The Financial Audit Complexity of The Fixed Assets

By

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Abstract:

The paper shows concretely and in detail a part of what can means the auditing of fixed assets, the challenges and threatening of this field. For showing the complexity of the issue analysed, it is starting from the too much general and synthetic of the broached issues into specialized literature, but without to minimize their importance. For tangible fixed assets, selected as basis of our research, there are presented the co-ordinates of the methodological approaching: the nuances of the financial reporting background and identification of the adequate one, the profile and amplitude of the audited entity, the place of tangible fixed assets into relations system of the organization, the connection between the orientation towards processes and existences examination and so on. In order to answer of the question what means to audit from financial view aspects of such issue, there are revealed following elements: the understanding of the specific internal control, the estimating of the control risk, as well as the costs and advantages assessing of the internal control mechanisms testing. Identifying and explaining the content of the most important internal control mechanisms, regarding the assessment of this, as well as the substantial tests of the operations from a sequence, it is emphasized the amplitude, the difficulty and risks associated of the whole, respectively of the fixed asset auditing.

Keywords: fixed assets, risk, audit, objectives, tests.

JEL Classification: M41, M42

1. Introduction

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For many years, working in the theory and practice of financial audit, we have looked for objective approaches in the scientific literature, but this remains many times at a synthetic level. We have hoped that with the restructuration of the audit standards, due to the financial scandals at the beginning of the new millennium, the issues to become more specific, but those issues continue to remain at a general level: independence, competence, confidentiality and professionalism, the roles and the responsibility of the financial auditor. Far from us the thought that these concepts are not the milestones of any mission of external evaluation. Also, we are forced to admit the difficulty of this process, taking into account that any audit mission is strongly connected with the personality of the auditor [W. Robert Knechel, 2007]. In this framework, we decided to bring up and present the tangible aspect of the process and the complexity of the one fragment of the financial audit process. We have approached the fixed assets due to the fact that they have represented and still represent a challenge for the accounting and for the financial audit, too.

2. The approach of co-ordinates

From the conceptual point of view, the tangible fixed assets, for instance, are presented under various nuances by the scientific literature and by the different financial reporting framework. The nuances are recognized in the financial reporting field as elements which can mislead stakeholders, and that is why the professionals are requested for attenuate them [J. Demski, 2006]. Thus results a first difficulty of the financial audit, which is not specific only to the fixed assets, can be found at all balance sheet elements and at all processes that are taking place within an organization. In general, the tangible fixed assets are considered assets with the following characteristics:
- they are acquired to be used in the production of goods or services, to be rented to the third parties or to be used for administrative purposes;
- they are elements controlled by the entity and they are supposed to generate economic advantages for the entire period of usage;
- it is common that they are used for many periods. The acknowledgement of tangible fixed asset is realized by estimating the future economic benefits, as an effect of usage, renting or holding them, projection that accounts for the fact that the enterprise can obtain advantages associated with the asset, also considering the potential risks [E.I. Ghizari, 2006].

The objective of this paper is not a debate regarding the concept and the determination of fixed assets, but we will stop here, emphasizing that the auditor will have to identify the financial reporting framework that suit its client, to adopt the referential of the tangible fixed assets and to evaluate if these are implemented. As an exception, if the auditor notices discrepancies from the referential he can accept them in the measure that they are properly identified, argued and offer better financial information [D. Dietrich, 2007].

It is well-known the complex content of the fixed assets imposed by its categories: tangible and intangible assets, both with nuances regarding the depreciation, undepreciation, unfinished fixed assets and financial fixed assets, the
last two representing individually complex challenges for the financial auditors. For the simplification of our exposition, in this paper we will refer only to the tangible fixed assets purchased and subject to depreciation, calling them fixed assets or production equipments, the last ones being illustrative. Also we will not refer to the fixed assets resulting from the entrepreneurial-investment process, range which can influence very much the financial audit process, if these assets are found in the organization economy.

On the other side, the approach in audit is influenced by many variables, among which we cite the profile and the size of the audited entity. This panorama is in the interval defined below:

- a unit to be audited, according to the referential, but considered to be small, in which the number and the value of the operations from the field of tangible fixed assets are so small so that can be reflected into accounting without any difficulty, and the information can be easily evaluated by the financial auditors;
- an organization with frequent operations in the field and values more than significant.

The financial audit is in its plenitude in the entities that are closed to the superior limit described, in which the principles and the usage of corporate governance are very present. In our paper, we will refer to this type of large and very large organization, whose objective is to attain a large profitability. In other words, the economic agents that are large enough [M. Barrett, 2005], next to be called enterprises or companies, require also a competent audit team and balanced structured.

Normally, the audit of the fixed assets is different than the audit of current assets from the following reasons:

1) usually, there are less entries and exits in an financial exercise compared with current assets, but taking into account the proposed profile of the client, this remain in the area of the frequent,

2) entry to the company is in strong connection with the start of working, which can be realized more or less for the interest of the company,

3) often, the value of each operation is significant, their combined effect being more than significant; together with the fact that the tolerable error affected by the global signification point is very reduced, this determines the auditor to declare a risk of no detection very small,

4) the asset will be, probable used, kept and reflected in the accounting books for many years.

Due to this difference, in the audit of production equipments the accent falls on checking the purchases effectuated in the current exercise, rather than on sold of the account from the year before [W. Robert Knechel, 2007]. More, the fact these assets have an estimated life-span of more than 1 year requires the existence of depreciation accounts and cumulated accounts, that are verified as part of the audit of respective assets. Finally, the equipments can be sold or annul, generating a loss or a profit that the auditor must verify.

What means to audit from the financial point of view a problem, such as the fixed, tangible, depreciable assets? This require to have an opinion, to proclaim that the transactions, the transformations and the amounts, in some cases being
millions, even billions of euro are reasonable corrected presented in the financial situations of the company. And you must perform this diagnosis, to offer a certain transparency, in a world in which the lie is an everyday fact, relying on persuasive evidences. In other words, the auditor must be aware of its responsibility and moral, legal and psychological commitment that the process of auditing requires [S. Salterio, 1997].

For a synoptic view we present in the figure no. 1 the relationships between the fixed assets and the circuits considered and approached by the financial auditors during their missions: selling-cashing, salaries-personnel, purchases-payments, inventories-warehousing, gathering-reimbursement of capital, cash-bank. We can notice that the fixed assets are in direct or indirect relationship with all these cycles, the situations being suggestive for the importance and the difficulty of providing the proper information regarding these assets. For example, in the case of selling assets, the auditor will be forced to apply all the procedures recommended by the International Audit Standards (ISA) for the evaluation of the selling-cashing cycle. In this way can be obtained and offered insurances that the results are presented by the client according to the applied reporting framework. The discussion can be further developed on each of the relationship above, and if we extend the rationale to all fixed assets and look only for the real show and not those from the specter of financial standards framework, we can make a few assumption about the complexity, even the difficulty of financial audit of the field.

Coming back to the objective of this paper, one of the most consistent relationship is to be found among the fixed assets and purchasing-payments cycle, reasons for each the specialty literature recommends the audit of these assets within this cycle. In practice this happens only seldom [A.A. Arens 2003]. We will present as an example only a part from the audit of assets, thus resulting the complexity of the whole.

As a result, the tests for the purchase of fixed assets and the appreciation of control mechanisms and the substantial tests of the subsequent operations refer to three economic functions pertaining to the cycle: operating the buying orders, the reception of goods and registration of the debt. It should not be neglected the area of paying the debts corresponding to the product, to which we will make short comments. In order to synthesize the discussion, figure no. 2 shows the procedure of establishing tests for control mechanisms and for substantial operations, when fixed assets are purchased. As can be noticed, the process has as finality establishing the procedures that are to be used by the auditor, if he should use or not the sample and what size should the sample be, how the elements will be selected, programming in time and by person, etc.

In a first phase, the auditor obtain a understanding of the internal control regarding the acquisition of assets by studying the internal norms and procedures regarding purchase, organizational structure, sequential diagrams of the client, interviewing the relevant personnel, formulating the questionnaires for internal control, reviewing the circuit of some documents determined by the fixed assets purchase. On this base, the auditor makes a series of early appreciations regarding the specific control environment, regarding the evaluation of the management concerning the risk of acquisition, on communication and evaluation, regarding to
the activities of control and supervision. These appreciations are documented, and based on them it starts the process of conceiving the test control mechanisms and the tests for substantial operations.

Both in the phase of understanding the internal control, but also with the occasion of estimating the potential risk one can use **analytic procedures**. Table no. 1 highlights analysis modalities using indicators and trends that are applied often in the case of fixed assets. As noticed, the analytic procedures are used to evaluate the probability of an error both in the evidence of fixed assets, therefore in the area of purchase, both also regarding the continuity of existence and using the assets by the client. We mention that the analytic procedures can be used with different intensity all over the audit mission [J. Demski, 2006]. From this cause they are not represented in the figure no. 2 in any phase.

Based on the identified errors using the analytic procedures and especially the results achieved in their motivation, with direct consequences on risk, the auditor can focus the process of planning its mission.

Usually, to each economic function, from the process of fixed assets acquisition it correspond some **key internal control mechanisms**. In the studied case, these refer to: authorization of purchase, separation of the goods received from other functions, the separation of tasks in general, timely registration and the independent checking of operations. We will present each of this key mechanics of the internal control.

*The authorization of purchase.* The proper authorization of fixed assets acquisition is essential, because it ensures the fact that the purchased goods correspond to the objectives of the company. Many companies allow a general authorization of capital goods required for every day activity. For example, the purchase of fixed assets over a certain financial limit should be approved by the board of advisers or at the shareholder meeting; the items purchased frequently such as the computers, furniture, etc. are authorized by certain members of executive management.

After the approval of the supply request, it must be initiated an order to buy the respective goods. The order to buy is issued on the name of a supplier and requires the delivery of a specified item, at a certain price, or up to a certain time.

We don’t develop here the selection of the fixed assets supplier and the audit of this operation, which represents a risky decision for the management of the company, and especially for the auditor. If the external auditor is suspicious about faulty selection of the fixed assets supplier, he must extend the area of mission in order to obtain the necessary proves for clarification. We mention that an internal audit, or an internal control badly realized has negative effects on the financial audit mission, if this aspect wasn’t considered in the phase of accepting the mission.

Usually, the companies create departments of supplying in order to obtain quality goods at the best price. For a good internal control, the supply department should not be responsible for the authorization of purchases and *reception of the goods*. All purchase order must be identified using proper numbering and to include enough information.
The segregation of assets management and other functions. Most companies have a department for receiving the goods, that must fill up a reception note as a prove for receiving and checking the purchased goods. Normally, an exemplar of this document is transmitted to the person who takes into administration and another exemplar to the department responsible for the accounting evidence of assets and debts. The personnel of the reception department should be independent by the personnel who take into administration and the accounting department.

Timely recording and independent checking of the operations. In certain companies, recording the debt corresponding to a purchase is in the moment of reception of the fixed asset, and in other companies is delayed until the moment of receiving the invoice of the supplier. In both cases, the department for the evidence of debts bears the responsibility of checking the correctness of purchases, both on shape and in-depth. This verification is made by comparing the data from the purchase contract or the order with the data from the invoice of the supplier in order to see if the description of merchandise, the prices, the quantities, the payment terms and the transportation costs are in correspondence.

An important control mechanism, installed in the evidence departments of assets and corresponding debts, requires that the employers that operate the purchases in the IT system should not have access to financial means, value titles easy to negotiate or other assets. The documents and the adequate evidences, the accounting procedures and independent verifications also represent control mechanisms necessary for the management of purchased fixed assets.

We must emphasize the fact that, most of the time, in the case of fixed assets, the reception of acquisition is related to the start of production or beginning to fulfill its objective, which, beside registering the fixed assets, require the compatibility with the objectives of the company, both by those who realize the operations but also by those who check them independently.

Payments authorization. The most important control mechanism referring to payments include: signing the documents to pay by an authorized person, properly invested, the segregation of tasks concerning the signing of payment orders and those documents related to the evidence of fixed assets, of financial resources and debts, and the careful examination of the documents who prove for “ok for payment” resolution, by the authorized person at the moment of signing.

We consider that a description of the key internal control mechanisms, even a short one, would not be balanced if we wouldn’t present the main instrument by which the evidence of fixed assets is realized, respectively the systematic file of fixed assets. In order to realize a relevant study of the audit of the production equipments, it is necessary to understand the content of the systematic file of fixed assets. This file consists in a set of registrations, one for each piece of fixed asset in the property of the enterprise. Each record contains descriptive information, the date of purchase, the initial cost, the depreciation for the present exercise and the cumulated depreciation of the asset. The sum of all evidences from the systematic file is equal with the sums in the big book for the respective accounts.

Taking into account the information obtained by the auditor, with the occasion of general identification of the client and also with the occasion of
identification and pro-forma evaluation of above mentioned control mechanisms, one can estimate the control risk associated with fixed assets purchase. Usually, it is elaborated a matrix in which on the columns we can find the objectives of the audit referring to operations, and on the columns we insert the key mechanisms for internal control or the poor steps of internal control. The control risk is appreciated for each objective and can be declared small, medium or big [E.I. Ghizari, 2006], according to the strong points or weak points accumulated on the trajectory of internal control. We highlight the fact that this quantification, on one side represent a critical element of the mission, because it affects fundamentally the decisions of the auditor regarding the tests of the control mechanisms and the substantial evaluation of operations, and, on the other side, is subjective. The universal panacea is represented by the professional reasoning, subtle and profound, combined with the skepticism recommended by ISA.

The valuation of costs and the advantages of testing the control mechanisms. After which the auditor has identified the key mechanisms and the shortcomings of internal control and has estimated the control risk, he has to decide whether the substantial tests can be reduced sufficiently in order to justify the costs associated with testing the control mechanisms. It makes no sense to realize expenses regarding the identification of control mechanisms and to estimate the control risk under the maximum level if this will not allow a reduction of the quantity of the substantial tests.

In order to project the tests of the control mechanisms and the substantial tests of fixed assets purchases it is useful to remind that failure to capitalize an effort to buy an asset or registering a purchase at an incorrect value affects the balance sheet until the moment when the company sells or annuls the asset. The profit and loss account is affected until the moment of full depreciation. This logic is also true for excessive capitalization. In both cases, the accounting information offered by the client to the auditor is altered.

Normally, the point of departure in verifying the purchase of the current exercise is a recapitulative picture of all purchases registered in the big book, during present exercise, data obtained from the client. A registration like this present separately each purchase and include the data of the purchase, the supplier, the description of the asset, a mention of the fact that the asset is new or used, the life span of the asset, the depreciation method and the initial cost. The client gets this information from the systematic file of fixed assets, and the auditor will obtain insurance, at this moment or in the future, that the list is complete.

The leading idea is that the auditor should gain trust in the internal control of the client, otherwise quitting is the most plausible solution [A.A. Arens, 2003]. Beside, if the control mechanisms function efficiently, the efficiency of the audit missions can increase substantially. The key-mechanisms of internal control, the typical tests of control mechanisms and the substantial tests representative for operations corresponding only for two of the audit objectives related to operations are presented in the Table 2.

In order to analyze table no. 2 it is important to correlate the internal control mechanisms with the objective of the audit referring to operations, the tests of the control mechanism with the internal control mechanism and the substantial tests
with the monetary errors that can be present or absent based on the strong points and shortcomings of the internal control. We mention that the sets of audit procedures defined and engaged for an audit mission will vary based on internal control and on other circumstances.

Regarding these objectives, we realized, next to table description, a description of the essential elements of reasoning in the conception and realization of testing.

The purchase registered corresponds to the received equipments and are in conformity with the interests of the client – appearance. From the five objectives of the audit referring to the operations, that is appearance, exhaustivity, accuracy, separation of the financial exercises and classification, all having the same importance, the objective of appearance we consider to be the most complex. We consider that it is not only about the fact that purchase of equipments are presented using the financial situations as they have appeared in the current exercise, but also if they are related to the legal interests of the audited entity [IFAC & CAFR, 2007]. In our opinion this relationship is given by the possibility of connecting the acquisition with the objectives of the enterprise and has in its content: the reality, the necessity, the opportunity and the legality of the operations. So being the facts, the professional reasoning of the auditor cannot avoid the fraud suspicion regarding the employees and especially the managerial fraud, with particular anchors in the process of “dirty” money. For example, regarding the reality of acquisitions, the auditor will have to appreciate if: they are fixed assets entered in the patrimony, exist from the physical point of view, the risks and the benefices associated with assets holding pertain to the company. The most important mechanism of internal control consists in the existence and independent and competent functioning of the reception commission. In the situation of the inexistence, less probable, but its competence can represent a problem, or the improper functioning of this “barrage”, even if their competence can be a problem, the risks facing the auditor increase at a higher rate and will determine reactions accordingly.

If the auditor is convinced that the control mechanisms referring to this objective are adequate, the tests regarding the improper operations or inexistent can be diminished considerable. The proper control mechanism will impeach, probably the client to register as active the operations that are more likely in the benefice of the management or the employees of the company, than the audited entity as a whole. In certain situations, the faulty operations are obvious, for example, the unauthorized purchase by the employees of goods for personal use, or much worse, stealing money by registering fictive purchases in the journal of purchase. Therefore it remains the responsibility of top management that can avoid certain internal rigors. If the control mechanisms regarding the detection of the faulty and inexistent operations are improper then it is required a careful examination of the probable documents, the inspection of the respective assets, etc.

The existing purchases are fully recorded – exhaustively. Not recording the purchase of fixed assets affects directly the sold of the debts and can lead to a overvaluation of the net profit and own capitals. At the other end we can signal
the fact the financial efforts have not been incorporated. From this reason, we believe that the auditors should pay attention to verify the objective of exhaustively. In some cases, testing the detailed information in order to determine if there are unregistered operations can be difficult, and the auditor should rely on internal control mechanisms in this case.

For example, introducing efforts that require direct incorporation in the expenses of the exercise can be spotted by the auditor with the occasion of evaluations of papers and services bought and can lead to the reconsideration of the declarations of the management, of controlling environment and the audit risk. Because the entries of equipments are frequent and can be object of specific rigor, such as the approbation by the Board of Advisers, the auditor might decide not to rely too much on the internal control of the client and to start thinking to the implications on the effort and on his report, or even to consider leaving the assignment.

On the other side, considering that the audit of purchases consumes, usually a large part of the audit mission, the mechanisms of internal control, efficiently and properly tested can reduce in a significantly manner the costs of the audit.

It should be noticed the importance of examination the invoices of the suppliers and the corresponding documents in checking the purchase of production equipments. As a matter of fact, the most regular audit test used to verify the entry of the fixed assets consists in examining the fundamentals of the acquisition programs, of the contracts, the reports of necessity-opportunity, buying orders, the invoice of the suppliers and reports from entry, reception and starting of the operation. Next to the verifications made during the tests of the control mechanisms and the substantial tests of the operations, often it should be performed supplementary tests, because of the complexity of the majority of the operations related to equipments and of high sums involved.

Usually it is not mandatory to examine the probation documents of each purchase, but it is normal to check the large and unusual operations made on the previous exercise, and also a representative sample from the typical purchases from this category. We don’t develop the rationale of the sample, but the auditor must very careful consider also this aspect.

The depth of checking depends on the control risk estimated by the auditor for purchases and the significance of assets entries. We consider, that is extremely important that the auditor to have an understanding of the nature (content) of very large purchases, of atypical purchase and to remain professionally skeptical.

The substantial tests from the area of purchases are realized by comparing the sums from the invoice of the suppliers with those registered in internal accounting. The auditor must recognize the capitalization policies of the client in order to determine if the purchase operations are registered in conformity with the accounting standards applied and if their accounting treatment is in balance with the preceding years. For example, the auditor should pay attention to the existence of significant expenses for transportation and installation of the equipments, and also to the acquisition of new equipments by selling the older ones, in this way obtaining the reimbursement of some part from the value of order equipments. This reimbursement can be done in the accounts of the company or in the private
accounts, and this makes the auditor to confirm the integrality of the contractual clauses.

3. Conclusions

In this paper we have only approached a part from the specter of fixed assets audit. We have omitted many issues from a real audit mission, in order to stick to the mission objectives. In order to complete the whole we should have described also the audit of exits, usage and financing of the fixed assets, following in each case the same five objectives. Next, it should be audited the affirmation of the management regarding the final amounts: their existence, rights and obligations, completeness, evaluation and allocation of the fixed assets at the end of the financial exercise. Next, it continues with the audit of presentation and description, using the financial situations in order to discover what the fixed assets means for the audited client. The situation becomes even more complex if we extend the audit to everything that the assembly of the fixed assets. We appreciate that, showing the most important internal control mechanisms, the valuation of these, as well as the substantial tests of the operations from a sequence, we consider that we succeeded to emphasize the amplitude, the difficulty and risks associated of the whole, respectively of the financial audit architecture of the fixed assets.

References

APPENDIX

Table 1: Analytic procedures applying to the depreciable fixed assets

| Analytic procedure                                                                 | Possible error                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------|
| Compare the input value of the reported fixed assets as specified in financial reports with the value of programmed entries            | Impulsive acquisitions more or less motivated                       |
| Compare the net accounting value of fixed assets with the level of long-term financing sources                                            | The eventual lack of resources for proper financing of fixed assets |
| Compare with the precedent years the ratio between depreciation and the brut cost of production equipment                               | A error in the recording of depreciation and cumulated depreciation |
| Compare the acquisition costs of the client with the own information acquired from other audit missions, from the stock exchange, etc. | Denaturizing the purchase costs, many of them being intended         |
| Compare with the precedent periods the monthly or annually expenses regarding the repairs and maintenance, consumables and other similar accounts. | Highlighting expenses where the amounts should have been capitalized |
| Compare with the precedent periods the ration between the production costs and certain indicators of production                        | The existence of unused or annullled equipments but still in the accounting evidence |
### Table 2: Synthesis of two audit objectives referring to purchases of fixed assets, the key mechanisms of internal control, the typical tests and the tests of the substantial tests of the operations

<table>
<thead>
<tr>
<th>Audit objectives referring to fixed assets</th>
<th>Key mechanisms of the internal control</th>
<th>Typical test of the control mechanisms</th>
<th>Typical substantial tests of the operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>The registered purchases correspond to the acquired goods and are in conformity with the interests of the client – appearance</td>
<td>The purchase request, the purchase order, the invoice are attached to the good for payment resolution</td>
<td>Examine the documents from the good for payment in order to determine their existence and conformity</td>
<td>Check the journal of purchase, big book and the systematic file of the fixed assets and those of debts in order to detect the large and unusual amounts</td>
</tr>
<tr>
<td>The purchases are approved at the corresponding hierarchic level</td>
<td>The purchases are approved at the corresponding hierarchic level</td>
<td>Examine the mention of approval and its adequacy</td>
<td>Examine the probation documents in order to determine their reasonable and authentic character*</td>
</tr>
<tr>
<td>The computer accepts registering the purchase only for authorized suppliers from the systematic file</td>
<td>The computer accepts registering the purchase only for authorized suppliers from the systematic file</td>
<td>Try to register operations for existing and fictive suppliers</td>
<td>Examine the systematic file of fixed assets suppliers in order to spot unusual suppliers</td>
</tr>
<tr>
<td>The reception commission is sufficiently independent and competent</td>
<td>The reception commission is sufficiently independent and competent</td>
<td>Examine the existence and proper functioning of the reception commission</td>
<td>Examine the purchased fixed assets</td>
</tr>
<tr>
<td>The invoices of the suppliers, the reception reports, the purchase orders and the purchase requests are checked internally</td>
<td>The invoices of the suppliers, the reception reports, the purchase orders and the purchase requests are checked internally</td>
<td>Examine the mention of internal verification and analyze the logical of this approach</td>
<td>Confront the fixed assets purchases with the systematic file of fixed assets</td>
</tr>
<tr>
<td>The graphic of documents circuit</td>
<td>The graphic of documents circuit</td>
<td>Analyze the atypical content from the current expenses account that can have affinity with the financial assets</td>
<td></td>
</tr>
</tbody>
</table>

* the purchase program, the contracts, the invoices of the suppliers, the reception reports, purchasing requests, purchasing orders, etc.
Figure 1: Relationship of tangible fixed assets versus the cycles of the audited company
**Figure 2:** The methodology of establishing tests for control mechanisms and for substantial operations, when fixed assets are purchased

<table>
<thead>
<tr>
<th>Understanding the internal control of fixed assets purchases</th>
<th>Audit procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimation of the control risk planned for fixed assets purchases</td>
<td>Sample size</td>
</tr>
<tr>
<td>Evaluating the costs and advantages of testing the control mechanisms</td>
<td>Elements to be selected</td>
</tr>
<tr>
<td>Establishing the tests for control mechanisms and for substantial operations, when fixed assets are purchased so that the objective of audit referring to operations to be satisfied</td>
<td>Time programming</td>
</tr>
</tbody>
</table>