
Disposition of City-Owned Surplus Personal Property

Scope Statement – August 14, 2013

City-Owned Surplus Personal Property

The Surplus Property Office in the General Services Department collects, processes, and redistributes or sells city-owned personal property no longer needed by a department. Personal property includes all serviceable and unserviceable supplies, furniture, equipment, materials, unclaimed lost and found property, vehicles, and other tangible property, exclusive of real property such as land and buildings. The primary goal of the Surplus Property Office is to maximize the reuse of property by other departments or the general public, promoting and facilitating sustainable reuse and minimizing waste.

Why audit city-owned surplus personal property?

Redistributing city-owned surplus personal property to other departments before purchasing new items saves taxpayer dollars. Selling items no longer needed by departments generates revenue for the city. The Surplus Property Office estimates fiscal year 2013 revenues from the sale of surplus personal property and scrap metal to be around \$500,000. In addition to the sale of common items such as furniture and office equipment, this revenue includes the sale of surplus vehicles to the public and unusable items to metal recyclers.

The General Services Department is undergoing a structured change management process to improve the way it does business. As part of that process, General Services Department management asked the City Auditor's Office to conduct an audit of their surplus personal property program.

Audit objectives

Our objective is to answer the following question:

- Are safeguards adequate to protect city-owned surplus personal property?

Audit methods

We will review department policies, procedures, and practices; review the Code of Ordinances and Manual of Instructions; interview General Services and other city staff; review inventory, redistribution, sales, and other records related to the surplus personal property program; and research industry recommended practices.

Anticipated release date

We plan to present the audit report to the City Council in December 2013.