



Equipment management for business units procedure

Version: 3.0 | **Version effective:** 11/02/2020

Audience

Department-wide, with the exception of state schools. State schools should refer to the [Equipment management for schools](#) procedure.

Purpose

Outlines the requirements for acquiring, managing and disposing of equipment held by departmental business units.

Overview

The department's equipment management system includes:

- documented acquisition and recording processes
- equipment management processes including stocktake and loan of equipment
- appropriate disposal and write-off process.

Business units record portable and attractive items (valued between \$500 and \$4,999) which are susceptible to theft and loss because of their size and appeal (see Definitions), and capital assets (valued at \$5,000 and over) on the department's Asset Register. Information is kept about asset acquisition, transfer, loan of equipment, and disposal.

An equipment replacement plan is prepared by business units to facilitate periodic replacement of equipment. The plan:

- is a five year plan, updated every year
- covers all capital assets and portable and attractive equipment (e.g. computers)
- is used as a reference by the unit to develop its budget.

Equipment is disposed of by:

- transferring to a school, other business unit or other organisation
- selling, using as a trade-in, or dumping

- writing-off: if replaced under warranty, worn or damaged beyond economic repair, stolen, or lost.

Equipment management also includes dealing with fraud, private and or unofficial use of departmental equipment, conflicts of interest and misuse of resources.

Stocktakes are undertaken annually to help to identify assets that need replacing, are missing, or are obsolete.

Responsibilities

Business unit managers

- Properly maintain an equipment register using the SAP Asset Register for capital equipment with a value of \$5000 or more, and portable and attractive items valued between \$500 and \$4999.99, including:
 - new acquisitions
 - donations from community organisations via departmental projects
 - transfers from schools or other business units.

Asset Accounting Team, Finance Branch

- Provides advice on equipment management issues
- Coordinates business unit stocktake
- Records all returns in a database
- Notifies business units with outstanding stocktake non-compliance
- Escalates non-completion of stocktakes to senior management and internal audit.

Process

1. Ensure proper equipment control measures including:

- registering equipment on loan and reviewing long term loans
- maintaining properly authorised supporting documents for all acquisitions, transfers, loans, disposals (including transfers to external organisations) and write-offs of equipment
- retaining records as per the [Information asset and recordkeeping procedure](#)
- conducting an annual stocktake of equipment
- reviewing equipment management practices and data
- preparing a replacement plan
- securing equipment and protecting it from loss, including marking equipment clearly and permanently with an asset number
- issuing local safety instructions relating to the use, storage, and movement of equipment where applicable. Apply and maintain warning signs and labels where required.
- ensure equipment is used for official purposes only

- ensure that equipment is acquired through leases is in accordance with the [Queensland Leasing Approval Policy for Public Sector Entities](#)

2. Ensure proper disposal of equipment including:

- approving the disposal or write-off of any equipment with a written down value less than \$1,000
- ensuring the appropriate disposal of equipment for business unit locations officially closed and or permanently vacated or vacated for an extended period.

Definitions

Term	Definition
Acquisition cost	Usually the cost of a piece of equipment plus freight and installation. In the case of donated items, a fair value should be estimated, taking into account age, condition and value of similar items.
Asset number	A unique numerical identifier allocated to all capital asset equipment, and portable and attractive items. This number is based on a SAP automatically generated Asset Master Record number for business units upon asset acquisition.
Capital assets	Any non-consumable item that has the capability of yielding a service benefit to the department for more than one year, has an acquisition cost of \$5,000 or more, and is recorded in the department's central register.
Depreciation	The cost of an asset allocated over the asset's useful life.
Disposal	The physical removal of the asset from the premises.
Equipment	Any non-consumable physical item that has the capability of yielding a service benefit to the department for more than one year (that may include capital assets and portable and attractive items) and is not land, buildings or infrastructure.
Equipment register	The SAP Asset Register used by business units.
Fraud	The use of deceit to obtain an advantage or avoid an obligation. Fraud is criminal deception, and/or the use of false representation to gain an unjust advantage.
Gifts and donations	Any gift of property and in relation to equipment is referred to as a 'reportable gift'. The term includes valuable items of property whether personal or otherwise (e.g. ornate or precision display items such as clocks, furniture, figurines, works of art and other items of enduring value including jewellery and personal items containing precious metals or stone or fine art work).
Portable and attractive items	Non-consumable items valued between \$500 and \$4999 (GST exclusive) that are susceptible to theft or loss due to their portable nature and attractiveness for personal use or resale. Examples include computers and mobile phones.

Term	Definition
	An item is considered portable if it can be easily carried or moved (e.g. an item would be considered portable if it could easily fit in a backpack: it would not be considered portable if it requires more than one person to carry it).
SAP Asset Register	A component of the department's financial and accounting software. This register holds records of all capital assets in schools and accountable equipment in business units.
Stocktake	The physical counting of equipment and reconciliation of the count with the equipment register.
Write off	Recording and approving the loss of an asset because it is missing or has been stolen etc.
Written down value	<p>The acquisition cost less accumulated depreciation or expired life (months)/total life (months) x cost.</p> <p>For example, a computer costing \$5,000 has a life of 5 years (60 months) and the written down value after 4 years (48 months) is calculated thus: $48 \text{ months} / 60 \text{ months} \times \\$5,000 = \\$4,000$, therefore written down value is $\\$5,000 - \\$4,000 = \\$1,000$.</p>

Legislation

- [Financial Accountability Act 2009 \(Qld\)](#) Section 61
- [Financial and Performance Management Standard 2019 \(Qld\)](#) (Section 18)
- [Public Service Act 2008 \(Qld\)](#)
- [Public Sector Ethics Act 1994 \(Qld\)](#)

Delegations/Authorisations

- [Waivers, write-offs, losses and asset disposals](#)

Policies and procedures in this group

- [Assets policy](#)
- [Equipment management for schools procedure](#)

Supporting information for this procedure

- Nil

Other resources

- [Code of Conduct](#)
- [Non-Current Asset Policies for the Queensland Public Sector](#)
- [Queensland Leasing Approval Policy for Public Sector Entities](#)
- [Information asset and record keeping procedure](#)
- [Crime and Corruption Commission - Disposal of assets](#)
- [Crime and Corruption Commission – The Public Scrapbook: Guidelines for the correct and ethical disposal of scrap and low-value assets, 2002](#)
- [Assets](#) (DoE Employees only)

Contact

For further information, please contact the Finance Branch through the [Services Catalogue Online](#) (DoE employees only). Customers and users external to the department should email assetaccounting.finance@qed.qld.gov.au.

All incidences of fraud or misuse of resources must be reported in the first instance to Integrity and Employee Relations Unit. This position is also the Crime and Corruption Commission (CCC) Liaison Officer.

Director, Integrity and Employee Relations Unit

Telephone: 07 3055 2955

Email: ethicalstandards@qed.qld.gov.au

Review date

11/02/2023

Superseded versions

Previous seven years shown. Minor version updates not included.

2.0 Equipment Management for Business Units

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