

Asset Disposal Policy

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Responsible Department:
Financial Services

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Objective

To provide a systematic and accountable method for the disposal of surplus assets, excluding real property, and to ensure the process is transparent and complies with Council's Code of Conduct, particularly with respect to conflict of interest.

1. Definitions

In this policy:

"Asset" is a resource controlled by the Council as a result of past events and from which future economic benefits are expected to flow to the Council, and/or they have the capacity for future service delivery. In this policy "asset" does not include real property (ie. land and buildings).

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

"Motor vehicle" means a passenger sedan or station wagon, motor cycle or commercial motor vehicle including vans, utilities, buses and trucks.

2. Disposal rules and requirements

2.1. Delegated authority

With respect to the disposal of assets, the General Manager has delegated authority to:

- a) approve disposal of assets under the control of the Delegate that are surplus to requirements;

The General Manager has sub-delegated this authority to the following Council officers:
Chief Financial Officer, Manager Infrastructure Services, Manager Technical Services, Manager Technology Systems, Manager Waste & Cleaning Services, Directors (ALL) (Delegation # 8).

- b) approve disposal of assets under the control of the delegate that are surplus to requirements with a book value of less than \$2,500 (incl of GST)

The General Manager has sub-delegated this authority to the following Council officers:
Manager Customer & Compliance, Manager Technical Services (Delegation # 9).

2.2. Disposal rules

At all times, surplus 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.

Prior to disposal, a reasonable effort is to be made to ensure no other Council area has a need for the asset. Items of historical or cultural significance should be given special regard and any dangerous goods disposed of only in an authorised manner.

No warranty is to be offered on assets sold.

2.3. 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.

2.4. Reasons for disposal

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

- Obsolescence.
- Non-compliance with occupational health and safety standards.
- No use expected in the foreseeable future.
- No usage in the previous 6 months (Stores Stock items).
- Optimum time to maximise return.
- Discovery of hazardous chemicals or materials present in the asset.
- Uneconomical to repair.

2.5. Preparing assets for sale

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

- Additional items not intended for sale;
- Confidential documents (records, files, papers);
- Documents on Council letterhead or which may be used for fraudulent purposes;
- Software (which could lead to a breach of licence or contain confidential data);
- Hazardous materials.

As much as is practical, any “Randwick City Council” identifying mark should be removed or obliterated. Spare parts held for a particular item should be disposed of in one parcel with the asset.

3. Asset disposal methods

3.1. Method of disposal of assets

The principal methods of disposal of assets are:

- a) Auction - for items of significant value a reserve price will be agreed to between the relevant officer and the auctioneer prior to the auction;
- b) Dumping – for assets which have no or nominal value only;
- c) Donation to a registered charity or community organisation;
- d) Trade In – for motor vehicle assets.

3.2. Sale to staff/Councillors

No Council assets are to be sold to staff.

The sale of assets to Councillors should be done in accordance with the Councillors Expenses and Facilities Policy.

3.3. Donations to community groups/charities

This method of disposal may not be used for asset with an estimated value of more than \$2,000. All donations of assets with a value exceeding \$2,000 are to be reported to Council before any transfer of ownership.

Scrap materials salvaged from works eg. pavers etc. which are unsuitable for new Council projects may be donated to charities/sporting bodies with the authority of the relevant Director.

Donations of other old assets may only be made with the authority of the relevant Director and only after exploring all avenues for recouping a fair value for the Council. Council staff should only consider donations in response to a formal written request. In considering any request, staff should keep in mind the following:

Community groups should receive equitable treatment to avoid possible claims of bias.

A check should be made to ensure the group is not a disguised business operation providing funds or remuneration to the principals.

A check should be made to ensure the group is non-profit and that the intended use of the asset is non-commercial (i.e. non-profit).

Where the donation is seen as appropriate but there is a potential claim of bias, the matter should be referred to the General Manager.

The charity/community group must remove the asset themselves and at no cost to the Council.

3.4. 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 Director.

3.5. Sale of Information Technology (IT) equipment

External disposal agents are to be used to remove all goods intended for disposal, as approved by the Manager IMT Services. The agents are contractually bound to wipe all Randwick City Council data and software applications from any hard drives they remove. They also remove external asset tags and labels connecting a machine to Randwick City Council.

The Manager IMT Services will contact three (3) disposal agencies for an estimate of the value of the goods. Each company will provide a quote for the purchase of the goods (if they have any value) or for the cost of removal. The most competitive quote will be awarded the work.

3.6. Sale of motor vehicles

Motor vehicles assets are to be either sold via a public auction or traded in at the time of replacement.

3.7. Sale of office furniture and equipment

The Coordinator Procurement is responsible for the disposal of all office furniture. The furniture is to be sold by public auction.

3.8. Sale of major assets (excluding Land)

Where assets of significant value (being more than \$150,000) are to be sold, the sale is to be by either public auction or tender.

4. Asset disposal procedures

4.1. Condition for the disposal of assets

Where possible, assets must be disposed of by public auction, using a State Government Contracted Auctioneer.

4.2. Disposal process

- a. The Manager of the relevant area identifies assets that are in excess of Council requirements and are suitable for disposal.
- b. Complete Disposal of Assets Form (Attachment 1) ensuring that:
 - i) The Director Corporate Services or Chief Financial Officer approves the disposition of a particular asset and signs the Asset Disposal Form.
 - ii) The form is countersigned by the General Manager in cases of sales to Councillors, or donation of assets to charities and/or community groups where a potential claim of bias exists.
- c. The Manager of the relevant area arranges disposal of the assets by public auction, given the asset type and the parameters set down in this policy and received approval from the Chief Financial Officer.
- d. If no-one offers to purchase the asset at a public auction and the asset is of no or little value, the asset will be disposed of by dumping in the manner described above. If no-one offers to purchase the asset at a public auction and the asset is of significant value the relevant Director will determine how to best dispose of the asset in order to maximise the return to Council whilst ensuring open and effective competition. For accountability and audit reasons, the basis of the decision must be documented (see attached Asset Disposal Form).
- e. Asset Disposal Form to be forwarded to Financial Services for adjustment of Assets Register.

4.3. Documents required in support of disposal of minor assets

- Copy of receipt or other proof of disposal from the contracted auctioneer, the licensed scrap dealer or the tip site.
- Council resolution in cases of donation of assets with value exceeding \$2,000.
- Letter acknowledging receipt of asset from donor.

A. Disposal of Asset form (D03583320)



TRIM Document No.

DISPOSAL OF ASSET FORM

Approval is sought to dispose of the following:

Qty	Asset ID No.	Description

Reasons for Disposal

Obsolete

☐
☐

Written Off

Replacement Program

☐

Proposed Method of Disposal

Auction - Pickles Auctions

☒

Signature

Print Name... Coordinator Plant & Fleet Mgt Date / /

Approval

The above disposal is approved.

Mark Bush

Signature

Print Name... Manager, Waste & Cleaning Date / /

Disposal

I,, certify that the above goods were disposed of on / /

Received on Disposal (Incl GST): (Excl GST):

Sale Advice No.

Receipt Date / /

Signature

Print Name...

Date / /

Asset Register

Finance Asset Register Updated on / /

Signature

Print Name...

Date / /

UPON COMPLETION THIS FORM MUST BE SCANNED and SAVED IN COUNCIL'S TRIM SYSTEM

FOLLOW US ONLINE



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