

UNIVERSITY OF TOLEDO INTERNAL AUDIT DEPARTMENT PURCHASE CAPITAL GOODS

Costs are incurred when you begin reviewing the practices of the business. That is, the strength of our current processes.

This information is generic models of financial disclosure for materials that our industry-specific knowledge and understanding of the process. The information is derived from internal controls and recommended.

Effectiveness

- A. Fixed assets
- B. Capital goods on a timely basis are acquired
- C. Capital goods - effective. acquired are costs
- D. Cost budgeted costs
- E. In total
- F. Employees and management are provided the information
- G. Property acquisition
- H. Fixed assets
- I. Fixed assets
- J. Recorded balances are substantiated.
- K. Recorded balances are evaluated.
- L. Performance measures

Compliance with applicable laws and regulations

- A. The process

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Effectiveness

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A. Fixed assets are safeguarded.

Business risks

- The company will not maintain adequate physical security of fixed assets
- The company's financial records are incomplete or 2. Concealment of assets

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Control practices

1. Establish physical controls
2. Establish authorized persons to include identification badges
3. Inspect, identify and document all physical assets
4. Review insurance coverage periodically

B. Capital goods are acquired on a timely basis.

Business risks

- Lack of timely acquisition
- Lack of timely acquisition
- Delay in acquisition

Control practices

1. Develop a long-range plan and capital budgeting requirements
2. Develop a long-term program for capital goods replacement or replacement program.
3. Monitor the timeliness of acquisition
4. Analyze the reasons for delays in the capital acquisition process

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C. Capital goods acquired are cost-effective.

Business risks

- The company will acquire capital goods that do not provide the best value for the money.
- The company will acquire capital goods that do not meet the company's needs.

Control practices

1. Identify the basic requirements for required capital goods.
2. Obtain quotes from suppliers.
3. Consider quality costs - generic goods.
4. Document the process.
5. Define selection criteria for capital goods delivery time, capacity, life expectancy and technology.
6. Eliminate vendors who do not meet the requirements (for example, if they are too costly to have in-house).
7. Rank suppliers based on their product capabilities, life, typical maintenance costs, and other factors. Use Return on Investment (ROI) or other financial metrics to evaluate suppliers.
8. Select the supplier that provides the best value for the money.
9. Review the adequacy of the capital goods purchased and the actual performance of fixed assets against achieved ROIs.
10. Determine the reasons for any deficiencies.

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G. Property acquisitions and dispositions are properly authorized.

Business risks

- The company will make unintentional or intentional dispositions without authorized parties.
- Illegal or improper arrangements to deduct expenses.
- Unaccrued expenses.
- Excessive capital expenditures.
- Incorrect periods.
- The company will not adequately consider the income tax consequences.
- As

Control practices

1. Require management approval of the criteria for determining the prices of capital acquisitions.
2. Require formal written requests for additions over a specified period by designated officials.
3. Compare the costs.
4. Require management approval for the capitalization of expenses.
5. Require management approval for the depreciation and amortization policies on acquired fixed assets.
6. Review the estimates.
7. Review depreciation details for accuracy and compliance.
8. Ensure the tax department reviews.
9. Install all computers.
10. Require management approval of any sale or disposition of fixed assets.

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H. Fixed asset transactions are completely and accurately recorded on a timely basis.

Business risks

- Errors in recording will be made, including incomplete, inaccurate, or misclassified
- Inadequate or insufficient records

Control practices

1. Establish a system of purchase orders
2. Assign responsibility for purchase orders to specific individuals
3. Use numbered and controlled authorization forms
4. Implement controls to ensure that all fixed assets are accounted for and reconciled
5. Investigate purchases after anticipated receipt date
6. Gather relevant information about time deliveries such as
7. Design controls to ensure the computer system is secure
8. Design controls to ensure that purchases are recorded on a timely basis

I. Fixed asset transactions are reliably processed and reported.

Business risks

- Unauthorized changes to programs will be made to programs
- Unauthorized users will be granted access to programs
- Unauthorized or incorrect business transactions

Control practices

1. Require proper authorization of all changes to programs
2. Require user approval of program tests

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L. Performance measures used to control and improve the process are reliable.

Business risks

- Inaccurate measurement of process efficiency and cost effectiveness

Control practices

1. Compile and review process efficiency and cost effectiveness
2. Review process for measurement of process efficiency and cost effectiveness
3. Obtain relevant information about the capital expenditure process through internal and external feedback.
4. Obtain relevant information about the capital expenditure process through internal and external feedback, and communicate the information to the capital expenditure process.

Compliance with applicable laws and regulations

A. The process of acquiring capital goods complies with applicable laws and regulations.

Business risks

- The company will incur fines or other penalties
- Noncompliance with laws and regulations
- Cost of accumulated depreciation for material equipment