ASSET VERIFICATION TOOL

Comprehensive Guide & Reporting Framework

1. Purpose of the Annual Asset Verification Exercise

The annual asset verification exercise is conducted to:

- Confirm the existence, ownership, location, condition, and unique identification of all organizational assets.
- Ensure the accuracy and completeness of the asset register.
- Identify missing, obsolete, or unserviceable assets.
- Strengthen asset accountability, control, and financial reporting.
- Support compliance with the National Treasury guidelines and internal governance requirements.

2. Scope of the Exercise

The exercise shall cover all assets recorded in the asset register.

3. Roles and Responsibilities

3.1 Asset Verification Team/ Asset Management Unit

- Conduct physical inspections
- Validate asset data against the register
- Document findings and exceptions

3.2 Asset Custodians / Departments

- Provide access to assets
- Avail relevant ownership and supporting documents
- Confirm asset usage and location

3.3 Asset Management Committee

- Review verification findings
- Adopt the updated asset register
- Recommend corrective actions

3.4 Accounting Officer

- Review and approve the updated asset register

4. Key Areas of Focus

4.1 Physical Verification of Assets

- Physically inspect each asset listed in the asset register.
- Confirm the existence of the asset.
- Record verification status as:
    - Found
    - Not Found

    - Found but with discrepancies
- Document observations for each asset.

4.2 Verification of Asset Location

- Confirm that the actual physical location matches the location recorded in the asset register.
- Capture:
    - Correct location
    - Changed location (with new details)
- Note all discrepancies for reconciliation and update.

4.3 Ownership Documentation

Verify availability and completeness of ownership documents, including:

- Motor Vehicles: Logbooks
- Land & Buildings: Title deeds or lease agreements
- Other Assets: Purchase invoices, delivery notes, donation certificates, or contracts

Actions:

- Match documents to asset records.
- List missing or incomplete documentation as exceptions.
- Assign responsibility and timelines for follow-up.

4.4 Asset Condition Assessment

Assess the current condition of each asset and classify as:

- Serviceable
- Unserviceable
- Obsolete

Include brief explanatory notes where applicable, e.g.:

- "Operational – good condition"
- "Broken – requires repair"
- "Technologically obsolete"

This assessment informs maintenance planning, disposal decisions, and impairment reviews.

4.5 Asset Tagging Status

- Confirm that each asset is properly tagged.
- Record tagging status as:
    - Tagged
    - Tag missing
    - Tag damaged
    - Not tagged

5. Output & Reporting Requirements

A. ASSET VERIFICATION REPORT

5.1 Report Objective

To present the results of the annual asset verification exercise, highlight exceptions, and recommend corrective actions.

5.2 Report Structure

1. Cover Page
    - Organization name
    - Report title
    - Financial year
    - Date of verification
2. Executive Summary
    - Overall verification results
    - Key issues identified
    - Summary of major exceptions
    - High-level recommendations
3. Verification Methodology
    - Scope of assets verified
    - Verification approach
    - Tools and documents reviewed
    - Limitations encountered (if any)
4. Detailed Verification Findings

For each asset category:

- Asset description
- Asset ID / tag number
- Physical verification status
- Location verification status
- Ownership documentation status
- Condition assessment
- Tagging status

5. Exceptions and Irregularities
    - Assets not found
    - Assets found but not in the register
    - Location discrepancies
    - Missing ownership documents
    - Condition concerns
    - Untagged or wrongly tagged assets
6. Recommended Corrective Actions
    - Register updates

- Tagging and retagging
- Document recovery
- Repairs, write-offs, or disposals
- Responsibility and timelines

7. Conclusion
   - Overall control environment assessment
   - Next steps

B. ASSET RECONCILIATION REPORT

The reconciliation report shall clearly present:

1. Assets Physically Present but Missing from the Register
   - Description
   - Location
   - Estimated value
   - Recommended action (capitalize and register)
2. Assets in the Register but Not Found Physically
   - Description
   - Asset ID
   - Last known location
   - Recommended action (investigation, write-off, or recovery)
3. Assets with Location or Description Discrepancies
   - Recorded details vs actual details
   - Corrective action required
4. Valuation or Categorization Adjustments
   - Reclassification
   - Impairment or revaluation indicators
   - Obsolete assets identified

C. UPDATED ASSET REGISTER

1. Updating Process
   - Incorporate all approved changes:
     - Additions
     - Deletions
     - Location changes
     - Condition updates
     - Tag numbers
   - Ensure consistency with reconciliation findings.

2. Review and Adoption

- Present the updated asset register to the Asset Management Committee during the quarterly meeting for adoption.
- Submit the adopted register to the Accounting Officer for concurrence and approval.

6. Record Keeping

All verification working papers, reports, and approvals shall be securely maintained in accordance with the organization’s records management policy.