
Assets: Disposals, Additions and Inventory Management

Guidelines and Procedures

Contents

1. Disposal of Obsolete or Surplus Assets: Guidelines and Procedures	1
2. Types Of Assets	1
3. Disposal Process.....	2
4. Record Keeping	3
5. Disposal of Surplus Assets: Quick Reference Flowchart	4
6. Addition of Assets: Guidelines and Procedures	5
7. Appendix	6

1. Disposal of Obsolete or Surplus Assets: Guidelines and Procedures

This guidance supplements Section 20.5 of the Financial Regulations.

2. Types Of Assets

2.1. Land and Property

- When a Service Committee declares a land or property asset surplus, the Corporate Director of Neighbourhood Services and Infrastructure will consult to identify any alternative service or community need.
- Assets not required by the Council will typically be marketed and sold on the open market at the best achievable price.

For further guidance, contact the Estates Team.

2.2. Computer Equipment

- Consult the Head of Property Asset Management and Facilities before disposing of any IT equipment.
- All disposals must comply with ICT Security policies and the WEEE (Waste Electrical and Electronic Equipment) directive.

For further guidance, contact the IT Team.

2.3. Specialist Plant and Equipment

- Second-hand equipment sold to consumers must comply with the Sale of Goods Act, ensuring it is as described, of satisfactory quality, and fit for purpose.
- Consult the Health and Safety Team and Legal Services if the equipment requires a valid operating certificate, as expiry could restrict future use.
- No warranty is offered; purchasers buy at their own risk subject to a disclaimer.

2.4. Electrical Equipment

- Ensure the equipment is as described and fit for purpose when disposing of electrical items.
- Disposal refers to the selling and/or gifting of equipment.
- In all cases, compliance with relevant legislation is required, including:
 - General Product Safety Regulations
- Low Voltage Electrical Equipment Safety Regulations

- Electromagnetic Compatibility Regulations.
- Failure to comply could be deemed a criminal rather than civil offence.
- Determine the date of the most recent P.A.T. test to ensure compliance.
- All disposals must comply with the WEEE directive.
- For more information, visit Orkney Council's waste and recycling page.
<https://www.orkney.gov.uk/our-services/waste-and-recycling/>

2.5. All Other Assets

- Offer assets to other Council Services first. If not required, dispose of them at the best achievable price through competitive tender, public auction, or online sale.

3. Disposal Process

3.1. Identification of Obsolete or Surplus Asset

The Corporate Director or Head of Service is responsible for identifying assets that are no longer required by the Service. The Service shall then compile a **List of Assets for Disposal**, to include:

- Reference: Specific, identifiable reference number
- Description: Brief Summary of asset
- Reason: Brief explanation of why asset is no longer required
- Condition: Brief description of state of asset
- Contact: Person to whom contact should be made

3.2. Redeployment to other Departments

Notify all other Council Services of the List of Assets (memo/email). Redeployment is on a first-come, first-served basis with a 2-3 week response period.

3.3. Offer to External Bodies and Persons

If redeployment is not possible, assets should be made available for public sale through open days, local press and Council website. Offers are typically received on a sealed bid basis and should be addressed to a named Contact Person marked clearly as "Tender for Surplus Asset".

Bidders should typically be given 2-3 weeks to respond to the offer of sale, and should specify a price inclusive or exclusive of VAT.

Bids must be received by 12:00 pm on the stated day and opened by two Council officers. The highest bidder wins.

In case of equal bids, bidders may submit further sealed bids or receive equivalent items if available.

Successful bidders will be issued with an invoice, which must be paid in full, and a receipt obtained. The asset will only be released on successful presentation of the receipt to the Contact Person.

Alternatively, where bidding is not suitable, the asset(s) can be transported to a place for a public sale (e.g., Orkney Auction Mart) or sold via online platforms, and appropriate offers can be accepted. The Contact Person shall then arrange for all payments received to be paid into the Cash Collection Office without delay and coded against the appropriate ledger code, and a receipt obtained.

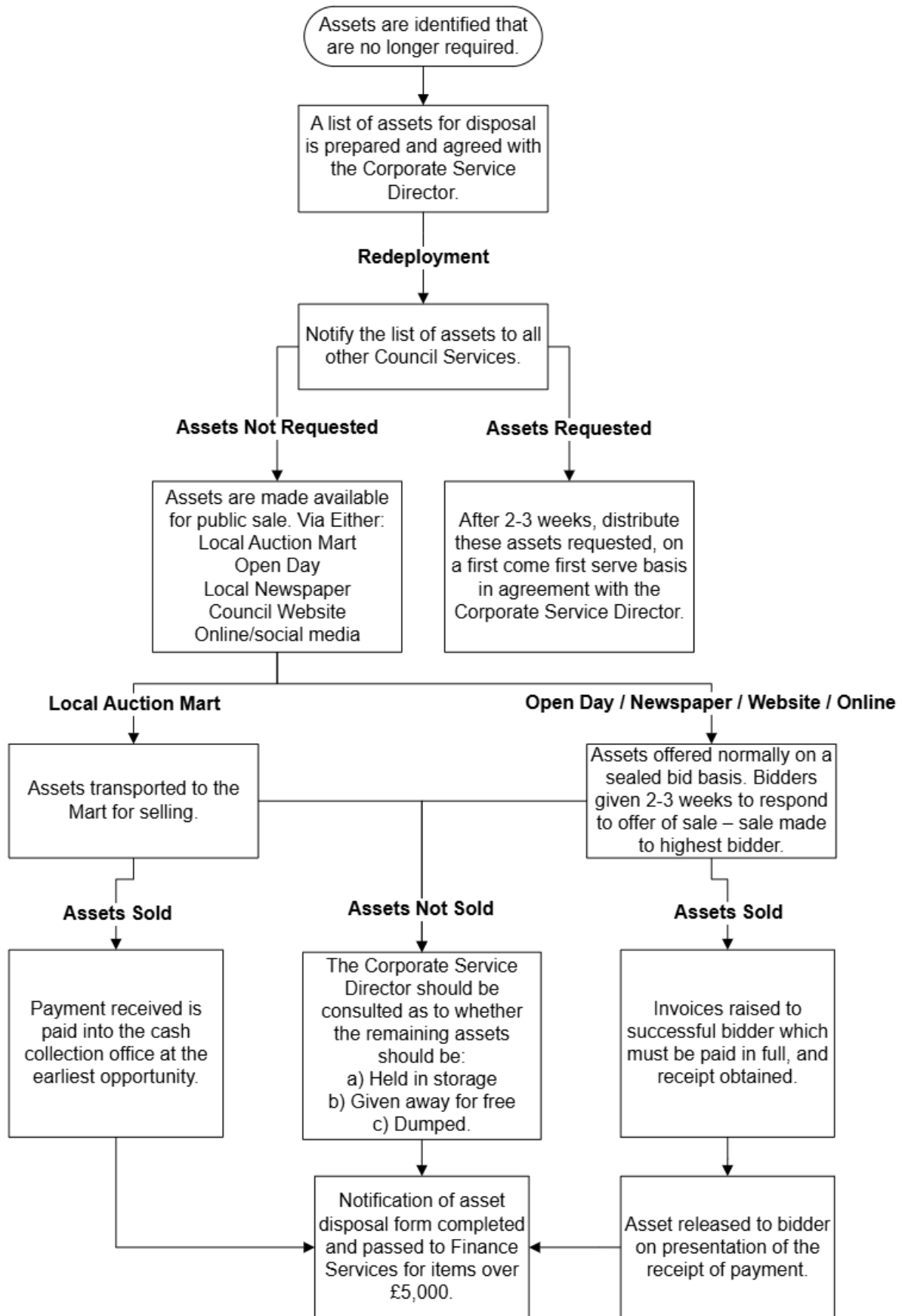
3.4. Gifting Surplus or Obsolete Equipment

Efforts should be made to sell items first. If unsold, approval to donate to a local charity or for free must be obtained from the Corporate Director.

4. Record Keeping

- Maintain an audit trail of all disposed assets to evidence reasonable precautions.
- Update the Services inventory list promptly.
- Complete a Notification of Asset Disposal/Transfer form for assets over £5,000 and send it to the Insurance Officer, Finance Services (*see 7.2 Appendix B*)

5. Disposal of Surplus Assets: Quick Reference Flowchart



6. Addition of Assets: Guidelines and Procedures

Supplementary Guidance to Section 20 of the Financial Regulations

6.1. Asset Management

Assets within the Council can take various forms. According to the Financial Regulations, the Chief Executive and Corporate Directors must promptly notify the Head of Finance of any changes to the following items, whether owned or leased:

- Properties
- Vehicles
- Equipment
- Other forms of assets

Services must adhere to the instructions in Section 20 of the Financial Regulations, which outline the responsibilities for maintaining inventories and asset records, conducting annual checks, controlling vehicles, and ensuring the security of assets.

6.2. Record Keeping

An audit trail for all additional assets must be maintained for independent scrutiny.

The Services inventory list should be updated without delay.

For each individual asset valued over £5,000, a Notification of Addition of Asset form must be completed and promptly sent to the Insurance Officer, Finance Services (*see 7.3 Appendix C*).

7. Appendix

7.1. Appendix A

Inventory Management – Quick Reference Sheet

7.2. Appendix B

Notification of Asset Disposal/Transfer Form

7.3. Appendix C

Notification of Addition of Asset Form



Inventory management quick reference sheet



This sheet sets out the procedures for managing any items which are purchased or disposed by your team

Key points

- ❖ **Items over £5k -**
 - The current forms should be completed and recorded on your inventory log and sent to insurance@orkney.gov.uk
- ❖ **IT equipment -**
 - Recorded by IT on purchase so you don't need to list these.
 - Create a normal IT support request when it is time to dispose of any IT equipment.
- ❖ **All other items -**
 - Written records are no longer required
 - A dated photo should be taken of each room as a record of the items that are in it. This should be completed annually or when a significant change has occurred ¹(i.e. office move or purchase of multiple items)
- ❖ **Records (photos and forms) –**
 - Should be backed-up and held off-site

When to update your records

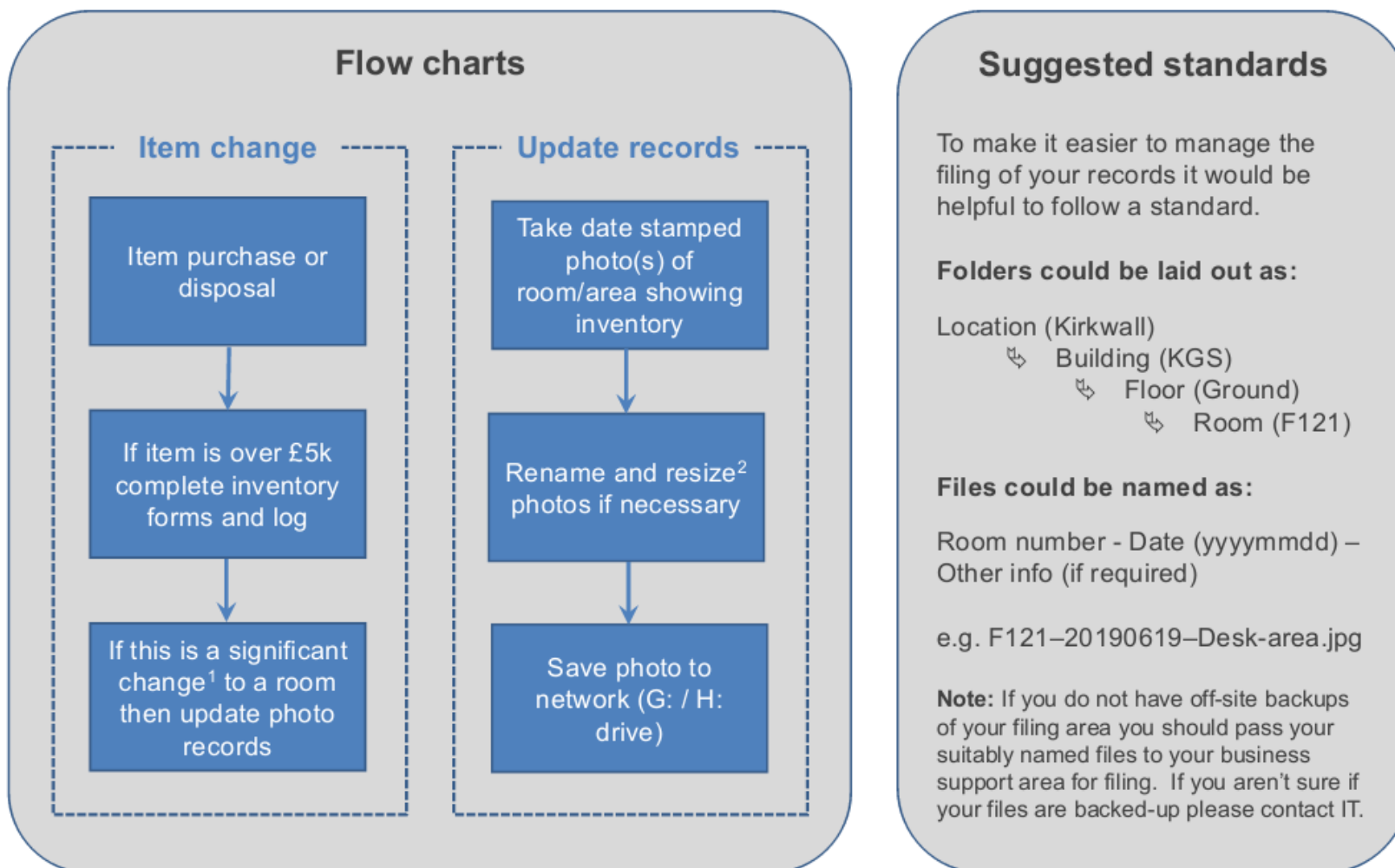
- ✓ When a new item is purchased costing more than £5k
- ✓ If room photos are over a year old
- ✓ If there has been a significant change such as an office move or bulk purchase

Remember

- To dispose of any items properly
- Ensure your records are held on a file system that is backed up off-site
- If items over £5k are taken off-site inform insurance@orkney.gov.uk



Inventory management quick reference sheet



1 - i.e. office move or purchase of multiple items 2 – See separate procedure

Notification of Asset Disposal / Transfer

An asset disposal form must be completed where;

- The service has no further use for an asset
- The service is selling the asset to another OIC Services
- The service is transferring the asset to another OIC service
- The asset is obsolete or maintenance costs are excessive
- The asset is being traded in for another asset
- The asset has been lost, stolen or damaged beyond repair
- The asset is being reconfigured or used for parts

Service:

Service Area:



ORKNEY
ISLANDS COUNCIL

Item No.	Location of Item	Description or Make / Model	Sum Insured (£)	Number of Items	Serial No or Registration No	Reason for Disposal	Method of Disposal	Date of Disposal	Ledger Code for Disposal Proceeds

Authorised by: Position: Date:

An electronic copy of this form must be retained in the Service disposing of the asset.

Email a copy to insurance@orkney.gov.uk Insurance Officer, Enterprise & Sustainable Regeneration

Notification of Addition of Asset

Service:

Service Area:



Item No.	Location of Item	Item Description or Make / Model	Number of Items	Serial No or Registration No	Purchase Price (£)	Date of Disposal	Ledger Code for Disposal Proceeds

Authorised by: Position: Date:

An electronic copy of this form must be retained in the Service disposing of the asset.

Email a copy to insurance@orkney.gov.uk Insurance Officer, Enterprise & Sustainable Regeneration