

COUNTY GOVERNMENT OF BUNGOMA



ASSET DISPOSAL POLICY FOR BUNGOMA COUNTY

DEPARTMENT OF PUBLIC SERVICE MANAGEMENT

EXECUTIVE COMMITTEE MEMBER

DEPARTMENT OF PUBLIC SERVICE MANAGEMENT

© 2019 Department of Public Service Management

County Government of Bungoma

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means electronic, mechanical, photocopying, recording, scanning or otherwise without the prior permission in writing of the County Government of Bungoma.

All enquiries about this policy should be directed to:

The County Secretary

PO Box 437 – 50200

Bungoma

Email: bungomacountygovt@gmail.com

ACKNOWLEDGEMENT

The process of preparing this policy was undertaken by a dedicated team of officers facilitated by Mr. Luutsa Felix Edwine who is a Policy expert, a departmental internal team, and the departmental stakeholders including the public. . By contributing to such essential policy document, they fulfilled their constitutional mandate. The process received valuable support and contributions from HE the governor, C.E.C.M public service and staff of the department. We particularly wish to thank the CECM for her leadership, the directors for their administrative contributions during the process, all the other staff of the department for their technical backstopping in developing this policy document. We are grateful to H.E the Governor of the County Government of Bungoma for providing exemplary leadership and clear development direction articulated in this policy. Finally I pay special tribute to all other individuals and Institutions who directly and indirectly participated in this process.

God bless you.

Mrs. Phoebe Buchunju

CHIEF OFFICER PUBLIC SERVICE MANAGEMENT AND ADMINISTRATION

1. INTRODUCTION

This policy applies to the disposal of all assets by The County Government of Bungoma and ensures that an appropriate level of discipline and compliance with any legal or policy requirements is applied across the organization.

2. POLICY OBJECTIVE

The objectives of this Asset Disposal Policy are to ensure that:

- a All The County Government of Bungoma staff understand clearly their responsibilities, accountabilities and reporting requirements;
- b The County Government of Bungoma service delivery objectives are supported to maximize the use of The County Government of Bungoma assets and reduce associated service and operational costs resulting in increased asset performance and a lower total cost of ownership;
- c Assets are only disposed of where they meet identified criteria for disposal and that appropriate planning and approval is undertaken prior to any asset disposal;
- d An appropriate level of discipline for asset disposal, and compliance with any legal or policy requirements, is applied across the organization;
- e Best practice asset management (disposal) principles are upheld;
- f Any disposal complies with The County Government of Bungoma's position and responsibilities on sustainability and environmentally friendly practices.

3. POLICY SCOPE

This scope of this policy applies to all assets and applies to all staff at all levels of the County Government of Bungoma and includes:

- a All Cabinet Members;
- b All employees (whether full time, part time, temporary and casual);
- c All sub-contractors, volunteers and work experience students working with The County Government of Bungoma employees and using The County Government of Bungoma services and assets;
- d Any business units and/or corporatized entities.

4. DEFINITIONS

Assets	An asset shall mean any resource owned or controlled by the County Government of Bungoma, from which the County Government of Bungoma expects to derive economic benefits or use for service delivery to the general public during its useful life.
---------------	---

5. POLICY PRINCIPLES

Policy Statement

- a The Public Procurement and Asset Disposal Act of 2015 advise that public sector agencies that regularly dispose of depreciated, redundant or excess stock need to ensure they have standardized methods to manage the disposal of unwanted resources in a transparent and accountable manner.
- b This policy directs The County Government of Bungoma activities to openly and transparently dispose of assets that have reached end of useful life or are deemed to be surplus to its needs. In doing so,
- c The County Government of Bungoma must aim to:
 - i Provide a systematic and transparent method for the disposal of assets;
 - ii Ensure that best value for money is achieved;
 - iii Promote fair and effective competition to the greatest extent;
 - iv Comply with The County Government of Bungoma’s position on sustainability and environmentally friendly practices.

6. LEGAL & POLICY FRAMEWORK

6.1. The Public Procurement and Asset Disposal Act of 2015

Policy Statements;

This act stipulates that;

- a All asset disposals shall be planned by the accounting officer concerned through annual asset disposal plan in a format set out in the Regulations.
- b An accounting officer shall establish a disposal committee as and when prescribed for the purpose of disposal of unserviceable, obsolete, obsolescent, or surplus stores, equipment or assets.

6.1.1. Disposal committee.

- a. The disposal committee shall be responsible for verification and processing of all disposal recommendations in liaison with the head of procurement function as prescribed.
- b. The employee in charge of unserviceable, obsolescent, obsolete or surplus assets shall bring the matter to the attention of the disposal committee through the head of procurement function.

6.1.2. Disposal procedure.

- a. There shall be a technical report where appropriate by a relevant expert of the subject items for disposal that takes into account the real market price and in so doing, the technical expert shall set up a reserve price which shall be the minimum acceptable price below real market value of the boarded items.
- b. Subject to prescribed restrictions, the disposal committee shall meet within the prescribed period to conduct a survey and review the items, while considering the technical report under subsection (3) and recommend the best method of disposal to the accounting officer.
- c. The Accounting officer shall disclose the reserve price to the prospective tenderers based on the technical report and prices set under the public procurement and Asset disposal act of 2015.
- d. Where there is no responsive bidder, the accounting officer shall have powers based on the recommendations of disposal committee to revise the reserve price to ensure expeditious disposal of assets and set it forth in the disposal documents so as to be known by any prospective buyer of the boarded items.
- e. After receiving the recommendations of the disposal committee, the accounting officer may approve or reject the recommendation of the committee.
- f. If the accounting officer approves the recommendations of the disposal committee, the assets that became unserviceable, obsolete or surplus shall be disposed-off in accordance with those recommendations.
- g. If the accounting officer rejects the recommendations of the disposal committee he or she shall give further direction on the matter and may refer the matter back to the committee for further consideration.

6.1.3. Methods of disposal.

Policy Statement

Subject to prescribed provisions, an accounting officer of a procuring entity may dispose assets by a method which may include any of the following —

- (a) Transfer to another public entity or part of a public entity, with or without financial adjustment;
- (b) Sale by public tender;
- (c) Sale by public auction;
- (d) Trade-in waste disposal management; or
- (f) As may be prescribed.
- (g) Radioactive or electronic waste shall be disposed of only to persons licensed to handle the respective waste under section 88 of the Environmental Management and Co-ordination Act, 1999.

6.1.4. Restriction on disposal.

- a An accounting officer of a public entity shall not dispose-off assets to an employee of the public entity or a member of a board or committee of the public entity except as expressly allowed under the Public procurement and Asset Disposal Act of 2015.
- b An accounting officer who, pursuant to artificial valuation, disposes off assets to an employee of the public entity or a member of a board or committee of the public entity commits an offence

7. Decision to Dispose

Policy statement

- a A decision to dispose of an asset may be based on one or more of the following:-
 - i Reached the end of its useful life;
 - ii Surplus to requirements;
 - iii Under-utilized;
 - iv Not fit for purpose;
 - v Unserviceable;
 - vi Does not meet legislative requirements

7.1. Factors to be considered prior to disposal

- a Other uses (a reasonable effort should be made to ensure no other County Government of Bungoma department has a need for the asset)
- b Hazardous Materials (that any dangerous goods are disposed of in an authorized manner)
- c Conflict of Interest (that the officers involved in the disposal process has no conflict of interest)
- d Identifying marks (that any County Government of Bungoma identifying mark or insignia is removed)

- e Associated material (ensure that assets to be disposed do not contain confidential documents; software which may have licensing implications or additional items which are not intended for disposal).
- f The method most likely to provide the highest revenue to The County Government of Bungoma

7.2. Methods of Disposal

- a As a general principle, sale of assets to staff is not to occur outside of a public process. Authorized disposal methods are:
 - i Public Tender (conducted in accordance with the same principles as The County Government of Bungoma's tendering Policy);
 - ii Public Auction (maximizes opportunity for public participation);
 - iii Expressions of Interest/Quotations (conducted in accordance with the same principles as The County Government of Bungoma's Purchasing Policy);
 - iv Trade In (must be based on a clear analysis of the benefits of the trade in as opposed to separate sale of surplus goods);
 - v Writing off the Value of the Goods (where the goods are deemed to have no value; are beyond economical repair or that the disposal cost is higher than the likely return.)

8.0. Assets with value under \$1,000

The method of disposal for items with a value of under 100,000 shall be at the discretion of the accounting officer but in accordance to the law.

9. IMPLEMENTATION

The County Government of Bungoma officers are to ensure that they determine the most appropriate method of disposing of these assets, considering the potential risks of corruption, and that the process is documented.

9.1. Roles and Responsibilities

- a. The following County Government of Bungoma officers are responsible for the implementation of and adherence to this Policy:
 - i All Cabinet Members;
 - ii All employees (whether full time, part time, temporary and casual);
 - iii All sub-contractors, volunteers and work experience students working with The County Government of Bungoma employees and using The County Government of Bungoma services and assets;
 - iv Any business units and/or corporatized entities.

- b Asset owners responsible for the disposal of assets under this Policy are to provide the Asset Disposal Form to Finance as soon as practicable after the disposal date, so that Finance staff can record the disposal of the assets in The County Government of Bungoma's Asset Register. Finance are then to notify the Asset Management Team.

9.2 Support and Advice

The office in charge of public procurement and Asset management in the county government of Bungoma can provide support and advice on this Policy:

9.3 Communication

Subsequent reviews of this policy will be reported via an ordinary cabinet meeting.

9.4 Procedures and Forms

The process for the disposal of goods via tendering, expression of interest or quotation should be conducted in accordance with the same principles as The County Government of Bungoma's tendering and purchasing policies. The Asset Disposal Form is to be completed each time an asset covered by this policy is to be disposed of. At the end of the disposal process, the Form needs to be provided to Finance.

9.5 Financial Management

Reporting and accounting for disposal of all assets will be done in accordance with Local

Government Code of Accounting Practice and Financial Reporting. The Group Manager, Financial Services will ensure that appropriate financial management practices are followed and The County Government of Bungoma records are maintained, including the County Government of Bungoma financial accounts and asset register.

10. COMPLIANCE WITH THE POLICY AND STANDARDS & POLICY REVIEW

10.1. Compliance

All stakeholders shall comply with this Policy to ensure effective implementation of this programme. Compliance in this Policy is adhering to guidelines, standards, operating procedures and regulations. All Public Sector Institutions, Civil Society and Private Organizations that are registered with Government and handle public funds will be required to comply with the provisions of this Policy. Standards set out in this Policy document that guide the implementation processes shall be applicable across the County Government structures.

10.2. Compliance Requirements and Obligations Shall Include:–

- (a) Reporting obligations according to agreed formats;
- (b) Abiding by the principles of the policy
- (d) Abiding by the agreed quality, quantity, time and standards. (These shall be defined and agreed with stakeholders).

10.3. Non-Compliance

Non-compliance to this Policy shall be managed in accordance with the relevant legal and regulatory provisions.

10.4. Review of Policy

This Policy establishes a framework for management of asset disposal in the county. The practice, approach and tools for implementation will continue to evolve with time. As such this Policy will be reviewed through a participatory process after every 5 year in line with the implementation period for the MTPs for Vision 2030 and CIDPs, so as to capture relevant developments and emerging practices and approaches. There shall however be a continuous review process of the Policy.

Appendix 1: Asset Disposal Form



DISPOSAL/TRANSFER INFORMATION

FIXED ASSETS

ASSET DESCRIPTION:

_____ ID NO:
_____ MAKE/MODEL: _____

REASON FOR DISPOSAL:

TRANSFERRED TO:

MEANS OF DISPOSAL: Sale Scrapped Auction
 Theft Donation

The property value of the listed asset is estimated to be _____ I
hereby certify that the property shall be disposed of or sold in the manner stated above.

Accounting Officer

Date

C.E.C.M

Date