HOW

RFID

IMPROVES ACCURACY & ACCOUNTABILITY

AN ASSET MANAGER'S GUIDE TO
FEDERAL ASSET & INVENTORY AUDITS >>>

Government accountability is front and center these days.

Congress has been pushing government agencies for better financial management and improved accountability for decades. One can find references as far back as the CFO Act of 1990, or as recently as the Congressional Budget Justification Transparency Act of 2021. In May of 2021, new legislation was introduced that would require any component of the Defense Department that fails to pass a "clean audit" to forfeit 1% of it's budget back to the Treasury.

This increased scrutiny and oversight to ensure taxpayer dollars are spent responsibly puts pressure on federal agencies, and the contractors who work with them, to improve their financial management. One important step in this process is the Financial Improvement and Audit Readiness (FIAR) mandate for the Department of Defense (DoD).
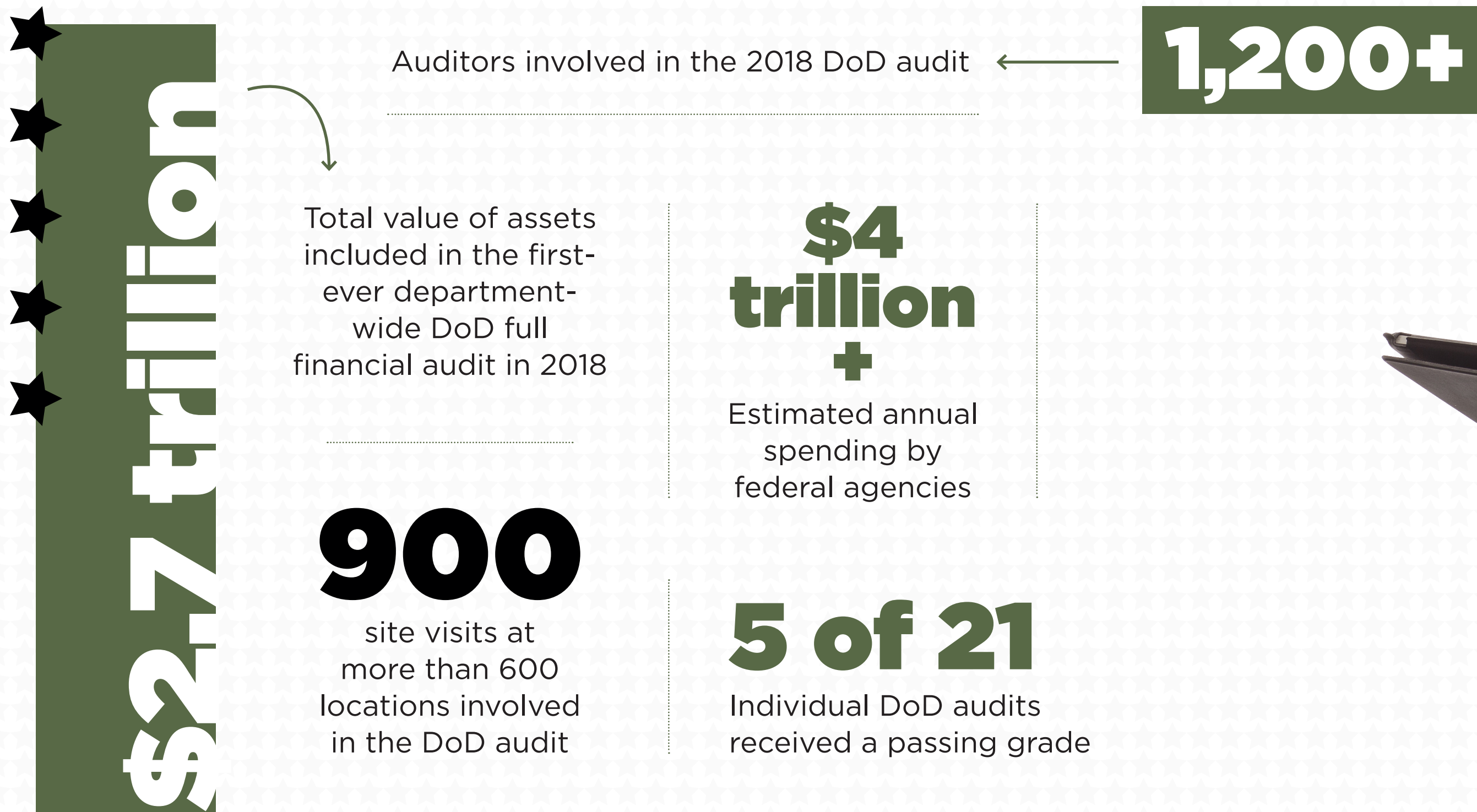
It's important to understand that FIAR and similar efforts are more than an investigation into accounting and record keeping. They often demand accountability for all qualifying assets and inventory. Auditors need to verify the existence and completeness of the inventory – making sure that the books match what is actually in the warehouse.

THIS EBOOK FOCUSES ON >>> the physical asset side of audits for government agencies and ways they can improve inventory accountability through the use of RFID technology.

FIAR Audits by the Numbers

DoD has failed three audits since 2018 but are committed to improving accountability. The Pentagon has made it clear that such audits will now be an annual exercise, admitting they have a lot of work to do to achieve a "clean opinion."

$2.7 trillion

Auditors involved in the 2018 DoD audit ← **1,200+**

Total value of assets included in the first-ever department-wide DoD full financial audit in 2018

$4 trillion +
Estimated annual spending by federal agencies

900
site visits at more than 600 locations involved in the DoD audit

5 of 21
Individual DoD audits received a passing grade

Common Audit Requirements

Auditors expect that agencies achieve a sustainable state of readiness where the assets can be located and reported upon in a very short amount of time. In many cases this state of audit readiness needs to be maintained from cradle to grave – throughout the lifecycle of an asset. This means asset accountability is ongoing. It also means that asset accountability must be built into the corporate culture and embraced by everyone in the organization to be effective.

ASSET ACCOUNTABILITY IS ONGOING.

REQUIRED ASSET INFORMATION FOR THE IUID REGISTRY:

★ Unique Item Identifier (UII) for qualifying assets
★ Category/Type
★ Location of asset
★ Status
★ Description
★ Custody
★ Controlling/ Financial Reporting Entity

Why Your Asset & Inventory Practices Fail Audits

FAILED

This accountability does not just apply to military branches -- the entire Defense community that supports the DoD, including government contractors and subcontractors, must be held responsible. Unfortunately, many agencies continue to rely on manual or inefficient tracking processes like paper, spreadsheets, barcodes and/or simplistic databases, which are time consuming, labor intensive and error-prone.

Paper Records
How are you keeping track of all those documents? Are they all legible? Easy to find on demand? Have any been altered/destroyed?

Spreadsheets
How many spreadsheets are you using? Are they easily accessible across departments/locations? Are they secure? No typing errors or bad calculations?

Barcodes Only
Are all barcodes easy to see/scan? Able to read illegible or damaged codes? How long does the labeling process take? How long does it take to scan all labeled assets in a room/facility? Is every asset labeled?

Basic Databases
Is data manually or automatically fed? Accessible from anywhere? Secure? Are you able to quickly create customizable, on-demand reports?

THESE PROBLEMS CAN ALL BE RESOLVED BY IMPLEMENTING RFID TAGGING AND TRACKING. »»

Fast Tracking: The Power of RFID

Radio Frequency Identification (RFID) isn't new, but it's gaining increased attention and adoption as the technology has improved and costs have decreased.

A PROPERLY IMPLEMENTED RFID SYSTEM CAN ⋙

Eliminate manual errors
As long as the technology is implemented accurately, it's nearly error proof.

Increase speed
Unlike barcode scanning, there is no need to line up, or even see, an RFID tag to scan. An RFID scanner has the ability to read hundreds of tags per second. They also can read through boxes and containers.

Improve accuracy
Organizations using RFID commonly find inventory accuracy scores better than 99%. This means greater confidence in what you have, where it is and your ability to pass audits.

HOW IT WORKS ⋙

There are two types of RFID tag technologies: Passive and active. Active tags require a battery and are always "on." Passive tags, which are more popular and cost-effective, have no internal power source but instead rely on the reader to power up and scan the tag.

Tags can be read using handheld or fixed readers. Similar to barcode scanners, handhelds allow for users to move around specific areas of an organization and scan assets accordingly. Unlike barcodes, though, the process is faster and less labor-intensive. Fixed readers (sometimes called "gateways") are usually mounted either in doorways, dock doors, hallways or an egress or choke point. The fixed reader is usually mounted in a location that requires all of the assets to pass through, allowing them to be scanned "hands-free" to identify what is moving in or out of an area.

A2B Tracking: Military-Grade RFID

Accountability and transparency aren't going anywhere, so you need the best technology and processes in place to pass audits, justify federal spending and maximize the useful life and cost-effectiveness of your assets. At A2B Tracking, we understand this and work closely with defense agencies and government contractors to produce solutions that meet their strict requirements.

The A2B Tracking software platform is an RFID solution built specifically for government asset management and inventory control. A2B Tracking's solution connects RFID and barcode tags with smartphones and tablets using cloud-based software. This level of connectivity enables instant visibility into an asset's location. A2B Tracking's cloud-based application stores data in a secure, centralized database, so users can work from multiple locations anywhere in the world.
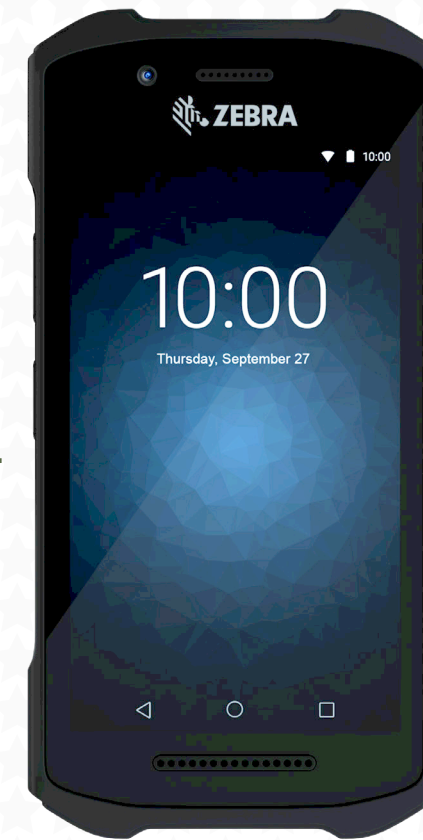
A2B TRACKING

KEY FEATURES »»

- ★ Serialized and non-serialized asset tracking
- ★ Assign assets to people/locations
- ★ Easier management of inventories & cycle counts
- ★ Secure cloud-based tracking across facilities and locations
- ★ Report generator with output to Excel or PDF
- ★ Pro-Locate™ to find missing assets
- ★ Automate check out/in
- ★ Track asset movement and last known location
- ★ Hands-free monitoring