



LIMPOPO
PROVINCIAL GOVERNMENT
DEVELOPING THE SOUTHERN FRONTIER

DEPARTMENT OF
CO-OPERATIVE GOVERNANCE,
HUMAN SETTLEMENTS & TRADITIONAL AFFAIRS

LOST AND DAMAGED ASSET MANAGEMENT POLICY VERSION 1

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TABLE OF CONTENTS

DESCRIPTION	PAGE NUMBER
I. Abbreviation and Acronyms	2
II. Definitions	2-3
1. Preamble	3
2. Purpose and objectives of the policy	3
3. Scope of Application	3
4. Legal Framework	3
5. Administration of the Policy	3
6. Policy Content	3
6.1 Role and Responsibilities	4
6.2 Asset Holder's Responsibilities	4
6.3 Security Management Responsibilities	4
6.4 Asset Management Responsibilities	4
7. Cautions	4
8. Policy Statement	4
9. Procedure to handle Lost and Damaged	4
9.1 Stolen and Lost Assets	5
9.2 Damaged Assets	5
9.3 Costs	5
9.4 Replacement	5
10. Movement of movable assets between offices and outside offices.	6
11. Default	6
12. Adoption of the Policy	6
13. Deviations	6
14. Inception Date	7
15. Review of the Policy	7
16. Enquiries	7

i. Abbreviations and Acronyms

COGHSTA- Co-operative Governance, Human Settlements and Traditional Affairs

PFMA-Public Finance Management Act, 1999

SBU- Strategic Business Unit

SCM- Supply Chain Management

SAPS – South African Police Service

GITO- Government Information Technology Office

AMU- Asset Management Unit

HOD- Head of Department

MEC- Member of Executive Council

IT- Information Technology

ii. Definitions

“Accounting Officer” means the Head of a Department as defined in Section 36 of the PFMA.

“Damaged” means an item, which is damaged which is no longer useable by employees, e.g. broken laptop.

“Employee” means a person appointed in terms of the Public Service Act, 1994 (Act no.103 of 1994) to a post on the establishment of the Department; a person appointed on contract to provide a specific service to the Department; a person working for the Department in terms of an agreement entered into by or on behalf of the Department; and a person appointed by or on the recommendation of the MEC as a Member of a Committee, commission or an institution which is funded by the Department.

“Department” means the Department of Cooperative Governance Human Settlements and Traditional Affairs.

“Head of Department” means the Accounting Officer of the Department of Cooperative Governance Human Settlements and Traditional Affairs.

“IT assets” refers to computers, laptops, printers and projectors.

“Movable Assets” refers to assets that can be moved from one office to another.

“Negligent” refers when an asset is lost/damaged by an employee without taking any precautions to prevent that damage/loss.

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“Lost” means missing asset whether misplaced or stolen.

“Stolen” when proof exist that an asset was removed by an unauthorized person without the responsible official’s permission.

1. PREAMBLE

Section 38(1)(d) of the Public Finance Management Act, 1999 (Act No.1 of 1999)(PFMA) stipulates that an Accounting Officer is responsible for the management and maintenance of assets. Section 45(e) stipulates the responsibility of other officials in the entity. In order to give effect to this Section of the Act, a policy has been drafted to ensure effective and efficient asset management concerning lost and damaged assets within the Department.

This draft policy does not replace any policy regarding asset management and the usage thereof.

2. PURPOSE AND OBJECTIVE OF THE POLICY

The purpose of this policy is to manage accountability for the lost and damaged assets in the Department. The objectives of this policy are to:

- 2.1 To facilitate the process of the lost assets
- 2.2 To inform the employees about the management of lost assets.
- 2.3 To alert the employees about the implication of not taking care of assets.

3. SCOPE OF APPLICATION

This policy applies to all employees using assets belonging to the Department of Co-operative Government Human Settlement and Traditional Affairs.

4. LEGAL FRAMEWORK

The policy is informed (and not limited to) by the following regulations:

- I. Treasury Regulations issued in terms of the Public Finance Management Act, 1999
- II. Public Finance Management Act
- III. Departmental Notebook Policy; and
- IV. Transversal Asset Management Policy

5. ADMINISTRATION OF THE POLICY

Supply Chain Management – Asset Management Unit is responsible for the administration of this policy.

6. POLICY CONTENT

6.1 ROLES AND RESPONSIBILITIES

6.1.1 ASSET HOLDER'S RESPONSIBILITIES

All employees holding assets are accountable and liable for the use of COGHSTA assets and have the responsibility to ensure that assets within their area of jurisdiction are properly safeguarded and protected be it within or outside their work stations.

6.1.2 SECURITY MANAGEMENT DIVISION RESPONSIBILITIES

Security Management is responsible for the following:

- I. Implement physical measures to ensure adequate security measures to protect COGHSTA assets.
- II. Monitor and enforce policy compliance.
- III. Perform investigations in a professional manner.

6.1.3 ASSET MANAGEMENT RESPONSIBILITIES

Asset Management unit is responsible for the following:

- I. Maintain proper asset register with detailed transaction.
- II. Monitor and enforce Policy Compliance
- III. Follow appropriate channels to resolve policy breaches and incidents.
- IV. Educate officials whenever possible about asset management best practices and about Lost and Damaged Asset Management Policy.

7. CAUTIONS

- I. COGHSTA will make reasonable efforts to protect and safeguard movable assets within the premises.
- II. COGHSTA will deploy security measures in the form of physical security guards, surveillance monitoring and secure door access into its premises.
- III. Movable assets like computers and notebooks will be fitted with cable locks to safeguard such assets.

8. POLICY STATEMENT

- I. Asset Management is the process of guiding the acquisition, usage, safeguarding and disposal of assets to make the most of their service delivery potential and manage the related risk and costs over their entire life.

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- II. The Department is faced with a challenge of how to enforce Section 459(e) of the PFMA as there's no policy guidelines on how to put it into effect.
- III. In order to address the above, a policy has been formulated to come up with a mechanism which will assist assets practitioners and users of movable assets on what should be done if a movable asset is lost or damaged and on which circumstance the user is required to pay the book value of the lost or damaged movable asset.

9. PROCEDURE TO HANDLE LOST OR DAMAGED MOVABLE ASSETS

9.1 STOLEN AND LOST ASSETS

All assets stolen or lost should be reported to SCM which will consider the following:

- I. In case of negligence on the part of the departmental security, the security company will pay the value of the lost or damaged property as determined by the Department.
- II. In case of negligence on the part of the Employees of the Department, the employee concerned must pay or replace the asset accordingly. The employee is expected to pay the current value of the asset. The asset to be replaced should conform to the Department's specification.
- III. In case of both parties (security of the Department and the employee) are negligent, they will be jointly liable.
- IV. The employee is required to open a case with the SAPS to broaden the scope of investigations before submitting the case to SCM if the movable asset is lost.
- V. The employee will be expected to pay or replace the lost asset within a period of three months. An extension period limited to 12 (twelve) months is allowed, provided, the Accounting Officer has approved such.
- VI. **The employee will not be given a loan of asset unless he/she has committed himself/herself about the replacement / payment of the lost asset.**

9.2 DAMAGED ASSETS

- I. All damaged assets should be reported to the issuing SBU's Director who in turn will inform SCM accordingly.
- II. Damaged assets IT equipment has to be reported to GITO (before they are reported to AMU) that in turn will inform Asset Management division **WITHIN FIVE WORKING DAYS.**
- III. If investigations revealed that there was negligence on the part of the employee, the said employee will be required to pay the repairing costs.

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9.3 COSTS

- I. Where officials are found liable for the loss or damage, officials will have no options but to pay for such movable asset.
- II. The payment will be based on the cost of the new asset.
- III. The maximum repayment will be a financial Year unless arrangements are made with the Accounting Officer.

9.4 REPLACEMENT

- I. Where officials are prepared to replace the lost asset (I.T equipment) the officer concerned will be required to liaise with GITO and asset management section for specification. No replacement without receiving correct specification from asset management section.
- II. Damaged assets will be repaired if the cost to repair is not more than 50% of the replacement value for such asset. Where the cost is more than 50% the asset will be disposed but the cost thereof will be recovered from the employee if the damage is a result of negligence.

10. MOVEMENT OF MOVABLE ASSETS BETWEEN OFFICES AND OUTSIDE OFFICES

- I. No transferring, long term loaning of assets are allowed without prior written approval of the Director: Logistic and Asset Management. In case where an item has to be transferred, a memorandum for requisition of the item must be done by the Chief User of that particular SBU or Branch to Director: Logistic and Asset Management to adjust their records accordingly.
- II. In the event of any asset within the office being removed from such office, the approval of the Director concerned must be sought to protect the employee in case of loss/damage.

11. DEFAULT

None compliance to the policy shall constitutes violation of the policy and shall be dealt with in terms of the departmental disciplinary code and procedure Policy.

12. ADOPTION OF THE POLICY

The adoption date of this policy shall be 30 days after the approval of MEC

13. DEVIATIONS

No deviations from this policy are allowed.

14. INCEPTION DATE


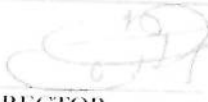

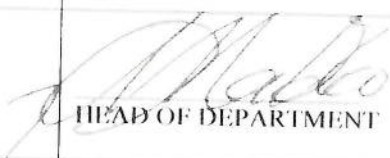

Inception date of this policy shall be 30 days after the approval of the MEC.

15. REVIEW OF THE POLICY

This Policy shall be reviewed on bi-annually basis to be in line with the policy development framework of the department.

16. ENQUIRIES

All enquiries shall be directed to Asset Management Section.

POLICY TITLE: COMPILED BY:	LOST AND DAMAGE ASSET MANAGEMENT POLICY SBU: SUPPLY CHAIN MANAGEMENT  DIRECTOR: LOGISTIC AND ASSET MANAGEMENT 07/04/2016 DATE
QUALIFIED BY:	 DIRECTOR RESEARCH & POLICY CO-ORDINATION 07/04/16 DATE
RECOMMENDATION BY:	 CHIEF FINANCIAL OFFICER 08/04/2016 DATE
ADOPTED BY:	 HEAD OF DEPARTMENT 11/04/2016 DATE
APPROVED BY:	 MEC COGHSTA 13/04/2016 DATE
DATE INITIATED	
EFFECTIVE DATE	
REVIEW DATE	