

**MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT**

**Circular No. 17 of 2012**

**Our Ref: CF/40/30/63/A V4**

**14 December 2012**

**From: Financial Secretary**

**To: Supervising Officers-in-Charge of Ministries/Departments and Accounting Officers**

**FINANCIAL MANAGEMENT KIT (FM KIT)**

**Financial Instructions**

**Disposal of Unwanted Goods and Board of Survey**

As you are aware, the draft Financial Instructions in respect of disposal of unwanted goods and Board of Survey was circulated on 02 October 2012 to Ministries/Departments for views and comments.

2. The Financial Management Review Committee (FMRC) under MOFED has examined the comments received and has amended, where necessary, the financial instructions.

3. The instructions have been finalised after consultations with the Director of Audit and necessary clearance has also been sought from the State Law Office, on the proposed amendments.

4. Please find enclosed Financial Instructions- (i) disposal of unwanted goods and (ii) Board of Survey for compliance. Note that these instructions will take effect as from the date of this circular letter.

*A. Mansoor*

(A. Mansoor)  
**Financial Secretary**

## **DISPOSAL OF UNWANTED GOODS**

1. Disposal is the act of getting rid of unwanted goods under proper process and authority.

Unwanted goods include items which are-

- (a) surplus to foreseeable needs;
- (b) unserviceable or which do not have a useful economic life;
- (c) technologically obsolete and operationally inefficient;
- (d) damaged beyond economic repair or deteriorated beyond use while in stock;
- (e) expired in stock due to limited shelf life;
- (f) part of an asset replacement program; or
- (g) otherwise no longer required by the Department.

2. Unwanted goods may be categorized as follows-

- (a) items that are re-useable and can be transferred to other Departments;
- (b) items that can be donated or sold by Government; and
- (c) items that should be disposed of by other modes due to expiry of their useful economic life (broken, damaged, expired and unserviceable items).

3. Items falling under category 2(c) above are considered as wastes and are of the following types-

- (a) non-hazardous recyclable;
- (b) non-hazardous non-recyclable;
- (c) hazardous recyclable; and
- (d) hazardous non-recyclable.

### ***Goods Returned to Warehouse***

4. Goods which are no longer required or are unserviceable should be returned to the Warehouse on GF 10.

5. Any item of plant or equipment which cannot be used for the intended purposes in its present condition due to major defects or damage and is beyond economic repair should be returned to the Warehouse through the Officer responsible for the management of assets in the Department. This Officer should also submit to the OIC Warehouse the relevant technical

diagnosis report (TDR) which clearly indicates that the plant or equipment is beyond economic repair. Classification of a plant or equipment as beyond economic repair for this purpose may be determined with respect to-

- (a) the type and model;
  - (b) the acquisition cost;
  - (c) the age and economic life;
  - (d) the estimated costs of repair; and
  - (e) whether the model is still available on the market and its current market price.
6. Where unserviceable goods cannot be returned to Warehouse due to their physical condition, they should be kept in safe custody where they are located. The responsible officer should furnish a list of such goods to the OIC Warehouse with all appropriate information on GF 15A.

#### **Disposal of Unserviceable goods**

7. Subject to compliance with applicable legislation, unserviceable goods may be disposed of as follows-
- (a) Issue to recyclers (recyclable wastes – hazardous and non-hazardous); or
  - (b) Landfill or incineration (non-hazardous non-recyclable wastes); or
  - (c) Other approved modes of disposal (hazardous non-recyclable wastes).
8. Where unserviceable goods (including recyclable goods) can be sold, Accounting Officers should also consider this mode of disposal.
9. The Accounting Officer should arrange for the disposal of unserviceable goods (both minor and major goods) having regard to best practice and legislation protecting the environment. In this respect the list of unserviceable goods to be disposed of should be submitted to the Ministry responsible for solid and hazardous wastes management for its recommendation as to the proper mode of disposal.
10. Before authorising the disposal of minor unserviceable goods listed on GF 12, the Accounting Officer should ensure that -

- (a) a proper TDR has been submitted where applicable; or
  - (b) the goods are examined by a departmental officer (other than the officer responsible for the goods) and are duly certified as being unserviceable.
11. In the case of major unwanted goods, the Accounting Officer should appoint a Board of Survey to examine and make recommendations as to their modes of disposal. Such goods should be listed on GF 15A which should include the following information-
- (a) location;
  - (b) ledger record reference;
  - (c) description of goods and quantity;
  - (d) make, model and serial number;
  - (e) date of acquisition;
  - (f) original cost (or fair value where appropriate); and
  - (g) condition including technical diagnosis report, where required.
12. The disposal of unserviceable goods should be made by the OIC Warehouse in the presence of an officer designated by the Accounting Officer to carry out the disposal instructions. Both officers should then sign and date a Certificate of Disposal (in the format shown below) which should be submitted together with a copy of the GF 12 or GF 16 (and GFs 15, 15A and 15B where applicable) to the Accounting Officer for authority to adjust records. Where disposal is done by way of landfill, a receipt from the landfill operator should also be produced to the Accounting Officer.

**CERTIFICATE OF DISPOSAL**

We hereby certify that the goods recommended for disposal listed at annexed Goods Forms ..... dated .....have been disposed of by issue to recycler(s)/landfill/incineration\* on .....

BOS Reference.....

Name: ..... Name: .....

Rank: ..... Rank: .....

Signature:..... Signature:.....

Date: ..... Date: .....

*\*Delete as appropriate*

13. A copy of the certificates/Goods Forms mentioned at paragraph 12 above should be submitted to the Director Procurement and Supply.
14. All records should be cleared by quoting the Authority for write off as approved by the Accounting Officer on the GF 12 or GF 16.

### **Disposal of Unwanted Useable goods**

15. The modes of disposal are as follows-
  - (a) Transfer to other Departments;
  - (b) Donation ; or
  - (c) Sale by Auction or Competitive Bidding.

#### ***Transfer to other Departments***

16. Transfers of unwanted goods should be vouched on the Combined Indent, Issue Note and Receipt Vouchers (GF 5 or, if payment is involved, on GF 6).

#### ***Donation***

17. All goods recommended for donation should be vouched on a Combined Indent, Issue Note and Receipt Voucher (GF 5).

#### ***Sale***

18. Sale of goods should be carried out by-
  - (a) public auction; or
  - (b) competitive bidding.
19. The Accounting Officer should ensure that the auction is carried out in accordance with the Sale by Auction Act.
20. The Accountant-General should be contacted for the designation of auctioneers.
21. The auction sale must be held in the presence of two representatives, one from Finance Section and one from Procurement and Supply Section of the Department concerned. The two officers must, after the sale, prepare and sign the following certificate-

**CERTIFICATE OF SALE BY AUCTION/BID\***

Sale of Goods of the (Division/Section/Zone).....

Ministry/Department: .....

Authority: .....

Place of Sale: ..... Date of Sale: .....

\*Auctioneer/Purchaser: .....

We hereby certify that the proceeds of this sale amounting to Rs ..... the details being shown at Annex, have been accounted for on ABF 9A No. .... dated ..... at the Cashier's Office of .....

Name: .....

Name: .....

Rank: .....

Rank: .....

Signature: .....

Signature: .....

Date: .....

Date: .....

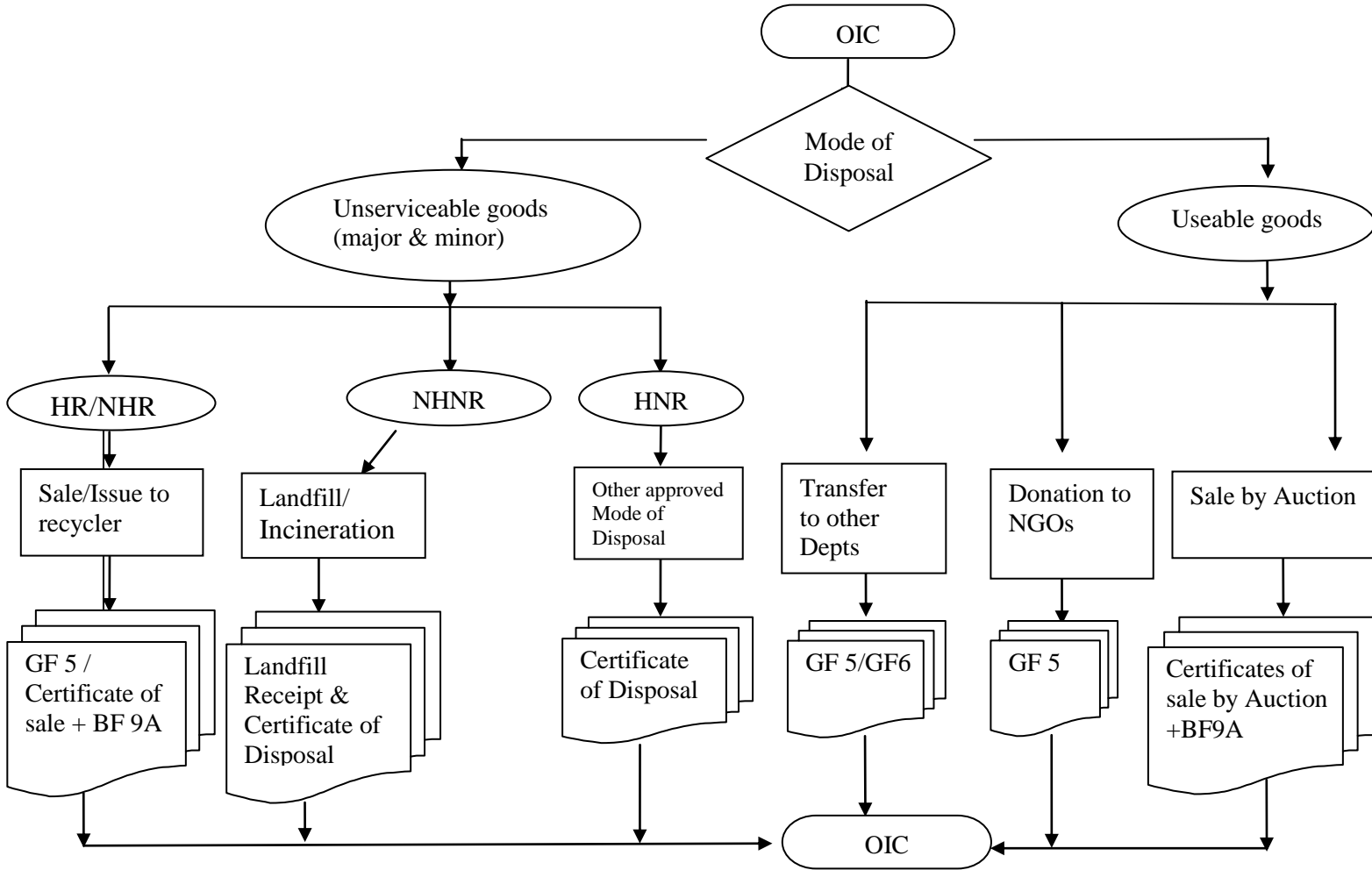
\* *delete as appropriate*

22. The proceeds of the sale should be remitted by the auctioneer to the Accounting officer of the department concerned within one week of the date of the sale by auction.
23. The following documents should be submitted by the OIC Procurement and Supply to the Accounting Officer :-
  - (a) Sale Account of the Auctioneer;
  - (b) ABF 9 A receipt; and
  - (c) Certificate of Sale by Auction.
24. Where Competitive bidding is resorted to, the Department should advertise the notice in a widespread newspaper and post it on the Department's website. The highest bid shall be accepted. The duplicate of ABF 9A receipt together with the Certificate of Sale by Bid should be sent by the OIC Warehouse to the Accounting Officer.
25. Records pertaining to the goods disposed of should be adjusted by quoting the BOS Authority reference as approved by the Accounting Officer on GF16.

**Supporting documents for adjustment of records**

26. The chart hereunder shows the source documents that should be used as basis and authority for the adjustments of records.

**DISPOSAL OF UNWANTED GOODS – Supporting documents**



OIC- Officer In Charge warehouse  
 HNRW – Hazardous non Recyclable Wastes  
 HR-Hazardous Recyclable  
 NHR- Non- Hazardous Recyclable  
 NHNR- Non- Hazardous Non Recyclable

## **BOARD OF SURVEY**

### ***Appointment of Board of Survey***

1. Boards of Survey (BOS) may be appointed by the Accounting Officer as per Layout 11 for the following purposes -
  - (a) survey of unwanted goods for appropriate disposal;
  - (b) handing-over of goods held in stock where the OIC Warehouse /Outstation is not in a position to hand over personally;
  - (c) annual physical stock verification and assessment of general conditions of warehousing; and
  - (d) surprise checks.
2. The Accounting Officer may in exceptional cases request the Director Procurement and Supply (DPS) to appoint a BOS as provided at paragraph I.4.13 (i) of Financial Management (FM) Kit Volume I.

### ***Composition***

3. (a) A Board of Survey shall consist of a Chairperson and two members;
  - (b) However, where the quantity of goods to be examined so warrants, the Accounting Officer may appoint up to two additional members; and
  - (c) Where necessary, to ensure continuity of operations in respect of receipt and supply of goods or for the proper conduct of the survey, the Accounting Officer may appoint member(s), including a chairperson, to cater for absences, or make such other arrangements.
  - (d) In the case of Missions, the Accounting Officer of the responsible Ministry may, where it would not be possible to comply with paragraphs (a) to (c) above, appoint a BOS comprising of two officers of the Mission concerned.



4. Members appointed on a BOS should as far as possible possess the required skills and competencies. Where technical skills/competencies are not available in the civil service, the Accounting Officer may consider outsourcing such services.
5. The survey should be carried out as instructed by the Accounting Officer, and in the presence of the OIC Warehouse/Outstation except in the case referred to at paragraph 1(b).
6. Where the Accounting Officer is not satisfied with the performance of any member of the Board or for any other valid reason, that member may be replaced forthwith.
7. Officers involved in procurement and supply duties should not be members of Boards of Survey held in warehouses to which they are attached, but they should be present to give all assistance required.
8. The OIC Warehouse/Outstation should ensure that all goods to be surveyed are properly stacked and labelled to facilitate the survey.
9. While a Board of Survey is in progress, no receipt or issue should be made without the sanction of the Chairperson who should countersign all vouchers.

***Duties of a Board of Survey***

10. The duties of a Board of Survey are to -
  - (a) survey all unwanted goods brought to its notice on List of Goods for Survey GF 15 and 15A and make recommendations as to the mode(s) of disposal;
  - (b) set the minimum reserved price (on List of Goods Recommended for Sale by Auction GF 15B) in respect of goods recommended for disposal through auction sale;
  - (c) ensure that information relating to minimum reserved price remains confidential;
  - (d) list on GF 15C items recommended for disposal by destruction;
  - (e) carry out a stock take of goods during handing over to an incoming officer on Handing Over Certificate GF 13, where a BOS is assigned the duty of handing over of goods at paragraph 1 (b). The BOS shall list all discrepancies in stock together with their value

on the verso of the GF 13 and shall sign the Handing Over Certificate;

- (f) report on the general conditions of warehousing and record-keeping, and complete the survey within the agreed timeframe;
- (g) carry out a hundred per cent check, unless specified otherwise in the letter of appointment;
- (h) record on List of deficiencies/Excesses GF 14 any excesses and deficiencies. All goods not found on Ledger charge should be regarded as excesses;
- (i) obtain, in writing from the OIC warehouse/outstation, explanations for any excesses (on GF 10) or deficiencies (on GF 9) as appropriate;
- (j) report whether ledger balances show the true stocks position ; and
- (k) report any difficulties experienced by the Board.

11. The Chairperson of the BOS will enter, on the next vacant line of every Ledger Record checked: the date, the words “Board of Survey”, the quantity and his initials. If the recorded balance is to be adjusted for excesses, deficiencies or transfers to Deficient Goods Ledger or Unserviceable Goods Ledger, entries should be made after the adjustment is completed.

12. If, for any reason, a Board of Survey cannot complete the task within the agreed timeframe, the Chairperson should inform the Accounting Officer of the reasons thereof. The Accounting Officer, after examining the facts of the case, may set a new timeframe.

13. The Chairperson of the BOS should prepare and submit to the Accounting Officer the BOS Report in triplicate, on GF 16 together with GF15B and/or GF 15C, wherever applicable. GF 15B should be submitted separately in a sealed envelope.

14. The following documents should form part of the BOS Report -

- (a) copies of the relevant GF 15, GF 15A and GF 15C;
- (b) copies of GF 15B (in a sealed envelope) where applicable;
- (c) copies of GF 13 in case of handing over;
- (d) copies of GF 14 in case of surprise checks or physical stock verification;

- (e) copies of GF 9 and/or GF 10 as appropriate, with the explanations of the OIC warehouse/outstation; and
  - (f) any other document as may be necessary.
15. The Accounting Officer may, where he deems necessary, seek the views of the DPS on the recommendations of the BOS.
16. Action on the recommendations of the BOS should only be taken after endorsement by the Accounting Officer. Disposal of goods, if any, should be made in accordance with provisions in force.
17. When final action on the BOS Report has been taken, the Accounting Officer should retain the original copy and send the duplicate and triplicate to the DPS and OIC Warehouse respectively.
18. The DPS should keep and maintain a database of the BOS Reports (GF 15, 15A, 15B, 15C and 16)

***Stock Verification***

19. In this Section Surveying Officer refers to the person who is entrusted with the responsibility for carrying out stock verification and includes the Chairperson of a Board of Survey appointed in accordance with paragraph 1 above.
20. Stock verification or stock-take is the physical verification of the quantities and conditions of goods held in a warehouse/outstation. A stock-take may be performed as an annual physical stock verification or as a continuous program in warehouses/outstations.
21. While a stock verification is in progress, no receipts or issues should be made without the sanction of the Surveying Officer, who should countersign all receipt/issue vouchers. Goods should not be taken on ledger charge during the stock verification without the knowledge of the Surveying Officer.
22. The OIC Warehouse/Outstation should collaborate with the Surveying Officer so that the stock verification exercise is carried out properly.

***Procedures for stock verification***

23. Before stock verification, the OIC Warehouse/Outstation should ensure that-

- (a) records are kept up-to-date;
- (b) all relevant records are handed over to the surveying officer(s);
- (c) all goods in the warehouse/outstation are properly labelled/classified to facilitate counting and recording; and
- (d) unwanted goods are kept separately.

24. During stock verification, the surveying officers should-

- (a) make a physical count of the goods in Warehouses/Outstations;
- (b) reconcile the quantity in stock with records;
- (c) for each item checked and found correct, date and sign the relevant records, inserting the quantity underneath the record balance; and
- (d) record all deficiencies or excesses on GF 14.

25. After stock verification,

- (a) OIC Warehouse/Outstation should-
  - (i) make necessary adjustments to balances recorded on GF 14;
  - (ii) adjust records where deficiencies can be matched with excesses of goods of a similar type; and
  - (iii) complete GF 9 (Deficient Goods) and/or GF 10 (Surplus and/or Returned Goods) as appropriate, and update records accordingly.
- (b) The surveying officer should-
  - (i) date and sign GF 14;
  - (ii) request the OIC Warehouse/Outstation to date and sign GF 14; and

- (iii) submit a report to the Accounting Officer with copy to the DPS, supported by GF 14, stating, inter-alia-
- whether goods are properly kept;
  - the conditions of Warehouse/Outstation including security and access controls;
  - whether records are up to date; and
  - whether unwanted goods are held separately.

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## Glossary

<b>Adjudicated price</b>	selling price to the highest bidder at an auction sale
<b>Broken / Damaged goods</b>	goods that are not unserviceable and have the potential for economic repair
<b>Condemned goods</b>	goods that have been recommended for disposal by a Board of Survey
<b>Dormant goods</b>	useable goods that remain non-moving for quite a long time
<b>Excess goods</b>	goods which are found to be in excess of the balances shown in the records
<b>Goods</b>	as defined in the Public Procurement Act, means objects of every kind and description including commodities, raw materials, manufactured products and equipment, industrial plant, objects in solid, liquid or gaseous form, electricity, as well as services incidental to the supply of the goods such as freight and insurance
<b>Major goods</b>	goods other than those that fall outside the category of minor goods
<b>Minimum reserved price</b>	the minimum price recommended by the Board of Survey
<b>Minor goods</b>	goods the original cost of which does not exceed Rs25,000 per unit
<b>Obsolete goods</b>	goods in working condition but outdated due to technological change
<b>Redundant goods</b>	useable goods that are no more required by the department concerned
<b>Returned goods</b>	goods, useable or unserviceable, which are returned to the warehouse by users
<b>Slow- moving goods</b>	goods that are useable that moves slowly due to low demand
<b>Surplus goods</b>	goods which are found to be over and above the requirement of the Department concerned
<b>Unserviceable goods</b>	goods that are of no apparent value to the department concerned due to expiry or being beyond economic repair but which are retained until disposal
<b>Unwanted goods</b>	goods which on account of their condition are no longer required by the Department concerned. Such goods may be dormant, redundant, slow-moving, obsolete, unserviceable, damaged or condemned
<b>Useable goods</b>	goods which are in good condition and have further economic life



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Combined Indent, Issue Note and Receipt Voucher

No.....

1. From: Ministry/Department .....

To: .....

Please supply the undermentioned Goods

Date		Name of Indenting Officer		Signature		Rank			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Receipt Ledger Record	Goods	Item Code (TAS)	Denomination	Quantity Required	Quantity Issued	Rate	Amount		Issue Ledger Record
							Rs	c	
<b>TOTAL</b>						<b>TOTAL</b>			

TOTAL ISSUED (in words).....

In words Rupees..... cents.....

2. To.....

Goods shown in column 6 Part 1, forwarded herewith.

Date:..... Issuing Officer ..... Rank.....

3. To.....

Goods shown in Column 6 Part 1, received in good order and taken on charge as indicated

Date Name of Receiving Officer Signature Rank

TREASURY ACCOUNTING SYSTEM

VOTE IS CORRECT

\* Commitment/Payment

Rs.....cs.....

Voucher No.....

Signature .....

\* Delete as appropriate

Note:- Part 3 is not to be signed until the total of column 6 has been entered in figures and words, and a diagonal line drawn below the last line of entry so as to cancel the remaining space in part I.



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LETTER OF APPOINTMENT

(BOARD OF SURVEY)

Ministry/Department.....

From: Accounting Officer

To: .....

You are hereby appointed Chairperson/Member\* of a Board of Survey to be held on the goods lying at this Ministry/Department.

The Board is to assemble at the Warehouse/Outstations\* located at ..... on ..... day of.....

The Board is constituted as follows:-

Table with 2 columns: Name (Chairperson, Member, Member, Member, Member) and Designation.

The purpose of the Board is to ( refer to Paragraph 1 of Financial Instructions- Board of Survey) -

.....
.....
.....
.....

The Board is to proceed in accordance with provisions contained in the Financial Instructions- Board of Survey.

Date..... Accounting Officer

\*Delete as appropriate







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**HANDING-OVER CERTIFICATE**

To : **ACCOUNTING OFFICER**

Ministry/Department .....

1. I certify that I have handed over to-day to Mr./Mrs/Miss\* ..... all goods of the ..... warehouse hitherto in my charge. I agree with the discrepancies shown in the list on reverse at part I. My explanations regarding deficiencies are attached.

Date.....

Signature ....

Designation.....

Outgoing Officer's Name .....

2. We hereby certify that Mr/Mrs/Miss\* ..... is unable personally to hand over the goods of the ..... warehouse/outstation\* owing to.....

As directed we have held a Board of Survey on the goods and found all to be (a) correct and in order (b) correct and in order except for those noted on reverse\*at part II. Our recommendations are attached.

NAME	DESIGNATION	SIGNATURE
Chairperson :		
Member :		
Member :		
Member :		
Member :		

Date.....

3. I certify that I have taken over to-day all goods of the above-mentioned warehouse/outstation situated at .....

(i) from Mr/Mrs/Miss\* .....and that I have checked the goods on hand and found all to be (a) correct and in good order (b) correct and in good order except for those noted on reverse\*at part III .

(ii) from the Board and that I was present during the survey. Goods found in excess have been taken on charge.

Date.....

Signature ....

Designation.....

Incoming Officer's Name .....

\*Delete as appropriate





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LIST OF GOODS FOR SURVEY

Ministry/Department .....

1. **To: Accounting Officer**

The goods listed at GF 15A page No..... (attached herewith) are ready for survey. In accordance with paragraph 1(a) of Financial Instructions- Board of Survey, a Board of Survey should be set up to examine and recommend the mode(s) of disposal.

Name of OIC Warehouse ..... Designation .....

Signature..... Date .....

2. **To: Chairperson Board of Survey**

You are requested to examine the goods listed at GF 15A page No. .... and to make recommendations for their disposal within..... days.

Accounting Officer .....

Signature..... Date .....

3. **To: Accounting Officer:**

We hereby certify that we have examined the goods which we consider should be dealt with as stated in our recommendations in GF 15A and 15B\*

NAME	DESIGNATION	SIGNATURE
Chairperson :		
Member :		
Member :		
Member :		
Member :		

Date.....

\* Delete where not applicable





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LIST OF GOODS RECOMMENDED FOR SALE BY AUCTION

Table with 9 columns: Ledger Record, Description of Goods, Date of Acquisition, Qty, Original Cost (Rs, cs), Condition, Recommendation of Board of Survey, Initials of Chairperson BOS, Minimum Reserved Price \*

N.B. In Column "Condition" put :- R for Redundant, O for Obsolete, U.S for Unserviceable, B for Broken

Date: Signature of Officer-in-Charge : Name of Officer-in-Charge : Designation :

\*Delete where appropriate



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**REPORT OF BOARD OF SURVEY**

of the .....

held on the .....

<p><b>B.O.S</b> <b>REFERENCE No.</b> .....</p>
--

<b>DATE</b>	<b>FROM</b>	<b>To</b>	<b>REMARKS</b>

Government of Mauritius

**TO: OFFICER-IN-CHARGE WAREHOUSE/OUTSTATION**

1. The recommendations of the Board of Survey are approved/not approved\*
2. Proceed with the appropriate disposal actions as per recommendations and report back.

**Remarks :** .....

.....

.....

**Date:** ..... .....

**Accounting Officer**

*\*Delete as appropriate*

**TO: ACCOUNTING OFFICER**

Necessary action has been taken as per your instructions above. All records have been adjusted accordingly.

**Remarks :** .....

.....

.....

.....

.....	.....	.....
Date	Name(OIC Warehouse/Outstation)	Signature

**NOTE:** With reference to financial instructions on Board of Survey, Para. 1, Goods Form to be used are:-

- (a) GF15, 15A, 15B, 15C and GF 16
- (b) GF 9, GF 10, GF 13, GF 14 and GF 16\*
- (c)&(d) GF 9, GF 10, GF 14 and GF 16 \*

*\*Delete as appropriate.*

**Government of Mauritius**

Ministry/Department .....

Warehouse/ Outstation .....

BOS Reference .....

**TO ACCOUNTING OFFICER**

In accordance with instructions received in your Letter of Appointment dated....., the Board of Survey met on .....

2. The Board met at .....of the .....Ministry/ Department on the dates and at times as per annex, in order to make a .....% survey of the goods.
  3. The recommendations of the Board of Survey are submitted on GF 15A page No ..... and enclosed herewith.
  4. We have to report that (delete as applicable):-
    - (a) The stocks were checked against the Ledger balances.  
The checks covered .....% of the stock.
    - (b) Excesses and deficiencies found are noted on GF 14 which is enclosed. The explanations of the OIC Warehouse are attached in GF 9 and GF 10.
    - (c) All unwanted goods brought to our notice on GF 15 A page No..... have been dealt with according to procedures. The relevant Goods Forms with our recommendations thereon is/are attached.
    - (d) Difficulties experienced by the Board were as follows:  
.....  
.....
    - (e) The general conditions of the warehouse (s) is/are as follows:  
.....  
.....
    - (f) Record Keeping.....
    - (g) The Survey was completed on .....
    - (h) Other observations: .....
- ..... (if necessary, attach any additional statements)

NAME	SIGNATURE	DATE
Chairperson :		
Member :		
Member :		
Member :		
Member :		