

EAST DUNBARTONSHIRE COUNCIL

INVENTORY PROCEDURES

INSTRUCTIONS TO ESTABLISHMENT RESPONSIBLE OFFICERS OPERATING A MANUAL INVENTORY SYSTEM

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Appendices

Specimen Standard Inventory Forms:

<u>Title</u>	<u>Form Reference</u>
Inventory Check Form	INV/1
Inventory Deletion Form	INV/2
Equipment Removed from Establishment Form	INV/3
Inventory Record - Equipment, Furniture / Other Items	INV/4
Inventory of Equipment - Final Page	INV/5
Inventory of Furniture / Other Items - Final Page	INV/6
Establishment Inventory Certificate	INV/7

1 Introduction

East Dunbartonshire 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 Service management ensures the maintenance of adequate inventory records for ALL establishments ON A CONTINUOUS BASIS.

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

1.1 General Principles

- every service 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
- a member of staff at each establishment (Establishment Responsible Officer) must be made responsible for the day to day maintenance of inventory records
- inventories must be updated continuously (i.e. as and when additions or disposals take place) and the list must therefore be maintained on a regular basis and ready for the year end count and/or any interim spot check by internal audit
- physical counts MUST BE carried out at the year end (31 March) at EVERY establishment in order to check the existence of items that are listed on your inventory records. It is best practice that an Inventory is created by means of a physical count at the year end
- computerisation of inventory records is desirable and should be introduced where/when practicable

1.2 Financial Regulations

Each Strategic Lead must ensure that proper procedures exist in all establishments under their control to comply with the requirements of the Financial Regulations (item 22.2), namely:

- 13.3 Before certifying an invoice or other payment document, the certifying officer will have to be satisfied that:-
- (d) Appropriate entries have been made in inventories, stores records, or stock books, as required.
- 22.1 Inventories will be maintained on a continuous basis by all services, updated from invoices for new items as appropriate and these will contain an adequate description of furniture, fittings, and equipment, plant and machinery. The extent to which the property of the Council will be recorded and the form in which the inventories will be kept is to be determined by the appropriate Strategic Lead with the concurrence of the Chief Finance Officer.
- 22.2 The Chief Executive, Depute Chief Executives, and Strategic Leads will be responsible for maintaining an annual check of all items on the inventory, for taking action in relation to surpluses or deficiencies, and noting the inventory accordingly. Any material surplus or deficiency will immediately be notified to the Chief Finance Officer.

- 22.3 The Council's property will not be removed other than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes, except in accordance with specific directions issued by the Chief Executive or Depute Chief Executive concerned.
- 22.4 Where an item on an inventory is surplus to Service requirements, the Chief Executive and Depute Chief Executives will, before disposing of the item, consult other services within the Council with a view to the relocation of that asset into another relevant service area.
- 23.3 Surplus materials, stores, and equipment, will be disposed of by competitive tender or public auction except where the Chief Executive or Depute Chief Executives, with the specific agreement of the Chief Finance Officer, certifies that the income likely to accrue from disposal is less than £1,000. No items which collectively cost more than £5,000 can be disposed of without the approval of the Chief Finance Officer. Competitive tenders will be taken by the Chief Finance Officer, or under arrangements approved by the Chief Finance Officer.

1.3 Other Related Matters

- (1) Any queries arising regarding inventory procedures should be raised with the appropriate Strategic Lead.
- (2) Standard forms are listed in the Index, and are available electronically on The Hub, along with this document.
- (3) Inventory Checks by Auditors:

On any visit to an establishment, Internal 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.

External Audit staff may also carry out such checks. For 2024/25 the Council's external auditors are Forvis Mazars.

All auditors should be requested to produce identity cards on arrival at the establishment.

2 Items To Be Recorded On Inventory

No attempt is made in this document to list all items for inclusion on inventory records since such a list could never be complete 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 (i.e. desirable /attractive items). Fixed items need not be recorded.

Separate records should be maintained for:

<u>Description</u>	<u>Basis</u>	<u>Including</u>
furniture/other miscellaneous items	room by room	
equipment	category	cleaning*
		catering*
		ground maintenance
		vehicle maintenance
		other equipment (as appropriate to establishment, e.g. audio/visual, computer, etc.)
items not purchased by East Dunbartonshire Council	source of funding	donated
		bought by non EDC funds (e.g. school fund, independent fund, “pick up” etc.)

Note: * Facilities Management should independently maintain inventories of equipment at all establishments.

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

3 Security of Inventory Items

Establishment Responsible Officers and Heads of Establishments should recognise that establishments are vulnerable to losses, e.g. from vandalism, theft etc., 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.

4 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/7) from the Head of the establishment to the Chief Finance Officer (or nominated officer)

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

5 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 Check Form	INV/1	recording random checks	4.0
Inventory Deletion Form	INV/2	recording deletions	6.3
Equipment Removed from Establishment Form	INV/3	recording temporary removals	6.5
Inventory of Equipment, Furniture/other items and SMART working zones	INV/4	recording of inventory items	6.1, 6.2, 6.4
Inventory of Equipment – Final Page	INV/5	certifying inventory records as at annual check	7.1
Inventory of Furniture/Other Items – Final Page	INV/6		
Establishment Inventory Certificate	INV/7	annual submission	4.0, 7.2

These forms should be completed and held electronically at the Establishment. The Annual Certificate (INV/7) should be submitted to the nominated Finance representative in line with the Council's Year End Instructions.

6 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 establishment and update the record timeously as any changes occur.

6.1 Full details (description - including make, model and serial number where appropriate) of all items of equipment, furniture etc., received at the establishment should be recorded immediately by the responsible officer on the establishment's inventory (electronic form INV/4, or similar record held locally) under the appropriate location.

6.2 Where items of equipment/furniture etc. 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.

6.3 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 electronically. 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 per 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.

6.4 Establishments may hold items of equipment, furniture etc. which have not been purchased by East Dunbartonshire Council. Full details (description - including make, model and serial number) of items donated by outside bodies (e.g. PTA, Friends of Home, Round Table, etc.) and items bought from non EDC funds (e.g. school fund, independent fund, "pick-up", etc.) should be recorded by the responsible officer on separate inventory forms (separate part of INV/4). It should be noted that such items are not covered by EDC insurance and establishments should therefore make their own insurance arrangements.

Any leased items should be recorded on the main inventory forms and be clearly marked as being leased.

Items of property not belonging to East Dunbartonshire Council or the establishment, e.g. clients' personal property in Social Work residential establishments, should not be included in the inventory but be handled and recorded in accordance with appropriate service procedures.

6.5 Removal of inventory items from establishments on a temporary basis e.g. for use by employees at home in relation to East Dunbartonshire Council duties, for repair etc., should be properly authorised by the Head of the Establishment and logged out by the responsible officer. Equipment Removed from Establishment Forms (INV/3) should be used for this purpose. 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:

- equipment (other than computers) temporarily removed from Council premises is covered by the Council's insurance subject to an excess of £5000 each and every loss

- computer equipment temporarily held at an employees home is covered subject to excesses of £500 in respect of theft and £100 all other damage. N.B. Theft must involve forcible and violent entry/exit
- non Council equipment will not be covered under the Council's insurance
- photographic, audio and video equipment is covered by the Council's 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 the Council's insurance
- any non-Council equipment (i.e. equipment donated or funded other than by EDC) is not covered by the Council's 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.

- 6.6 Where any EDC equipment is issued to an employee for personal use in carrying out their duties during EDC 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

On the employee terminating 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.

7 Procedures For Carrying Out Annual Inventory Check / Submission of Inventory Certificate

- 7.1 At 31 March, or the last working day prior to this date, each year in every establishment a person 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/5) and Inventory of Furniture/Other Items - Final Page (INV/6) Forms should be signed by the person carrying out the check and countersigned by the Establishment Responsible Officer (or nominated second officer check).

- 7.2 The Establishment Responsible Officer will satisfy the Head of the 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/7) to Finance in line with annual accounts year end guidance.

8 Guidance Notes For The Disposal of Equipment, Furniture & Other Items

8.1 Introduction

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

8.2 Reasons/Conditions for Disposal

- 8.2.1 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, for example an item which has not been used within the last 12 months.
 - (ii) Obsolete, for example an item which has not been used within the last 12 months and for which there is no likelihood of use within the next 12 months.
 - (iii) Beyond economic repair and/or in a dangerous condition.
- 8.2.2 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 electronic inventory form INV/4 (or equivalent computerised records) as follows:
- (i) S = surplus to requirements.
 - (ii) O = obsolete.
 - (iii) X = beyond economic repair and/or in a dangerous condition.

8.3 Effecting Disposal

- 8.3.1 For conditions (i) and (ii) 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 Depute Chief Executive/Strategic Lead for circulation as follows*:

- (i) own Service
- (ii) all other Services

* subject to any variation on the above necessitated by service structure.

- 8.3.2 Those items falling under conditions (i) and (ii), per 2.1 above, where no suitable use can be found elsewhere within the authority 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.

- 8.3.3 Procedures for the disposal of equipment and furniture are governed by the Council's Financial Regulations (approved June 2013), namely:

- 19.3 Surplus materials, stores and equipment, will be disposed of by competitive tender or public auction except where the appropriate Depute Chief Executive/Strategic Lead, with the specific agreement of the Chief Finance Officer, certifies that the income likely to accrue from disposal is less than £1,000. No items which

collectively cost more than £5,000 can be disposed of without the approval of the Chief Finance Officer. Competitive tenders will be taken by the Depute Chief Executive – Education, People and Business or under arrangements approved by the Depute Chief Executive – Education, People and Business.

- 8.3.4 Council security markings or etchings on items should be removed or cancelled prior to disposal if the items are being sold out with the Council.
- 8.3.5 Cash transactions should not occur in respect of any external sales. An account should be rendered or a crossed cheque, payable to 'East Dunbartonshire Council', should be obtained and remitted to Finance Services. In the latter case, confirmation of the clearance of the cheque should be obtained from Finance Services prior to the release of the equipment / furniture concerned.
- 8.3.6 The equipment or furniture etc., identified for disposal should remain on the establishment's inventory listing (marked as per 2.2 above) until the foregoing procedures (paras 3.1 - 3.5) 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 final disposal of the item. The date of final disposal of the item should be recorded on the inventory.
- 8.3.7 Where establishments close permanently, detailed records of the disposal of all inventory items should be compiled and forwarded to the Strategic Lead.