



Disposal of goods and property – managers' responsibilities

Disposal of public resources must follow clear and transparent procedures to reduce misconduct risk and to maintain public confidence in the process.

Developing a strategy

Disposing of goods requires careful planning. It needs to obtain value for money for the organisation while reducing opportunities for fraud or unethical behaviour.

Policy and procedures

A written policy and procedures for disposal of goods and property helps ensure consistency in applying these activities. Key features should include:

- ▼ compliance with any relevant legislation and Tasmanian Government policies that guide the disposal of goods and property
- ▼ procedures that clearly map out each stage in the process, and
- ▼ allocating roles, responsibilities and delegations.

Disposal is part of procurement

Best practice involves the disposal of goods and property being seen as part of the procurement process. This is because efficient and effective procurement processes involve preventing the unnecessary accumulation of goods and stock that are surplus to requirements.

A sound asset disposal process will include the following controls to reduce the risk of misconduct:

- ▼ a register of all assets held by the organisation
- ▼ regular audits of the register to ensure no items have been disposed of improperly
- ▼ an asset maintenance system that flags when goods become surplus or unwanted (for example, because of average length of use) and their expected monetary value at that point
- ▼ agreements with suppliers that unused goods surplus to requirements can be returned
- ▼ segregated duties in the decision-making process for disposing of goods

- ▼ external valuation of resources prior to disposal, and records filed so they can be audited
- ▼ details concerning the date of purchase of resources, length and condition of warranty, maintenance and repairs undertaken, and other related information for consideration in the valuation and disposal of goods
- ▼ maximum limits on inventory, such as of machinery, goods and other construction consumables, to prevent the accumulation of surplus requiring disposal
- ▼ regular inventories of goods and stock, and
- ▼ an asset control system to record the value and location of all assets, and secure storage to prevent unwanted goods from 'disappearing' prior to disposal.



CASE STUDY

As a long-entrenched practice, employees of a public sector organisation's works area regularly took and sold aluminium offcuts and scrap from work sites where buildings were being refurbished. While the refurbishment jobs were not a dominant activity of the agency's business, the practice had developed over some years. Most of the proceeds from these aluminium sales were put into the employees' Christmas party account.

The practice was generally considered to be an acceptable perk of the private building industry, and the employees involved had been unaware that their actions infringed public accountability standards. The agency concerned had no clear guidelines on handling this scrap material.

No disciplinary action was taken against the employees, who willingly offered to repay all monies received from their aluminium sales.

With thanks to Crime and Misconduct Commission, Queensland

https://www.ccc.qld.gov.au/sites/default/files/Docs/Publications/CMC/Bulletins%2Cseries-and-discussion-papers/The-public-scrapbook-Guidelines-2002_0.pdf



The Commission can help

We are available to provide support and assistance with identifying, reporting, investigating, managing and preventing misconduct: prevention@integrity.tas.gov.au or 1300 720 289.

For more Misconduct Prevention resources go to www.integrity.tas.gov.au/resources