
Audit and Governance Committee

13 January 2009

Report of the Assistant Director of Resources (Customer Service & Governance)

Asset Inventories & Disposal (non land & buildings)

Summary

1. This report outlines current arrangements in place for asset inventories, procedures for reporting thefts, processes for disposal of obsolete equipment, and plans for improvement. The scope of this report relates to only to portable assets, not land and buildings which are subject to separate arrangements.

Background

2. The following paragraphs outline current arrangements, plans to ensure that officers are aware of these procedures, and other proposed improvements.

Equipment inventories:

3. The council's Financial Regulations (Part D, paragraph 40 – 44) state the Assistant Director of Resources (then IT, now Transformation & Efficiency) is responsible for purchasing, recording and insuring items of Information Technology equipment (except equipment purchased from schools delegated budgets). Directors are responsible for ensuring such equipment is kept securely, protected from loss, theft, and damage.
4. Directors also have responsibility in terms of maintaining local inventories of assets (furniture, fittings, equipment, plant & machinery) in excess of £500 in value.
5. It is intended to remind officers of these requirements in planned training on financial procedures to take place in 2009, following a review of the Financial Regulations.

Reporting and recording of stolen assets:

6. Part C, Paragraph 10 of the council's Financial Regulations outline the procedures that should be followed in the event of impropriety, fraud and corruption, which should be taken to include theft:

“All staff and Members of the Council must inform the CIA immediately if they suspect or know of any impropriety, financial irregularity, fraud or corrupt*

practice. The CIA is responsible for determining the nature of any investigation work required in respect of any allegation of wrong doing, and/or any other action required and may refer matters to the Police or other appropriate external body as he/she sees fit."

**Chief Internal Auditor*

7. In relation to potential insurance claims (Part C, Paragraph 17), Directors are responsible for:

"notifying the CFO and CIA immediately of any loss, liability or damage that may lead to a claim against the Council, together with any information or explanation required by the CFO or the Council's insurance provider".

Where goods are stolen, the Council's insurance procedures require a crime number to be obtained from the Police.

8. In the past not every case of theft has been reported to Internal Audit or the Insurance Team, although they regularly compare records between themselves. To improve compliance, training will be provided as mentioned in paragraph 5 above.

Disposal of obsolete equipment:

9. Within Part D, the Financial Regulations also state that Directors have the responsibility for:

"ensuring that all asset acquisitions and disposals are properly recorded within asset records"

and

"recording all disposals or part exchanges of non-land and building assets, normally undertaken by competitive tender or through public auction".

10. Whilst services may have their own individual arrangements, it is clear that a formal detailed corporate policy for disposal of non-land and building assets is required to address those disposals which may/may not be suitable for auction/tender. A draft policy will be brought for consultation to the March 2009 Audit & Governance Committee, which should as a minimum include the following:

- Valuing disposals
- Disposal options
- Health & Safety and other legislative requirements
- Recording requirements
- Financial procedures e.g income controls and application of VAT.

Consultation

11. Audit and risk management officers have been consulted on the contents of this report.

Options

12. Not relevant for the purpose of the report.

Analysis

13. Not relevant for the purpose of the report.

Corporate Priorities

14. This report contributes to the overall effectiveness of the council's governance and assurance arrangements.

Implications

15. There are no definable financial, HR, equalities, legal, crime and disorder, IT or property implications arising from this report, however the risk of loss may be reduced as a result of the improvements stated (see below).

Risk Management

16. The improved application of existing procedures and implementation of new procedures may assist in reducing instances and costs of losses.

Recommendations

17. That current arrangements, plans to ensure that officers are aware of these procedures, and other proposed improvements are noted.

Reason

To ensure the Committee receives appropriate assurances where possible breaches in the internal control environment are highlighted.

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Report Approved

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Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers:

None

Annexes

None