



## Lost, Stolen and Damage Assets

### *Version control*

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**Responsible Manager** : **Chief Financial Officer**

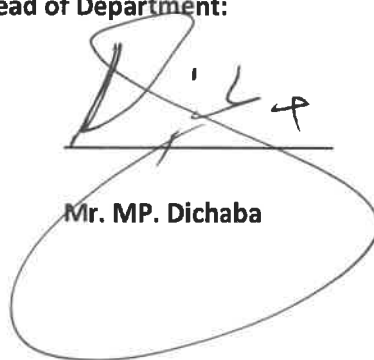
**Recommended** :

  
\_\_\_\_\_  
**Chief Financial Officer (Acting)**

31/03/2021

**Date**

**Approved by the Acting Head of Department:**

  
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**Mr. MP. Dichaba**

31/03/2021

**Date**

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## 1. POLICY AIM

- 1.1. To introduce measures and procedures on the handling of assets in the event of loss, theft and Damages of these assets in line with Public Finance Management Act (PFMA), Treasury Regulations and Treasury instructions and guidelines.
- 1.2. To ensure that proper control is exercised when handling government/state assets.
- 1.3. To ensure proper administration of lost, stolen or damaged government/state assets.
- 1.4. To ensure that staff within the department understands their responsibility as far as exercising care on assets, their accountability on the assets and is their duty to report the incident concerned.

## 2. LEGISLATIVE FRAMEWORK

- 2.1. Public Finance Management Act Section 38(1)(d)<sup>1</sup>, Section 45(b)<sup>2</sup> and Section 38(1)(2)<sup>3</sup>

## 3. POLICY SCOPE

This Policy applies to all Department of Transport, Safety and Liaison (DTSL) employees, structures, bodies and organisations that operate within the parameters of the DTSL.

## 4. POLICY STATEMENT

It is the policy of the Northern Cape Department of Transport, Safety and Liaison:

- 4.1. Damages caused by an official<sup>4</sup> of the department whilst on duty and performing his/her responsibilities attached to his/her job shall be borne by the department.

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<sup>1</sup> The accounting officer for a department, trading entity or constitutional institution is responsible for the management, including the safeguarding and the maintenance of the assets; and for the management of the liabilities, of the department, trading entity or constitutional institution.

<sup>2</sup> An official in a department, trading entity or constitutional institution is responsible for the effective, efficient, economical and transparent use of finance and other resources within that official's area of responsibility.

<sup>3</sup> The accounting officer of an institution must take full responsibility and ensure that proper control systems exist for assets and that;

(a) Prevention mechanisms are in place to eliminate theft, losses, wastages and misuse; and

(b) Stock levels are at an optimum and economical level.

<sup>4</sup> Employee of the Department

4.2. Notwithstanding what is mentioned above the department shall **not** bear the cost of the damage if the official concerned:

4.2.1. Intentionally exceeded his/her powers

4.2.2. Made use of alcohol or drugs

4.2.3. Did not act in the course and scope of his/her employment

4.2.4. Acted recklessly or intentionally

4.2.5. Without prior consultation with the State Attorney, made an admission that is detrimental to the department

4.2.6. Failed to comply with or ignored standing instructions of which he or she was aware of or could reasonably have been aware of which led to the loss damage or reason for the claim, excluding damage arising from the use of a departmental vehicle.

4.2.7. Did not possess a valid driver's license or other appropriate license

4.2.8. Did not use the vehicle in the interest of the department

4.2.9. Allowed unauthorized persons to handle the vehicle

4.2.10. Deviated materially from the official journey or route without prior authorization.

4.2.11. Made use of alcohol or any intoxicating substance while entrusted with the state vehicle.

#### 4.3. **Reporting Procedure**

4.3.1. In the event that an employee becomes aware of a loss or damage of state property such a loss or damage should be reported within 24 hours in writing to the Loss Control Officer<sup>5</sup>, through his/her supervisor or Head of Office/component.

4.3.2. The Manager, Supply Chain Management, Manager Auxiliary Services and Manager Information Communication Technology must also be given copies of this report.

4.3.3. The Loss Control Committee will assist the Loss Control Officer to evaluate all the reported cases, with a view to making recommendations to the Accounting Officer<sup>6</sup> on the finalization of such matters.

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<sup>5</sup> Deputy Director: Management Accountant

<sup>6</sup> Head of Department

- 4.3.4. A written report should be signed by the relevant Programme Manager and forwarded to the Loss Control Officer containing the following information.
- 4.3.5. Written Statement of the custodian, including full details of the events and circumstances that gave rise to the loss or damage.
- 4.3.6. The Responsible/Programme Manager should acknowledge the written report by appending their signature to it.
- 4.3.7. Losses and damages resulting from criminal acts or omissions should be reported to the nearest police station, which will allocate a Criminal Administration System (CAS) number.
- 4.3.8. The estimated cost of the loss or damage should be reported.
- 4.3.9. All incidents of loss, damaged or stolen state property must be reported by the respective Programme Managers to the Accounting Officer on a monthly basis and such incidents must be disclosed in the monthly reports from the Responsibility Managers too.

#### 4.4. **Safeguarding of Assets**

- 4.4.1. Every employee is the custodian of equipment, furniture and other state assets issued to him/her.
- 4.4.2. Therefore he/she is responsible for the safekeeping thereof.
- 4.4.3. Safeguarding of state assets is required to minimize the risk of theft and/or damages.

#### 4.5. **ACCIDENTS**

- 4.5.1. The following procedure must be followed in the event of a government vehicle being involved in an accident or damaged through any other means (no matter how trivial and irrespective of whether or not any person or animal or property or another vehicle is involved) to limit losses to Department to the minimum the person involved shall:
  - 4.5.1.1. Immediately after the accident, call the police or traffic authorities and in the event that they are not available, report the accident as soon as possible, but within 24 hours to the nearest police station in the area where the accident occurred and furnish full particulars of accident.

- 4.5.1.2. If requested to do so, supply the name and address of the driver of the government vehicle and the registration number of the vehicle to any other person who may have reasonable grounds for requesting the information.
- 4.5.1.3. Under no circumstances must liability be admitted to any person at all or at any time or any payment.
- 4.5.1.4. In the event of any third-party admitting liability, endeavors must be made to obtain a written statement from him/her in that effect.
- 4.5.1.5. Should a driver of a vehicle be suspected of being under the influence of intoxicating liquor or narcotic drugs, this fact must be brought the attention of the police or traffic officer attending the scene of the accident without any delay and every assistance must be rendered to him/her in ensuring the suspected person is to be examined by a doctor as soon as possible.
- 4.5.1.6. At least the following particulars, which are required for completing the Z181 accident report form (for GG vehicles) must be obtained as soon as possible, preferably at the scene of the accident.
- The registration number, make and type of the other vehicle(s) as well as the licence disk number.
  - The name, address, ID number, licence number of the driver(s) contact details of the driver(s) and the owner(s) of the other vehicle(s).
  - The name of the insurance company/broker with respect to the other vehicle(s).
  - Whether the driver acted in his/her own interests or in the interests of the owner of the vehicle.
  - The nature and extent of the damage caused to the other vehicle(s) in this particular accident.
  - The name, address, ID number, contact details and estimated age of any passengers and/pedestrian involved in the accident and of any person(s) killed or injured as well as the nature and extent of injuries.
  - A description of animals and fixed objects involved in the accident and the names and address of the owner, in the case of animals, and also the name and

estimated age of any herdsman(men) who tended or drove animals, as well as the nature and extent of injuries and damage.

- The name, address, ID number, and contact details of every witness, including the occupants of the other vehicle(s) concerned.
- Measurements for the preparation of a sketch of the scene of the accident.
- Whether or not the road was fenced in on either sides or on one side only.
- The time and exact place where the accident took place.

4.5.2. In respect of damages and/losses to rented vehicles, an accident report should be completed when returning the vehicle to the car rental company, merely stating the facts without making an admission that could be detrimental to the State. A copy of the report together with a written statement must be forwarded to the Department Transport Officer within 24 hours after the accident/incident.

4.5.3. All damages and losses to official transport must be reported the Transport Officer and copied to the Loss Control Officer within 24 hours of the incident/accident.

4.5.4. In the case of a possible 3<sup>rd</sup> party claim by the Department, the fact should be disclosed to the Transport Officer.

4.5.5. In the event of the above information not being provided to the Transport Officer and Loss Control Officer within 24 hours (on return the office) the official involved may be held liable for any losses to the Department that may occur as a result of the information not being available timeously.

#### **4.6. REPORTING OF THE ACCIDENT (OTHER THAN TO THE POLICE)**

4.6.1. The driver of the government vehicle must make an entry in the logbook of the vehicle and must, without delay complete those portions of the Z181-accident report form for which she/he is responsible.

4.6.2. The driver of the government vehicle must send the report together with statements by witnesses and other supporting documents, in triplicate, in the case of both pool vehicles and permanently allocated vehicles and departmental vehicles, to the Transport Officer.

4.6.3. This information must be submitted within 24 hours to the Transport Officer and the Loss Control Officer.

4.6.4. If any legal proceeding is instituted against an official of the department in respect of loss, damages or any related action emanating from a vehicle accident in which a state vehicle was involved the official must notify the relevant supervisor, the Loss Control Officer, Legal Services and the Transport Officer in the department within 24 hours of such accident having taken place.

#### **4.7. DAMAGE, LOSSES, DEFICIENCIES AND THEFT OF VEHICLES**

##### **4.7.1. Checking of a vehicle**

4.7.1.1. Before using a government vehicle an official must ensure that a pre-trip and post-trip inspection is done.

4.7.1.2. An official or employee who takes over a government vehicle must ensure that any damage or deficiency is immediately, in writing, brought to the attention of the Transport Officer when such becomes known to him/her.

4.7.1.3. An official who does not comply with the requirements of aforementioned paragraph will be deemed to have received the vehicle in good order.

##### **4.7.2. Reporting of Damage, Losses, Deficiencies and Thefts**

4.7.2.1. Where incidents of damage, loss, deficiency and theft occur, the official operating the government vehicle must immediately report the incident to his/her Transport Officer who in turn must notify the police within 24 hours when it is necessary.

4.7.2.2. Where incidents of damage, loss, deficiency and theft occur while a vehicle is on tour, the official of the department must report the incident to the nearest police station within 24 hours and on his/her return to his/her work station he/she must, without delay report the incident to his/her Transport Officer.

#### **4.8. Irregular, Improper and Unauthorised Use of Government-Owned Motor Transport**



4.8.1. If government vehicles are used irregularly, driven recklessly, neglected or misused, the matter must be viewed in a serious light and disciplinary action against the implicated official(s) must be considered despite of any proceedings which may be instituted in terms of the National Road Traffic Act.

4.8.2. Where government vehicles are used without authority the official concerned will be held liable for:

4.8.2.1. The cost of distance covered, incorporating drivers tariffs where applicable and where the vehicle was involved in an accident, the cost of repairing any damage sustained by the vehicle and the amount incurred in settling third-party claims arising out of the accident

4.8.2.2. Should a driver of a government vehicle have unauthorized passengers where the vehicle is involved in an accident, he/she will be held liable for any medical and/legal costs regarding the unauthorized passenger.

4.8.2.3. The penalties above shall be additional to the normal disciplinary sanction that may be metered out after a formal hearing.

## **5. REVIEW AND DISTRIBUTION**

5.1.1. The Senior Manager for Corporate Services is responsible for this policy and for ensuring that it is reviewed and updated.

5.1.2. This Policy will be reviewed after 18 months but before 3 years of the last publication date. If necessary, an updated version will be issued, if not a formal cover letter will be issued to supplement the cover of this Policy (identifying a revised publication date).

5.1.3. The senior manager for Policy & Planning will distribute updated versions to:

- Member of the Executive Council
- Head of Department
- All senior managers who will in turn distribute to their staff as appropriate.

## **ANNEXTURE A**

### **ESTABLISHMENT OF THE LOSS CONTROL COMMITTEE AND APPOINTMENT OF THE LOSS CONTROL OFFICER:**

- The committee shall consist of five members, excluding the chairman, with each programme represented.
- Committee members must be at least at the rank of Assistant Director and must reflect the demographics of the Department.
- Critical to reflect the duration of membership
- The quorum of the Committee shall be formed by at least three members including the chairperson.
- The Deputy-Director: Management Accountant is hereby appointed as the Loss Control Officer of the Department.