

Certificate in Fixed Assets Accounting and Management

Why Attend

- Fixed assets management and accounting is critical for any organization as fixed assets are the major resources used to produce products and generate future benefits. This course discusses the management and accounting of these assets based on the British Standard Institute Publicly Available Standard (PAS 55). This course includes the 28 points of PAS 55 which help maximize the utilization of fixed assets and which are divided into: fixed assets policy, strategy, management enablers and controls, implementation of management plans, performance assessment and improvement, and management review. The management and accounting of fixed assets covers all life-cycles of fixed assets from creation or acquisition to utilization and maintenance until renewal or disposal. The management part also includes decision making tools such as NPV, IRR and other capital budget comparative tools used to decide whether to acquire, replace or refurbish assets.
- The accounting part is based on the International Financial Reporting Standards (IFRS), mainly standard number 16 for property plant and equipment, and IFRS 38 for intangibles. The course covers capitalization rules for fixed assets and intangibles, and rules for measuring assets at fair value. In addition, the course covers various depreciation methods and assets impairment rules,

Course Methodology

- The course uses a mixture of presentations by the consultant and the participants in addition to group and individual exercises, case studies and role plays.

Course Objectives

By the end of the course, participants will be able to:

- Apply the 28 point requirements to establish a whole life asset management system according to PAS 55 and ISO 55000
- Evaluate investments in fixed assets according to Net Present Value (NPV), Internal Rate of Return (IRR) and other methods
- Recognize and correctly measure fixed assets and intangible assets under International Financial Reporting Standards (IFRS)
- Justify the accounting and reporting for transactions throughout the life of the assets
- Account properly for impairment, disposals, and sales of long lived assets

Target Audience

- Fixed assets professionals including supervisors, account managers, purchasing and facility supervisors and coordinators, financial controllers, new employees handling fixed assets, internal auditors, maintenance assistants and managers, and operations managers.

Target Competencies

- Applying assets management
- Increasing assets utilization
- Making investment decisions
- Formulating policies and procedures
- Utilizing assets information system
- Monitoring assets performance
- Applying capitalization rules
- Accounting for assets per IFRS

Asset management function

- Introduction to British Standards Institute's PAS 55
- Introduction to ISO 55000
- Asset management objectives
- Asset management benefits
- Requirements of PAS 55 for effective asset management
- Risk management and asset management

Evaluating investments in assets

- Making investment decisions
- Time value of money
- Net Present Value (NPV)
- Internal Rate of Return (IRR)
- Other tools for valuing investments

Fair value measurement

- IFRS 13 fair value
- Three level hierarchy for Fair Value (FV)
- Valuation techniques under IFRS

Initial measurement of long lived assets

- Measurement and recognition of fixed assets
- Classes of long lived assets
- Construction of tangible assets for internal use
- Measurement and recognition of investment property

Special topics in accounting for fixed assets

- Capitalization of borrowing costs
- Decommissioning costs

Accounting over the life of the asset

- Costs incurred subsequent to purchase
- Leasehold improvements
- Accounting for leased assets
- Subsequent expenditures on intangibles
- Accounting for assets under fair value model
- Concept of component depreciation
- Depreciation methods
- Partial-year depreciation
- Straight-line depreciation method
- Units of production method
- Accelerated depreciation methods
- Revising depreciation rates

Impairment and disposal

- Definition and rules of asset impairment
- Impairment measurement and accounting
- Impairment indicators and computation
- Accounting for disposing or idling of assets