

FIXED ASSET AUDIT SERVICES

At risk from an inaccurate asset register?

Let Hardcat perform a barcode audit of your assets and build an accurate database that tells you what assets you have, where they are located and a whole lot more.

ACCURATE DATA WILL:

REDUCE RISK

ENSURE COMPLIANCE

ENABLE BETTER GOVERNANCE

PROVIDE ACCOUNTABILITY

Head Office

Hardcat House, 253 Park Street
South Melbourne VIC 3205, Australia

p: +61 (0)3 9695 5400

f: +61 (0)3 9695 5499

e: sales@hardcat.com

w: www.hardcat.com



HARDCAT[®]
ASSET MANAGEMENT WORLDWIDE

70% of organizations have a 30% discrepancy between a planned inventory and their actual inventory. Gartner

HOW YOUR ASSET REGISTER COULD BE COSTING YOU

LOST ASSETS

An asset that has been lost, stolen or is no longer useable but still appears on the company's asset register (also referred to as a ghost asset). According to Asset Management Resources, nearly every company has a problem with lost assets estimating that on average 10% to 30% of assets are in fact lost assets. The dangers of lost assets are:

- Inaccurate balance sheet, as fixed assets account for the bulk of a company's investments a lost asset can directly influence the value of an organisation
- Lost productivity, assets required for production or operations that are unusable or missed
- Added expenses, the company will continue to pay various taxes, insurances and even service contracts
- Inaccurate capex budgeting, budgets are rendered ineffectual as management is not aware of assets which are unusable or missing
- Asset misappropriation fraud, organisations can be found liable of fraud through negligence.

UNREGISTERED ASSETS

An asset which does not appear in your asset register but is active in the organisation. These assets have entered the organisation through a variety of manners, and are typically seen when an organisation has merged or acquired another business, or through one off purchases conducted outside the usual procurement channels.

- Inaccurate balance sheet, an organisation that has an extensive amount of unregistered assets will be sorely undervalued
- WHS liability, through no risk assessments against assets, not maintenance/inspections history
- Insurance coverage, if the assets don't appear on the books they will not be covered under the company's insurance policy
- Financial implications, not claiming tax or depreciation
- Inaccurate return on asset (ROA) ratio.



Stop your asset register costing your organisation millions

The most common issue facing organisations managing their fixed assets register, is the accuracy and validity of the data in the asset register.

If assets are not, individually identified then tracked through their entire lifecycle with regular audits being conducted, information concerning the assets value, condition, utilisation and location can easily degrade or be lost completely.

The result of inaccurate data in financial and operational systems can be very costly.

More than 80% of organizations use spreadsheets to control their asset base. PWC

HOW YOUR ASSET REGISTER COULD BE COSTING YOU

MISUNDERSTOOD ASSETS

A misunderstood asset, is an asset which the organisation is incorrectly managing either operationally or financially. Typical examples of this would be a leased asset on which a maintenance budget is assigned, or an asset which is being depreciated against the wrong asset class. The dangers to the organisation are:

- Added expenses, whether it is through depreciation losses, operational costs or insurance levies, incorrect classification of assets places unnecessary financial burden on the organisation
- May lead to legal implications, if an organisation disposes of a leased asset assuming that they owned the asset it will lead them to be liable for the replacement.
- Unwittingly forced into lease rollover, as assets cannot be identified at time of lease contract maturity the organisation is forced to extend the lease.

UNUTILISED ASSETS

Assets not being utilised by the organisation but are still being depreciated. These assets can have numerous negative financial implications to the business and should be disposed of as soon as possible. Some of the implications of these assets are:

- Added expenses, the company will continue to pay various taxes, insurances and even service contracts
- Loss of potential income through sale of asset or immediate tax write off
- Drag down return on asset (ROA) ratio.



"To manage a profitable business, the management must have information regarding the current location, use, state of repair, and future usefulness of its productive assets. The chief financial officer has a duty to ensure a system is in place to provide this information."

Raymond H. Peterson
Accounting for Fixed Assets, 2nd ed.

We are your audit partners - no one has our credentials

Experience

HARDCAT services team have conducted over 2000 audits worldwide over the past 30 years, with clients ranging from bluechip listed organisation with millions of assets to single location companies with 500 assets

Technology

HARDCAT services team utilise hardcat bespoke asset management software to conduct audits, client are not required to purchase software or hardware to conduct their audit

Reconciliation

HARDCAT asset audit software has extremely strong import export capabilities allowing the hardcat service team to import existing asset registers and post back the results to either financial or asset management system for reconciliation

Methodology

The HARDCAT services team have developed a highly effective methodology over the course of the past 30 years and all members of the team have industry recognised project management qualifications

Validation

The HARDCAT services team is independent to the organisation and as such all data and information is independent and credible

Compliance,

There are various laws around the world (Sarbanes Oxley etc.) which govern how independent asset audits are to be performed to validate balance sheets and income statements. By utilising the HARDCAT service team to conduct your audit you can ensure compliance

Knowledge base

The HARDCAT service team have literally seen it all, audited every imaginable type of asset over the years, from missiles to servers and know what type of tag would be best suited for the asset

Coverage

HARDCAT has offices on 4 continents and have conducted audits in over 120 countries, Hardcat audits are always conducted by Hardcat services team members and not by outside contractors

Accuracy

Through the use of HARDCAT bespoke asset audit running on mobile handheld computers the hardcat services team can guarantee the integrity and quality of the data being collected during the audit

Speed

The HARDCAT services team can audit roughly 5 times the amount of assets in a day than the average employee, this is achieved via a combination of training, technology and project planning

Cost effective

As all costs for a HARDCAT conducted audit are known in advance companies can effectively budget for the audit. Also the organisation does not need to purchase any software or hardware to conduct the audit nor does it need to train in house staff on the use there of

Minimal Disruption

The cost for an audit can quickly spiral out of control if conducted in house with staff being taken off their traditional roles to conduct the audit. There can also be productivity loss as well as drain. The HARDCAT Services team through their speed, accuracy and professionalism ensure that there will be a minimal disruption to the day to day functions of the organisation

Measurable ROI's

All HARDCAT audits produce measurable deliverables with real return on investments, be it in the discovery of unregistered assets or the elimination of lost assets, the HARDCAT services team guarantee real ROI



Don't go it alone

When there are literally millions of dollars at stake you really don't want to go it alone and fall into the numerous pitfalls that exist for organisations trying to conduct an internal audit.

The HARDCAT services team can also collect additional information about the asset at the time of audit, such as condition, serial numbers, specifications, etc.

By retiring unused assets, companies can reduce the tax bills for assets by as much as 20-30%. KPMG

TOP ECONOMIC BENEFITS

The audit can pay for itself

A complete implementation typically uncovers at least 10-30% lost assets in an organization. Correcting this discrepancy results in an immediate write off, reducing income taxes, and insurance premiums. At the same time it is not unusual to uncover a similar amount of unregistered assets. Correcting this discrepancy results in an increased company valuation and an increased depreciation claim.

Audit support

Asset Inventories are now more accurate, tied directly to a tagged physical asset inventory, updated annually, and facilitate compliance with provisions of legislation such as the Sarbanes-Oxley act and the Corporate Law Economic Reform Program Act 2004.

Decrease carrying costs

More efficiently gather and maintain accurate information on fixed assets.

Reduce taxes

Only pay taxes on assets that are at the location. This is especially important when a firm has multiple facilities located in different countries with different tax rates and exemptions.

No unnecessary purchases

Increased control over spending money on additional equipment by reassigning and utilizing idle equipment instead of purchasing new.

Leased equipment tracking

Avoid lease termination penalties by simplifying the process of tracking, locating and returning equipment when the lease term expires.

Accurate insurance premiums

Eliminate the concern of being over or under insured. Match your insurance coverage and premiums with the actual assets.



"We are very pleased with Hardcat, and believe we made the best choice. We are now six months into the implementation, and are realizing benefits."

DeKalb County Board Of Health (USA)

"You guys are great to work with. I can see why you are so successful".

South Metro Fire Department (USA)

"When you use a system in a theatre of war, it has to be 100% solid, that was our major consideration in choosing Hardcat."

UK Ministry of Defence (UK)

"I am very pleased with the progress we have made with the Hardcat system and the increased productivity that its implementation has brought.

I have no hesitation in recommending it to other departments within my organisation and to other business contacts outside of the MOD."

Major David Greenslade, UK Ministry of Defence

CASE STUDY: DATA CENTRE HOSTING COMPANY

Business Drivers

The data that resided within their current asset system had become unreliable and outdated. A physical asset audit was required to validate the data that was within their existing system and to capture assets and their components that had not made it onto the existing system due to substantial growth of the business within the last 2 years.

The Hardcat team audited server and network assets based in world class data centres. Hardcat were able complete the audit with zero impact on the day to day operations of the company and their clients who host data and services on the machines being audited.

- Asia, Europe, North America, South America, India, Australia, Africa
- 11 Countries
- 22 sites
- Est max 6600 captured 8900
- Sites ranged from 70 assets to ~2000 assets. No site too big or too small.
- 5 teams working concurrently worldwide centrally managed from Sydney Australia.
- Hardcat leveraged our own professional staff members from South Africa, United Kingdom, Australia and Dubai - no external contractors used.
- 1 ½ months for audit completion.

Results

- Working on a \$5,000 per asset value per asset
- Original book value of assets \$33,000,000
- Discovery of 2300 lost assets approximate value of lost assets \$11,500,000 representing 35% increase
- ROI on this alone was almost 3,000%

"Thanks Colin. I understand we have had challenges but I want to thank you for your teams work and continued efforts. You guys have been pushing past hurdles to get the audit completed and we understand and appreciate the work. A fantastic result."

Senior Manager
Infrastructure Capacity
Cloud Solutions Business Unit

CASE STUDY: POLICE FORCE

Hardcat is currently used to track and maintain over 80,000 items in an Australian police Force armoury. In addition, this Hardcat system is being developed for enterprise-wide use to allow other police operational teams to manage their daily issue and return requirements for weapons and equipment including specific departmental items such as batons, radios, tasers and mace spray dispensers etc.

Savings

- Reduce time to perform equipment audit by 80%
- Reduce time to perform issue & return by 90%
- Reduce time to produce equipment usage reporting by 80%
- Configuration & setup in hours not weeks or months as is the norm
- Complements and integrates to your ERP system
- Off the shelf product, no hidden costs, completely affordable

Enterprise Capability

A platform that can be used to deliver other functions to the project (e.g. Portable & Attractive Items Register, Equipment Audits, Proof of Installation, Warranty information).

Simple User Expansion

Allows a progressive rollout – Grow the user base by simply adding concurrent users and controlling access to asset information via domain control.

Scalability

Large state and national deployments already proven both in Australia and abroad.

Consistency, Control, Visibility

Common data structures & product names; Complete visibility at HQ but discrete views at the unit level.

Highly Configurable

Ability to include additional equipment attributes; Ability to report/inform/escalate on specific triggers.

Hardcat continues to provide 'fixed asset audits' and compliance for its customers all over the world! Over the past 3 years alone, Hardcat has completed over 100 'fixed asset audit' projects globally.

A selection of clients which we have completed audits for recently:

- Dimension Data (Worldwide)
- Richard Crookes (NSW - Nowra Correction Centre)
- Australian Unity (VIC & NSW)
- Mercedes Benz (Nation wide)
- Thales Australia (VIC)
- SP AusNet (Nation-wide)
- South Australia Water (SA)
- RMIT (VIC)
- Uniting Care (NSW)
- Ministry of Health (NSW)
- BUPA Australia
- Parliamentary ICT
- Natixis
- Thales
- Harada Metal Industry (Japan)
- Transfield
- The Hyde Group
- De Paul Villa Aged Care
- Hewlett Packard (HP)
- Thames Water
- Kentucky Farm Bureau (USA)
- BAE Systems
- STIHL

CASE STUDY: HEALTH DEPARTMENT

Company

A NSW state-wide organisation established to provide high-quality shared services to support the delivery of patient care within the NSW health system. Our successful and sustainable business solutions ensure ongoing improvement, increasing levels of efficiency and greater savings for NSW Health. Responsibilities include operating and maintaining the departments 4 datacentres distributed around the State.

Issue

The vast quantity of Hardware and IT components that are housed within the data centres are supplied through two vendors. Throughout the year there is a constant stream of activity, adding new hardware, additional capacity and upgrading units.

Tracking orders for new hardware against available capacity/hardware was difficult and capturing details of hardware being replaced was difficult to record. Tracking all of the hardware movements has been very difficult and reconciling what's currently utilised against vendor records has proven costly and time consuming.

Their identified system requirements including hierarchic asset structure, unique identification for every asset and the ability

to easily record movement also had to be able to process a range of reports for the various stake holders.

Following an extensive search and review process, they selected Hardcat as the best solution to meet their requirements.

Solution

They engaged Hardcat to complete an upload of the existing asset register followed by a comprehensive audit across all four locations. The comprehensive audit allowed them to find a range of assets which weren't previously in the registry and identified assets in the asset register that were no longer in use. A centralised asset register provided visibility of the full range of assets and introduced a range of immediate benefits including lifecycle management and better resource planning.

Benefits

They have achieved enormous efficiencies in their operating procedures by using the Hardcat asset management solution. Significantly reducing the time taken to audit the assets per location has provided the accurate and timely information needed to manage their asset planning and resource management. Hardcat's solution has freed up operational time considerably and at the

same time produced significant saving in annual hardware costs. The implementation of Hardcat's solution has produced immediate Return of Investment.

They have been able to get buy-in from stakeholders across the organisation because they can now see that effective asset management is saving money, creating efficiencies and making their jobs easier. With the successes achieved in its data centres, they are now exploring options to extend Hardcat across other operational areas.

Reasons for Choosing Hardcat

- Ability to easily configure Hardcat to suit their requirements
- Fast and easy deployment as a solution
- Ability to complement existing large systems
- Fraction of the cost of large corporate enterprise systems

The Savings

- Man hours for mandatory audits reduced by approx. 70%. An annual savings of approx. \$85,000
- Facilitated greater bargaining power for both new and replacement planning contracts with hardware vendors. Savings in excess of \$100,000 in the first year.

STOP THE WASTE NOW!

Take the first step, try the calculators on our website to estimate your return on investing in a Hardcat audit...



Head Office

Hardcat House, 253 Park Street
South Melbourne VIC 3205, Australia

p: +61 (0)3 9695 5400
f: +61 (0)3 9695 5499

e: sales@hardcat.com
w: www.hardcat.com

