

## **Section M: Assets**

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### **Why is this area important?**

Schools often have attractive and portable items of material and equipment ranging from library books to computers /IT and audio visual equipment. These assets should be kept under proper control. Head teachers should make arrangements to identify the items as school property, to record the location of the assets and to insure them for off-site use, where necessary.

Most schools also carry stocks, mainly of the kind that are in constant use, such as stationery, cleaning materials, and sport equipment. Generally, they are consumable items and the costs are charged to the various budget allocations as each purchase is made. Often stock records are not maintained and therefore schools should keep a close watch on the quantities ordered and the frequency of ordering. They should ensure that stocks are adequately safeguarded and in the charge of a responsible member of staff.

Recording assets and ensuring their safe care and custody is the responsibility of the governing body, which should maintain proper security for all buildings, furniture, equipment, plant, stores and other assets.

Schools now have greater responsibility for their buildings and other parts of their premises and it is, therefore, important that they plan how they intend to use, maintain and develop their buildings. The schools own plan will need to match the LA's asset management plan in relation to that school.

### **General contacts**

**Bob Craik:** Insurance Manager  
020 8825 9365  
[craikr@ealing.gov.uk](mailto:craikr@ealing.gov.uk)

**Steven Tinkler;** Head of Audit & Investigation  
020 8825 8571  
[tinklers@ealing.gov.uk](mailto:tinklers@ealing.gov.uk)

## **KYB STD M 1**

### **Stock levels**

The head teacher should ensure that stocks are maintained at reasonable levels and subject to a physical check at least once a year.

- 1 A record of this check e.g. ticked off inventory, should be kept with a signature and date.

## **KYB STD M 2**

### **Maintenance of inventories**

Up-to-date inventories should be maintained of all items of equipment. Such items should be identified as school property with a security marking.

- 1 An inventory must be maintained of all permanent valuable and transportable items worth more than £50 including vehicles, visual aid equipment, computer equipment, expensive tools, camping and sports equipment. This is to comply with LBE's insurance policy. Low cost or consumable items should not be included. Where a school owns a number of similar items that are individually worth less than £50 but with a total value of more than £50, these may be included as a group in the inventory. Examples include items of furniture or books. In the case of books, these could be grouped under subject area as well to help recover the items in the event of loss or damage. It is recommended that inventories (or asset registers) should be maintained in the following format:
  - Date of acquisition
  - Serial number
  - Description of item
  - Location
  - Source of funding i.e. revenue, capital or leasing
  - Cost/estimated replacement value
  - Disposal, authorisation for disposal, and amount realised (if any)
- 2 Items should be clearly and permanently marked as being school property and should be included in the inventory as soon as they are received. A second copy of the inventory should be kept off-site to minimise the risk of loss from theft or fire. New additions should be added to the inventory as they are purchased and an updated inventory should be sent to the Insurance Section immediately, where the school is insured through the LA, to ensure it is covered. Security labels are available free of charge from the Insurance Section.
- 3 Items donated/"freebies" should also be listed on the asset register with an estimated value noted.

### **KYB STD M 3**

#### **Checking inventories**

The head teacher should arrange for inventories to be checked at least once a year against physical items. All discrepancies should be investigated and any over a predetermined sum reported to the governing body.

- 1 The governing body must ensure that procedures are operated so that inventories are checked by someone other than the officer who maintains them at least annually. The check should be independently verified. A signed and dated evidence of the check should be retained. An electronic inventory can be maintained in the SIMS Equipment Register module. It links into the accounting package and allows for equipment purchased to be automatically imported into the inventory. It is essential to maintain an inventory in order for items to be covered by insurance.
- 2 Any discrepancies over a predetermined limit should be reported to the School Governors.

### **KYB STD M 4**

#### **Approval for off-site use of property**

Whenever school property, for example musical instruments or laptops, is taken off the school site, it should be signed for and a register noted accordingly.

- 1 No school property should be removed from the school except in the course of school business and no items can be used for other than school business without specific written permission from the head teacher. The item's removal should be fully documented and its subsequent return recorded.
- 2 The school must keep a record of all equipment that is taken off site. The school must ensure that:
  - A form is completed by the person taking out the equipment and signed by them
  - The form should provide for the users to define the use to which they are putting it e.g. for project X
  - The form should indicate that the person is not using the item for private use unless they have been authorised to do so in which case the person authorising should also sign the form.
- 3 More detailed advice by the Insurance Section is available to schools if required.

- 4 Private use of school equipment: Equipment, which has been purchased by schools for school purposes, but is made available for private use, may generate an income tax liability upon the employee. The amount of the liability depends upon a number of factors, such as the type of equipment being used and the degree of private use. Where the equipment is a school vehicle, the private use would normally include journeys between the employee's home and the school. With regard to other equipment e.g. sewing machines, mobile telephones, computers, etc., any private use will generate a liability unless the private use is in accordance with school policy. (Refer to Standard H6 Payroll)

#### **KYB STD M 5** **Authorisation of write-offs**

The governing body should authorise all write-offs and disposals of surplus stocks and equipment in accordance with LA's regulations.

- 1 As part of the internal manual of procedures, the governing body should specify the maximum values of stocks and equipment which the head teacher may write-off or dispose of without reference to the governing body. We suggest that the head teacher can authorise disposals under £500 and evidenced by his or her signature on the inventory. Any disposals valued above £500 need to be referred to the Governing body, stating the reasons for the disposal and recommending a method, or methods, of disposal. If an item is disposed of with a potential value of £10,000, authorisation must be obtained from the Executive Director of Corporate Resources.
- 2 The following guidance is offered regarding the method of disposal of items. Values will need to be estimated.
  - For items valued at less than £50, a fixed price may be set and the item(s) disposed of by simple agreement of the price with the purchaser
  - For items valued between £50 and £500, an auction may be used. This would involve offering the items for sale (probably to staff in the first instance) and inviting them submit a sealed bid by a given date. This method may also be used for items valued at less than £50 if it is felt appropriate.
  - For items valued between £500 and £6000, an auction as described above, or a competitive tendering process should be used, depending on the nature of the items to be disposed of.
  - For items valued at more than £6,000 the items should be sold by using a competitive tendering process.
- 3 Whenever stocks or items are disposed of, an entry should be made in the appropriate stock record or inventory showing why the disposal took

place, by what method it took place, and who authorised it.

#### **KYB STD M 6**

##### **Locking of safes etc.**

Safes and similar deposits should be kept locked and the keys removed and held in a different location.

- 1 All safes, locked cupboards and other secure areas should be kept locked at all times. Keys should be held by the responsible officer. The number of key holders should be kept to a minimum (no more than three sets is recommended) but with normal day to day access restricted to one individual in order to ensure accountability. Keys should be held securely, normally on the person of the key holder, and never where another person may access them. If a key is lost, the head teacher must be informed immediately, and he/she should take whatever steps are felt necessary to ensure that the safe or secure area remains inaccessible to unauthorised personnel. To meet the requirements of the insurance scheme, safe keys must either be held on the person or locked in a key safe. (Refer to Standard N Insurance).
- 2 The head teacher must ensure that sensible controls operate to make the school's property secure. This includes ensuring that the amount of cash and cheques held on school premises is minimised by preferably weekly banking. Cash and cheques should also be held securely and should not exceed the limits of the school's insurance cover. The safe limit will determine the amount covered. In the majority of cases the maximum safe limit is £1,000 in cash, therefore sums exceeding this amount should be banked immediately. (Refer to Standard F7 Income).

#### **KYB STD M 7**

##### **Asset management plan**

The governing body should have a plan for the use, maintenance and development of the school's buildings.

- 1 School buildings have an important part to play in delivering improvements in educational standards. They are valuable assets and need to be managed effectively both on a day to day basis and strategically. To assist in the process of strategic decision making the LA is working with its partners to further develop and implement the Asset Management Plan (AMP). That plan will provide the basis for prioritising needs and determining the respective responsibilities of the LA, schools and diocesan education boards. It will also have important links to other plans such as the LA's Education Development and School Organisation Plans as well as Council wide regeneration activities and the Corporate AMP.
- 2 The main aim of the Local Policy Statement is to establish and provide a basis for more effective, transparent and rational decision making on building priorities within Ealing, which will contribute to raising educational standards and equip schools to face the challenges of the information age.

## **The purposes of an AMP**

### **3 The main objectives of an AMP are:**

- Providing an agreed basis for local decisions on spending and to inform of other local LA Plan such as School Organisation, Education Development, Best Value and Corporate AMP.
- Provide a framework for the further development of working in a spirit of partnership within which schools and the diocesan education boards are treated on a fair and equitable basis.
- To help governors and head teachers in developing plans for individual schools by making fair and transparent the process of decision making on funding priorities across the LA.
- Providing information that will help in the development of possible partnership projects by the LA, schools and other interested parties benefiting the wider community.
- To assure the government, schools, parents, pupils and others that capital projects are soundly based and represent good value for money.

### **4 A key output of the plan is a prioritised programme of work to address the most serious and urgent needs of the LA's school building stock in terms of condition, sufficiency and suitability. The funding to carry out the works can come from various sources, e.g. school budget, devolved capital, central government bids.**

### **5 The Asset Management Plan Local Policy Statement contains further details of Ealing's AMP. A copy has been sent to all schools and further details can be obtained from the School's Property Group.**

## **M8 KEY AUDIT RECOMMENDATIONS**

1. Asset Inventory, Security markings and Disposals
2. Physical checks of assets
3. Asset loans

Please ensure that the school follows the procedures detailed in M2.1, M2.2, M3, M4 and M5.3. The school should be able to produce signed and dated evidence of these procedures being implemented. The school should maintain a consolidated listing of all removable assets and which members of staff are in possession of them.