

## **DISPOSAL AND LETTING OF ASSETS POLICY**

### **1. PREAMBLE**

Sound and best practices for disposal of redundant, obsolete and unserviceable stores and equipment and are important for good asset management

### **2. PURPOSE**

To provide guidelines and standards for sound disposal of redundant, obsolete, and unserviceable stores, equipment and livestock.

### **3. AUTHORIZATION**

This framework is authorized by section 76(1) (k) of the Public Finance Management Act, 1999 (Act of 1999 as amended by Act 29 of 1999.) read in conjunction with chapter 10, paragraph 10.2 of the Treasury Regulations and the framework for Supply Chain Management as approved in December 2003.

### **4. REGULATORY FRAMEWORK**

- 4.1 Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)
- 4.2 Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999)
- 4.3 Treasury Regulations
- 4.4 Public Service Regulations, 1994 (Proclamation no. 103 of 1994)
- 4.5 Public Service Act, (Act 103 of 1994 as amended)
- 4.6 Arms and Ammunition Development and Production Act, 1968 (Act 57 of 1968)

### **5. FRAMEWORK POLICY**

#### **5.1 Disposal of redundant, obsolete, and unserviceable stores and equipment.**

- 5.1.1 Stores and equipment, which are redundant, obsolete and unserviceable, shall be disposed off as soon as possible.
- 5.1.2 No firearm may, be sold or donated to any person or institution within or outside the Republic of South Africa without the prior approval of the National Conventional Arms Control Committee.

#### **5.2 Disposal and letting of assets**

- 5.2.1 Disposal of movable assets must be at market-related value or by tender or auction, whichever is most advantageous to the state, unless determined otherwise by the related Treasury.
- 5.2.2 Any sale of immovable state property must be at market-related value, unless the relevant treasury approves otherwise.
- 5.2.3 The letting of immovable state property (excluding state housing for official and political office bearers) must be at market-related tariffs, unless the relevant treasury.
- 5.2.4 The accounting officer must review, at least annually when finalizing the budget, all fees, charges, rates, tariffs or scales of fees or other relating to the letting of state property to ensure sound financial planning and management.

### **5.3 Jurisdiction to take decisions**

- 5.3.1 The jurisdiction to take decisions and submit recommendations with regard to redundant, obsolete and unserviceable stores and equipment rests with the disposal committee as delegated. The function of the disposal committee is to ensure that the Department derives optimal use from its stores and equipments.

### **5.4 Compilation of the disposal committee**

- 5.4.1 The Head of the Department will appoint the chairperson and members of the disposal committee in writing or by means of their duties sheets.
- 5.4.2 The chairperson of the disposal committee will at all times be an official with at least the rank of a manager (Deputy Director) or equivalent.

### **5.5 Composition of the disposal committee**

- 5.5.1 The disposal committee will consist of six members (including the chairperson) from the Department of Cooperative Governance and Traditional Affairs and Housing as follows:
  - (a) One member from I.T. Section.
  - (b) Two members from Supply Chain Management
  - (c) One member from Policy and Planning
  - (d) One member from Revenue Section
- 5.5.2 In addition to the above-mentioned members of the disposal committee, the chairperson must co-opt members, in writing, from the following institutions:
  - (a) One Member from Provincial Treasury
  - (b) One Member from Auditor General

5.5.3 Furthermore the chairperson may at anytime during the process of evaluation of specialized stores/equipment, co-opt an additional member who possesses specialized knowledge in the relevant field. This co-opt must be effected in writing.

**6. ROLE OF THE DISPOSAL COMMITTEE**

- (a) Hold quarterly disposal committee meetings on disposal of departmental assets.
- (b) Physically verify items to be disposed as per the list obtained from the Asset Management
- (c) Write -off items that are found redundant, obsolete and unserviceable.
- (d) Collect disposed items to the central store for preparation to dispose-off.
- (e) Dispose -off as per the Treasury regulations, PFMA and SCM.
- (f) Keep records of such disposal of state assets.

**7. SCOPE OF APPLICATION**

The above are provision to be complied with by officials in the Department of Cooperative Governance and Traditional Affairs.

**8. PROCEDURE FOR AMENDMENT OF THE POLICY**

Amendments to the policy must be tabled to Senior Management for discussion and the Accounting Officer must approve such amendment.

**9. MONITORING, EVALUATION AND REPORTING**

The efficiency of the policy must be monitored, evaluated and reported on annual basis.

**APPROVED/ NOT APPROVED**

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**MR. S. NGUBANE**  
**ACTING: HEAD OF DEPARTMENT**  
**DATE**\_\_\_\_\_