

Surplus Property: Increase guidance to align with organizational values

Why this audit is important

This audit was conducted to evaluate the need for an updated surplus property policy since the existing one was over 25 years old.

Surplus property is defined as property that no longer has useful value. Some of that property that no longer has useful value may still have a useful life and can be sold, internally reused, or donated.

Surplus furniture resulted from renovations to upgrade the Metro Regional Center building. This meant Campus Operations staff had to dispose of large quantities of furniture and supplies that had accumulated over many years.

We identified nine invoices for surplus furniture disposal from 2018-2021, for a total cost of \$67,510. At least 1,000 pieces of furniture were disposed of, including cubicle wall panels, desks, chairs, file cabinets, overhead storage, and bookcases. We estimated that at least \$1.6 million was spent on furniture from fiscal years 2017-2021.

Office furniture and cubicles stored in the parking garage



Source: Metro Auditor's Office (July 23, 2021)

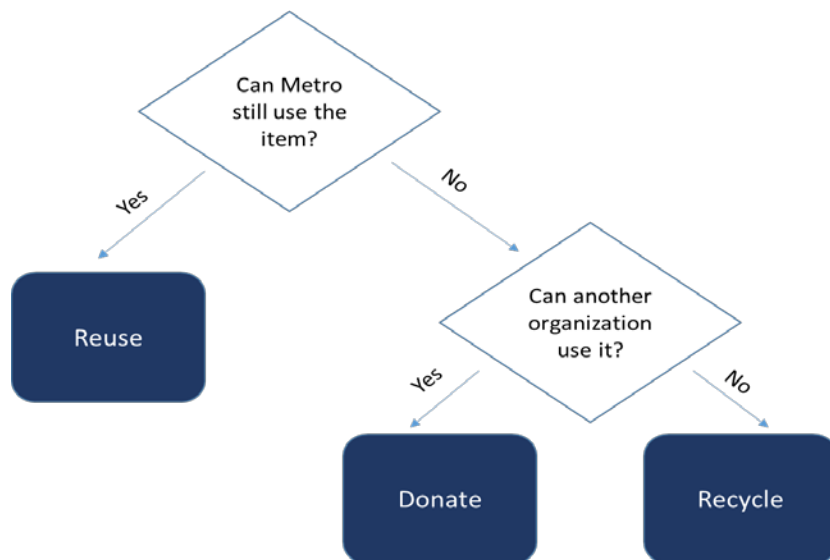
What we found

The policy no longer aligned with operations and it had not been updated to incorporate practices aligned with Metro's values. In the absence of up-to-date policy and procedures, we found departments made their own judgments regarding which organizational values to prioritize. Not having clear priorities could lead to missed opportunities to recover value from Metro property, make best use of employee time, or reduce waste.

Appropriate disposal of surplus property involves balancing three values:

- **Efficiency:** minimize costs associated with selling or disposing surplus property
- **Ethics:** prevent employees from acquiring or benefiting from surplus property for personal gain
- **Environmental Sustainability:** reduce waste and carbon emissions

Guidance could ease decision making for items with limited value



Source: Auditor interpretation of Oregon Department of Administrative Services guidance

Attention to the following areas can help the agency balance its values:

- Strategies to manage the most challenging types of surplus property
- Strategies to reduce property that contains environmentally harmful materials
- Strategies to build on existing reuse and waste prevention practices

What we recommend

The audit included five recommendations to better promote Metro's values, increase agency-wide coordination, and revise surplus property policy and practices.