

POLICY ON ASSET MANAGEMENT

1. PREAMBLE

The Department of Cooperative Governance and Traditional Affairs intends to promote effective and efficient utilization of assets at the lowest possible cost.

2. DEFINITIONS

- Suspense Account : Is a ledger account in which all transactions awaiting approval are temporarily kept.
- Damage Control Officer : Loss or damage Control Officer is an official delegated with authority to administer, control and report all losses and damages Incurred to the Head of Department
- HOD : Head of Department or Accounting Officer is the civil servant in a Department who is accountable to Parliament or Provincial Legislature for Financial Management.

3. PURPOSE

The purpose of this policy is to ensure that assets remain appropriate to programme requirements, effectively utilized, and maintained in the necessary condition to support programme delivery at the lowest possible long-term cost.

4. AUTHORISATION

This framework is authorised by Section 216(1) of the Constitution and Section 27, 38 and 40 of the Public Finance Management Act.

5. REGULATION FRAMEWORK

- 5.1 Constitution of the Republic of South Africa, Act no 1 of 1996.
- 5.2 Public Finance Management Act no 1 of 1999, as amended.
- 5.3 Supply Chain Management Framework as approved in December 2003
- 5.4 Public Service Act, Act no 103 of 1994
- 5.5 Preferential procurement policy framework Act, Act no 1 of 2000

6. POLICY FRAMEWORK

6.1 Purchase of Goods

Purchases shall be in accordance with the provision of the regulation in respect of the framework for supply chain management

Delivery notes for goods must be signed by the authorised Departmental Official. Deliveries shall be examined before any delivery notes signed.

Damaged item must be return and replaced within seven days form the delivery date.

Stores must be brought to charge after delivery.

The person acknowledging receipt of goods shall not be the person who signed the order form.

The official who signs the delivery note must confirm hat the goods delivered comply with the specification on the order form.

Assets purchased must be declared and be bar coded wit in two (2) weeks from the date of delivery.

6.2 Marking of State Property

All Movable Assets (A- Class accountable stores and equipment) must be marked / bar code/ stamped with state ownership.

6.3 Record Keeping

The stores office shall keep ledgers and tally card as back-up.

6.4 Issuing Of Stock

Stock issued from a warehouse shall be made available only upon presenting an authorised requisition.

All stock issuing shall take place by means of an issu ucher and the recipient shall acknowledge receipt.

6.5 Handing over of Stores Responsibility

Hand over certificates must be signed by both officials when there is a change in stores control.

6.6 Losses and Demand

The HOD may charge officers in writing with the duties attached to loss and damage control.

A loss or Damage Control office must be appointed in writing for each Region and Head office.

Losses and Damage must be reported to the supervisor within 72 hours.

6.7 Disposal of Assets

Store and equipment, which are redundant, obsolete and unserviceable, shall be disposed of.

Disposal of movable assets must be done in terms of the treasury regulation of 2000 as amended.

6.8 Inventory List

All movable assets must be bar coded

All movable assets will be reflected on an inventory list displayed at or near an office door.

Digital cameras, overhead projectors, laptops and cell phones (purchased by government) shall reflect on the office's inventory list.

6.9 Control of Movable Assets

Transfer of movable assets between Departments must be approved by both Accounting Officers.

Internal movements must be approved by the supply chain management division.

6.10 Recovery in respect of losses or damages

Recovery will be done as stipulated in the asset management guidelines.

6.11 Stock Taking and Board of Survey

Stores item shall be subjected to stocktaking, at least once a month by the Supply Chain Management division, both at Head office and Regions.

Inventory item (including equipment and livestock) shall be subjected to stock take at least once per quarter by inventory controllers

Surpluses and deficiencies must be confirmed and accounted for in a suspense account.

7. SCOPE OF APPLICATION

The above minimum provision will be applicable to all official within the Department of Cooperative Governance and Traditional Affairs.

8. PROCEDURE AND AMENDMENT OF THE POLICY

The amendment of this policy shall be done in accordance with changing legal frameworks and shall be subjected to approval by the Head of Department. He/she shall have the discretion to deviate from any clause in this policy where needs be.

9. MONITORING, EVALUATION AND REPORTING

The department through its delegated structures shall monitor and evaluate effectiveness of the implementation and report to Head Department on an annual basis.

APPROVED/NOT APPROVED

MR S. NGUBANE

ACTING: HEAD OF DEPARTMENT

DATE_____