



School Assets Registration and Asset Management Policy

(Ratified by School Council: July 2015)

PURPOSE:

This policy is designed to give all staff the information for the recognition and management of non-current physical assets. The information provided will define assets and inventory items and detail the procedures for their management.

The references for the information contained in this document are:

- Accrual Accounting Manual 1994
- Asset Management Principles 1994
- Recognition and Valuation of Non-current Physical Assets 1995
- Statement of Accounting Concepts 4 – Definition and Recognition of the Elements of Financial Statements 1992
- Financial Management Act 1994
- Australian Accounting Standards in particular AAS29
- School Policy and Advisory Guide

Note: All are available from the Department of Education (DET) intranet websites.

<http://www.education.vic.gov.au/school/Principals/finance/Pages/guidelines.aspx>

DEFINITION OF TERMS

Assets

The official definition of an asset is “Assets represent service potential or future economic benefits controlled by the entity (government department) as a result of past transactions or other past events”.

This definition assumes that

1. the asset will in fact generate a positive contribution for the entity – i.e. the service potential will be realised
2. the asset possesses a value that can be measured reliably
3. the estimated value is above the minimum amount specified in a recognition threshold.

Non-current physical assets are assets that are tangible – i.e. they have a physical nature and a useful life beyond the current accounting period, typically one year.

Non-current physical assets differ from **inventory items** by virtue of the fact that inventory items are 'consumable' (used up, expended, have a limited life, are on sold), or under the recognition threshold for the category.

The term 'service potential' means essentially the usefulness of a resource to an entity in achieving the entity's objectives. It represents the benefit to an entity from utilising a resource. Assets provide the means to meet departmental objectives.

The definition of the asset also includes the term "controlled". Control of an asset is usually evidenced by an entity's:

- ability to use the asset to achieve its objectives
- ability to restrict or change access to the asset
- ability to surrender the asset to another entity
- ability to dispose of the asset
- obligation to bear the risks associated with holding the asset

The 'recognition threshold' is the minimum dollar value of an item as determined under the Financial Management Act 1994 Part 5. The general threshold is set at \$5000.

Any items acquired that are under this threshold should be tracked using the asset categories for items less than \$5000.

Assets are usually single items valued over the recognition threshold, but for the initial fit out of a classroom or special purpose room the furniture may be aggregated and entered as one asset.

Inventory

Inventory may be divided into two types

- 1) trade (canteen stock, school uniforms, stationery, books and office equipment such as calculators that are sold to pupils and staff) and
- 2) consumable items used in the day-to-day running of the school.

Inventory items are monitored and managed for the efficient running of the school and for insurance purposes. Inventory items need to be recorded separately and are not recorded on the asset register.

GUIDELINES:

Glen Waverley Primary School will comply with the Department Policy outlining the asset recording and control policies which include:

- Using CASES21 Asset Management System to record assets with a value of \$5000.00 and over.
- Add all new assets to the Asset Register within 30 days.
- Record all attractive items with a value less than \$5000 on CASES21 (Eg. Cameras, iPads etc).

- Ensure stocktake and sighting of assets on an agreed cyclical basis (at least every two years).
- Report all discrepancies discovered during stocktake to the Principal
- Ensure careful record keeping of all loaned assets
- Constitute a board of survey to identify obsolete or unserviceable assets and recommend a course of action for the disposal of assets.

Asset Management Procedures

The procedures for the acquisition and management of assets over \$5000 and items under \$5000 are divided into seven sub-categories. The sub-categories are:

- Acquisition Procedures
- Items under \$5000
- Asset Registers
- Asset Disposal Procedures
- Asset Identification
- Stocktakes
- Discrepancies in Stocktakes or Loss of Assets

Note: For details regarding the above categories refer to the DET Policy 'Asset Management Policy and Guidelines- updated February 2015'

<http://www.education.vic.gov.au/school/Principals/finance/Pages/guidelines.aspx>

IMPLEMENTATION:

- Assets are to be entered in the Asset Register on CASES21.
- The Asset Register is to be maintained by the school Business Manager in order to ensure that it is accurate at all times.
- Each asset will be labelled with an individual asset number (barcoded) and the school's name.
- All assets loaned need to be recorded and returns checked.
- The asset register is presented to the School Council for review and approval annually. It is the responsibility of a Board of Survey to identify obsolete and unserviceable equipment and to recommend a course of disposal action.

Asset Identification

The *'Finance Manual for Victorian Government Schools - Section 5 Asset Management 5.3 Identification of Assets'* recommends that schools consider options for permanently identifying portable and valuable assets belonging to the school. Leased equipment should be excluded and the management of this equipment is outlined in the DET Policy *'Asset Management Policy and Guidelines- updated February 2015'*.

Each asset will have a unique identifying number which also details the location of the asset within the school. Schools are allocated an equipment number when the assets are created on the CASES21 asset register. A report of all assets is available from CASES21. This report can be used to identify individual items.

Asset Stocktakes

A stocktake of all accountable assets must be conducted at least once every two years. The document *'Standing Directions of the Minister of Finance under the Financial Management Act 1994'* specifies in the guideline to *section 3.4.9 Physical and Intangible Assets* that *'Verification of the physical existence, location and condition of assets and inventories on a regular basis'*

Under this guideline a rolling stocktake of assets is acceptable providing that all assets are verified at least once every two years. The guidelines also state that the verification *'should be conducted by someone other than to whom the asset has been assigned'*.

In adherence with DET guidelines, schools may choose to conduct the stocktake (verification) by some of the following means:

- Certain asset categories or groups of asset each month or in particular months
- During each term
- During school holiday periods

For attractive items or shared items (e.g. cameras) it is prudent to sight these items at least once a term.

When carrying out stocktakes or asset verifications, regardless of the method used, the following procedures must be observed:

- The Principal should nominate the date or period of time for the stocktake to occur.
- A stocktaking officer should be appointed by the Principal to conduct and supervise the stocktake.
- Stocktake sheets listing all assets held by the school, by name, should be prepared from the asset register.
- The stocktake sheets should list the serial numbers or other unique identifying reference against each asset to assist with asset recognition.
- On the appointed date, the areas designated for the stocktake should be systematically checked for assets listed on the appropriate stocktake sheet by

the stocktake officer and one other person. The quantity of each item must be recorded on the stocktake sheet. The serial numbers or unique identifiers should also be confirmed on the stocktake sheet.

- Items encountered that match the definition of an asset that are not on the stocktake sheet should be recorded on the stocktake sheet for checking on the asset register.
- On completion of the physical check of each stocktake sheet the stocktake officer must reconcile the count on the stocktake sheet against the records on the asset register.
- Where discrepancies are disclosed the items involved are subject to a recount.
- All stocktake sheets must be signed by the officers who conducted the count, and all discrepancies advised to the Principal in writing.

Discrepancies in Stocktakes or Loss of Assets

When a stocktake reveals a substantial discrepancy (for example items of equipment / furniture located that are not in the register and / or loss of equipment / furniture recorded on the register), the following action should be taken:

- In the case of items not being recorded in the register, the matter must be drawn to the attention of the Principal.
- In the case of loss of equipment, an officer is to be appointed by the Principal to conduct an investigation. The Principal should be provided with a written report of the discrepancies stating what action has been taken to locate the missing items.
- The Principal recommends to the School Council the appropriate action that should be taken in light of the findings of the investigation. *“Should theft or malpractice be suspected, the matter must be reported in accordance with Part 10.1.2(ix) of the Directions of the Minister of Finance under the Financial Management Act 1994. This regulation requires that all cases of suspected or actual theft, wilful damage, arson, irregularity or fraud in receipt or disposal of money or other property of any kind, are to be reported to the Treasurer and Auditor General”*

RELATED LEGISLATION:

- Accrual Accounting Manual 1994
- Asset Management Principles 1994
- Recognition and Valuation of Non-current Physical Assets 1995
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RELATED POLICIES:

- Internet Banking Policy
- School Purchasing Cards Policy
- Investment Policy

POLICY EVALUATION:

Evaluation will be conducted by Policy Review (Education) Subcommittee.

DUE DATE FOR REVIEW:

Due for review in July 2017.