15 WAYS TO ASSERT COMPLETENESS OF YOUR LEASE POPULATION

FOR THE NEW ASC 842 AND IFRS 16 LEASE ACCOUNTING STANDARDS

lease accelerator

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EXTERNAL AUDITS

What items will external auditors be focused on after the implementation deadline for lease accounting? There has been little guidance published by the big four firms yet. However, one topic that is raised by auditors at almost every lease accounting conference is the importance of completeness. Specifically, how do you know that you have identified a complete population of all the leases across your enterprise?

It should not be surprising that auditors will be questioning completeness as it is a well-known area of weakness. The systems, processes, and controls for leasing are relatively immature compared to other financial processes that impact the balance sheet. In fact, many companies do not even have an accurate inventory of what is leased across the business due to the decentralized approach that has been taken to managing the portfolio.

With operating leases moving onto the balance sheet, auditors will want to ensure that the right-of-use assets and lease liabilities reported in your financial statements accurately represent your company's obligations. While omitting a $500 printer lease may not be material, overlooking a $5M real estate contract embedded in an outsourcing agreement could be.

EXTERNAL AUDITS

There are a variety of different strategies that companies can employ to confirm the completeness of their lease population:

VENDOR-BASED VALIDATIONS

Utilize vendor contracts, invoices, or records to validate the completeness of the lease population. For example, if you can identify your company's community of lessors, you can ask each one to send you a complete list of the assets being financed.

STAKEHOLDER-BASED VALIDATIONS

Hold the users of the leased assets accountable for validating the completeness of the lease population. For example, you can periodically survey stakeholders about the lease population and require attestations of the accuracy of records.

SYSTEMS-BASED VALIDATIONS

Leverage data in the systems of record to validate the completeness of the lease population. For example, if you can identify systems of record, such as an asset management system, for real estate, IT, or fleet, you can then compare records to identify any leases that may have been overlooked.

CONTROL-BASED VALIDATIONS

Rely on policies and controls to ensure your records of leases are always complete. Effective controls can provide financial incentives (carrots) or present roadblocks (sticks) that motivate employees to keep the leasing database accurate.

CHANGE-BASED VALIDATIONS

Focus on the areas of change within your organization that are most likely to result in leases not being properly accounted for. Examples might include closer inspection of the lease population following divestitures mergers, and acquisitions.

Most companies will use a combination of different approaches to ensure that all leases are accounted for. In this guide, we will outline 15 different techniques accounting organizations can utilize to assert completeness.

SECTION ONE

VENDOR BASED VALIDATIONS

01 REVIEW VENDOR INVOICES FROM ACCOUNTS PAYABLE

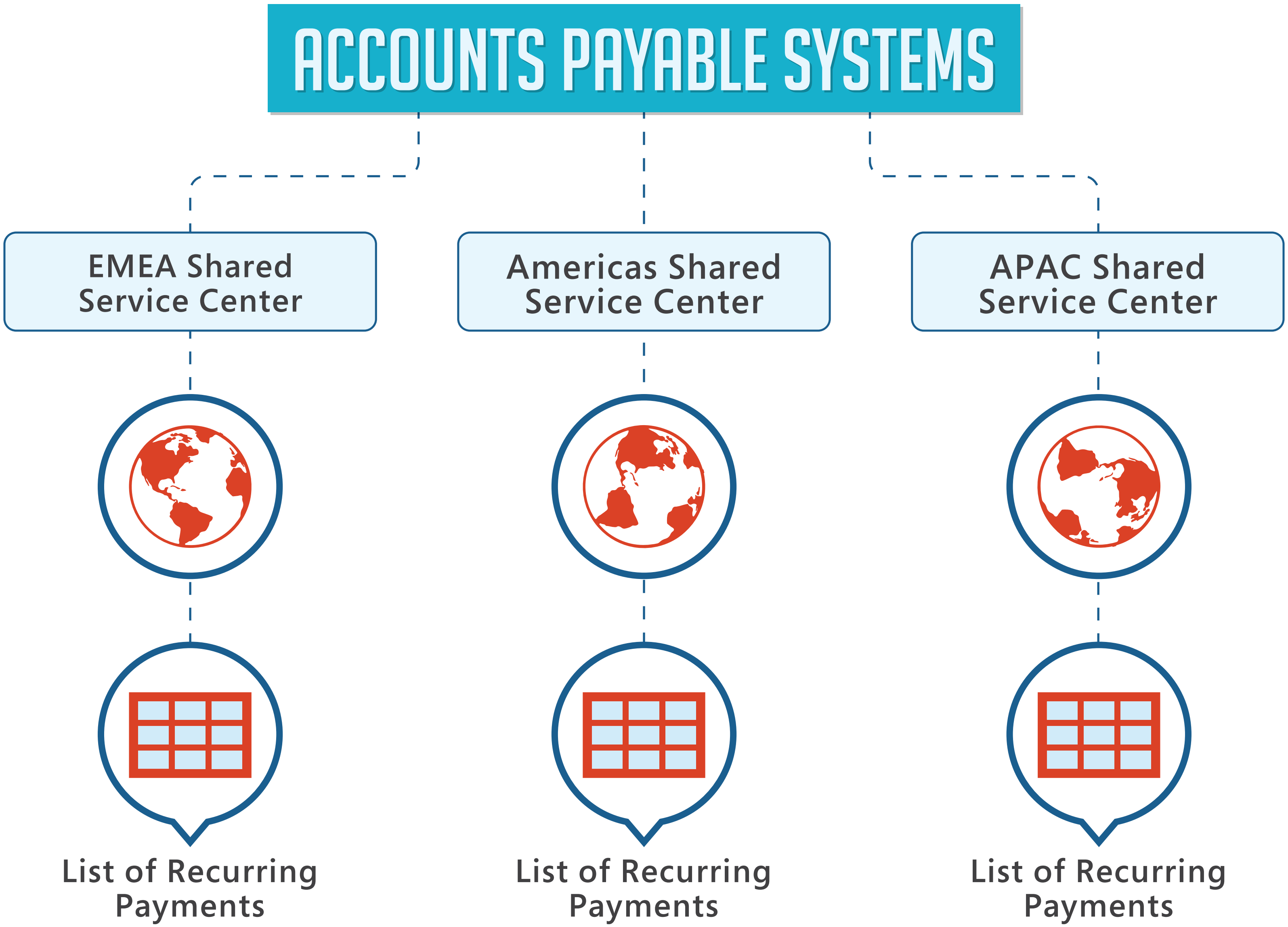
Most companies find that the easiest way to identify the lease population is to obtain a list of all recurring payments made across the business. If there is one piece of data about your leases that you can usually rely on to be accurate, it is the payment. Ask your Accounts Payable (A/P) teams for a report of all invoices that are being paid on a regular basis - whether monthly, quarterly, semi- annually, or annually.

If you have multiple A/P systems in different regions or business units, you will need to collect data from all of them. You can search through the payables report to identify vendors and payments that might be leases. In some cases, you will need to inspect the individual line items on an invoice or view the associated purchase order. As necessary, you may need to contact the business owner that approves the invoice to obtain additional details on each lease.

The same techniques can be applied to ensure completeness of your lease population in the post adoption phase as well. Consider conducting a periodic audit of all recurring payments being made through the AP organization. The list of payments can be reconciled against the list of known leases. Recurring payments in the AP system that are not in your lease accounting application may be new leases that were not properly booked. Recurring payments in the lease accounting system that do not tie back to any recent invoices in the AP system may be leases that were terminated, but not properly recorded.

01 REVIEW VENDOR INVOICES FROM AP

SECTION ONE



02 USE TECHNOLOGY TO AUTOMATE THE DISCOVERY OF LEASES

Another approach to identifying your lease population is to leverage specialized technologies that can automatically discover your leases by searching contract repositories. Some vendors refer to these technologies as spiders or bots while others describe them as contract analyzers or artificial intelligence tools. Regardless of the name, these discovery applications serve a common purpose. They will crawl through your contracts, similar to how Google's search engine works, to identify contract provisions and commercial terms typically found in a lease. You can even program these discovery technologies to identify potential embedded leases in other types of contracts.

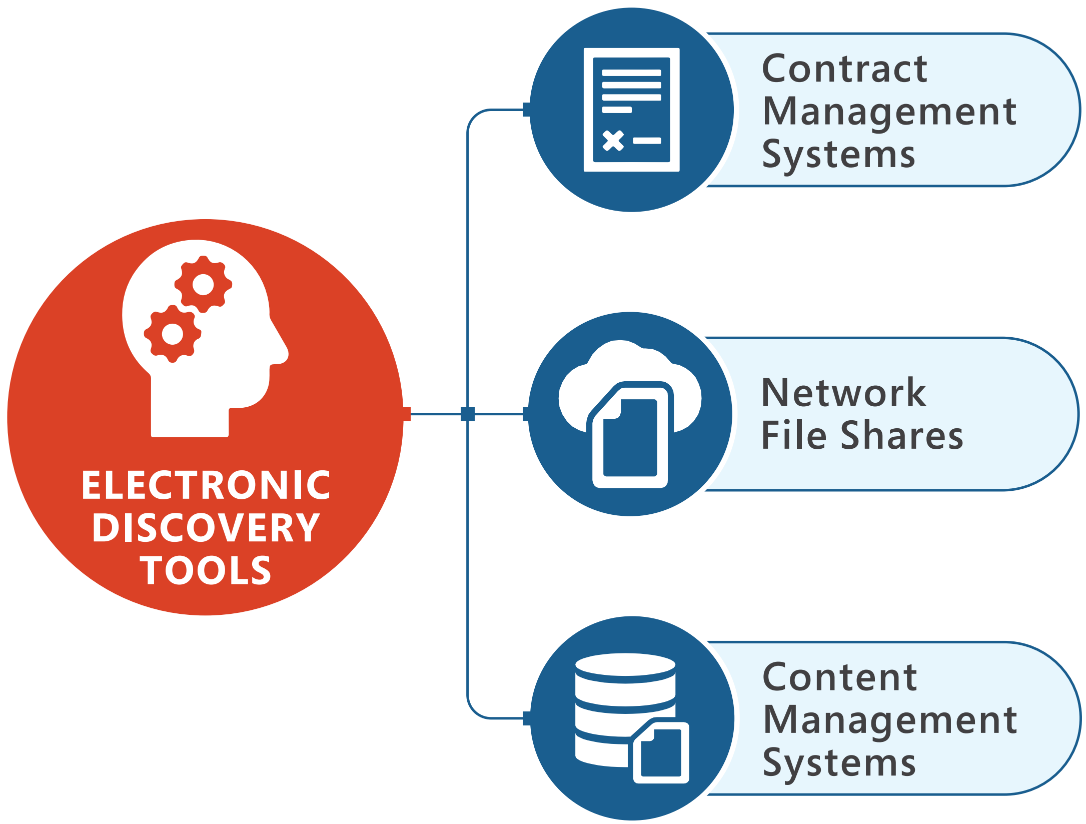
02 USE TECHNOLOGY TO AUTOMATE THE DISCOVERY OF LEASES

Of course, an automated discovery approach will work best for companies that have most of their contracts stored on the corporate network and in a digitized format. Companies with leases scattered throughout file cabinets and employee hard drives will not benefit from this approach as much as those with centralized contract management systems.

Check with your legal and IT teams to determine if you have used these types of contract analysis and discovery technologies in any recent litigation, merger, or acquisition activities. Some project teams may be surprised to learn that they already have access to these technologies today.

Of course, the same approach can be applied to ensure completeness of your lease population in the post adoption phase as well. Consider performing an automated discovery process on an annual basis to identify potential contracts that might be leases or contain embedded leases.

AUTOMATED DISCOVERY OF LEASES



03 ASK THE LEASING COMPANIES

If you cannot get the answers you are seeking from internal systems, consider going to the source - the leasing company. The lessors know better than anyone the details of each and every asset you are renting from them. Landlords can provide a list of the property addresses as well as details on parking structures, plots of lands, and the floors of the buildings being leased. Equipment lessors can share the serial numbers, vehicle identification numbers, and other asset identifiers for each individual piece of equipment being leased.

Of course, this approach will only work if you can obtain a complete list of the lessors used across the organization. Identifying the equipment lessors will be the most challenging as most companies have relationships with a mix of commercial banks, vendor captives, and independent lessors to support various ticket sizes, asset categories, and geographic regions. To arrive at the definitive list, find out if any team is centrally managing the relationships with leasing companies.

At many larger companies, the corporate treasury organization is responsible for centrally managing all sources of credit and capital including leasing. In fact, some corporate treasury organizations have centralized and consolidated all of their equipment leases into a small community of 10-20 lessors. The treasury group can assist you with contacting the lessors to get an inventory of active leases from each.

ASK THE LEASING COMPANIES

The same technique can be applied to ensure completeness of your lease population in the post adoption phase as well. The best source for changes to contractual terms, payment schedules, residual values, and end-of-term options is the leasing company itself. Talk to real estate landlords and property management firms to determine if they can send an electronic feed of lease data to your accounting systems. Ask the commercial banks, vendor captives, and independent leasing companies what capabilities exist for electronic data interchange. Larger lessors may have sophisticated integration capabilities to support these scenarios. However, smaller landlords and leasing companies may prefer to send the information in a spreadsheet file via email.

SECTION TWO

STAKEHOLDER-BASED VALIDATIONS

04 SURVEY THE USERS OF THE LEASED ASSETS

Another strategy for identifying the lease population is simply to ask your employees what they lease. Many companies are distributing mass surveys to business units with a questionnaire about current leasing programs.

To conduct a survey, first identify the business functions and organizations within your company that are most likely to lease. Think through the different asset categories of leases such as real estate, transportation, material handling, and data center equipment, then identify which stakeholders in your business hold responsibility for these functions.

REAL ESTATE TEAM

Ask the real estate team for a list of all the office buildings, retail stores, industrial warehouses, manufacturing plants, call centers, land parcels, and data centers your company is leasing.

OPERATIONS TEAM

Ask the operations, logistics, or transportation team for a list of all the rail cars, marine vessels, ground freight, and material handling equipment being used throughout the supply chain.

CORPORATE IT TEAM

Ask the corporate IT team for a list of all the laptops, tablets, phones, printers, photocopiers, servers, storage devices, power supplies, and data center equipment being leased across the business.

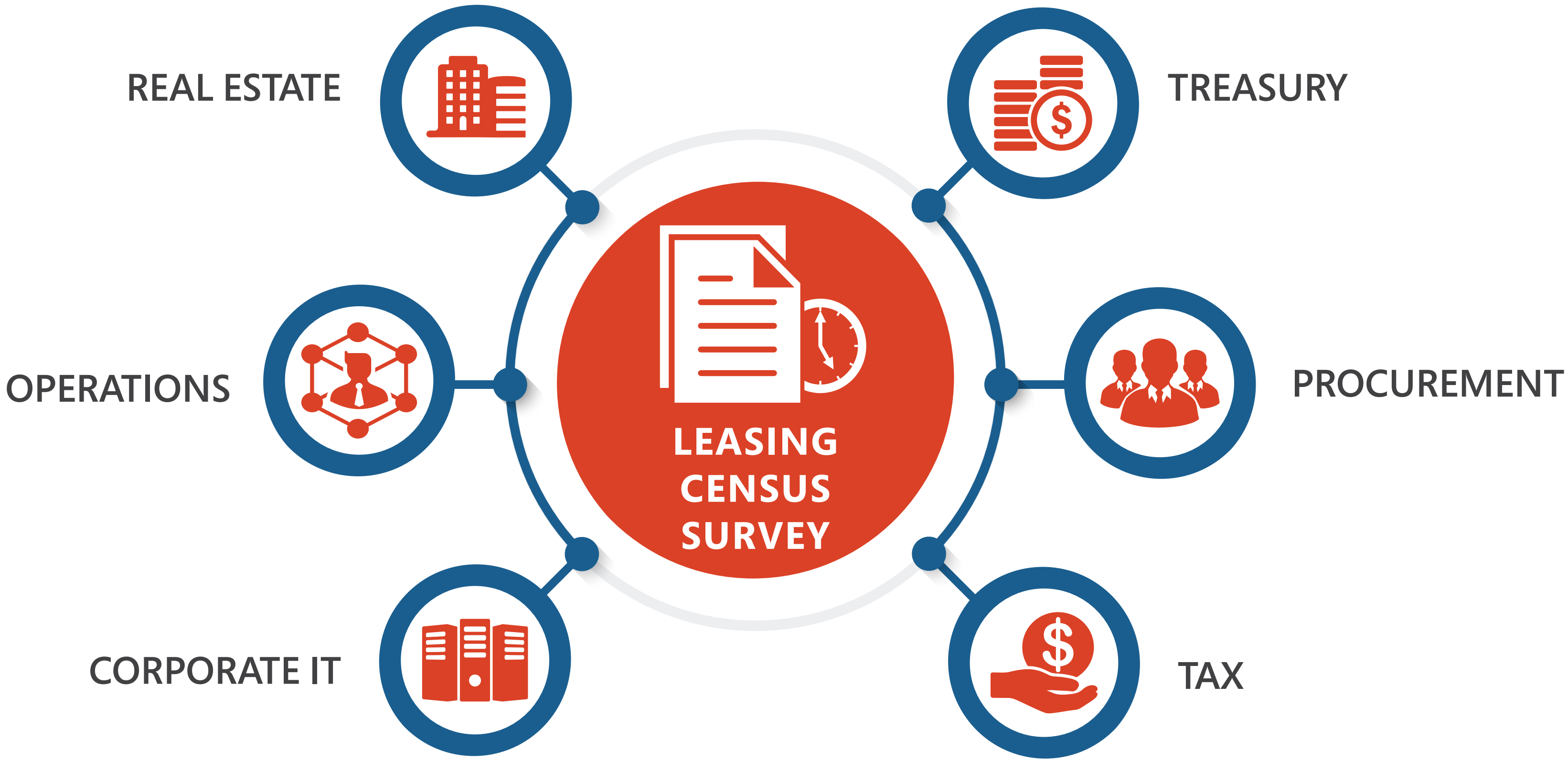
GENERAL AND ADMINISTRATIVE TEAMS

Ask Finance, Facilities, Human Resources, or other administrative functions which groups are responsible for miscellaneous leases such as water coolers in the break room, company cars in Europe, and corporate jets for executives.

One of the bigger challenges with surveys is communicating with international teams. The word “lease” translates differently in different languages. Ask a colleague in South America if they are leasing any assets. The answer will probably be “no.” If you ask the same person if they are renting assets they will say “yes, we have a lot.”

04 SURVEY THE USERS OF THE LEASED ASSETS

SURVEY THE ORGANIZATION



To improve the results of the survey, consider extending it beyond the stakeholders that use the assets. Ask representatives from corporate functions such as Procurement, Treasury, and Tax to respond as well. These organizations may not have direct responsibility for managing leased assets on a day-to-day basis, but they play a critical role at various touch points during the lease lifecycle.

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PROCUREMENT

If the proper controls are in place, the procurement organization should be touching each new lease. In fact, the procurement team is probably involved with negotiating many of the larger contracts. As a result, Procurement should be able to provide a list of all purchase orders and/or contracts associated with leases.

TREASURY

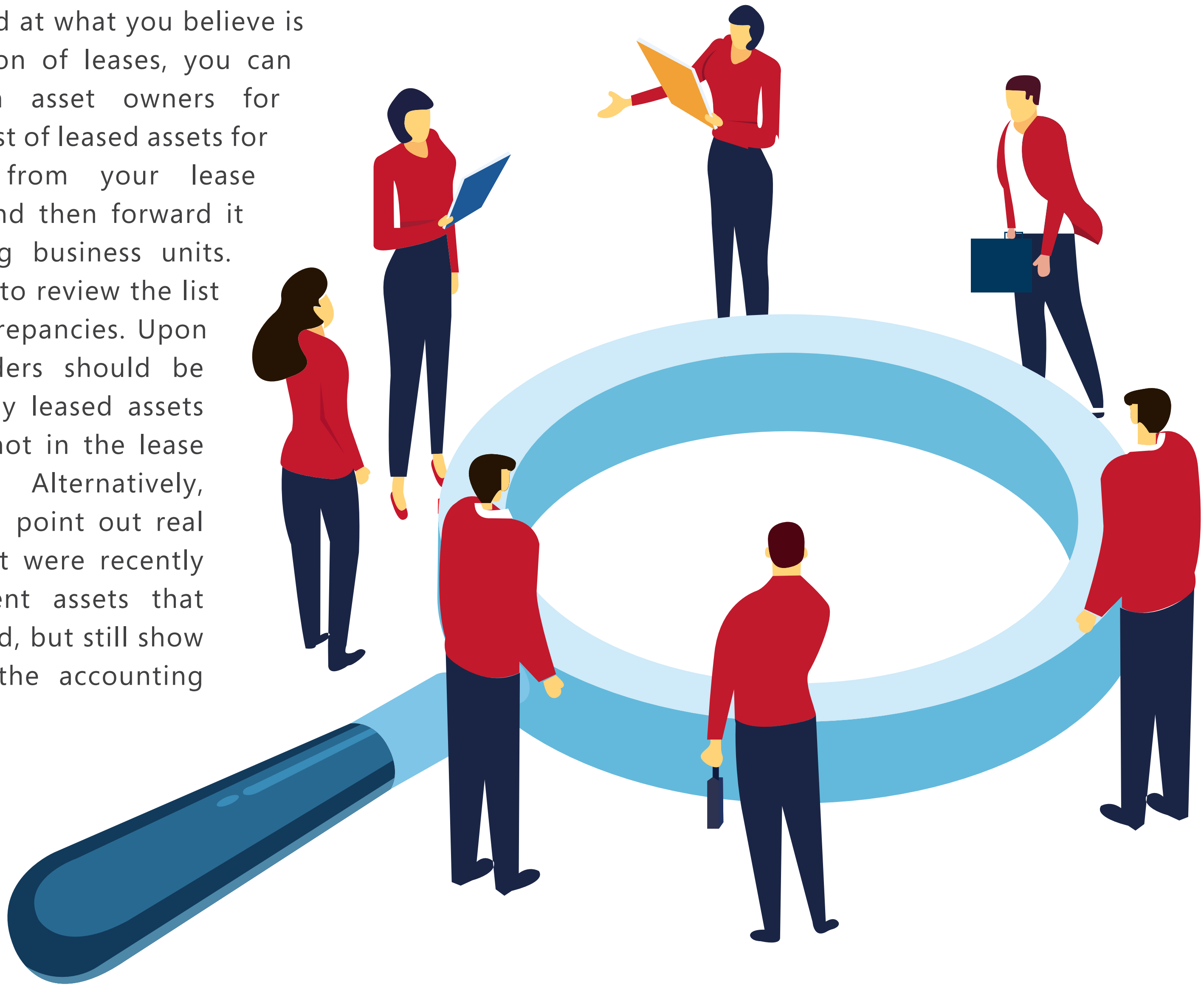
At some companies, the corporate treasury organization owns the leasing program. Treasury often manages relationships with creditors such as the commercial banks, vendor captives, and independent lessors used for equipment finance. Treasury is also consulted on lease versus buy analyses for major capital expenditures. As a result, they may be tracking a list of all the capital and operating lease obligations in a treasury management system or spreadsheet.

CORPORATE TAX

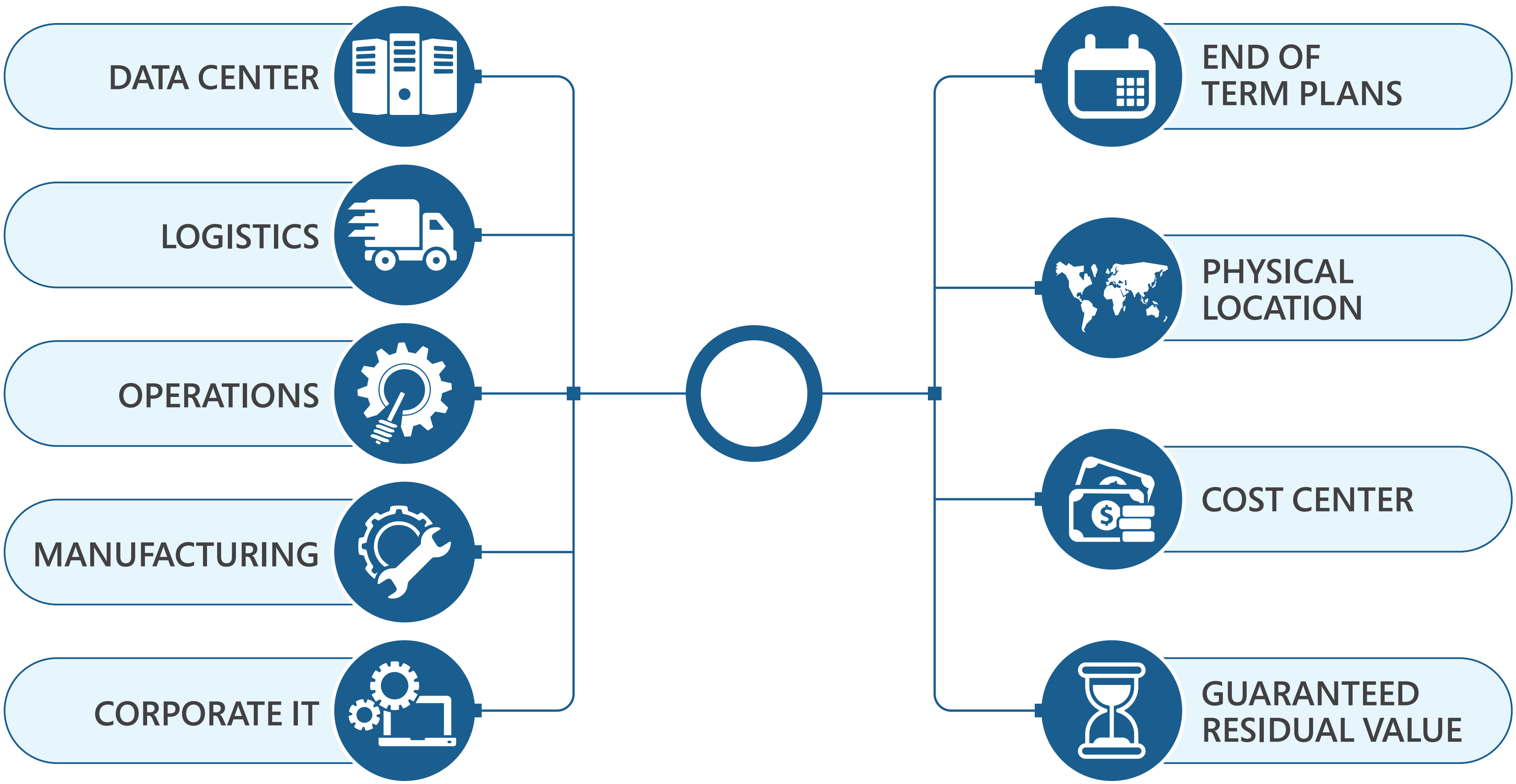
Just as with owned assets, finance teams should be paying local property taxes on most leased equipment and real estate. The corporate tax organization may have a list of historical payments that can be used to identify assets under lease.

ATTESTATION FROM ASSET OWNERS

Once you have arrived at what you believe is a complete population of leases, you can share the list with asset owners for validation. Extract a list of leased assets for each cost center from your lease accounting system and then forward it to the corresponding business units. Require stakeholders to review the list and identify any discrepancies. Upon inspection, stakeholders should be able to identify newly leased assets that are in use but not in the lease accounting records. Alternatively, business units should point out real estate properties that were recently vacated or equipment assets that were recently returned, but still show as active leases in the accounting application.



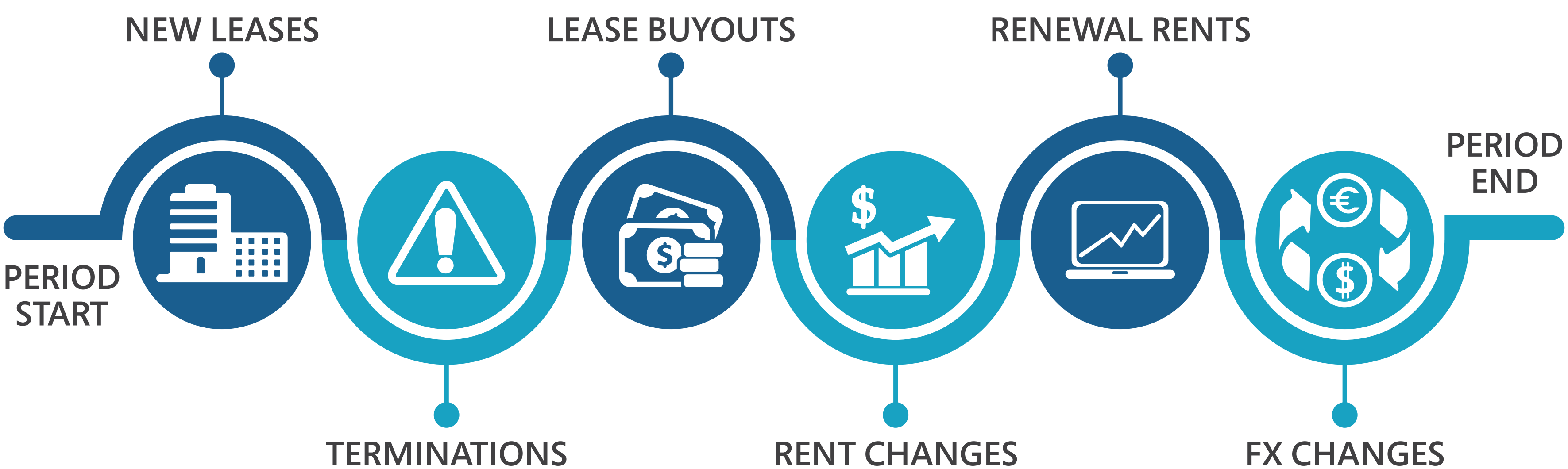
ATTESTATION FROM ASSET OWNERS



In the post adoption phase, a similar approach can be applied to ensure completeness of the lease population. A critical success factor in maintaining completeness on day two and beyond will be ensuring stakeholders are accountable for the accuracy of leasing data. A best practice being adopted by many companies is performing a periodic attestation of leasing records with the various business units that own the assets. The attestation could be repeated on a monthly, quarterly or annual basis.

To simplify the process for stakeholders, consider sending a business unit level roll forward report from the lease accounting system. The roll forward report should include any changes to the leasing portfolio over the past three, six or twelve months, including new leases, changes to leases, end-of-term renewals, buyouts, move-outs, and returns.

ROLL FORWARD REPORT



SECTION THREE
SYSTEMS-BASED VALIDATIONS

06 REVIEW AND INTEGRATE ASSET MANAGEMENT SYSTEMS

Reviewing the records in various corporate asset management systems can be an effective approach to ensuring you have captured the complete population of leased assets before adoption. The same technique can be applied to ensure completeness of your lease population in the post adoption phase as well.

Some companies are establishing integration between the lease accounting application and the other key systems of records for assets. Integrating between applications will effectively automate the process of keeping records synchronized and up-to-date, helping to ensure you have a complete lease population.

FLEET MANAGEMENT SYSTEMS

If your company uses a lot of cars, trucks, or other vehicles to support your operations then you may have a fleet management system that tracks all vehicles across the enterprise. Compare the vehicle identification numbers (VINs) in your lease accounting system to the leased assets listed in your fleet management system.

Companies with a large portfolio of leased vehicles should consider establishing integration between the fleet management system and your lease accounting application. Whenever a new vehicle lease is signed, modified or terminated, the details should be pushed automatically from one system to the other ensuring that all records are synchronized.

IT ASSET MANAGEMENT SYSTEMS

If your company has a lot of servers, data storage, laptops, or other technologies to support your operations then you may have an IT asset management system that tracks all hardware across the enterprise. Compare the MAC addresses or serial numbers in your lease accounting system to the leased assets in your IT asset management system.

Companies with a large portfolio of leased servers, laptops and data center assets should consider establishing integration between the IT asset management system and your lease accounting application. Whenever a new IT lease is signed, modified, or terminated the information should be propagated from one system to another ensuring that all records are synchronized.

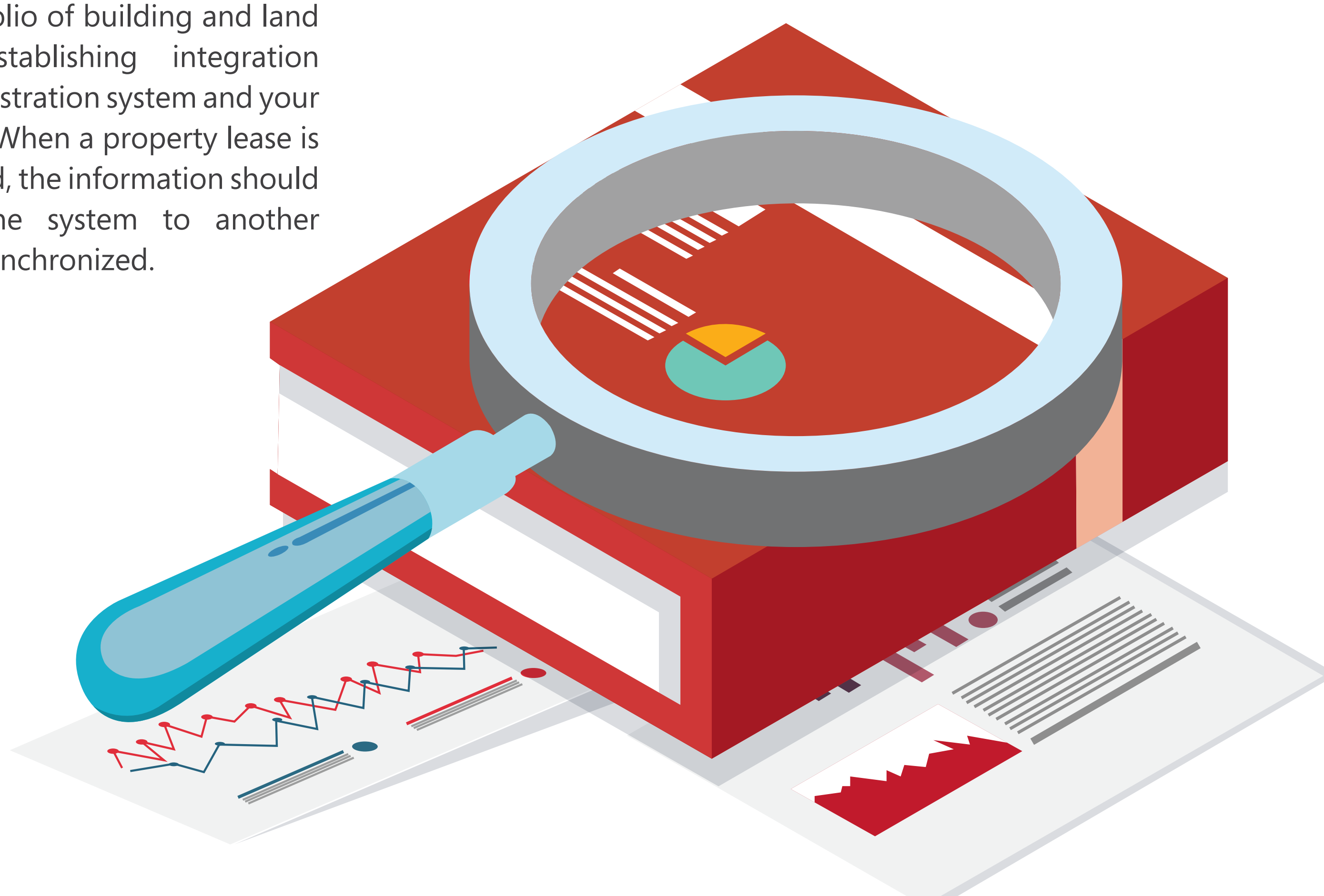
06 REVIEW AND INTEGRATE ASSET MANAGEMENT SYSTEMS

SECTION THREE

REAL ESTATE ADMINISTRATION SYSTEMS

If your company maintains a lot of office buildings, warehouses, factories, or research facilities to support your operations then you may have a real estate management system that tracks all properties across the enterprise. Compare the property addresses in your lease accounting system to the leased assets in your real estate administration system.

Companies with a large portfolio of building and land assets should consider establishing integration between the real estate administration system and your lease accounting application. When a property lease is signed, modified or terminated, the information should flow automatically from one system to another ensuring that all records are synchronized.



OR RECONCILIATION WITH OTHER ASSET MANAGEMENT SYSTEMSINTEGRATION

The integration between lease accounting, real estate, fleet, or IT asset management systems does not need to be in real-time. Data can be exchanged once per week or month. In many cases, it will not be practical or economical to invest in integration between the various systems that track leased assets. The business case for integration will need to be reviewed on a case-by-case basis. For example, if a company only leases 5-10 vehicles per year, investing $20K to integrate the fleet management and lease accounting applications may not be justified.

07 RECONCILIATION WITH OTHER SYSTEMS

In addition to your asset management systems, there are an almost infinite number of other systems that can be used to identify a complete list of leased assets:

CHECK MAINTENANCE AND REPAIR RECORDS

Compare maintenance records from your plants, warehouses, stores, and office buildings to your list of leased equipment assets. Are there forklifts, machinery or other types of equipment that is being regularly serviced that are not on your list? If so, track down the assets to find out whether they were leased or purchased.

CHECK INSURANCE RECORDS

Compare the list of vehicles for which you have purchased property and casualty insurance to your list of leased vehicle assets. Are there company cars, delivery vans, service vehicles, or semi-trucks that are insured that are not on your list? If so, track down the assets to find out whether they were leased or purchased.

HUMAN RESOURCE SYSTEMS

Compare the locations of employees listed in your human resources or payroll system to your list of real estate assets. Are there concentrations of employees in geographic areas that are not tied to a building? If so, find out if these employees are working remotely or in a company facility that may be leased.

07 RECONCILIATION WITH OTHER SYSTEMS

PERIODIC RECONCILIATION

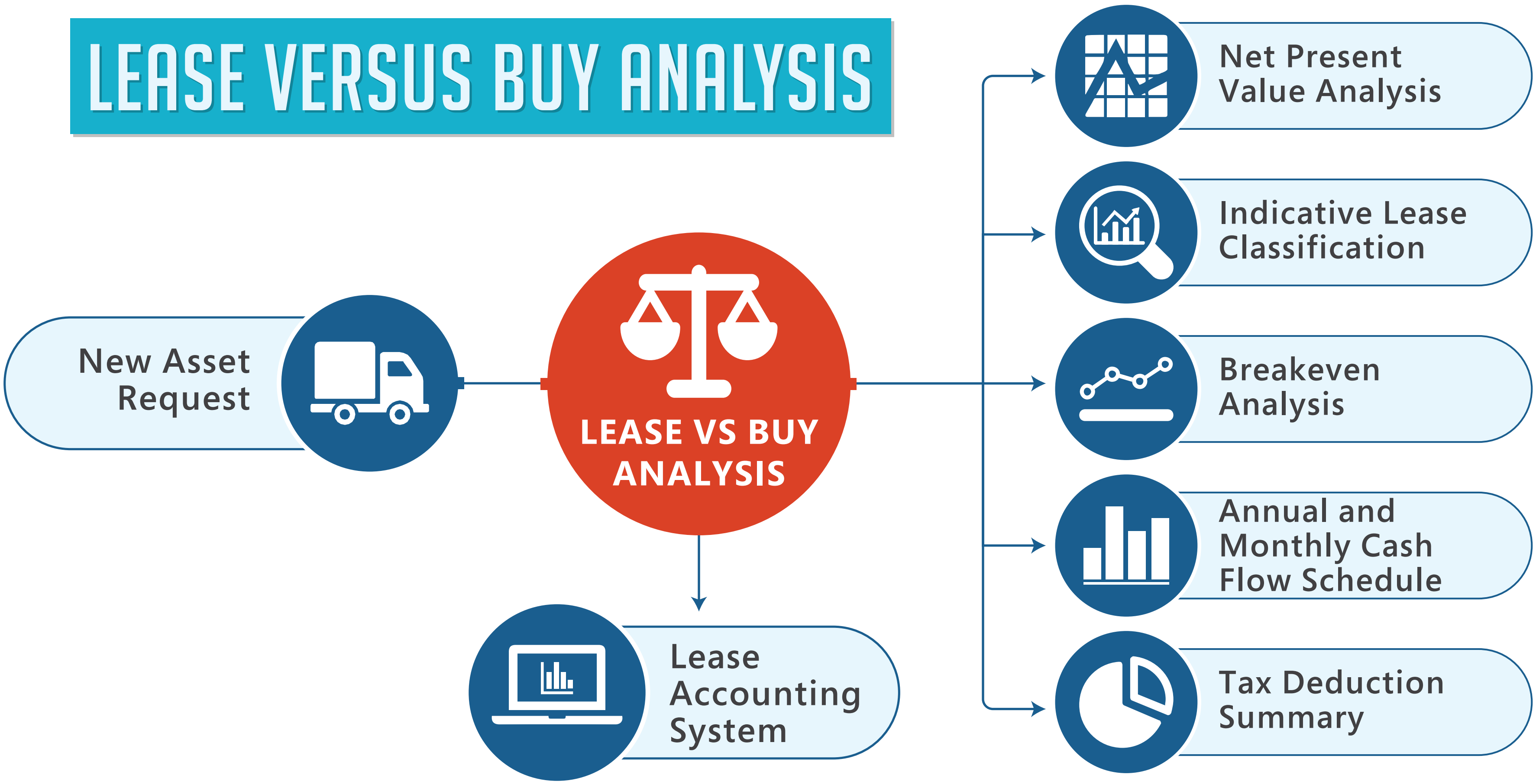
SECTION FOUR
CONTROL-BASED VALIDATIONS

POLICIES AND CONTROLS FOR NEW LEASES

During each fiscal year, you might sign hundreds if not thousands of new leases. These contracts might be entered into by various operating companies in many countries around the world. Ensuring that the accounting team is informed of all new lease contracts will be a key challenge in maintaining compliance on day two and beyond.

08 REQUIRE A LEASE VERSUS BUY ANALYSIS

One policy that some companies are adopting is requiring a lease versus buy analysis to be performed on any new asset acquisitions. The lease versus buy analysis should be performed in an enterprise application that the accounting team can gain access to, rather than in a spreadsheet on someone's laptop. Each month the list of assets for which a "lease" recommendation was issued could be reviewed and compared to the newly booked contracts in the lease accounting system. Any discrepancies between the lists should be researched to identify if the asset was in fact leased.



09 HOLD PAYMENT ON LEASE INVOICES

Another control that some companies are adopting is to hold payments on lease invoices until the contract is properly booked in the lease accounting system. Consider adding a step to the workflow for new recurring payments being setup by the accounts payable department. In addition to the normal approvals for these types of payments, the shared services organization responsible for lease accounting would need to verify proper booking of the lease in the systems prior to disbursement. If the leasing company does not get paid in a timely manner, the issue will be escalated to the business sponsor who will need to supply the details about the lease before payment can occur.

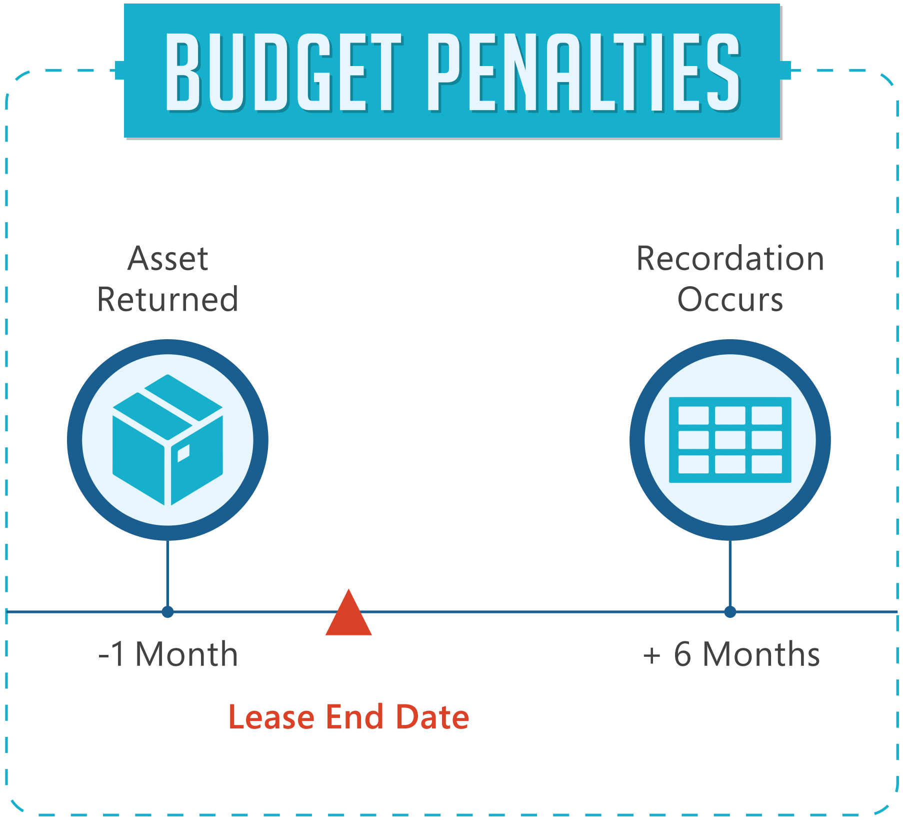
POLICIES AND CONTROLS FOR EXPIRED LEASES

During each fiscal year, you might have hundreds if not thousands of assets come to the end of term. As you grow or contract in particular geographic regions, you might right-size your real estate footprint by moving out of one property into one that better fits your needs. At the end of term, equipment leases for forklifts, vehicles, computers, and other assets might be returned and refreshed with newer models. Or they may be purchased from the leasing company at the end of the lease.

Just as you would not want to overstate the amount of lease liabilities on your balance sheet, you also do not want to overstate the amount of right-of-use (ROU) assets. Therefore, it is important to have policies and controls in place to ensure that the complete population of leases does not include assets that were returned, purchased, or no longer in service.

10 ISSUE BUDGET PENALTIES

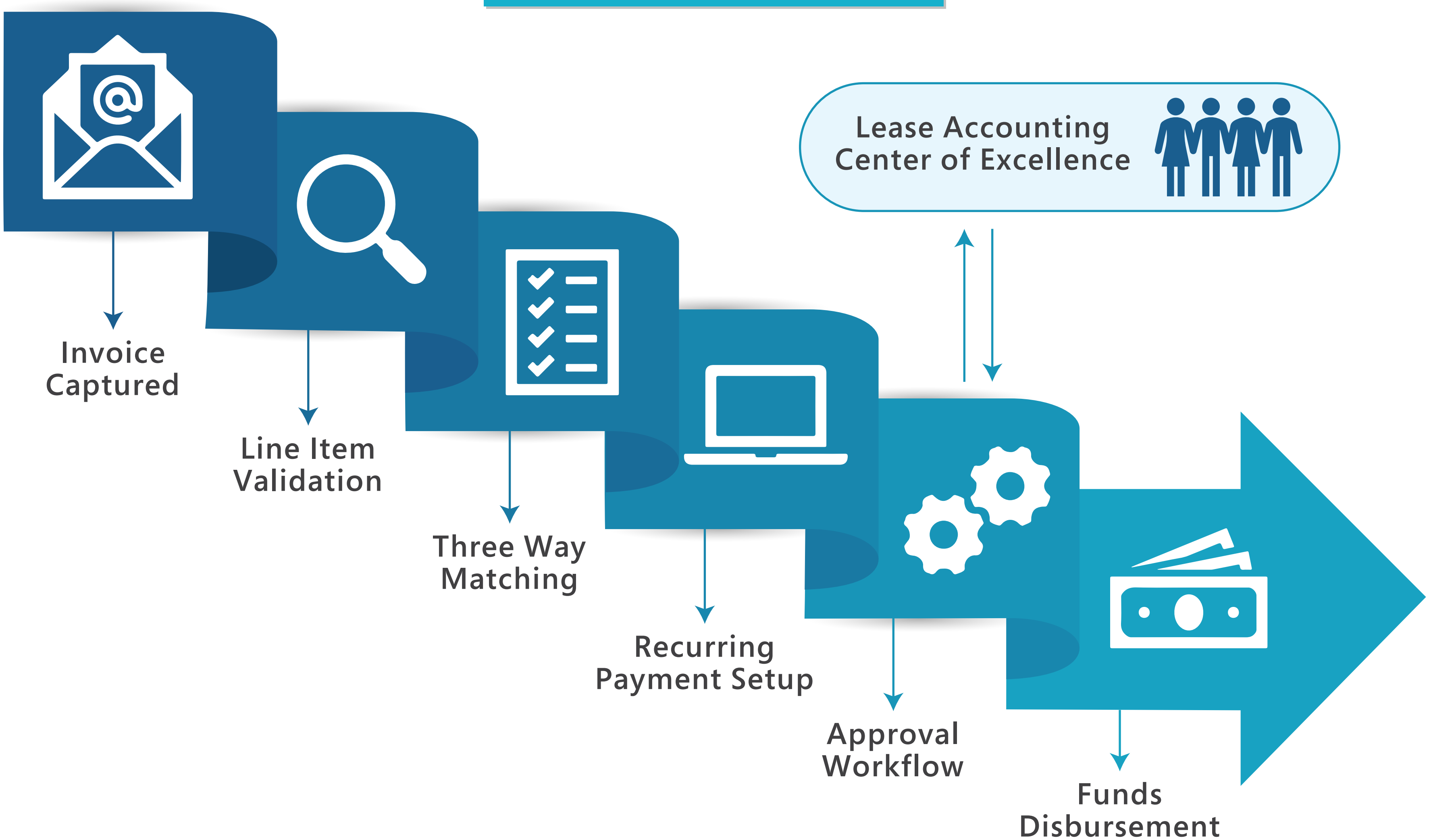
One approach accounting organizations are putting in place is to issue budget penalties for departments not complying with end-of-lease processes. For example, suppose a manufacturing plant returns several forklifts at the end of a lease, but does not notify the accounting department of the action. In these scenarios the accounting group would continue to charge back the cost of the lease to the plant's monthly budget until the appropriate recordation process has occurred. As a result, the plant would continue to bear the expense in their operating budget even though the assets have been returned. This type of punitive control ensures that organizations have a financial incentive to relay events transpiring in the real world back to your lease accounting team.



11 ISSUE BUDGET PENALTIES

Another control that some companies are adopting for end-of-lease renewals is to hold payments on the invoices until the renewal is approved by the lease accounting team. When a new recurring payment is setup for the renewal term, the workflow process could include the lease accounting team in addition to the normal stakeholders. Similarly, the accounts payable team could be instructed to require approval from the lease accounting team prior to issuing an end-of-term buyout payment to a lessor.

HOLD PAYMENTS

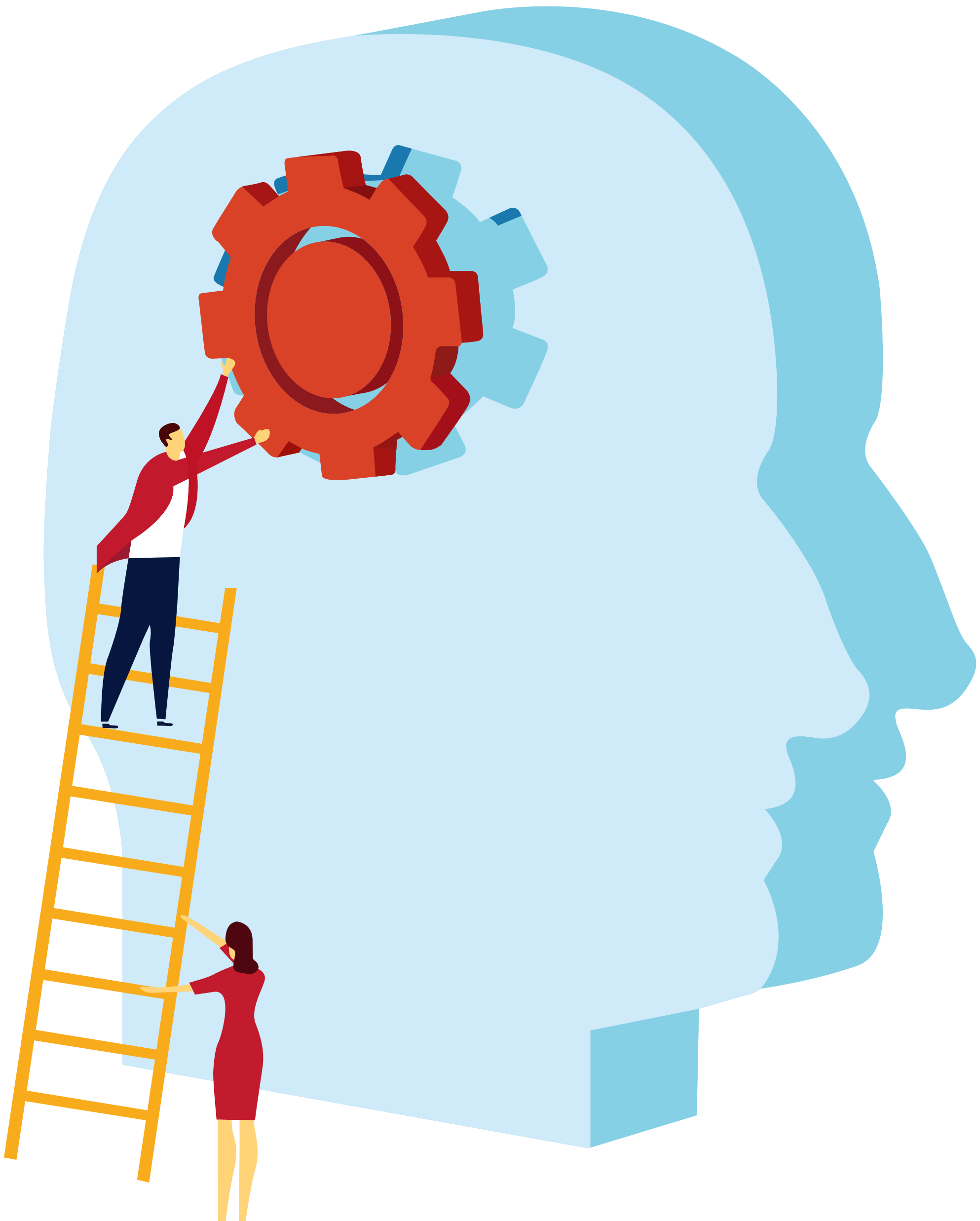


SECTION FIVE

CHANGE-BASED VALIDATIONS

Think about the areas that are most likely to be missed by the processes, policies, and controls identified above.

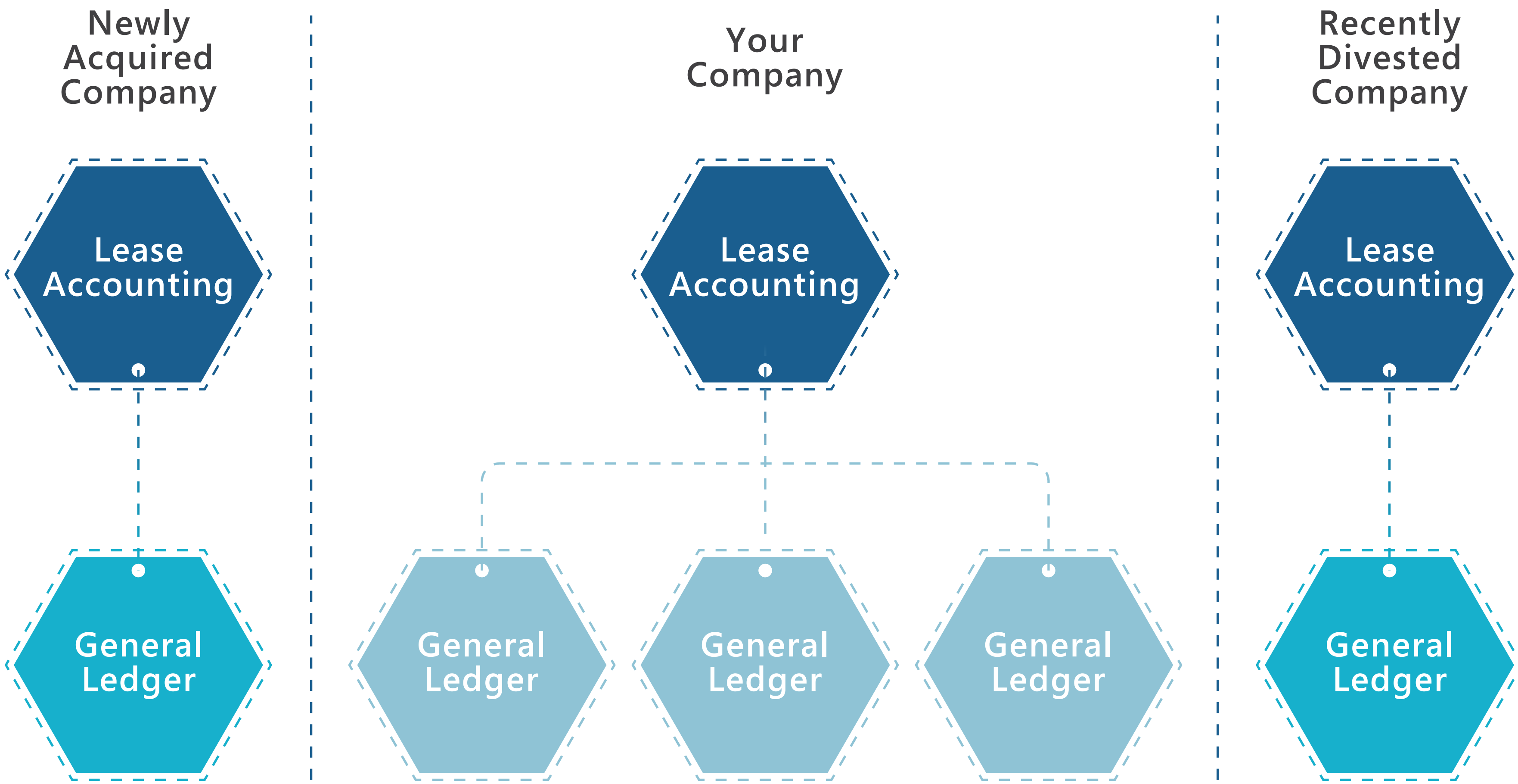
12 MERGERS, ACQUISITIONS AND DIVESTITURES



One situation could be recent mergers and acquisitions. Recently acquired organizations operate with different systems and business processes until they are fully integrated into the business. As a result, new leases and existing lease populations are at a high risk of being missed through normal processes and controls. Add a step in your quarterly or annual lease audit to specifically survey, inventory, and reconcile the leased assets from new acquisitions, and determine a review and transfer process for when the organizations are fully integrated.

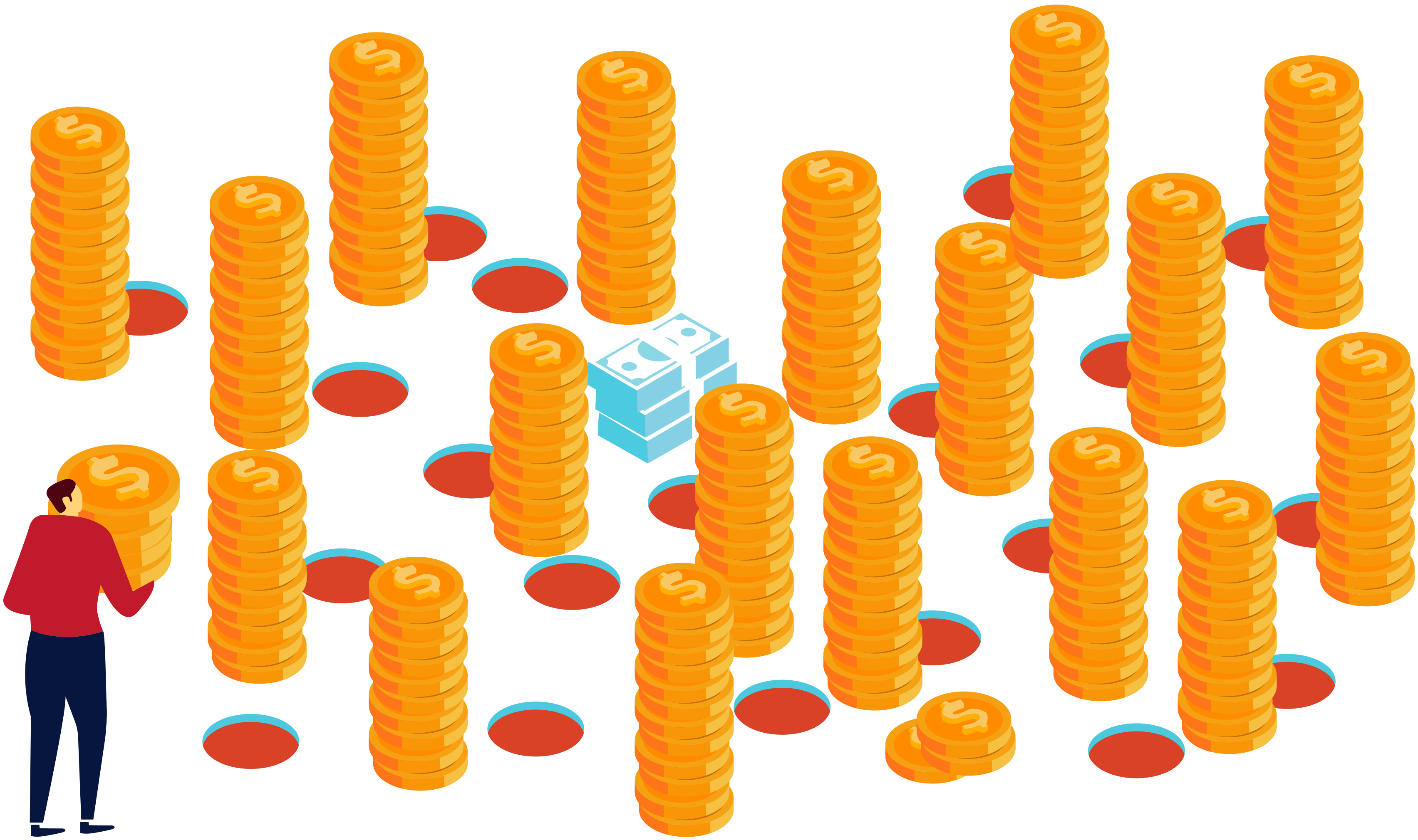
Similarly, you will want to ensure that any spinoffs or divestitures are reflected in the lease population. There's no reason to carry additional assets and liabilities on the balance sheet for leases that are now part of a separate legal entity. Add a step in your quarterly or annual lease audit to specifically verify that the list of assets transferred into divested entities are no longer on the books.

HIGH RISK AREAS MERGERS, ACQUISITIONS, DIVESTITURES



13 SUBLEASES

Subleases are another area that can be easily overlooked. You may be able to easily track the number of buildings being leased, but it is more challenging to maintain visibility on assignment and sublease arrangements with other tenants. Add a step in your quarterly or annual lease audit to review accounts receivable ledger entries from non-customer accounts. Then review the actual invoices and collections details to identify potential subleases.

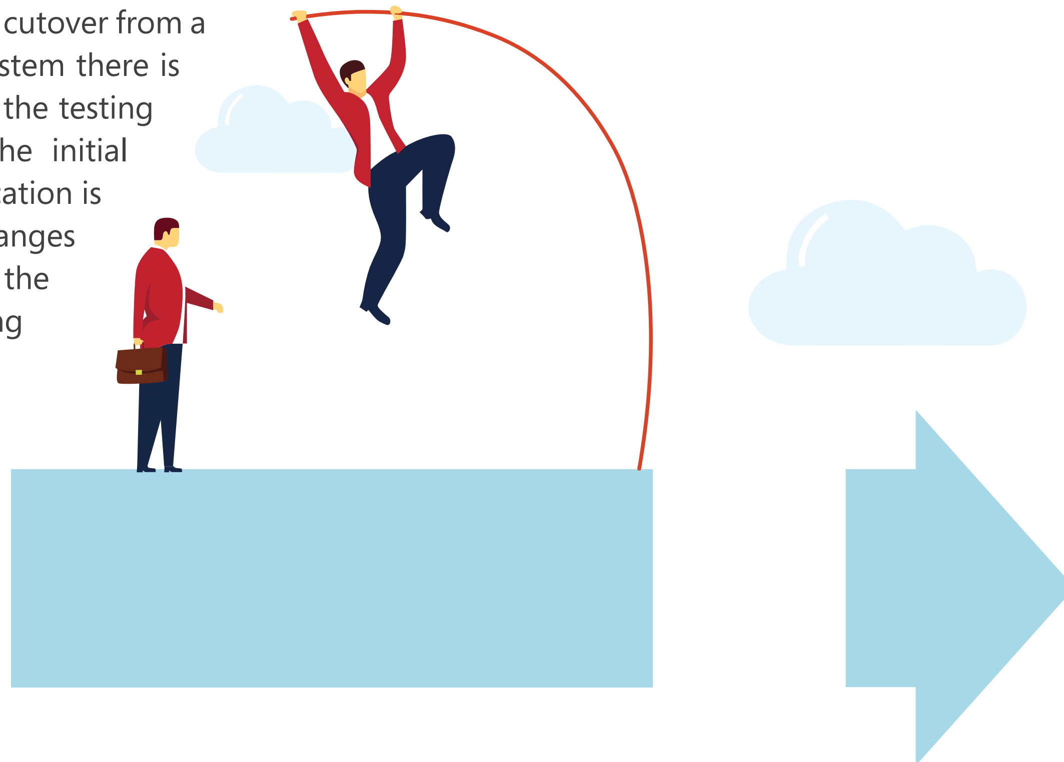


14 SALE-LEASEBACK TRANSACTIONS

Sale-leaseback transactions are another potential risk area. These transactions are fewer in number, but typically large in dollar value. They often occur outside of normal leasing processes. Even if you implemented all of the other controls outlined herein, you might not capture these arrangements. Establish a process to share information with the teams responsible for fixed asset management and revenue recognition to identify possible sale-leaseback arrangements that need to be researched further.

SYSTEMS CHANGES

Systems changes are another risk area. During the cutover from a legacy ERP, asset management, or accounting system there is always a risk that data changes occurring during the testing and transition period are somehow missed. The initial deployment of a lease accounting software application is an excellent example. Stakeholders are making changes to your lease portfolio that are occurring during the implementation of your new lease accounting software application. The cutover and deployment of new software can take several months during which time new leases are being signed, existing leases are being modified, and more tenured leases are expiring. You will need to ensure that the changes occurring during the system implementation are reflected in your lease population before the implementation date of the new standards.

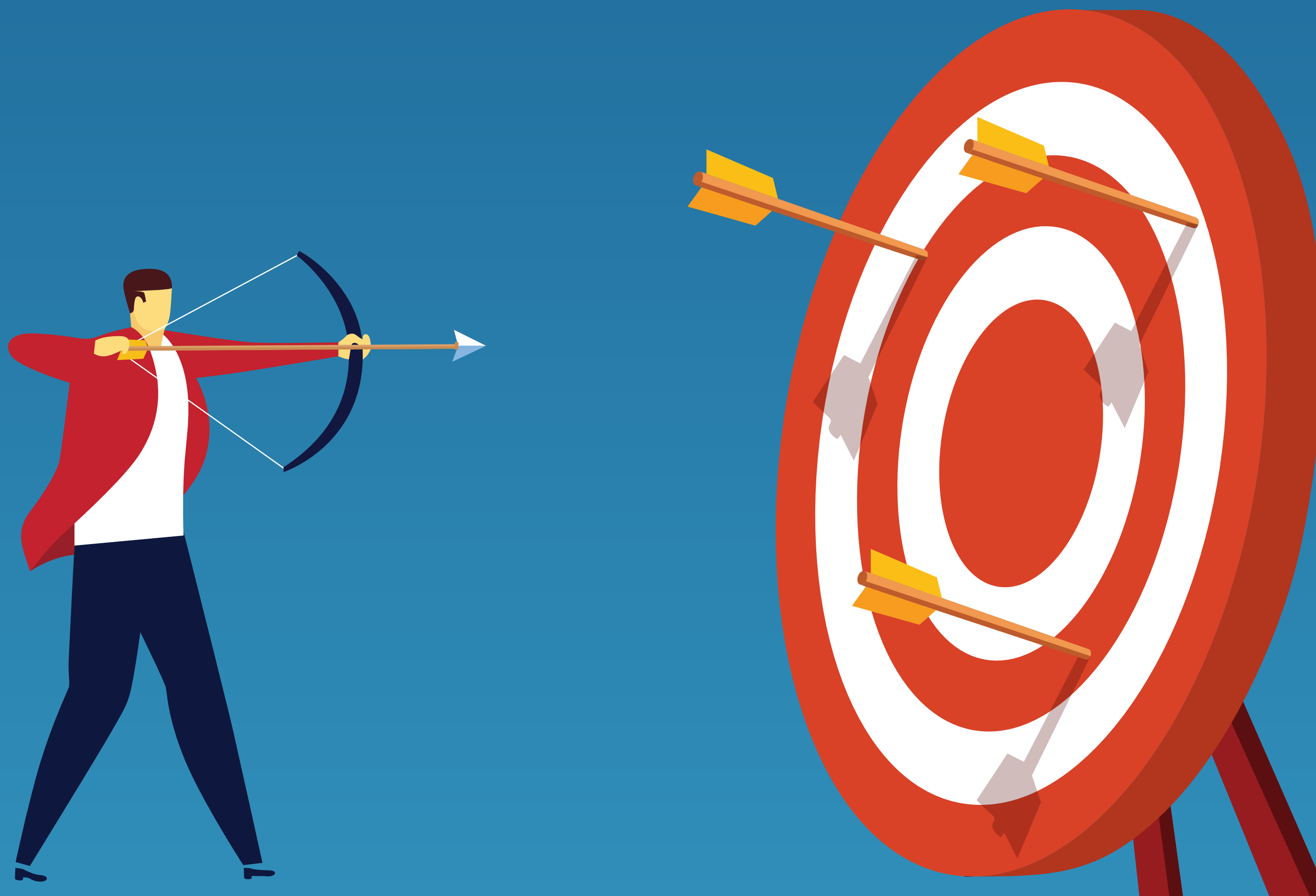


For example, suppose you start the process of uploading leases into your new lease accounting system in March. In July, you finish the lease upload and start a three-month testing period that completes in September. Before you go live, you will need to identify the changes that occurred to your lease portfolio between March and September in order to ensure your population is complete and accurate. During those six months you might have several hundred leases that were signed or terminated, or require a modification or reassessment.

Add a step in your quarterly or annual lease audit to review any major systems upgrades that occurred recently. Test your lease accounting application to ensure that changes to data that occurred before or on the transition date were effectively applied.

SUMMARY CHECKLIST

POTENTIAL WAYS TO ASSERT THE COMPLETENESS OF YOUR LEASE POPULATION



SUMMARY CHECKLIST

	VALIDATION APPROACH	PRE ADOPTION	POST ADOPTION
01	Review recurring payments in the accounts payable application to identify potential leases, then review the corresponding invoices.	X	X
02	Use electronic discovery tools to search contract repositories for potential leases, then review the terms and conditions of legal documents.	X	X
03	Ask landlords and lessors for copies of all existing assets under lease as well as the payments, terms, and end-of-lease options.	X	X
04	Survey the real estate team for a list of all the office buildings, retail stores, industrial warehouses, and other properties your company is leasing.	X	
05	Survey the operations, logistics, or transportation teams for a list of all the rail cars, marine vessels, freight trucks, and material handling equipment being leased.	X	
06	Survey corporate IT for all the laptops, tablets, phones, printers, photocopiers, servers, storage, and other technology assets being leased across the business.	X	
07	Survey finance, human resources, and other administrative functions responsible for miscellaneous leases, like for water coolers, company cars, and corporate aircraft.	X	
08	Survey procurement and sourcing teams for a list of all the purchase orders and/or contracts associated with leases.	X	
09	Survey Corporate Treasury for a list of all the leases they are aware of through lease versus buy analyses or capital sourcing activities.	X	
10	Survey corporate tax for a list of leased real estate and equipment assets that are subject to state, local, or other property tax fees.	X	
11	Request stakeholders throughout the business to periodically attest to the accuracy of the list of leased assets being reported in the lease accounting system.	X	X
12	Review the list of cars, trucks, and vans in your fleet management system. Compare these assets to the vehicle identification numbers in your lease accounting application.	X	

SUMMARY CHECKLIST

SECTION FIVE

	VALIDATION APPROACH	PRE ADOPTION	POST ADOPTION
13	Review the list of servers, data storage, laptops, and other technologies in your IT asset management system. Compare the serial numbers to those in your lease accounting application.	X	
14	Review the list of buildings, land, and other properties in your real estate administration system. Compare the property addresses to those in your lease accounting application.	X	
15	Review the maintenance and repair records from your plants, warehouses, stores, and office buildings. Compare the serial numbers of equipment being serviced to those in your lease accounting application.	X	
16	Review the insurance policies you have purchased for company cars, trucks, and vans. Compare the vehicle identification numbers to those in your lease accounting application.	X	
17	Review the employee locations listed in your human resource systems. Compare the list of buildings and office locations to the property addresses in your lease accounting application.	X	
18	Integrate with your fleet management application to automatically process new, modified, or terminated vehicle leases in your lease accounting application.		X
19	Integrate with your IT asset management system to automatically process new, modified, or terminated IT leases in your lease accounting application.		X
20	Integrate with your real estate administration application to automatically process new, modified, or terminated property leases in your lease accounting application.		X
21	Periodically reconcile the records in your asset management systems for real estate, vehicle fleets, or IT with the data in your lease accounting system.		X
22	Require a lease versus buy analysis for all new asset acquisitions. Identify any assets that are not in your accounting system for which the lease recommendation was issued.		X
23	Do not pay invoices for new leases until the contract has been properly booked in the lease accounting system. Add a workflow step in the invoice approval process.		X
24	At the end of term, continue to charge back the cost of a lease to an operating division’s budget until the renewal, buyout, or termination is properly recorded in accounting systems.		X

SUMMARY CHECKLIST

	VALIDATION APPROACH	PRE ADOPTION	POST ADOPTION
25	Do not pay invoices for lease renewals or buyouts until the updated contract details have been properly booked in the lease accounting system.		X
26	Review recent mergers and acquisitions to ensure that all real estate and equipment leases from the newly held subsidiary are properly accounted for.		X
27	Review recent divestitures and spinoffs to ensure that the relevant real estate and equipment leases are no longer being reported as right-of-use assets or lease liabilities.		X
28	Review accounts receivable ledger entries from non-customer accounts to identify potential real estate subleases that may have been missed.		X
29	Review fixed asset and revenue recognition systems for potential sale-leaseback transactions that may have been missed.		X
30	Review which financial systems have been updated recently. Inspect your lease accounting application to ensure that no data was missed during transitions or upgrades.		X

SUMMARY CHECKLIST

VALIDATIONS DEPENDENT UPON	EXAMPLES	
VENDORS	Review vendor invoices in accounts payable system Discover vendor agreements in contract repositories Request vendor records on leased assets	
STAKEHOLDERS	Survey the real estate team Survey the operations team Survey the corporate IT team Survey the general and administrative teams	Survey the procurement organization Survey the treasury organization Survey the tax organization Request attestation from stakeholders
SYSTEMS	Review fleet management system records Review IT asset management system records Review real estate administration system records Check maintenance and repair records Check property insurance records	Check employee office locations Integrate with the fleet management system Integrate with the IT asset management system Integrate with the real estate administration system Conduct periodic system reconciliations
CONTROLS	Require a lease versus buy analysis Hold payment on new lease invoices Continue chargebacks at end of lease Hold payment on lease renewals and buyouts	
CHANGE	Review recent mergers and acquisitions Review recent divestitures Review accounts receivable for subleases Identify sale-leaseback transactions Review recent ERP or systems changes	

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