

March 2019

Management Circular No. 54

To Heads of all Establishments

Inventory Procedures

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1. Introduction

Glasgow City Council annually spends large sums on the purchase of a wide variety of items of furniture, equipment, plant, etc.

It is essential for proper control of such assets and for record purposes in the event of theft, fire and other risks covered by insurance, that departmental management ensures the maintenance of adequate inventory records for **ALL** schools/centres **ON A CONTINUOUS BASIS**.

The following notes show how this should be done and indicate where responsibility lies.

1.1 General Principles

- every department must maintain full and accurate inventory records showing the acquisition, location and eventual disposal of all items of furniture, equipment, plant etc. at every establishment under its control. This includes all equipment purchased by funds other than GCC eg school funds, donations etc.
- a member of staff at each establishment must be made responsible for the day to day maintenance of inventory records.
- an official at each establishment must be made responsible to supervise inventory arrangements
- inventories must be updated continuously (ie as and when additions or disposals take place).
- physical counts must be carried out at the yearend (31 March) at every establishment in order to check the existence and accurate recording of items on the inventory.
- computerisation of inventory records is desirable and should be introduced where/when practicable.
- Instructions to School Responsible Officers operating an one site computerised inventory system including guidelines for computerised inventory records are available from Internal Audit section and must be complied with if computerised inventory records are being maintained/developed.

1.2 Other Related Matters

Inventory Checks By Auditors

On any visit to an establishment, Audit staff may request that responsible officers produce inventory records and may carry out spot checks of equipment, furniture etc. held at the establishment to ensure the completeness, accuracy and continuous updating of inventory records.

2. Items to be recorded on the Inventory

No attempt is made in this document to list all items for inclusion on inventory records since such a list could never be completed and may confuse staff by raising questions as to whether items which are not listed should be included in the inventory.

The inventory must include all items of equipment, furniture and other items which are transportable/movable and/or of value, either in terms of use or resale (in other words, desirable/attractive items). Fixed items need not be recorded.

Separate records should be maintained for:

Description	Basis
Furniture/other miscellaneous items	Room by room
Equipment	Category including Ground maintenance equipment; Vehicle maintenance equipment; Other equipment, as appropriate to schools/centres, eg., audio/ visual, computer and so on).
Items not purchased by Glasgow City Council	Source of funding including Donated; Bought from non-Glasgow City Council funds, eg., school fund, home comforts fund, "pick up" and so on.

Where equipment is under guarantee or warranty period, a file of these details should be kept. Security of Inventory Items:

Responsible Officers and Heads of Establishment should recognise that establishments

- are vulnerable to losses, eg., from vandalism, theft and so on, and therefore steps should be taken to avoid/minimise the risk of loss due to inadequate security.
- All reasonable steps, including the security marking of valuable equipment, should be taken to maximise protection of property.
- Access to valuable equipment should be closely controlled and its use restricted to authorised users only. Where practicable, attractive items should be kept locked away when not in use and overnight.
- Keys should only be accessible to authorised staff. The Internal Audit circular entitled "Instructions for the Security of Keys" should be complied with.

3. Role/Responsibility of Establishment Responsible Officer

- to maintain the establishment's inventory on a continuous basis in accordance with these procedures;
- to carry out random checks on the inventory during the course of the financial year (INV/1 form refers);
- to arrange for the carrying out of the annual inventory check and the submission of a duly certified annual establishment Inventory Certificate (INV/8) from the Head of Establishment to the appropriate Finance Section.

Note: In large establishments (eg., secondary schools) where the inventory is not wholly maintained by the Establishment Responsible Officer but maintained in sections by the individual departments within the establishment, the Establishment Responsible Officer must ensure that each department maintains its inventory in accordance with these procedures.

4. Format of Inventory Records to be Maintained

Specimen standard inventory forms are attached as follows:

Form Title	Form Reference	Brief Details of Use	Cross Reference
Inventory of Equipment and Inventory of Furniture/ Other Items	INV/6 INV/7	Recording of inventory items	6.1, 6.2 and 6.4
Inventory of Equipment – Final Page and Inventory of Furniture/ Other Items – Final Page	INV/4 INV/5	Certifying inventory records as at annual check	7.1
Inventory Check Form	INV/1	Recording random inventory checks	4
Inventory Deletion Form	INV/2	Recording deletions	6.3
Equipment Removed from Establishment Form	INV/3	Recording temporary removals	6.5
Establishment Inventory Certificate	INV/8	Annual submission	4 and 7.2

5 Procedures for maintenance of Inventory Records by Establishment Responsible Officer

The Establishment Responsible Officer must maintain a complete and accurate record of all inventory items at the school/centre and update the record timeously as any changes occur.

The Establishment Responsible Officer should number Forms INV/6 and INV/7 sequentially as they are brought into use.

- 5.1 Full details (description – including make, model and serial number where appropriate) of all items of equipment, furniture and so on received at the establishment should be recorded immediately by the responsible officer on the establishment's inventory (Forms INV/6 and INV/7) under the appropriate location.
- 5.2 Where items of equipment/furniture and so on, are transferred from one location to another within the establishment on a long term basis, the responsible officer should update the inventory record accordingly.

Transfers should be shown as an addition to the new location and a deduction from the previous location.
- 5.3 When items on the inventory require to be disposed of (due to being surplus to requirements, obsolete, beyond economic repair etc) an Inventory Deletion Form (INV/2) should be prepared (sections (a) and (b)), signed by the Head of Establishment and filed chronologically. The appropriate inventory entry should be coded accordingly by the responsible officer. Authority should be sought and the item disposed of in accordance with procedures in Notes of Guidance attached. The Inventory Deletion Form (INV/2) should be completed (section (c) to record details of the final disposal of the item. The date of final disposal should be recorded on the inventory.
- 5.4 Establishments may hold items of equipment, furniture and so on which have not been purchased by Glasgow City Council. Full details (description-including make, model and serial number) of items donated by outside bodies (eg., Parent Council, Friends of Home, Round Table and so on) and items bought from non-Glasgow City Council funds (eg., school funds, home's private funds, "pick-up" and so on) should be recorded by the responsible officer on separate inventory forms (INV/6 and

INV/7). It should be noted that such items are not covered by Glasgow City Council insurance and establishments should therefore make their own insurance arrangements. When the item is a non GCC purchased item, e.g. School fund, donated etc, disposal should be conducted and recorded in accordance with the establishment's own procedures.

Any leased items should be recorded on the main inventory forms (INV/6 and INV/7) and be clearly marked as being leased.

Items of property not belonging to Glasgow City Council or the establishment eg. pupil's property, should not be included in the inventory but be handled and recorded in accordance with appropriate procedures.

- 5.5 Removal of inventory items from establishments on a temporary basis eg for use by employees at home in relation to Glasgow City Council duties, for repair and so on should be properly authorised by the head of the establishment and logged out by the responsible officer. Where equipment is removed from an establishment, Forms (INV/3) should be used. These forms should be numbered sequentially as they are brought into use.

The insurance position for removed property as undernoted should be brought to the employee's attention:

- council photographic, audio and video equipment is covered by council insurance both while in transit and at the employee's home.
- any other council equipment (including computer equipment), either in transit or at the employee's home, is not covered by council insurance.
- any non-council equipment (in other words, equipment donated or funded other than by Glasgow City Council) is not covered by council insurance but falls under insurance arrangements made by the establishment (paragraph 6.4). Entries regarding date of return and signature of responsible officer should be made in the presence of the person returning the item. The responsible officer should ensure the item is returned in the condition in which it was issued.

- 5.6 Where any Glasgow City Council equipment is issued to an employee for his personal use in carrying out his duties during Glasgow City Council service and returned on leaving service, a record should be maintained of all such items.

Records should detail:

- name, address, phone number of employee;
- description (make, model and serial number where appropriate) of all items issued;
- date of issue;
- signature of employee;
- date of return;
- signature of responsible officer on return.

When an employee leaves the service, the responsible officer should check that all items are returned in an appropriate condition and sign and date the record in the presence of the employee.

6 Procedures for carrying out Annual Inventory Check/Submission of Inventory Certificate

- 6.1 On 31 March each year in every establishment a person(s) other than the officer maintaining the inventory will carry out a check of the establishment inventory records and ensure that all appropriate items are fully and accurately recorded on the inventory.

Inventory of Equipment – Final Page (INV/4) and Inventory of Furniture/Other Items – Final Page (INV/5) Forms should be signed by the person carrying out the check and

countersigned by the Establishment Responsible Officer.

- 6.2 The Establishment Responsible Officer will satisfy the head of establishment that the terms of the inventory certificate have been fully complied with and arrange for the certification and submission of the Establishment Inventory Certificate (INV/8) to the **Finance Manager, Education Services, 40 John Street, Glasgow** by **no later than 23 April each year**.

Maureen McKenna
Executive Director of Education



Inventory Deletion Form

INV/2

PLEASE USE BLACK INK AND BLOCK LETTERS

1 Name of Establishment

2 ITEM SELECTED FROM INVENTORY ENTRY FOR DELETION

Item Description

Make

Model

Serial Number

Usual Location

Inventory Page Number

3 MARKING OF INVENTORY ENTRY PENDING DISPOSAL

Reason for disposal

Codes**S** = Surplus to requirements**O** = Obsolete**X** = Beyond economic repair and/or in a dangerous condition

4

Action taken

Date removed from nursery/setting/school/centre

Authorised by (Head of School/Centre)

Signature _____ Date _____



Equipment Removed from School/Centre

INV/3

PLEASE USE BLACK INK AND BLOCK LETTERS

Glasgow City Council insurance covers only Glasgow City Council photographic, audio and video equipment (both while in transit and at employee's home). OTHER GLASGOW CITY COUNCIL EQUIPMENT, INCLUDING COMPUTER EQUIPMENT, (BOTH AT EMPLOYEE'S HOME AND IN TRANSIT), AND ALL EQUIPMENT NOT FUNDED BY GLASGOW CITY COUNCIL IS NOT COVERED BY GLASGOW CITY COUNCIL INSURANCE.

1	Name of Establishment	Page	of
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2 INVENTORY DESCRIPTION

Item Description	
Make	Model
Serial Number	Usual Location

REMOVAL OF EQUIPMENT

Name of Person Removing Equipment		Signed
Date of Removal	Due Date of Return	
Authorised by <i>(Signature)</i>	Actual Date of Return	Received by <i>(Signature)</i>

Item Description	
Make	Model
Serial Number	Usual Location

REMOVAL OF EQUIPMENT

Name of Person Removing Equipment		Signed
Date of Removal	Due Date of Return	
Authorised by <i>(Signature)</i>	Actual Date of Return	Received by <i>(Signature)</i>

Item Description	
Make	Model
Serial Number	Usual Location

REMOVAL OF EQUIPMENT

Name of Person Removing Equipment		Signed
Date of Removal	Due Date of Return	
Authorised by <i>(Signature)</i>	Actual Date of Return	Received by <i>(Signature)</i>

Item Description	
Make	Model
Serial Number	Usual Location

REMOVAL OF EQUIPMENT

Name of Person Removing Equipment		Signed
Date of Removal	Due Date of Return	
Authorised by <i>(Signature)</i>	Actual Date of Return	Received by <i>(Signature)</i>



Inventory of Equipment - Final Page

INV/4

PLEASE USE BLACK INK AND BLOCK LETTERS

1	Name of Establishment
2	Name of Subject Area/Department
	Equipment
	Category of Equipment

3	Year to 31 March 20 _____
I certify that Inventory of Equipment pages numbered _____ to _____ are an accurate statement of the _____ _____ equipment situated at the above establishment as at 31 March 20 _____.	
Signed _____	
Designation _____ Date _____	
Counterigned (<i>Establishment Responsible Officer</i>) _____	
Designation _____ Date _____	

ANNUAL INVENTORY CHECK CERTIFICATE

3	Year to 31 March 20 _____
I certify that Inventory of Equipment pages numbered _____ to _____ are an accurate statement of the _____ _____ equipment situated at the above establishment as at 31 March 20 _____.	
Signed _____	
Designation _____ Date _____	
Counterigned (<i>Establishment Responsible Officer</i>) _____	
Designation _____ Date _____	

ANNUAL INVENTORY CHECK CERTIFICATE

3	Year to 31 March 20 _____
I certify that Inventory of Equipment pages numbered _____ to _____ are an accurate statement of the _____ _____ equipment situated at the above establishment as at 31 March 20 _____.	
Signed _____	
Designation _____ Date _____	
Counterigned (<i>Establishment</i>) _____	
Designation _____ Date _____	



Inventory of Furniture/Other - Final Page

INV/5

PLEASE USE BLACK INK AND BLOCK LETTERS

1	Name of Establishment
2	Name of Subject Area/Department
	Furniture/Other Items

3

Year to 31 March 20 _____

I certify that Inventory of Equipment pages numbered _____ to _____ are an accurate statement of the _____ equipment situated at the above nursery/setting/school/centre as at 31 March 20 _____.

Signed _____

Designation _____ Date _____

Counterigned (*Establishment Responsible Officer*) _____

Designation _____ Date _____

ANNUAL INVENTORY CHECK CERTIFICATE

Year to 31 March 20 _____

I certify that Inventory of Equipment pages numbered _____ to _____ are an accurate statement of the _____ equipment situated at the above establishment as at 31 March 20 _____.

Signed _____

Designation _____ Date _____

Counterigned (*Establishment Responsible Officer*) _____

Designation _____ Date _____

ANNUAL INVENTORY CHECK CERTIFICATE

Year to 31 March 20 _____

I certify that Inventory of Equipment pages numbered _____ to _____ are an accurate statement of the _____ equipment situated at the above establishment as at 31 March 20 _____.

Signed _____

Designation _____ Date _____

Counterigned (*Establishment Responsible Officer*) _____

Designation _____ Date _____



Establishment Inventory Certificate

To

I, the undersigned, certify that inventory records:

- a exist and are updated on a continuous basis;**
- b are accurate as at 31 March 20____;**
- c are available for inspection**

for all moveable equipment, furniture and so on at

(Name of Establishment)

Signed

1 Establishment Responsible Officer _____

Name of Establishment Responsible Officer _____

2 Head of Establishment _____

Date _____

* Delete As Appropriate



Notes of Guidance for the Disposal of Equipment, Furniture and Other Items

(Inventories maintained on-site)

PLEASE READ THE FOLLOWING INFORMATION CAREFULLY

1. Introduction

- 1.1 Glasgow City Council annually spends large sums of the purchase of equipment, furniture and plant etc. For various reasons, many of these items will eventually be disposed of by the user service area/department. It is essential for the efficient management of these resources throughout Glasgow City Council that their disposal is carefully considered, authorised and documented and that any alternative users within Glasgow City Council are identified and items promptly relocated.

2. Reasons/Conditions for Disposal

- 2.1 There are a number of situations where an establishment will have cause to dispose of an item of equipment, furniture or plant, including:
- i. surplus to requirements, eg. an item which has not been used within the last twelve months.
 - ii. Obsolete eg. an item which has not been used within the last twelve months and for which there is no likelihood of use within the next twelve months.
 - iii. Beyond economic repair and/or in a dangerous condition.
- 2.2 The Head of Establishment should be involved when deciding whether any items fall into the above categories. An Inventory Deletion Form (INV/2) should be prepared (Sections (a) and (b)) for each item identified for disposal and thereafter the Establishment Responsible Officer should ensure that these items are marked on the appropriate inventory forms INV/6 and INV/7 (or equivalent computerised records) as follows:
- i. S = surplus to requirement;
 - ii. O = obsolete;
 - iii. X = beyond economic repair and/or in a dangerous condition.

3. Effecting Disposal

- 3.1 For conditions (i) per 2.1 above, a list of the items identified as being available for disposal should be prepared by the Establishment Responsible Officer and submitted to the Sub-regional (or equivalent) Assisting Officer, for circulation in the following order*:
- i. own Department within Sub-Region;
 - ii. own Department Region-wide;
 - iii. all Departments within Sub-Region;
 - iv. all departments Region-wide.
- * Subject to any variation on the above necessitated by departmental structure.
- 3.2 Those items falling under conditions (i.) and (ii.), per 2.1 above, where no suitable use can be found elsewhere within Glasgow City Council and items under condition (iii.), per 2.1 above, should be disposed of externally in a controlled manner and if appropriate, per 3.3 below, offers should be sought for the items being sold.
- 3.3 Procedures for the disposal of equipment and furniture, where the estimated realisable value exceeds £4,000 are governed by Glasgow City Council's Standing Order Relating to Contracts. Normally, however, it is unlikely that the value of items being disposed of will exceed £4,000.
- 3.4 The Finance Section should be involved in the disposal procedures described in paragraphs 3.1 (iii.) to 3.3 and should be given a list of all items available for disposal.
- 3.5 Glasgow City Council security markings or etchings on items should be removed or cancelled prior to disposal if the items are being sold outwith Glasgow City Council.
- 3.6 Cash transactions should not occur in respect of any external sales. A three part account should be rendered or a cross cheque, payable to Glasgow City Council, should be obtained and remitted to the appropriate sub-regional Finance Section. In the latter case, confirmation of the clearance of the cheque should be obtained from Finance Section prior to the release of the equipment/ furniture concerned.
- 3.7 The equipment or furniture and so on identified for disposal should remain on the nursery's/setting's/school's/centre's inventory listing (marked as per 2.2 above) until the foregoing procedures (paragraphs 3.1-3.6) have been completed and the items removed from the establishment or destroyed. Each Inventory Deletion Form (INV/2) prepared per 2.2 above should be completed (Section (c)) on a final disposal of the item. The date of final disposal of the item should be recorded on the inventory.
- 3.8 Where establishment close permanently, detailed of the disposal of all inventory items should be compiled and forwarded to the Sub-regional (or equivalent) Assisting Officer.