

Disposal of Minor Assets Policy

1 Document Information

Version Date <i>(Draft or Council Meeting date)</i>	22 May 2018
Author	Operations Manager Roads & Bridges
Owner <i>(Relevant director)</i>	Director of Engineering & Technical Services
Status – <i>Draft, Approved, Adopted by Council, Superseded or Withdrawn</i>	Adopted by Council
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Minute number <i>(once adopted by Council)</i>	18/05/20

2 Summary

Council's surplus and redundant minor assets are to be disposed of in a responsible, transparent and accountable manner in accordance with all applicable legislation.

3 Approvals

Title	Date Approved	Signature
General Manager		

4 History

Minute No.	Summary of Changes	New Version Date
14/07/15	First adopted by Council	15 July 2014
18/05/20	Readopted as per s165(4)	22 May 2018

5 Reason

The purpose of this policy is to provide a systematic and accountable method for the disposal of minor assets, and to ensure the process is transparent and complies with Council's Code of Conduct, particularly with respect to conflict of interest.

6 Scope

This policy only applies to assets of a minor value and excludes major assets, real property (land and buildings), motor vehicles, plant etc. These minor assets must be determined to have little or no sale value after consideration of sale expenses e.g. old office furniture, computers, stores and materials.

7 Associated Legislation

Local Government Act 1993 – s55(1)(g) – disposal of property by tendering; s716 – sale of land for unpaid rates and charges to be by public auction

NSW Government disposal Guidelines 2007

8 Definitions

Minor asset – assets where the cost of disposal of the asset and any income generated from the sale will probably be exceeded by going through an auction or tender process.

Beyond economical repair - means a classification given to an asset where that asset requires repairs likely to be more expensive than its replacement value.

9 Responsibilities

9.1 General Manager

The General Manager is responsible for the overall control and implementation of the policy.

9.2 Directors and Managers

The General Manager has delegated specific Council officers with authority to dispose of obsolete stores and materials up to a specified value. These officers and the specified value are listed in the Delegations Index– (Delegation F11 refers).

9.3 Officers delegated

The officers to whom the delegation to dispose of stores and materials (includes these minor assets) are responsible to attempt disposal by way of auction or tender subject to undertaking a cost benefit analysis. Where the cost exceeds expected returns disposal is to be as per the provisions of this policy.

9.4 Councillors and Employees

Councillors and employees are **prohibited** from being allowed direct purchase of any items being disposed of by Council except when the items are offered, by advertising in a local newspaper, to all members of the public.

9.5 Community groups, charities and Not-for-Profit organisations

These groups may apply in writing to be gifted with any minor asset items to be disposed of by Council to a value of \$650. Council may charge an amount to cover transportation costs when delivery is requested.

10 Related Documents

Document Name	Document Location
Code of Conduct	Policy database

11 Policy Statement

Council is committed to disposing of its minor assets in a transparent and economical way.

Conflict of Interest

The officer responsible for the disposal of any Council asset and the relevant Director must ensure that no conflict of interest occurs in or as a result of the asset disposal process, and must disclose to the General Manager any actual or perceived conflict of interest that may arise in the performance of their duties as soon as identified.

The General Manager will record the disclosure and implement procedures for the management of control of the conflict including; the withdrawal of the conflicted officer from the process, if necessary.

The non-disclosure of an identified conflict of interest will be considered a breach of Council's Code of Conduct and may lead to disciplinary action.

Decision to Dispose

Disposal rules

Prior to disposal, a reasonable effort is to be made to ensure no other Council Division has a need for the asset.

At all times, surplus **minor** assets or materials should be disposed of in a way that maximises returns whilst ensuring open and effective competition. This will be through the publicly competitive process of public auction.

Disposal by way of auction or tender is subject to undertaking a cost benefit analysis. Where the cost exceeds expected returns disposal is to be as per the provisions of this policy.

All disposals are without warranty of any kind.

Reasons for disposal

A decision to dispose of an asset may be based on one or more of the following:

- (a) Obsolescence.
- (b) Non-compliance with work health and safety standards.
- (c) No use expected in the foreseeable future.
- (d) No usage in the previous 12 months (Stores Stock items).
- (e) Uneconomical to repair.
- (f) Surplus to requirements.

Preparing assets for sale

A check must be carried out to ensure assets do not contain:

- (a) Additional items not intended for sale
- (b) Confidential documents (records, files, papers)

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- (c) Documents on Council letterhead or which may be used for fraudulent purposes
- (d) Software (which could lead to a breach of licence or contain confidential data)
- (e) Hazardous materials.
- (f) As much as is practical, any “Cabonne Council” identifying mark or logo should be removed or obliterated. Spare parts held for a particular item should be disposed of in one parcel with the asset.

Asset Disposal Methods

Methods of disposal of assets

The principal methods of disposal of assets are:

- i. Auction by professional auctioneer (for items which the cost benefit analysis shows to be worthwhile);
- ii. Public tender - advertisement in a local newspaper inviting bids (for items which the cost benefit analysis shows to be worthwhile);
- iii. Transfer to Cabonne Council’s second hand (recovery) shops at the waste management facilities;
- iv. Donation to the Recovery Shop (operated as a joint enterprise between Wangarang Industries and Orange City Council);
- v. Dumping – assets of no or little value only;
- vi. Sale or gift to another Council; and
- vii. Donation to a registered charity or community organisation (when written request is received).

The following items are to be disposed of by the additional processes shown:

- (a) Metal items – to be sold to scrap metal dealers;
- (b) Information Technology/Computer related equipment - to be treated as eWaste and disposed of at Council’s facilities;
- (c) Mobile phones* – to be disposed of through a ‘mobile muster’ process; and
- (d) Old toner cartridges* – to be disposed of through a cartridge recycling process.

*- do not require a form.

Sale to staff/Councillors

As a general principle, sale of assets to staff is **NOT** to occur outside of a public process. The Independent Commission Against Corruption (ICAC) recommends that invitations to bid for the purchase of any surplus Council assets should not be limited to staff or to elected officials. Members of the public must also be allowed to compete for the purchase.

Destruction of assets classified as beyond economical repair

Where an asset is classified as beyond economical repair the asset must be destroyed, with the destruction being witnessed by another responsible officer nominated by the responsible Divisional Manager.

Destruction is required to comply with the non warranty aspect of this policy. Recycling is considered a reasonable means of destruction for the purposes of this policy.

Sale of Information Technology (IT)/computer equipment

All information technology/computer equipment intended for disposal is to be approved by the Director of Finance & Corporate Services on recommendation from the IT Support Officer. All Cabonne Council data and software applications are to be removed from any hard drives as well as external asset tags and labels connecting a machine to Cabonne Council.

Documents required in support of disposal of minor assets

(to be scanned and associated to Disposal of Minor Assets Form)

- i. Copy of receipt or other proof of disposal from the contracted auctioneer, the licensed scrap dealer or the tip site.
- ii. Letter acknowledging receipt of asset from recipient.

Any proceeds from disposal will be allocated to the Assets register.

Cabonne Council
DISPOSAL OF MINOR ASSETS FORM

Approval is sought to dispose of the following:

Qty	Asset ID No.	Description	Net book Value (WDV)	Estimated cost of disposal	Estimated Market Value

Reasons for Disposal

- Obsolete
- Other (provide details)

Proposed Method of Disposal

- Auction
- Other (provide details)

Signature: Date:

Approval (relevant Director)

The above disposal is recommended/not recommended.

Signature: Date:

Approval (General Manager or delegated officer for disposals)

The above disposal is approved/not approved.

Signature: Date:

Disposal (delegated officer for disposals)

I,, certify that the above goods were disposed of on (Date):.....

Amount received on disposal: \$.....

Receipt No.: Date:

Signature: Date:

Asset Registers

Finance Asset Register updated on Date:

Signature:

Date:

UPON COMPLETION THIS FORM MUST BE SCANNED AND SAVED IN COUNCIL'S ERDM SYSTEM (infoXpert)

NOTE: ENSURE YOU ATTACH SUPPORTING DOCUMENTATION WHERE APPROPRIATE.