

Control of Assets Policy

RELATING TO

All Academies of the Shaw Education Trust
for the financial year 1st September 2017 to 31st August 2018

**WAS APPROVED BY THE EXECUTIVE LEADERSHIP TEAM
OR BOARD OF DIRECTORS**

SIGNED BY MEMBER OF THE BOARD

NAME [Print].....

POSITION.....

What is an Asset?

The Education Funding Authority [ESFA] definition of an asset is:

“Anything that is capable of being owned or controlled to produce value and that is held to have positive economic value. Can be ‘revenue’ (e.g. cash) or ‘capital’ (e.g. a building).”

EFA, Academies Financial Handbook 2015, p46.

Register of Assets

Without exception, each academy must maintain a register of inventory of all assets valued or cost above £500.

An annual check of assets on the register must be undertaken by an independent officer to ensure that physical items agree with items listed on the inventory. The independent officer should sign and date the inventory to confirm agreement.

The independent officer should report to the Academy Council on completion of the asset register check. This must be completed by 31 December each year. All discrepancies should be investigated and reported to the Academy Council. Any discrepancies over £5,000 should be notified to the ESFA in accordance with the Financial Handbook.

Security of Assets

The Academy should have a system in place to record all property belonging to the Trust which is taken off site. A signature should be obtained and its return recorded. Items such as laptops which are a requirement of the post carried out by the employee can be signed out on an annual basis and checked back in at the end of the Academy year. The number of items within an employee’s possession outside of the Academy should be limited and there should be a check before giving out additional equipment.

All items taken off site are the employee’s responsibility and it would be expected that any loss or damage whilst in their possession would be claimed from their own insurance policy. Employees should sign to agree to this measure before removing equipment off the Academy site.

It is the responsibility of all persons working within the Academy to ensure the security of the premises at all times. The “responsible person” is the person that has direct control over a particular area for e.g. the minibus driver must assume responsibility over the security of the minibus fleet. The Principal must assume the overall responsibility for safeguarding and the security of the site.

The Academy should have a mechanism in place for reporting risks around the security of the premises to the Academy Council and a review of security should be undertaken regularly.

The number of keys in existence to buildings, safes, etc. should be limited to the minimum practical and access to them must be controlled. The Academy Scheme of Delegation must include a central register of all keys within the academy and a list of all key holders.

All keys to safes, cash boxes and other receptacles in which money or valuables secured must be carried on the person of those responsible at all times.

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Fixed Assets: Depreciation Policy

An item that has been recorded on the academy asset inventory [as described above for an asset valued or cost above £500] which is valued over £3,000 [per individual item] should be depreciated. Items at this value, £3,000 or more are considered to have a useful life longer than the financial year they were purchased in.

The depreciation will be calculated on an annual basis for preparation of the year end accounts. Depreciation will be charged for the full year in which the asset is acquired.

A budget can be set within the Fixed Asset Fund to provide an indicative charge for depreciation for the year to the Fixed Asset Fund Account.

The Depreciation policy is as follows:

	Method	Rate

Land [Leasehold / Freehold from Local Authority on conversion - Based on ESFA valuation]	Straight Line	125 years
Buildings [Leasehold on conversion – Based on ESFA valuation]	Straight Line	125 years
Buildings [Freehold on conversion – Based on ESFA valuation]	Straight Line	50 years
Land and Buildings [not on conversion]	Straight Line	50 years
Land and Building Improvements	Straight Line	10 years
Equipment & Vehicles	Straight Line	4 years
Furniture and Fittings	Straight Line	4 years
ICT Software and equipment	Straight Line	4 years

Note: Other Assets transferred to the Academy at the point of conversion: Only assets which would be capitalised under the Academy policy e.g. those that are considered to have a remaining useful economic life of more than 1 year and are individually worth more than £3,000 (based on replacement cost) to the Academy at the point of conversion.

The appropriate accounting transactions are processed for all capitalised assets and recorded on the Fixed Asset Register. Transactions will be recorded within the Fixed Asset Fund account in addition to the transaction to the Balance Sheet.

All items that have been included on the Fixed Asset Register should be security marked by the Academy, where practicable, indicating that the item is the property of the Academy and stating the number allocated to the asset on the register.

Intangible Assets

An intangible asset is an asset that lacks physical substance (unlike physical assets such as machinery, software and buildings). It includes patents, copyrights, franchises, goodwill, trademarks, trade names, the general interpretation also includes software and other intangible computer based assets.

An item that has been recorded on the academy asset inventory [as described above for an asset valued or cost above £500] which is valued over £3,000 [per individual item] should be amortised. Items at this value, £3,000 or more are considered to have a useful life longer than the financial year they were purchased in.

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The amortisation will be calculated on an annual basis for preparation of the year end accounts. Amortisation will be charged for the full year in which the asset is acquired.

The Amortization policy is as follows:

	Method	Rate
Computer Software	Straight Line	4 years

Write-Off and disposal of Assets

Academies within the Trust wishing to write-off or dispose of Academy Assets, that are deemed to be surplus to requirements, unusable or obsolete, must obtain Shaw Education Trust approval where the asset value exceeds £2,000. Approval for the writing off of debt below £2,000 should be determined within the local Academy Scheme of Delegation.

The Shaw Education Trust will refer to the Academies Financial Handbook 2017 which sets out the requirements on the Shaw Education Trust in obtaining ESFA approval for the writing off of debts and losses.

Sale of Assets

With the exception of buildings, land and heritage assets, assets can be disposed of without the ESFA's prior approval. Academies within the Trust wishing to sell Academy Assets must however obtain Shaw Education Trust approval for a single asset or group of assets valued in excess of £1,000. For the sale of assets [or group

of assets] below £1,000 academies are free to determine the approval requirements within their Academy Scheme of Delegation.

Academies must ensure that any disposal of asset achieves the best price that can reasonably be obtained and maintains the Principles of regularity, propriety and value for money.

Any income generated from the sale of assets may only be spent on resources for pupils within the Academy.