

Asset Disposal, Transfer and Stocktake Policy

Reference Number: P64
Organisational Unit: All
Responsible Position: Chief Executive Officer
Relevant Delegations: Delegations Register
Date Adopted: 7 August, 2015
Review Date: Every two years

Objectives

To ensure that the Council is disposing, transferring and stocktaking assets in a way that is transparent, accountable and meets the requirements of the Act Legislation and Reference

Legislation and References

NT Local Government Act
Local Government (Accounting) Regulations NT
CDRC Accounting and Policy Manual
CDRC Assets and Portable and Attractive Items Stocktake Guidelines

Scope

This policy covers all assets owned by the Council. It does not cover who is delegated to dispose of assets; this is covered in the delegations manual.

Policy

- 1.1 All assets must be recorded in the Council's asset register.
- 1.2 Portable and attractive items are also recorded in the asset register. Not all attractive items are required to be recorded in the register, however consideration must be given to the following in determining whether an individual item should be recorded:
 - is the item at risk of theft,
 - is the room or building where the item is located locked after hours or when not in use,
 - is the item easily movable, and
 - does the item need to be manually verified as part of the stocktake process.
- 1.3 Any attractive item that meets one or more of the above criteria must be recorded in the asset register. ICT equipment must also be recorded.
- 1.4 Portable and attractive items are also recorded in the asset register. Not all attractive items are required to be recorded in the register, however consideration must be given to the following in determining whether an individual item should be recorded:
 - is the item at risk of theft,
 - is the room or building where the item is located locked after hours or when not in use,
 - is the item easily movable, and

- does the item need to be manually verified as part of the stocktake process.

1.5 Any attractive item that meets one or more of the above criteria must be recorded in the asset register. ICT equipment must also be recorded.

1.6 Council will undertake stocktakes of assets and attractive and portable items on an annual basis.

Disposal of Assets

All disposal of assets must be undertaken in accordance with the *Local Government Act 2014* (and associated regulations and guidelines), the Delegations Manual, and the guidelines set down in this policy document.

Funded assets are to be disposed of in accordance with the funding agreement. All asset disposals must be a transparent and open process. Auction or tender is required for sale of assets with an estimated disposal value of over \$5,000. Lower value assets will be disposed of as agreed by the Director based on the principle of transparency and openness.

Disposal of fleet assets will be based on the CDRC Fleet Plan, 'Total Cost of Ownership' analysis as well as national and local industry indicators and benchmarks. Fleet will normally be disposed of when depreciation begins to have adverse effects on the sale price of an item.

Fleet assets must be sold by auction at an established auction organisation in Alice Springs (or elsewhere if this demonstrates a better return).

Conflict of Interest

The officer responsible for the disposal of any Council asset and the CEO or relevant Director must ensure that no conflict of interest occurs in or as a result of the asset disposal process.

Reasons for disposal

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

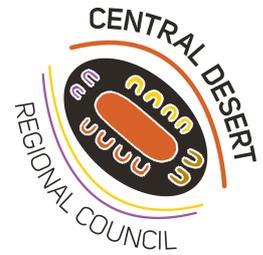
- Obsolescence.
- Non-compliance with occupational health and safety standards.
- No use expected in the foreseeable future.
- No usage in the previous 6 months (Stores Stock items).
- Optimum time to maximise return.
- Discovery of hazardous chemicals or materials present in the asset.
- Uneconomical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

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 "Central Desert Regional 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.



Proceeds from Sale of Assets

Income from funded assets will be treated in accordance with the funding agreement. In regards to fleet, revenues from disposed fleet items will be returned to the fleet replacement reserve.

In regards to other assets, the proceeds on disposal will go back to corporate revenue and be spent in a manner that Council determines.

two ways :: one outcome

Records

When assets are disposed of, an Asset Disposal Form will be completed by the relevant person and returned to Finance. Either a copy of receipt or other proof of disposal from the contracted auctioneer, the licensed scrap dealer or the tip site, or a letter acknowledging receipt of asset and its nominal value from the recipient of the asset is required to be attached to the Assets Disposal Form.

Approval and Review History

Date	Comment
16 December 2016	Adopted by Council CRN: 172/2016

Related Documents

Council Fleet Management Plan

Council Asset Disposal Form