


Disposal of Council Assets Policy

As at September 2020

	<h1>DISPOSAL OF COUNCIL ASSETS POLICY</h1>		
RESPONSIBILITY	Office of the CEO		
DATE ADOPTED	14 January 2008	MINUTE	
REVISED	September 2020	REVIEW	2021
ECM No	1352103		
ASSOCIATED POLICIES	<ul style="list-style-type: none"> • Asset Management Policy • Code of Conduct • Councillors Expenses and Facilities Policy • Procurement Policy • Strathfield Council Asset Management Strategy (2017) • Strathfield Council Asset Management Plan (2017) • Motor Vehicle Guidelines 		
ASSOCIATED LEGISLATION	<ul style="list-style-type: none"> • <i>Local Government Act (NSW) 1993</i> • <i>Privacy and Personal Information Protection Act (NSW) 1998</i> • <i>State Records Act (NSW) 1998</i> 		
ASSOCIATED GUIDELINES	<ul style="list-style-type: none"> • Department of Local Government, <i>Guidelines for the Payment of Expenses and Provision of Facilities to Mayors and Councillors</i>, October 2009 • Department of Local Government, <i>Inappropriate Use of Council Resources (Circular 06-64)</i>, November 2006 • Good Conduct and Administrative Practice (2nd Edition), NSW Ombudsman • <i>No excuse for misuse: preventing the misuse of Council resources</i>, Independent Commission Against Corruption (ICAC), 2002 		

1.0 Introduction

1.1 Purpose of the Policy

The purpose of this policy is to set out policy and procedures for the disposal of surplus Council resources and assets.

1.2 Objectives of the Policy

The objectives of the policy are:

- Advise on the responsibilities of Council officials for appropriate use and disposal of Council resources.
- Outline procedures for appropriate disposal of Council resources

1.3 Coverage of this Policy

This policy applies to all Strathfield Council staff including those employed on a full time, temporary, part time or casual basis. The policy also extends to any other person or group who has access to Council resources such as Councillors, contractors and volunteers.

2.0 Definitions

The following definitions apply to this assets disposal policy.

2.1 Council official

Council official includes Councillors, members of staff, volunteers, contractors and/or consultants engaged by Council and delegates of council

2.2 Council resource

Resources of Council are goods and services owned or controlled by Strathfield Council. Council resources include:

- Council Equipment eg furniture and fittings, infrastructure
- Small Plant Equipment eg mowers, whippers, trailers, chain saw, blower, power tools, machinery
- Communication devices eg telephones, mobile devices, fax etc
- Information Technology eg computers, software, internet, photocopiers, cameras, toners etc
- Motor vehicles, petrol, spare parts and accessories
- Office supplies eg stationary, calculators etc
- Staff resources includes using the time and skills of other employees during working hours, provision of advice, research or information in a written or spoken form which is not routinely available to a member of the public
- Intellectual property and information held or collected by Council eg correspondence, documents, records, databases etc.
- Natural resources eg water, trees, shrubs, plants, seedlings, mulch and flowers
- Financial resources eg credit cards, petty cash, purchase orders
- Waste and surplus material eg detergents, fuels, oils, lubricants, solvents, scraps, off-cuts or miscellaneous items etc

3.0 Council facilities eg halls, rooms, parks, sports fields, play equipment

3.1 General Responsibilities of Council officials

Disposal of Council assets must be conducted in an ethical manner and methods selected should promote fair and effective competition to the greatest possible extent.

Council officials, including staff and Councillors, have a responsibility to serve the public interest ahead of their own personal interest and to manage potential conflicts of interest. A conflict of interest is when there is a clash between a person's private interest and their public duty.

4.0 Policy Statement

4.1 Approval of disposal of Council assets

Disposal of Council resources requires the approval of the General Manager and/or delegated council officers.

Prior to disposal, assessment needs to be made to ensure no other section of Council has a need for the asset and there is no legal requirement to maintain the asset eg *State Records Act* requires that certain classes of records must be maintained as State Archives.

Items of historical or cultural significance should be retained and properly archived.

Surplus Council assets or materials should be disposed of in a way that maximises financial returns whilst ensuring the method of disposal encourages open and effective competition.

Dangerous goods must be disposed of only in an authorised manner.

Council assets of significant value are generally disposed of using public auction or tender process (where required by the *Local Government Act*), unless the asset has limited monetary value and it is destroyed, disposed or donated in accordance with this policy.

Records of disposal of assets must be maintained and authorized at all times.

4.2 Conflicts of Interest

Council officials are responsible for identifying and managing potential conflicts of interest.

The staff member 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.

4.3 Sales to Council staff/Councillors

Sale of Council resources to staff or Councillors should not occur outside of a public process. Invitations to bid for the purchase of any surplus Council resources should not be limited to staff or to councillors. Members of the public must also be allowed to compete for the purchase.

However, it is recognised that there will be individual instances where sale to a staff member may be the most practical or fair and reasonable manner of disposal, where the cost of alternative disposal is higher than the value of the goods. In these instances, authority for disposal will rest with the General Manager. All decisions and the reasons for the decisions must be documented.

4.4 Reasons for disposal

A decision to dispose of a Council resource may be based on one or more of the following:

- Assets have reached the end of their serviceable life.
- Asset is redundant or surplus to current and foreseeable needs
- Asset value is technologically obsolete and operationally inefficient. Examples could include mobile phones, video equipment, IT equipment
- Asset is unserviceable and beyond economic repair.

4.5 Methods of disposal of assets

The principal methods of disposal of assets are:

- Auction (for items of significant value a reserve price will be agreed to between the relevant officer and the auctioneer prior to the auction)
- Dumping – assets of no or little value only. Consideration should be given at all times to disposal using best practice environmental methods.
- Tendering – usually for assets of significant value and where required by the *Local Government Act* and Regulation.
- Private treaty – may be used for sale of land.

4.6 Sale of motor vehicles

Vehicle change over cycles will be at the discretion of the General Manager and as recommended by the relevant Director. The vehicle replacement cycle is specified in Council's Motor Vehicle Guidelines.

Disposal shall be through a competitive process such as by public tender or public auction through providers approved by the State Government or by seeking competitive quotations.

4.7 Sale of major assets

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.

4.8 Disposal of Library books and equipment

Library materials eg books, videos, magazines etc which have reached end of serviceable life have negligible financial value. Materials may be offered to other libraries, local schools, community organisations and charities.

Other library equipment eg IT, furniture are managed via disposal procedures set out in this policy.

4.9 Sale of Information Technology (IT) equipment

The resale value of IT equipment will be assessed prior to determining how the equipment should be disposed.

If resale value is under \$200, it is not economic to dispose of goods via external agents as costs of disposal are higher than potential financial return. Goods can either be priced and offered for sale to staff or offered to community organisations (Council's Human Services section can provide advice on possible areas of interest). If the goods remain unsold or donations are not viable, IT will liaise with Council's Waste section to advise on appropriate disposal methods.

Prior to offering IT equipment for sale, data and software applications will be removed from hard drives on the computer.

IT equipment will be sent to external auctioneers where the value is over \$200.

4.10 Financial returns from disposal of Council Resources

Financial returns from disposal of Council resources must be returned to Council. Donations of funds for other purposes eg charity are not permitted without authorisation of the General Manager.

4.11 Disposal Procedure

- 1) Strathfield Council Staff (As per section 1.3 Coverage of This Policy) of the relevant area can identify assets that are in excess of Council requirements and are suitable for disposal.
- 2) Relevant area Managers or the authorised delegation can initiate a disposal process and get the General Manager Approval prior to disposal with "Application for Disposal Of Asset Form" (Attachment-A)

- 3) Any short of disposal must be monitored by relevant area manager or authorised delegations. And also documented with "Record of Asset Disposal Form" (Attachment-B)
- 4) After disposal, approved "Record of Asset Disposal Form" is to be forwarded to Finance for adjustment of Assets Register.

Attachment-A

Purpose: To describe, approve and record disposal of **ALL** assets (excluding land, records, which have separate disposal procedures and forms). **This completed form must be registered in Dataworks (ECM) including all required attachments and documents.**

Step 1: ASSET DESCRIPTION AND VALUE

Note: Each asset requires a separate Disposal of Assets Form.

Description of asset and estimate of age. _____

Asset number (Plant number)	Quantity	Net Book Value (*Obtain from the finance section prior to initiating the disposal process)	Estimated cost of disposal (if known)	Estimated market value (if known)
		\$ per item	\$ per item	\$ per item
		\$ per item	\$ per item	\$ per item
		\$ per item	\$ per item	\$ per item
		\$ per item	\$ per item	\$ per item
		\$ per item	\$ per item	\$ per item
	Totals	\$	\$	\$

Step 2: REASONS FOR DISPOSAL

- ☐ assets have reached the end of their serviceable life, is unserviceable or beyond economic repair.
- ☐ asset is redundant or surplus to current and foreseeable needs
- ☐ asset value is technologically obsolete and operationally inefficient (eg IT equipment)
- ☐ asset does not comply with Work Health and Safety standards or contains hazardous materials
- ☐ asset disposal is required in accordance with specific asset management plans and strategies or Council policy eg Motor Vehicle Policy requiring vehicle changeover based on mileage or time
- ☐ Other _____

Supporting Reasons _____

Note that items which have historic or cultural significance require assessment in accordance with the Disposal of Asset Policy.

Step 3: PROPOSED METHOD OF DISPOSAL

Public Auction (Auction Company)	
Other (provide details)	 _____ _____

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Step 4: REQUEST AND APPROVAL TO DISPOSE

In recommending this disposal, I declare I or persons associated with me (including family, friends, affiliations to business or community organisations) will **NOT** personally or financially benefit from the disposal of these goods. Any conflict declarations must be attached to this form stating the conflict and how you propose to deal with it.

Date	Requesting Officer (print name)	Requesting Officer (position)	Requesting Officer (signature)

Manager of the section to review and approve		
Date	(print name and position)	(signature)

The request to dispose is supported/not supported (please circle)

Comments: _____

Finance Section to sight and approve		
Date	(print name)	(signature)

Chief Executive Officer			
Date	(print name)	(position)	(signature)

**** Approving Officer must have delegations to authorise disposal under Council's Sub-Delegation Register. If there is no authority specified, disposals require General Manager authorisation.**

1. Now send to the Requesting Officer.
2. Requesting Officer to register forms and documents in Dataworks under
ASSET MANAGEMENT>Registration>Disposal of Assets
3. If application to dispose of assets has been approved then complete the
RECORD OF DISPOSAL OF ASSETS FORM.

Attachment-B

Purpose: Once approval to dispose of asset has been given (see Assets Disposal Approval Form) then disposal can occur. To describe, approve and record disposal of **ALL** assets (excluding land, records, which have separate disposal procedures and forms).

This completed form must be registered in Dataworks (ECM) including all required attachments and documents.

Step 1: APPROVED TO DISPOSE

Provide details of approval to dispose of asset.

Date	Document Set Number (Dataworks Number)	Approved by (print name)

*Now return all signed forms to **procurement** so they can arrange for disposal.*

Step 2: PARTICULARS OF DISPOSAL

I, (name and position) _____
certify that the above goods were disposed of in accordance with Council's Disposal of Assets policy

Signature _____ Date _____

If being destroyed, I, _____
was witness to its destruction. If asset was sold or auctioned fill out the table below.

Date	Amount received on disposal	Receipt No (Attach receipt to this form)	Procurement (print name)	Procurement (signature)
	\$			

Note: Please ensure ALL supporting documentation such as a receipt of sale clearly identifying the purchaser or recipient is attached to this form

Then send all signed forms to Finance Section (Asset Accountant) in order that financial registers are updated with accurate financial information.

Step 3: ASSET REGISTER UPDATE

Date Asset Register was updated.	Asset Accountant (print name)	Asset Accountant signature

Asset Accountant to register all completed forms and documents into Dataworks (ECM) under ASSET MANAGEMENT>Registration>Disposal of Assets