

Asset Management Policy

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1. PURPOSE

In line with good financial management in the public sector, National Treasury requires the implementation of best practices pertaining management of government's movable and immovable assets. To this end the Department Transport, Safety and Liaison, in compliance with the Public Finance Management Act (PFMA), 01 of 1999 as amended by Act 29 of 1999 and its Regulations promulgated in Government Gazette number 27388 on 15 March 2005, give guidelines regarding the manner in which movable assets ought to be acquired, safeguarded, maintained, disposed and accounted for.

2. DEFINITIONS

"Accounting Officer" is the Head of the Department who is responsible for all activities of the Department, *inter alia* the management, safeguarding and maintenance of assets as prescribed by the Public Finance Management Act, 1999, sections 38 (d).

"Chief Financial Officer" is the official responsible for the overall financial activities of the department.

"Assets" are resources controlled by the department as a result of past events and from which future economic benefits or service potential are expected to flow to the department.

"Asset Management" is the process that guides the acquisition, use, safeguarding, maintenance and disposal of assets with a view of making the most of assets' service delivery potential and managing the related risks and costs over assets' entire useful life.

"Asset Holder" is the official to whom movable assets have been issued with the sole purpose of utilizing such movable assets to attain departmental strategic goals and objectives. As the custodian of assets issued to the asset holder, he/she is responsible for the safeguarding and appropriate use for assets and remains ultimately accountable for such assets.

"Asset Location" refers to the physical place where assets are kept i.e. office in particular office building in a particular city or town.

"Asset Manager" is the official responsible for the recording, maintenance and valuation of assets.

"Asset Register" is the electronic database or record listing of all assets acquired by the department that are classified as movable or immovable assets. National Treasury's transversal logistical information management system (Logis) is used as the database of movable assets.

"Asset Bar Code" is the unique identification number affixed onto a physical asset. In the event of intangible assets such as electronic software, patents, copyrights or trademarks, the asset bar code is indicated in the asset register only, as it cannot be affixed onto a non-physical asset.

"Cost" is the Rand value paid to purchase an asset.

"Fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

"Redundant" assets that is no longer fit for the purpose it was initially acquired for.

"Obsolete" assets reached the end of their life-span, or not economical to repair, or irreparable.



"Budget" is the appropriated funds allocated to the department in terms of the budget statement.

"Medium Term Expenditure Framework (MTEF)" consists of a three year rolling budget, reflecting the policy priorities of the department.

"Programme Manager" is the employee responsible for the management of human resources, in the context of this asset management policy i.e. asset holders, as well as financial and other resources e.g. assets of a programme who shall control, co-ordinate, evaluate and account to the accounting officer for the strategic objectives and activities of a particular programme.

"Responsibility Manager" is the employee responsible for the management of human resources, in the context of this asset management policy i.e. asset holders, as well as financial and other resources e.g. assets of which he/she is approving expenditure for the sole purpose of attaining strategic objectives and outcomes, as well as benefits that are in accordance with, and contribute to the strategic objectives and activities of a particular programme.

3. LEGISLATIVE MANDATE

This policy is informed by and based on prescripts in the following legislation, prescripts and guidelines:

- 3.1 The Constitution of the Republic of South Africa, Act 108 of 1996, section 216.
- 3.2 Public Finance Management Act 1 of 1999, sections 18, 38, 45 and 76.
- 3.3 Treasury Regulations, 2005, regulations 10 and 12.
- 3.4 Government Immovable Asset Management Act (GIAMA), 19 of 2007.
- 3.5 National Treasury Asset Management Learner's Guide.

4. OBJECTIVE OF THE ASSET MANAGEMENT POLICY

The objective of the asset management policy is to provide guidelines and a framework with regard to the management of assets held by the department with specific reference to asset management activities and proper accounting thereof – thus ensuring compliance with legislation and best practices applicable to asset management.

5. SCOPE OF APPLICATION

This asset management policy applies to all departmental employees. The policy facilitates the control, management, administration, reporting, safeguarding, maintenance and disposal of the department's movable assets. To this end departmental asset management delegations shall be complied with – refer to annexures 3 to 5.

6. ASSET LIFE-CYCLE MANAGEMENT

The life cycle of an asset or group of assets has four (4) distinct phases:

6.1 Planning Phase

A demand for an asset is identified by an end-user in a programme. The specifications for the identified asset that have to be acquired, are primarily determined by the end-user. The decision to acquire particular assets shall be driven by the departments' strategic objectives and requirements. The merit of demands for new assets is therefore appropriately evaluated. Assets are recorded and valued to allow performance and ensure accountability. Consistent asset classification is essential for good asset management and reporting.



6.2 Acquisition Phase

A particular asset is purchased or leased – depending on which option is more cost-effective and economical. The acquisition of assets is governed by the Public Finance Management Act, 1999 and its Regulations, as well as National Treasury instructions and the Department's Supply Chain Management Policy.

6.2.1 Current or Committed Projects

The management of movable assets shall include those assets in the process of being acquired or that are committed. The result of evaluating existing and anticipated new assets is a statement of available movable assets and assets expected to be available, that will enable the Department to work towards safe, reliable, sustainable transport services.

6.2.2 Methods used to acquire assets should enable:

- Appropriate allocation of risks and obligations to relevant parties.
- Definition of the respective roles of the various parties involved e.g. asset holder and programme manager.
- Required outcomes of the acquisition process.

6.3 Operation and Maintenance Phase

Assets are being used by asset holders for its intended purpose. This phase may be punctuated by periodic refurbishment, minor or major repairs that necessitate an asset to be taken out of service for periods of time e.g. information technology (IT) equipment.

6.4 Disposal Phase

This phase is initiated when the economic life of an asset has expired, or when the need for the service provided by an asset, no longer exists.

6.4.1 An asset is regarded as redundant when:

- ❖ Assets that is no longer fit for the purpose it was initially acquired for

6.4.2 An asset is regarded as obsolete when:

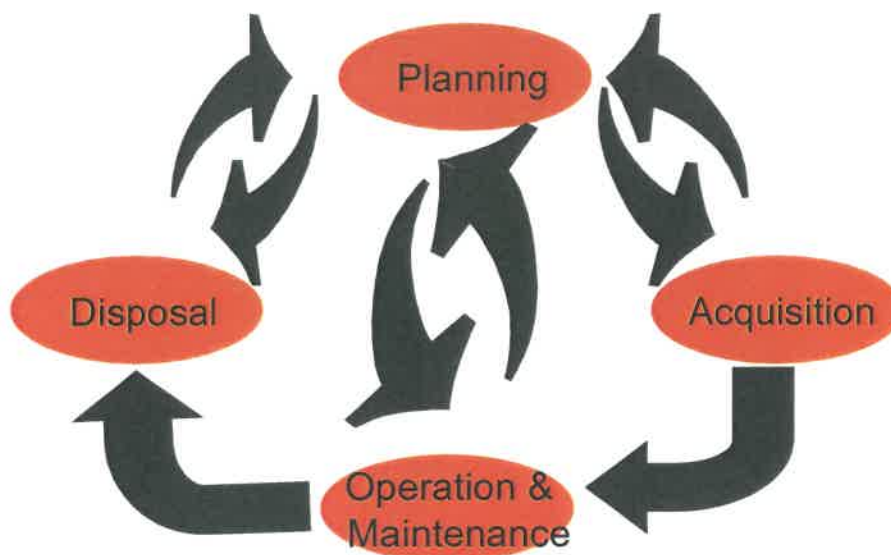
- It is beyond economic repair.
- It is irreparable.
- Reached the end of its life-span.

6.4.3 Upon written approval from the chairperson of the departmental disposal committee, the department shall dispose of redundant or obsolete assets by means of:

- Donation of redundant assets to nonprofit organisations (NPOs) that have been issued with a valid registration number in terms of the Nonprofit Organisations Act, no 71 of 1997.
- Sale of obsolete assets by an auctioneer at public auctions to the highest bidder.

6.4.4 Officials may not acquire obsolete assets earmarked for disposal directly from the department. Officials may however acquire obsolete assets at public auctions if the bid is the highest.

6.4.5 Should a demand exist, redundant and obsolete assets are replaced by more advanced assets.



7. DEFINITION AND CLASSIFICATION OF ASSETS

Assets are defined and classified as follows:

7.1 Asset Definition

An asset is a resource controlled by the department as a result of past events and from which future economic benefits or service potential is expected to flow.

The asset definition has three (3) elements, which must all be satisfied in order to qualify as an asset. Elements relevant to all forms of assets are:

- ❖ The asset has service potential or future economic benefit for the department.
- ❖ The department has the capacity to control the service potential or future economic benefits of the asset.
- ❖ The service potential or future economic benefits arose from past transactions or events i.e. future assets cannot be recognized in the financial statements.

Many assets have a physical form. However, physical form is not essential to the existence of an asset, hence intangible assets such as electronic software, patents, copyrights and trademarks.

7.2 Asset Classification

In order to ensure that assets are managed and accounted for in a consistent way, the following asset classifications are applicable:

7.2.1 Major Capital Assets

Major capital assets cost more than R5 000 (all inclusive). Capital assets may also comprise of intangible assets such as computer software.



Major assets are acquired with capital funds under the capital budget of the department.

Major capital assets often have components, each of which may be considered as an unique asset in its own right, but are related to others.

➤ **Example:** Desktop Computer

Primary Asset: CPU

Secondary Assets: Keyboard, mouse and monitor.

Immovable assets are without exception classified as major assets.

7.2.2 Minor Assets

The purchase value of minor capital assets is less than R5 000 (all inclusive). Minor assets are acquired with operational funds under the current budget.

7.3 **Asset Categories**

Departmental assets shall be classified under the following main categories in the asset register:

7.3.1 Tangible or Intangible Assets

- ✓ Tangible assets are physical in nature and have a useful economic life that extends beyond an accounting period. Tangible assets are used on a continuous basis and are not for sale in the ordinary course of operations.
- ✓ Intangible assets are identifiable non-monetary assets without physical substance. Intangible assets may be purchased e.g. electronic software or internally generated e.g. patents, copyrights and trademarks or the legally enforceable rights associated with copyright and patents. As in the case of other assets, intangible assets do have a recognisable right to future economic benefits and service potential.

7.3.2 Movable or Immovable Assets

Movable assets are assets that can be moved from one location to another e.g. office furniture and equipment, which is the main focus of this asset management policy.

Immovable assets comprise:

- ❖ All non-produced, non-financial tangible assets e.g. water and land resources.
- ❖ Some fixed tangible assets, namely fixed structures e.g. buildings, bridges and roads.
- ❖ Tangible immovable assets e.g. water and land.

7.3.3 Finance Leased Assets

Finance leased assets are recorded up and until expiry of the lease agreement. Finance leased assets such as mobile phones and data devices are however not recorded in the immovable asset register on Logis, but in a separate register. The data contained in said register support disclosure notes in the annual and interim financial statements.





7.3.4 Inventory

The department use supplies e.g. stationery and IT consumables that are consumed for or during service delivery. For the purpose of this asset management policy inventory is not regarded as assets, but as consumables. Consumables are ordered just-in-time; therefore the department do not keep stores. Upon receipt of consumables ordered, it is immediately issued to cost centres.

7.4 Asset Classification Standards

Assets vary and are therefore classified into logical groupings for management control and financial treatment.

7.4.1 *The following are the broad asset categories on the balance sheet:*

Asset Reporting on the Balance Sheet	
Tangible Assets	Intangible Assets
Land	Financial Assets
Property, Plant and Equipment	* Cash and cash equivalents
* Dwellings	* Marketable securities and deposits
* Non-residential buildings	* Shares in subsidiaries, associated companies and joint ventures
* Owner occupied property	* Long term securities and bonds
* Investment property	
* Other structures	
* Machinery, Plant and equipment	
* Computer Equipment	
* Furniture and Office Equipment	
* Other machinery and equipment	
* Transport Assets	
* Motor Vehicles	
Heritage Assets	
Biological assets or Cultivated Assets	
Mineral rights and similar non-regenerative resources	



7.5 Role of Assets

The role of assets is to support and enhance service delivery. Assets are acquired for the sole purpose of supporting and enhancing service delivery directly or indirectly. If an asset does not contribute effectively to the department's service delivery, it should not be kept, but disposed of.

7.6 Characteristics of Assets

An asset is a resource of past events from which future economic benefits or service potential is expected to flow to the department.

- It is a tangible or intangible item of significant value.
- It possesses service potential or future economic benefit that will flow to the department.
- The service potential or future economic benefit is controlled by the department.
- The service potential of future economic benefit arose from past transactions or events.
- It is probable that the service potential will be used.
- The asset has a cost or value that can be reliably measured.

8 MOVEABLE ASSET REGISTER

The Department Transport, Safety and Liaison shall implement and maintain its movable asset management register on National Treasury's transversal logistical information management system (Logis).

The LOGIS asset register is the database that provides the basis for figures in the financial statements.

The asset register contains information regarding the following aspects of an asset:

- Description
- Classification and Category
- Order number and Purchase Date
- Purchase Price
- Condition
- Location
- Name of Asset Holder
- Unique bar code and
- Serial Numbers if applicable i.e. in the case of computer equipment, but not office furniture.

All movable assets are recorded in the asset register, regardless of the funding source. Assets donated to the department shall be managed and accounted for in the same way as assets acquired with public, voted funds allocated to the Department.



The asset management register on Logis shall be monthly reconciled to the basic accounting system's (BAS) expenditure report. Discrepancies identified shall be rectified by either making corrections to the asset management register on Logis or to the basic accounting system.

The asset register shall *inter alia* contain non-financial data necessary to discharge statutory reporting obligations.

Functions related to the asset register resorts with the sub-directorate: supply chain management.

8.1 Logis Asset Register

The Department of Transport, Safety and Liaison's logistical information management systems (Logis) asset management register for movable assets shall include:

- Integration to the extent applicable with purchasing and payments effected by the basic accounting system (BAS).
- Structuring to allow the different classifications of assets to be distinguished.
- Financial data on assets that is maintained down to the level which is important to decision-makers.
- A clear identification of the asset holder, programme or unit, that is responsible for the use, maintenance and safeguarding of the asset; and
 - Asset data that is:
 - ✓ Updated as transactions and events occur - on an accrual basis.
 - ✓ Monthly reconciled to acquisition data and expenditure as per the basic accounting system (BAS).
 - ✓ Readily available to programme managers who are responsible and accountable for assets in their respective programmes.

9 ASSET MANAGEMENT RESPONSIBILITIES

The roles and responsibilities of the accounting officer and officials responsible and accountable for assets can be highlighted as follows:

9.1 Asset Holder

The asset holder is the official to whom movable assets have been issued with the sole purpose of utilizing such assets to attain the department's strategic objectives. The asset holder is the custodian of assets issued to him/her. As such the asset holder is responsible for the safeguarding, maintenance and appropriate use of assets issued to him/her. Therefore the asset holder remains ultimately responsible for the assets he/she is utilizing.

The asset holder shall inform the asset management unit, *via* the his/her Programme Manager, in the event that assets have been relocated to another asset holder and location by means of the standard asset movement sheet – refer to paragraph 9.4.



Failure to submit an asset movement sheet or loss report to the asset management unit when assets are relocated or lost, shall result in disciplinary action. Also refer to paragraph 12.

9.2 Programme- and Responsibility Manager

The manager of the asset holder referred to in sub-paragraph 9.1 is *inter alia* responsible that asset holders safeguard and utilise assets responsibly, use assets only for the intention it was acquired and notify the asset management unit – if and when movable assets have been re-located and re-issued to alternative asset holders.

Failure to ensure that the relevant asset holders submit an asset movement sheet or loss report to the asset management unit when assets are relocated or lost, shall result in disciplinary action. Also refer to paragraph 12.

9.3 Accounting- & Chief Financial Officer

- Account for the transfer and disposal of assets in accordance with prescripts.
- Maintain assets as to ensure that it enhances strategic service delivery objectives.

9.4 Asset Management Unit – Movable Assets (logistical information management system [Logis])

- Classify movable assets according to prescripts.
- Record the purchase price (historic cost) of each movable asset on the asset register.
- Manage issuing of assets to asset holders.
- Keep records as supporting evidence to updates of the asset register e.g. copies of invoices, asset movement sheets, asset verifications, minutes of disposal meetings, records of assets donated.
- Conduct a minimum of two (2) asset verifications of all departmental assets per annum.
- Verify asset count sheets against the asset register in order to maintain a credible asset register.
- Monitor the transfer, movement and disposal of assets according to prescripts.
- Maintain the movable asset management register as per legislative mandate – Public Finance Management Act, 1999.

10 VALUATION OF ASSETS

- The purpose of evaluating assets is to determine whether their performance is adequate to support the department's service delivery strategy.
- Asset performance is to be reviewed annually against best practice benchmarks to identify assets that are under-performing, or too costly to own or operate.

10.1 Evaluation of Asset Performance

All assets utilised for service delivery are to be identified and recorded in the department's movable asset register. How effectively these assets support service requirements also have to be determined. As part of the evaluation process, assets should be evaluated in terms of their:

- ❖ Physical condition
- ❖ Functionality



- ❖ Utilization
- ❖ Financial performance

10.2 Asset Valuation

10.2.1 Asset Value

Asset values are recorded in the movable as well as immovable asset management registers (if the latter is applicable) at the asset's original purchase price i.e. historic cost. Cost includes, besides value added tax (VAT) other necessary, additional expenditure such as transportation of assets to a particular location where the asset will be used.

If an asset does not have a determinable cost, its fair value should be established as at the first reporting date that it is recognized in the financial statements as an asset. The initial recognition of an asset at its fair value, in the absence of a determinable or reliable cost, does not constitute a revaluation.

10.2.2 Expenditure on Immovable Assets during Life-Cycle

Immovable assets are often modified during their life-cycle. The two (2) main types of modification are:

- ❖ Enhancement: Capital expenditure
- ❖ Refurbishments: Current expenditure

10.2.2.1 *Enhancement*

Disbursements relating to an immovable asset that have already been recognized in the financial statements should be added to the carrying amount of the asset. This is done if it is probable that future economic benefits or service potential over the life-cycle of the immovable asset will be in excess of the most recently assessed standard of performance of the asset that will flow to the department.

All other subsequent disbursements shall be recognized as expenditure for the period in which they are incurred.

10.2.2.2 *Refurbishments*

In the event of refurbishment, the value of the asset is not affected. The costs of refurbishment are regarded as current expense in the income statement.

To be considered as current expenditure, the following conditions must be satisfied:

- The spending is of a kind that must be undertaken regularly in order to maintain an asset in working order over its expected life-cycle.
- The owner or user of the asset has no choice whether or not to undertake ordinary maintenance and repairs if the asset in question will be continued to be used in production.



- The economic effect of this spending is such that there is no change in the asset's performance, capacity, expected life-cycle, size or shape. The asset is simply maintained in good working order, as defective parts have been replaced with new parts of the same kind.

10.2.3 Subsequent Valuation or Re-Valuation of Assets

Initial valuations of assets on a historic cost basis will become irrelevant over time. Regular valuations will provide a measure of the real costs consumed by and current value of the investment.

A re-valuation is to be taken up in the financial statements.

All asset movements must be recorded in the respective asset management registers and maintained to curb costs related to re-valuation.

When an asset is re-valued, the entire class of property to which that asset belongs should be re-valued. It is done to avoid selective re-valuation of assets and reporting of amounts in the financial statements.

Any subsequent expenditure incurred on an *existing asset that is of a capital nature* is added to the cost of the asset in the immovable asset register. All subsequent expenditure incurred on an *immovable asset of a capital nature* must be accounted for, in the statement of financial performance, by the department that has been allocated the capital budget.

Major and minor moveable assets are not subsequently re-valued in terms of any revaluation accounting model. Major and minor moveable assets remain at cost in the asset register until the date of de-recognition.

10.2.4 Subsequent Recognition (only applicable to immovable assets)

Work-in-progress and subsequent expenditure of a capital nature is recorded in financial statements as:

"expenditure for capital asset" and is capitalised in the immovable asset register on completion of the project.

In the case of an *immovable capital asset* the Northern Cape Department of Public Works and Roads shall capitalise the asset in its asset register. Ownership implies that the Northern Cape Provincial Government has legal title or deed either by way of an acquisition or transfer of ownership through the Government Immovable Asset Management Act no 19 of 2007 (GIAMA) processes.

Where uncertainty regarding the ownership of immovable assets exists, the asset shall be accounted for by the provincial Department of Roads and Public Works.



10.2.5 De-Recognition of moveable and immovable assets

An asset is de-recognised from the asset register when the asset is sold, donated, transferred or lost. The latter is only applicable to moveable assets.

Proceeds from the sale of assets are regarded as departmental revenue. Upon receipt of proceeds it is paid to the relevant revenue fund.

De-recognition includes the transfer of an immovable asset in terms of the Government Immovable Asset Management Act no 19 of 2007.

10.2.6 Presentation

All acquisitions of major assets, be it moveable or immovable, are presented in financial statements under:

- ✓ "expenditure of capital assets".

Acquisition of minor assets are classified under:

- ✓ "goods and services".

11 TRANSFER OF ASSETS

When assets of the Department are transferred to another department or other institution in terms of legislation or following a re-organisation of functions it shall be done in compliance with sections 42 and 76 (1) (k) of the Public Finance Management Act:

- 11.1 Compile a list of such assets according to the basic principles of an asset register.
- 11.2 Both transferring and receiving accounting officers are to sign the list of assets when the transfer takes place.
- 11.3 File a copy of the signed asset list with the relevant treasury and the Auditor-General within 14 days of the transfer.

The Accounting Officer may transfer movable assets free of charge to other departments, constitutional institutions or public entities. Proper record keeping of transfers is a prerequisite for de-recognition of assets in financial statements.

12 LOSS OF ASSETS

All officials are responsible for the effective, efficient, economical and transparent use of resources within their area of responsibility. This include the responsible use, safeguarding and maintenance of assets.

Measures to prevent the loss of assets, particularly high risk assets, such as notebooks and cameras, are set out in annexure 3 of this policy.

In the unfortunate event of the loss of an asset, the asset holder must report the incident within 24 hours to the nearest police station. It is essential to obtain the case number and name of the investigating officer. The asset holder is to complete a loss report as per annexure 4 of this policy. The programme manager is to ensure that the asset holder complies with the internal control – also refer to sub-paragraphs 9.1 and 9.2.



If liability for the loss has been determined, the accounting officer must recover the replacement value of the lost asset from the official responsible.

Lost assets are noted as such in the asset register. Loss reports serve as supporting evidence for removal of assets from the asset register.

13 DISPOSAL OF ASSETS

When assets of the Department are disposed of, it shall be done in compliance with section 76 (1) (k) of the Public Finance Management Act and Treasury Regulation 16A 7:

- 13.1 Dispose of movable assets at market-related value or by way of price quotations, competitive bids or auction, whichever is most advantageous, unless determined otherwise by Northern Cape provincial treasury.
- 13.2 Ensure that any sale of immovable state property is at market-related value, unless the Northern Cape provincial treasury approves otherwise.
- 13.3 The department shall also dispose of assets by means of donation:
 - ❖ Upon written approval from the chairperson of the departmental disposal committee, the department shall donate redundant assets to assets to nonprofit organisations (NPOs) that have been issued with a valid registration number in terms of the Nonprofit Organisations Act, no 71 of 1997.

14 LETTING OF ASSETS

When assets of the department are let, it shall be done in compliance with section 76 (1) (k) of the Public Finance Management Act and Treasury Regulation 16A 7, and shall:

- 14.1 Ensure that the letting of immovable state property - excluding state housing for officials and political office bearers - is at market-related tariffs, unless the Northern Cape provincial treasury approves otherwise.
- 14.2 No state property may be let free of charge without the prior approval from the Northern Cape provincial treasury.
- 14.3 Review, at least annually when finalising the budget, all fees, charges, rates, tariffs or scales of fees or other charges relating to the letting of state property to ensure sound financial planning and management.

15 INSURANCE OF ASSETS

In terms of Treasury Regulation 12.1.2, the Accounting Officer or his/her delegate may (if deemed economical and based on a risk assessment) insure the department's official fleet of motor vehicles, or such other movable assets determined by the Northern Cape provincial treasury.



16 DISCLOSURE OF MOVABLE AND IMMOVABLE ASSETS IN ANNUAL FINANCIAL STATEMENTS

The Department shall adhere to the reporting standard that comprises generally recognised accounting practice for the preparation of annual financial statements that shall *inter alia* consist of a statement of liabilities and financially related assets, unless otherwise approved by the National Treasury.

Failure to recognize assets in the annual financial statements may not be rectified by disclosure notes.

16.1 Movable Assets

The expenditure for capital assets note requires a split between capital costs incurred using voted funds and/or donor funds i.e. aid assistance. The note analyses funds utilised to acquire capital assets with a split between voted funds and aid assistance funds.

Minor assets purchased in a particular financial year are disclosed as part of the sub-note to goods and services assets less than R5 000.

A detailed asset register for all assets shall be made available to the office of the auditor general. The asset register shall be available as at 31 March of the particular financial year.

The information in the major asset register should be used to complete the disclosure notes on tangible movable capital assets.

16.2 Immovable Assets

The expenditure for capital assets note requires a split between capital costs incurred using voted funds and/or donor funds.

On completion of an infrastructure project, the department capitalises the total capital works i.e. capital work in progress of the previous year plus costs incurred to complete the project in the current year in its asset register - provided the Department accounts for the immovable asset in its own asset register.

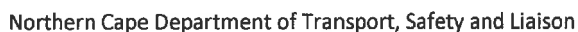
The asset is recorded as a non-cash addition in the asset register. Where the immovable asset is owned or accounted for by another department for example the provincial Department Roads and Public Works, the total cost of the project shall be accounted for by the Department Roads and Public Works as a non-cash addition at the end of the project.

A detailed asset register for immovable assets shall be made available to the office of the auditor general. The asset register shall be as at 31 March of the particular financial year.



USEFUL LIFE OF ASSETS IN YEARS

MACHINERY AND EQUIPMENT		Minimum Years	Maximum Years
1	Audio-visual Equipment	5	10
2	Cellular phones - over R5 000	0	2
3	Cellular routers	3	5
4	Domestic equipment (not kitchen appliances)	3	5
5	Firefighting equipment	3	5
6	Garden equipment	2	4
7	Kitchen appliances	3	5
FURNITURE AND OFFICE EQUIPMENT			
1	Advertising boards	3	5
2	Air conditioners - individual fixed and portable	3	5
3	Domestic and hostel furniture	3	5
4	Office equipment - including facsimile machines	3	5
5	Office furniture	5	10
6	Paintings and sculptures	5	10
COMPUTER EQUIPMENT			
1	Computer hardware and systems	3	5
TRANSPORT ASSETS			
1	Motor Vehicles	4	7
INTANGIBLE ASSETS			
1	Computer Software	2	5



Annexure 2

ASSET MOVEMENT SHEET

FROM TOWN: _____

TO TOWN: _____

FROM SITE/OFFICE BLOCK: _____

TO SITE/OFFICE BLOCK: _____

Print name: official whom transferred asset: _____ Signature (transferring official): _____

Print Name: official who received the asset: _____ Signature (receiving official): _____

Date Asset Transferred: 20 ____ / ____ / ____

Date Asset Received: 20__ / __ / __

Asset Management: [re-location of asset has been recorded on movable asset register (Logis)].

Date: 20____ / ____ / ____



DELEGATIONS TO ASSET HOLDERS

Annexure 3

Section 45 of the Public Finance Management Act (PFMA), Act 01 of 1999 as amended by Act 29 of 1999 states that:

"An official is a department, trading entity or constitutional institution is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility".

In compliance with section 45 the following functions are delegated to you in your capacity as a departmental official that is also an asset holder.

- 1 Safeguard assets assigned to you by locking your office door whenever you step out of your office. Particular care should be taken with laptops and digital cameras as it gets easily lost/stolen/damaged.
- 2 As an asset holder and end-user you are responsible for and have to account for assets and inventory issued to you with a view of attaining the particular unit/sub-programme/programme's strategic objectives.
- 3 Inform asset management if new assets have to be bar-coded or if existing bar-codes were damaged.
- 4 Allow access to your office during asset verifications.
- 5 Sign off asset count sheets after asset counts and keep asset count sheets safe behind your office door.
- 6 Duly complete and submit asset movement sheets to asset management when assets issued to you as asset holder were re-located to another asset holder or if and when you have been re-located to another office.
- 7 Complete a loss report when you have lost an asset. Forward the loss report to your Programme Manager for comments and signature, whereafter the loss report has to be submitted to the Asset Management Unit. If this is not done, the asset will remain on the asset register until the loss is discovered during the following asset verification. Disciplinary action will then be instituted.
- 8 Inform the asset management unit before you leave the Department's employ.
- 9 Duly sign the register maintained by the cost centre clerk when you utilise shared assets registers for assets in your unit/sub-programme/programme or directorate e.g. cameras, loudhailers, laptops by signing the asset out and in.

PROGRAMME MANAGER

Date

ASSET HOLDER / END-USER

Date



LOSS REPORT

Annexure 4

- 1 Name of office
- 2 Date of loss / discovery of loss Time of occurrence / discovery
- 3 Discovered by Date reported to SAPS.....
- 4 SAPS Case / MAS Number
- 5 Name, contact details and location of SAPS investigating officer
- 6 If not reported to SAPS within 24 hours after discovery – state reason(s) why

7 Loss / Damage

- 7.1 Were the lost / damaged movable asset(s) purchased or leased by the Department?
- 7.2 Value of lost / damaged movable asset(s) [Obtain information from Asset Management Unit]

Asset Description	Asset Number/Bar code	Serial Number (for IT equipment)	Purchase Price	Date of Purchase
			R	
			R	
			R	
Total value			R	

- 7.3 Describe all damages to moveable assets and office accommodation (e.g. broken lock/door) during, or as a result of the incident.

8 Safeguarding

- 8.1 Were the following locked/closed at the time of the loss of or damage to moveable assets?

	Yes	No	Not Applicable
Entrance to building			
Door to office			
Buildings' windows closed			
Office Windows closed			
Systems Cabinet			
4 drawer lockable wooden cabinet			
4 drawer lockable steel cabinet			



Drawer of desk or pedestal			
Safe			
Strong room			

8.2 How was access in your opinion gained to:

8.2.1 Building

8.2.2 Office

8.2.3 Systems Cabinet

8.2.4 Four (4) drawer lockable wooden / steel cabinet

8.2.5 Safe

8.2.6 Strong room

8.3 Where is the lost / damaged moveable assets usually kept?

8.4 Name and designation of official assigned with responsibility of safekeeping of the movable asset – including valuable, high risk assets such as laptops/notebooks or cameras.

8.5 Does the official referred to in 8.4 keep a register for the issuing and returning of assets such as pool laptops/, cameras

8.6 Name, surname and official contact number of official who had the moveable asset in his/her possession during the loss / damage

8.7 Did the official referred to in 8.6 sign the register referred to in 8.4 when the asset(s) was/were issued?

YES.....

NO.....

8.8 If a register was not signed upon issuing of asset – state the reasons

8.9 If the keys to a safe / strong room were not in the possession of the official with the assigned responsibility, indicate the name and surname of the official who was in possession of the keys at the time of the loss / damage.

8.10 Were the keys and assets in the safe / strong room handed over in writing to the official referred to in 8.9 prior to the loss / damage? If not, state reasons

8.11 Where were the assets at the time of the loss / damage?

8.12 When was the asset(s) last used? by whom?



8.13 Was the asset(s) locked away?..... If not, state reasons

.....
.....

9 **Officials present during loss / damage that occurred after official office hours**

9.1 Was anyone else – including officials – authorised to be in the building at the time of the loss / damage?

YES NO

9.2 If yes, state names and surnames

10 **Precautions**

10.1 Is the current situation of such a nature that a similar incident could recur?

10.2 What measures were put in place to prevent this incident?

.....

10.3 What steps were previously taken to prevent recurrence?

.....

10.4 Any other information deemed applicable

.....

11 **Declaration**

I [full names & surname] hereby declare that the above mentioned information is true, correct and complete.

Signature

Print Name

Designation

Date

12 **Comments: Programme Manager / Regional Manager / Senior Manager**

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

Signature

Print Name

Designation

Date