Fixed Asset Management

Tracking of fixed assets through its lifecycle is very important for any organization.
An organization with a large number of fixed assets is required to tag, track, account, and reconcile its asset, which is vital in monitoring assets throughout their lifecycle across locations.

Fixed Assets Management Common Issues

Fixed Assets Accounting Issues

- General Ledger and Fixed Asset Register (FAR) mismatch.
- Independent asset wrongly accounted as a single purchase
- Already scrapped assets still appearing in the books (physically not available)
- Improper accounting of spares: Significant spares been written off *or* consumables being capitalized
- Asset transferred from original premises to other premises. However, costing is computed to products produced in the original premises
- Not recorded under appropriate asset class resulting in incorrect deprecation

Fixed Assets Tracking Issues

- Asset Addition- purchased but not recorded in FAR
- Asset Deletion- Asset disposed/ Sold but not recorded in FAR
- Asset Movement- Assets been moved without any documentation or audit trail
- Idle and obsolete assets are still treated as good
- Changes in fixed asset recording practices over the years have not been given effect to the FAR
- Absence of periodic audits
- Asset with no Tags/ Serial number/ proper description in FAR- Those kinds of assets are difficult to track
- Absence of Fixed Asset Management Software

Incomplete Fixed Asset Register

- Detailed asset descriptions may not have been updated in the FAR such as the Model number and Serial Number, Manufacturer name, etc.
- Asset location may not have been updated in FAR
- Custodian of asset may not have updated in FAR
- Asset tracking will be difficult with incomplete FAR

Absence of Standard Operating Procedure

- Absence of Fixed Asset Management Policy
- Asset Procurement/ Deploying issue- In absence of SOP, the purchase of assets and deploying/ installing on time place will be more difficult.
- No visibility on Transfer/ Disposal of Asset- In absence of SOP.

At MCA, with our in-depth experience, we help clients in streamlining their fixed asset function.

We have physically verified and tagged ~1 million assets, streamlined the Fixed Asset Management function including the Largest E-Commerce player in the MENA region, the Largest Optical Company, and other large Government entities.

Key Solution Areas – Asset Management Solution

Asset Visibility

Create Visibility of all assets deployed in various locations along with Specifications/ Age / Value

Process Improvements

System Driven process & Eliminate manual & Paper based process
Deploy SOP's for efficient Asset Issue, Store & receipt

Software Integration

Implementation of AMS and their integration with ERP System
If RFID route taken, then its integration with ERP

Alerts & Notifications

Deploy a System to enable Alerts and Notifications during asset issuance, reminders for returning these & asset receipts

Advanced Analytics

Provide real-time Analytics at a Department level on Value of assets procured/ deployed/ Ageing & Depreciation details

For More Details please reach out to: **info@mcagulf.com**

Contact us

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