place to ensure that maintenance costs are not incurred for assets covered under warranties?				
46	Are warranty expirations reviewed periodically?				
47	Does the agency terminate maintenance contracts when cost is determined to be excessive in relation to cost to replace the asset?				
	<b>Capital Leases</b>				
48	Are lease policies and procedures in accordance with the State requirements?				
49	Are all lease transactions properly and accurately recorded and accounted for within MAGIC and agency-based accounting system (if applicable)?				
50	Are all lease/notes payable information properly reported to DFA-OFR in the agency GAAP packet process?				
51	In preparing the agency budget request, are amounts needed to pay principal and interest properly budgeted?				
52	Are all leases properly classified as either operating or capital?				
53	Are active leases maintained at the agency?				