

# WW - FXA.01.01 Modifications in the Assets Books Internal Control

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## Objective and Scope

### Objective of this Procedure

The purpose of this document is to describe the actions needed to correctly apply the Internal Control FXA.01.01 – Modification in the assets books.

### Scope

This operating procedure (OP) applies to both PF2 and RCS (WP2) systems.

## Reference Documents

(N/A)

## Summary

To perform any kind of modification regarding fixed assets, support documentation is needed. The objective of this internal control is that the fixed assets variations above 50K euro are properly justified by their support documentation, which, in general, is a report from an engineer or project manager.

## Definitions

### Responsibility

**SBS SU MAC** is responsible for performing the internal control and gathering the support documentation for the movements that surpass the defined threshold. SU MAC are also responsible for keeping the Internal Control evidences along with their justifications and to provide the documentation to internal and external auditors when requested.

**SU MAC I&D Key User** is the main responsible person for this control within the service center.

**Controllers, Plant Managers, Project Managers and SU MAC I&D Key User** are responsible for providing the support documentation for any movements made on fixed assets.

### Abbreviations

(N/A)

# Process

## Modification in the assets books (IFA.01.01)

The Capitalizations/Divestments above 50k need to be tracked








- **Minimum frequency:** At each change/until D-3 of each month
- **Control owner function:** Service Centre Management Accounting Service Unit Technical controllers (GBU) for some PF2 sites
  
- **Application level:** Group - All assets (tangible & intangible) - Period of controls: each Month.
  
- **Process description:** SU MAC establish a list of all assets above 50 KEUR put into service and commissioned, which should match with project manager requests.
  
- **Control description:** SU MAC I&D Key user or technical controllers (depending on organization) need a proof of authorization from Project Managers (commissioning) or Plant Manager or delegate (other modifications: retirement...) to make modifications > 50k€ to the assets register. For control in the scope of SBS, it is executed by SU MAC and monitored by SU MAC I&D Key User (SBS)
  
- **Risk description:**

Misstatement of financial reporting (including non-compliance to IFRS rules): financial statements do not reflect the true value of the company's assets. Fraud

## Control evidence

The defined threshold for both commissioning and disposals is **50K EUR**. If the company uses another reporting currency, use transaction **ZRATE** to convert the threshold to the company's reporting currency, filling the following fields:

- Date: last day of the month of the report;
- From currency: EUR;
- To currency: currency code of the company;
- Exchange rate: M;

<b>ZRATE: Conversion and exchange rate</b>	
   £->\$   Historical Graph  Conversion Factors	
Date	19.07.2017
From currency (foreign c.)	EUR
To currency (local c.)	USD
Exchange rate type (M, EURO..)	M
	50.000,00 EUR
<b>Result (on the current system)</b>	
	18.07.2017
Exchange rate	100 EUR = 115,50000 - 1 USD
 Convert the amount	50.000,00 EUR = 57.750,00 USD

# Fixed assets commissioning

For fixed assets movements regarding commissioning, that increases related to assets under construction (AUC) being transferred to the fixed asset (FXA) category. To check this kind of movement, use transaction **S\_ALR\_87012054**, filling the following fields:

- Company code;
- Asset number: "2\*", as the results should only include capitalized fixed assets;
- Report date: Last day of the month of the report;
- Depreciation area: Group (50 for PF2 companies, 01 for WP2 companies);
- Sort variant: 0001;
- List assets;
- Posting date: From the first to last day of the month of the report.

Intracompany Asset Transfers			
Company code	<input type="text" value="5782"/>	to	<input type="text"/>
Asset number	<input type="text" value="2*"/>	to	<input type="text"/>
Subnumber	<input type="text"/>	to	<input type="text"/>
<b>Selections</b>			
Asset class	<input type="text"/>	to	<input type="text"/>
Business area	<input type="text"/>	to	<input type="text"/>
Cost center	<input type="text"/>	to	<input type="text"/>
Plant	<input type="text"/>	to	<input type="text"/>
Location	<input type="text"/>	to	<input type="text"/>
Asset super number	<input type="text"/>	to	<input type="text"/>
Worklist	<input type="text"/>		
<b>Settings</b>			
Report date	<input type="text" value="30.06.2017"/>		
Depreciation area	<input type="text" value="50"/>	Group	
Sort Variant	<input type="text" value="0001"/>	Co. code / B/S account / asset clas	
Translation method	<input type="text"/>		
<input checked="" type="radio"/> List assets			
<input type="radio"/> ... or group totals only			
<b>Display options</b>			
Display variant	<input type="text"/>		
<input type="checkbox"/> Use ALV grid			
<b>Further selections</b>			
Balance sheet account	<input type="text"/>	to	<input type="text"/>
Capitalization date	<input type="text"/>	to	<input type="text"/>
Deactivation date	<input type="text"/>	to	<input type="text"/>
Transaction type	<input type="text"/>	to	<input type="text"/>
Posting date	<input type="text" value="01.06.2017"/>	to	<input type="text" value="30.06.2017"/>

After the report is executed, filter the "Transfer" amounts above the threshold (50K euro) and extract the result to Excel.

## Intracompany Asset Transfers

Assets | WL Add to worklist

Report date: 30.06.2017 Intracompany Asset Transfers - 01 Book deprec  
Created on: 21.07.2017

1

CompanyCode 5782 BusinessArea 3100 Bal.sheetitem 1 Bal.sh.acctAPC A200200000 AssetClass ZUS36000

Asset	SNo.	Cap.date	Asset description	Transfer	TransODep	TransSDep	Crcy
DocumentNo	Pstng Date	TType	AsstValDat Reference	Quantity BUn	Transfer	TransODep	TransSDep Crcy
Text							
250000028318	0	31.12.2016	Y401, Z1 Burner Upgrade	20.374,39	0,00	0,00	USD
1610032747		30.06.2017	331 27.06.2017	2.362,94	0,00	0,00	USD
			WBS GDS-C16004.02.01				
1610032748		30.06.2017	331 27.06.2017	4.161,42	0,00	0,00	USD
			WBS GDS-C16004.02.02				
1610032749		30.06.2017	331 27.06.2017	954,42	0,00	0,00	USD
			WBS GDS-C16004.02.03				
1610032750		30.06.2017	331 27.06.2017	2.001,16	0,00	0,00	USD
			WBS GDS-C16004.03.01				
1610032751		30.06.2017	331 27.06.2017	7.050,01	0,00	0,00	USD
			WBS GDS-C16004.05.01				
1610032752		30.06.2017	331 27.06.2017	1.096,21	0,00	0,00	USD
			WBS GDS-C16004.05.02				
1610032753		30.06.2017	331 27.06.2017	1.614,02	0,00	0,00	USD
			WBS GDS-C16004.03.03				
1610032754		30.06.2017	331 27.06.2017	1.134,21	0,00	0,00	USD
			WBS GDS-C16004.03.04				
<b>* Total</b>				<b>20.374,39</b>	<b>0,00</b>	<b>0,00</b>	<b>USD</b>
				20.374,39	0,00	0,00	USD

Report date: 30.06.2017 Intracompany Asset Transfers - 01 Book deprec  
Created on: 21.07.2017



2

CompanyCode 5782 BusinessArea 3100 Bal.sheetitem 1 Bal.sh.acctAPC A200200000 AssetClass ZUS3X000

Asset	SNo.	Cap.date	Asset description	Transfer	TransODep	TransSDep	Crcy
DocumentNo	Pstng Date	TType	AsstValDat Reference	Quantity BUn	Transfer	TransODep	TransSDep Crcy
Text							
250000028303	0	12.06.2017	Roof over Pre-Pilot, SE fab and WW	186.700,00	0,00	0,00	USD
1610032473		30.06.2017	331 12.06.2017	186.700,00	0,00	0,00	USD
			WBS AIS-C16100.01.36				
250000028323	0	31.12.2016	Tank Farm Resurfacing	34.522,70	0,00	0,00	USD
1610032747		30.06.2017	331 27.06.2017	4.003,80	0,00	0,00	USD
			WBS GDS-C16004.02.01				
1610032748		30.06.2017	331 27.06.2017	7.051,18	0,00	0,00	USD
			WBS GDS-C16004.02.02				
1610032749		30.06.2017	331 27.06.2017	1.617,19	0,00	0,00	USD

Filter criteria for headers

Select.

Currency USD to    
Transfer > 57.027,50 to  



## Fixed assets disposals

For fixed assets movements regarding retirement and disposals, that being decreases related to fixed assets being sold, scrapped or retired. To check this kind of movement, use transaction **S\_ALR\_87012052**, filling the following fields:

- Company code;
- Asset number: "2\*", as the results should only include capitalized fixed assets;
- Report date: Last day of the month of the report;
- Depreciation area: Group (50 for PF2 companies, 01 for WP2 companies);
- Sort variant: 0001;
- List assets;
- Posting date: From the first to last day of the month of the report.

### Asset Retirements

Company code  to

Asset number  to

Subnumber  to

---

**Selections**

Asset class  to

Business area  to

Cost center  to

Plant  to

Location  to

Asset super number  to

Worklist

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**Settings**

Report date

Depreciation area  Group

Sort Variant  Co. code/bus. area/bal. item/B/S acc

Translation method

List assets

... or group totals only

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**Display options**

Display variant

Use ALV grid

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**Further selections**

Balance sheet account  to

Capitalization date  to

Deactivation date  to

Transaction type  to

Posting date  to

After the report is executed, filter the "Retirement" amounts above the threshold (50K euro) and extract the result to Excel.

Asset Retirements										
Report date: 30.04.2017 Asset Retirements - 01 Book deprec Created on: 21.07.2017										
CompanyCode	BusinessArea	Bal.sheetitem	Bal.sh.acctAPC	AssetClass						
5782	3490	1	A210000000	ZUSGX001						1
Asset	SNo.	Cap.date	Asset description	Retirement	Depr. retired	Ret. book value	Croy			
	Deact.Date	Asset description	Ret. revenue	Loss	Gain					
DocumentNo	Pstng Date	Text	Ret. costs				" Croy			
AsstValDat	TType	Reference	Quantity	BUn						
250000027806	0	01.01.2016	2015 WEST DEPTFORD TAR	1.000.634,48-	667.089,65	333.544,83-	USD			
		17.04.2017		0,00	333.544,83-	0,00				
				0,00						
1610031374		17.04.2017	5782 2015 Turnaround Asset	1.000.634,48-	667.089,65	333.544,83-	USD			
		17.04.2017	200	0,00	333.544,83-	0,00				
				0,00						
250000028021	0	31.05.2016	H204 TAR	62.149,66-	28.485,26	33.664,40-	USD			
		26.04.2017		0,00	33.664,40-	0,00				
				0,00						
1610031557		26.04.2017	LO-639708	62.149,66-	28.485,26	33.664,40-	USD			
		26.04.2017	200	0,00	33.664,40-	0,00				
				0,00						
250000000074	0	01.11.2001	Machinery & Equipment 1991	36.605,00-	22.695,11	13.909,89-	USD			
				0,00	13.909,89-	0,00				
				0,00						
1610031398		18.04.2017	LO-616295	36.605,00-	22.695,11	13.909,89-	USD			
		18.04.2017	200	0,00	13.909,89-	0,00				
				0,00						

Filter criteria for headers

Select.

Currency  to

Retirement  to

### Listing of acquisitions

This report includes listing of acquisitions in certain time period. To check these movements, use transaction S\_ALR\_87012050 and fill in following fields:

- Company code
- Report date
- Sort variant: 0001
- Choose list assets
- Transaction type 331 to 336

## Asset Acquisitions

Company code  to  

### Selections

Asset class	<input type="text"/>	to	<input type="text"/>	
Business area	<input type="text"/>	to	<input type="text"/>	
Cost center	<input type="text"/>	to	<input type="text"/>	
Plant	<input type="text"/>	to	<input type="text"/>	
Location	<input type="text"/>	to	<input type="text"/>	

### Settings





Report date   
Sort Variant  Co. code / B/S account / asset clas  
Translation method

- List assets  
 ... or group totals only

### Display options

Display variant   
 Use ALV grid

### Further selections

Balance sheet account	<input type="text"/>	to	<input type="text"/>	
Capitalization date	<input type="text"/>	to	<input type="text"/>	
Transaction type	<input type="text" value="331"/>	to	<input type="text" value="336"/>	
Posting date	<input type="text"/>	to	<input type="text"/>	

After the report is executed, filter the "Acquisition" amounts above the threshold (50K euro) and filter only capitalized assets (2\*), because most of the movements are coming from AUC. In the end extract the result to Excel.

## Asset Master Data Attachment Note

All the information regarding to assets should be received via FreshDesk ticketing tool. To ensure transparency – when asset is created, appropriate ticket number should be added as a note.

To check if it is done for all assets in period, transaction Z1A\_ASSET\_NOTE can be used.

### Asset Master Data Attachment Note

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**Selection options**

Company Code	6068	to	<input type="text"/>	
Asset	<input type="text"/>	to	<input type="text"/>	
Sub-number	<input type="text"/>	to	<input type="text"/>	
Created On	01.01.2021	to	31.12.2021	
Posting Date	<input type="text"/>	to	<input type="text"/>	

Two filters should be set – first one in asset column (2\*) to show only created assets and second in amount field, where we put that the amount should be larger than 50K EUR.

### Assets with/without note text(s)

CoCode	Asset	Sub-number	Asset Class	Created By	Created On	Amount	Note title	Note body
6068	260680010801	0	AC215110	STRI4887	15.02.2021	52,017.08	Ticket #5196712	
6068	260680010808	0	AC205003	STRI4887	23.02.2021	156,907.85	Ticket #5235821	
6068	260680010811	0	AC215110	DUBECKAJ	22.03.2021	108,441.35		
6068	260680010825	0	AC215103	DUBECKAJ	24.05.2021	61,513.01		

606 Determine Values for Filter Criteria X

Select.

Asset	2*	to	<input type="text"/>	
Amount posted	>	to	50,000.00	

In the note field according ticket number can be seen – information can be found in FreshDesk. If there is no note, it should be added by trying to find it.

## Gathering Support Documents

After the assets that are above the threshold are listed, the support documentation for the movements should be gathered to justify the variances. Support documents can be: project managers' reports, local requests by ticket, asset on completion forms, among others.

End of document