

Asset Management for Local Authority Maintained Schools

Schools Finance

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1 Introduction

1.1 The purpose of this policy is to clarify the responsibilities of community, voluntary aided, foundation and voluntary controlled schools under financial regulations, and to provide guidance on the procedures that must be in place for the management of their assets and asset registers.

1.2 This policy draws on a number of different Milton Keynes Council financial processes and procedures. The detailed financial regulations that underpin this policy are available on the following link: www.milton-keynes.gov.uk/local-management-of-schools.

1.3 Financial regulations are in place to ensure that public accountability and high standards of financial integrity are exercised over the control of public funds. In addition, they assist sound administration, reduce the risk of irregularities, and support the delivery of effective, efficient, and economical services. The management of assets is an important part of the regulations.

1.4 Governing bodies are responsible for the management of the resources allocated to their schools and for ensuring that both they and school staff comply with the council's financial regulations and procedures. This includes the management of staff and the security, custody and management of assets including plant, equipment, buildings, materials, cash, and stores.

1.5 Governing bodies are responsible for the financial integrity of their school's affairs and for providing to the Head of Finance and the Director of Children's Services, any information required to fulfil their duties.

1.6 It is the responsibility of a governing body to ensure that the appropriate school staff are trained in the requirements of this policy and that these requirements are adhered to. The governing body may choose to delegate the responsibility to the headteacher.

1.7 Asset records will be open to inspection by the council's internal auditors either as part of their routine school audit or at any other time as appropriate.

1.8 This policy details the minimum requirements and schools may enhance these controls if they wish to do so.

1.9 Failure to comply with this policy or the council's financial regulations could constitute misconduct.

2 The control and security of equipment and assets by a headteacher and governing body

2.1 An asset register(s) should be maintained to record a school's items of equipment with an individual purchase cost in excess of £500 (or lower if determined by a school's governing body) plus all other moveable or attractive and desirable property, for example, small electrical equipment.

2.2 The governing body and headteacher must ensure that in line with this policy a school's equipment and assets are properly recorded and safeguarded against loss. Newly purchased or provided assets should be entered onto registers as soon as they are received.

2.3 The governing body and headteacher must designate an appropriate member of staff to have responsibility for monitoring the accuracy of school records, in connection with the receipt, care and safe custody of equipment and assets.

2.4 Items that have been purchased/provided using funds not delegated by the council (for example if they have been hired or leased or are gifts from the PTA) should also be recorded. The register must include sufficient details to enable the accurate identification of each item.

2.5 Where a school's assets are funded from donations and the benefactor does not specify that their ownership should be vested in the governing body, such assets should be recorded in the asset register, which should also include the source of the asset. A separate register should be kept of all assets not funded through Milton Keynes Council.

2.6 It is not necessary to record classroom resources such as books and classroom furniture, unless a school reorganisation such as an amalgamation of two or more schools, is taking place. However the budget should allow for replacement of these items as and when required. In the event of a whole classroom or building being destroyed, an assessment would be made as to the value of the assets for insurance purposes. See also section 6.

2.7 All items should be permanently and visibly security marked in a prominent place, as soon as possible after their receipt/purchase to deter theft. It is recommended that items should be marked with “MKC”, the school’s name and/or postcode. It is also recommended that each item is given a unique reference number in order to facilitate the identification of items.

2.8 Items should be stored in a secure place when not in use i.e., preferably in an area of the school protected by a security alarm system, in locked rooms or cupboards. If this not possible, items should be stored away from windows so that they are obscured from outside view.

2.9 Advice on the completion on the use of the asset register on the Financial Management System (FMS6) should be obtained from your IT provider. If FMS6 is not used, then an alternative system must be put in place. If FMS6 or equivalent is not used the minimum data that must be kept on assets is:

- a) the unique reference numbers.
- b) date of purchase.
- c) quantity.
- d) description.
- e) make/model/serial number of assets.
- f) purchase price.
- g) location.
- h) annual asset check undertaken.

2.10 A separate loan record must be maintained to record and monitor the issue and return of all items loaned to or taken off site by staff or others. Resources should only be loaned if the use is for the benefit of the school. Maintaining this record will ensure that the whereabouts of all items of equipment is always known.

2.11 All loans must be authorised by the headteacher or the nominated member of staff and marked as such on the asset register. This is particularly important requirement where laptops are loaned to staff for schoolwork. The loan record should include details of:

- a) date of the loan.
- b) item of equipment with details of make, model and serial number.
- c) name of the borrower.

d) confirmation that the member of staff will adhere to the terms of the agreement and look after the equipment, if appropriate only use software provided by the school, and return it in an acceptable condition.

e) signature of the nominated member of staff authorising the loan.

f) date of loan or return of the item.

g) signature of the nominated member of staff to confirm the item has been returned in a satisfactory condition.

3 Regular checks on assets

3.1 Headteachers are responsible for ensuring that all equipment and recorded assets are checked at least once a year against asset register(s) and details of the outcome of the check and who undertook it, entered onto the register, and reported to the governing body.

3.2 The annual check should be undertaken by either the headteacher or a member of staff who is not normally involved in the day to day running of the asset register, and the outcome reported to the governing body and minuted.

3.3 A check of assets must also be taken on the departure of the headteacher, or the nominated member of staff and the outcome reported to the governing body and minuted.

3.4 In a large establishment, a central record of the registers that are used in the school should be maintained. This record will help maintain control over the issue of registers, ensure annual checks are undertaken on all asset registers, and that the outcomes of checks are reported to the governing body and minuted.

3.5 When a member of staff returns an asset, leaves the school's employment, or ceases to be responsible for the custody of any property included on the register, an independent check by either the headteacher or the nominated member of staff must be made of the property. The register must then be updated to confirm the handover of the asset by both the outgoing and incoming member of staff.

4 Actions to be undertaken if a check of a register highlights a discrepancy

4.1 In the event of an asset being lost, stolen or damaged beyond repair, the headteacher must notify the council's insurance section, or the insurance company providing the governing body's cover, and give details of the asset concerned. Failure to provide this information could result in the claim being rejected and financial loss to the school or council. Schools who do not have their insurance cover through the council should contact their insurance company direct to report losses and to ensure that they are holding adequate information.

4.2 The headteacher and nominated member of staff are responsible for making every attempt to trace the cause of any discrepancy, whether it is a loss of equipment or discovery of a surplus.

4.3 Schools should seek advice from the council's internal audit service on what action is necessary as a result of any loss.

4.4 A written report should be presented to the appropriate school committee highlighting the loss of any asset.

4.5 Any items identified at the asset check, but not recorded in the asset register, should be entered after first establishing they are items that should be included.

4.6 Newly purchased or donated assets should be added as soon as possible to the register to ensure that it is kept up to date.

5. Disposal of assets

5.1 Items which are surplus, obsolete, or unserviceable must be disposed of in accordance with procedures that follow the council's financial regulations, according to the estimated current value of the individual asset, or group of assets. Schools also need to be aware of the regulations around the safe disposal of some equipment, for example, fridges and electrical equipment.

5.2 The headteacher and governing body must ensure that they achieve value for money when assets are disposed of by always obtaining the estimated current value of the individual asset or group of assets.

5.3 Assets must not be sold at less than 90% of their estimated commercial value.

5.4 The disposal of a school asset valued at £100 or more must be recorded in the governing body minutes.

5.5 Where the headteacher and governing body take the decision to dispose of an asset or a number of assets in one transaction totalling over £1000, the permission of the Head of Finance and Director of Children's Services must be obtained before the disposal can take place.

5.6 Where an asset, for example a personal computer or a laptop that has been used for storing school data is disposed of all information relating to the use of the item must be removed from or deleted from the asset before its disposal. Headteachers must seek advice from their IT provider on the most appropriate way for removing such data.

5.7 Schools may retain for their use any income generated by the sale of assets. Exceptions are where the assets were purchased with non-delegated funding as highlighted in the school's asset register or are part of the school's premises and are owned by the council. In these cases, the income will be retained by the council or in accordance with the agreement relating to an asset funded from a donation.

5.8 Income from the sale of assets purchased with delegated funds from the council may only be spent for the purposes of the school. Such income must be paid into the school's budget share and not into voluntary or private school funds.

5.9 Income from the sale of such assets must be coded to the relevant supplies and services income budget code.

6. Closure of a school or merger of two schools

6.1 When a school is either closed or two or more schools are amalgamated, and the schools are remaining on the same site then it is the responsibility of the incumbent headteachers to ensure that up to date asset registers are maintained in line with the current practice for schools. When the amalgamation has taken place a new asset register for the new school needs to be put in place.

6.2 Only when the school is moving onto a new site will it be necessary for the incumbent headteachers and governing body to arrange for a detailed up to date asset register, including classroom resources such as books and classroom furniture, to be produced before the reorganisation takes place. Sufficient time must be left for any discrepancies to be resolved. A new asset register must then be completed for the new school.

6.3 After the completion of an asset register, it is the responsibility of the headteacher and governing body to provide the asset register to the project manager at least two terms before the planned reorganisation takes effect. MKC have the right to review the asset registers and may decide to undertake a full audit of the register to ensure the protection of the school's assets.

6.4 As outlined in section 5 disposal of assets, where a school is closing the headteacher and governing body must follow the procedures stated for the disposal of any assets, and formally advise the council of any potential disposal, to ensure that the council receives the market value for assets, and that if appropriate, assets are reused in other council organisations.

7. Contacts for further advice and support

Colleagues listed in the teams below will be able to offer further advice and support on the requirements of this policy.

Schools Finance: schools.finance@milton-keynes.gov.uk

Insurance: 01223 699113

Internal Audit: 01908 253256

Sufficiency and Access Team: sufficiencyandaccess@milton-keynes.gov.uk