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STANDARD OPERATING PROCEDURE: MANAGE LOSS CONTROL

TITLE OF SOP	MANAGE LOSS CONTROL
SOP Number	AM – MAM -02
Purpose	To document the Standard Operating procedure (SOP) for loss control to minimize the risk on occurrence of movable asset losses/damages within the Department. The recording, investigation and disclosure of the losses and damages of moveable assets. To establish an effective movable asset loss control management system.
Scope	Applies to all officials/Users, employed permanently, on contract or as an intern by the Department.
Definitions and Acronyms	AR An Asset Register AO Accounting Officer MCS Modified Cash Standard GRAP Standards of Generally Recognised Accounting Practice PFMA Public Finance Management Act No1 Of 1999 SAPS South African Police services IAS International Accounting Standards IFRS International Financial Reporting Standards (IFRS)
Performance Indicator	Number of reconciled asset register

**STEP BY STEP GUIDE
MANAGE LOSS CONTROL**

Nr	Task Name	Task Procedure	Responsibility	Time Frame	Supporting Documentation	Service Standard
1.	Report loss and damages	<p>In case of loss through Criminal Acts or Omission</p> <ul style="list-style-type: none"> • Report to the nearest SAPS with 24 hours, after loss has occurred of the moveable asset and obtain a SAPS case number • Obtain a written police statement from SAPS • Complete Proforma Statement of reporting losses and damages; which also include a SAPS case number. • Submit a completed Proforma Statement together with police statement to Director Asset Management • Forward the report to Security Management for all losses withing the Departmental premised for analysis and recommendation <p>In case of damages of Assets through Omission or Negligence</p> <ul style="list-style-type: none"> • Report any movable asset damages to the Responsibly Manager within 24 hours. • Responsibility manager must determine whether there was any act of negligence. • Submit the report to Director Asset Management within five working days. • Forward the report to Chief Information Officer for all computer related equipment for analysis of cost of repairing the asset vs buying a new one. <p>In case of Asset loss and or damages through <i>Vis Major</i></p> <p><i>Vis Major: An event beyond control</i></p> <ul style="list-style-type: none"> • Report to damages assets to the Responsible manager 	End User	5 days	<ul style="list-style-type: none"> • Lost item name (input) • Case number • Police statement • Proforma statement on losses • Updated loss control register • Updated asset register 	Manage all the Departmental losses throughout the year.

**STEP BY STEP GUIDE
MANAGE LOSS CONTROL**

Nr	Task Name	Task Procedure	Responsibility	Time Frame	Supporting Documentation	Service Standard
		<ul style="list-style-type: none"> • Responsible manager forwards the report to Director Asset Management. • The accounting Officer write off such loss or damage if proof of documentary evidence is produced. <p>In case of Asset loss and or damages through strikes</p> <p>Whether, the industrial action is lawful or unlawful:</p> <ul style="list-style-type: none"> • Report losses to SAPS within 24 hours. • Report damages to Responsibility manager within 24 hours 				
2.	Investigate losses and damages	<ul style="list-style-type: none"> • Analyse all the losses according to their individual circumstances. • Risk management together with asset management investigate all losses that require investigation • Security management investigate all breach of security losses • Forward outcome of the investigation to Loss Control Committee. • Forward recommendations by the Loss Control Committee to the Head of Department for approval. • HOD approve loss control recommended outcomes of investigation report. 	Loss Control Committee	31 days	<ul style="list-style-type: none"> • Loss report (input) • Minutes of meeting • Recommended outcomes by loss control committee • Approved recommended outcomes of investigation by HOD 	
3.	Implement investigation outcome	<ul style="list-style-type: none"> • Receive approved recommendations by the HOD. • Inform the Chairperson about the receipt of the approved recommendations by HOD. • Inform the end-user about the results of the investigations 	Secretariat	1 day	<ul style="list-style-type: none"> • Approved recommendations • Memo to debt management (where applicable) • Updated Asset Register • Updated loss Control Register 	

**STEP BY STEP GUIDE
MANAGE LOSS CONTROL**

Nr	Task Name	Task Procedure	Responsibility	Time Frame	Supporting Documentation	Service Standard
4	Calculate the loss to be recovered	<ul style="list-style-type: none"> • Recover, full cost on all computer related equipment which are still under warranty or 5 years old. • Recover, cost divided by the number of years of existence on all computer related equipment out of warranty or older than five (5) years. • Recover, cost divided by the useful life + 1 for all not Moveable assets that are not computer related. • Recover, nothing for all losses and damages due to unforeseen circumstances. • Forward the report to Director Financial Accounting Services where debt needs to be raised. • Update asset register and loss control register • Recover, cost as reflected in the bin card for inventory items 	Deputy Director Asset Management	1 day	<ul style="list-style-type: none"> • Assets Register • Asset Management framework • Letter of recovery to Debt Management. 	

PROCESS RISKS




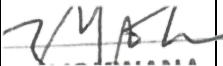

Risk Name	Risk Description	Probability (H/M/L)	Impact (H / M / L)	Control Description	System / Manual
Loss or theft ICT equipment	Loss or theft of ICT equipment due to official negligence, unethical behaviour, weakness of access control, delays on for disposal on identified assets, unforeseen circumstances and burglary result to loss of departmental information	M	M	<ul style="list-style-type: none"> • End-user to note the following: <ul style="list-style-type: none"> ✓ Secure laptops by lock cables. ✓ Don't leave assets visible inside a motor vehicle ✓ Physically check if the motor vehicle is locked ✓ Don't leave assets in cabinets ✓ Always lock the laptop with a cable lock ✓ Do not temper with laptop software ✓ Do not expose laptops to excessive heat ✓ Do not clean the screen with liquids ✓ Do not spill liquid on the laptop keyboard ✓ Do not clean the screen with liquids. ✓ Do not drop the laptop ✓ Do not pack the laptop with something that can damage the screen e.g. charger Asset Management to do the following: <ul style="list-style-type: none"> ✓ Implementation of Asset Loss Control Policy ✓ Implementation of Asset Management Policy ✓ Implementation of Asset Disposal Policy ✓ Conduct Bi-Annual asset verification ✓ Conduct awareness campaigns on asset losses. ✓ Circulate Circular for losses is in place. Security Guards to do the following: <ul style="list-style-type: none"> ✓ Register visitors in the Logbook that are coming in and out of the building ✓ Register all items in the Logbook that are coming in and out of the building. 	Manual

REFERENCES (LEGISLATION, POLICIES, PROCEDURES, LEGISLATION & OTHER DOCUMENTATION (i.e. SOPs))

Document Name	Section Description or Document Description
Movable Asset Management policy – September 2021	To document the Asset Management Standard Operating Procedure to give support to the strategic objectives of the Department and to ensure core business has moveable assets to deliver services where needed within the Eastern Cape Province. It also seeks to ensure that the Department maintains an accurate and complete moveable asset register.
Movable loss control Register – September 2021	To document the Standard Operating procedure (SOP) for loss control to minimize the risk on occurrence of movable asset losses/damages within the Department. The recording, investigation and disclosure of the losses and damages of moveable assets. To establish an effective movable asset loss control management system.
Disposal Policy – September 2021	To document the Standard Operating Procedure (SOP) for Disposal management to provide a framework for the disposal of the departmental moveable assets that are not prerequisite to provide the minimum level of basic departmental services and are beyond economic life cycle.
Modified cash Standard April 2022 – Chapter 11	Purpose is to provide guidance on the identification of and the types of capital assets in public sector. It further prescribes the accounting treatment for capital assets in the secondary financial information to the annual financial statements.
Standard of Generally Recognised Accounting Practice – GRAP 17 and GRAP 31 Intangible assets (1 April 2015)	Purpose is to establish principles for recognising property, plant and equipment as assets, measuring their carrying amounts, and measuring the depreciation charges and impairment losses to be recognised in relation to them. Also, to sets out the criteria for recognising and measuring intangible assets and requires disclosures about them.
International Accounting Standards – IAS 16 Property plant and Equipment; also, IAS 38 Intangible ass	Purpose is to establish principles for recognising property, plant and equipment as assets, measuring their carrying amounts, and measuring the depreciation charges and impairment losses to be recognised in relation to them. Also, to sets out the criteria for recognising and measuring intangible assets and requires disclosures about them.
Public Finance Management Act No1 of 1999 section 38(d); section 45e)	<p>Sec 38 (d): States that the accounting officer for a department, trading entity or constitutional institution is responsible for the management, including the safe-guarding and the maintenance of the assets, and for the management of the liabilities, of the department, trading entity or constitutional institution;</p> <p>Sec 45(e): states that an official in a department, trading entity or constitutional institution is responsible for the management, including the safeguarding, of the assets and the management of the liabilities within that official's area of responsibility.</p>

Document Name	Section Description or Document Description
<p>Treasury Regulations April 2001 Issued in terms of Public Finance Management act of 1999: Sections 12.5; 12.6 ND 12.7</p>	<p>12.5 Losses or damages through criminal acts or omissions [Section 76(1)(f) of the PFMA]</p> <p>12.5.1 When it appears that the state has suffered losses or damages through criminal acts or possible criminal acts, the matter must be reported, in writing, to the accounting officer and the South African Police Service. In the case of omissions, the matter must be reported, in writing, to the accounting officer. Whether or not the person is still in the employ of the state, the accounting officer must recover the value of the loss or damage from the person responsible.</p> <p>12.5.2 When movable assets are written off, this must be noted in the asset register.</p> <p>12.6 Losses and damages through vis major and other unavoidable causes [Section 76(1)(e) of the PFMA]</p> <p>12.6.1 The accounting officer may write off losses and damages that result from vis major and other unavoidable causes.</p> <p>12.7 Recovery of losses and damages [Sections 76(1)(b) and 76(4)(a) of the PFMA]</p> <p>12.7.1 Losses or damages suffered by an institution because of an act committed or omitted by an official, must be recovered from such an official if that official is liable in law.</p> <p>12.7.2 The accounting officer must determine the amount of the loss or damage and, in writing, request that official to pay the amount within 30 days or in reasonable instalments. If the official fails to comply with the request, the matter must be handed to the State Attorney for the recovery of the loss or damage.</p> <p>12.7.3 A claim against an official must be waived if the conditions in paragraph 12.2.1(b) to (e) are met.</p> <p>12.7.4 If in doubt, the accounting officer of the institution must consult the State Attorney on questions of law in the implementation of paragraphs 12.7.1 and 12.7.3.</p>
<p>Asset Management framework- version 3.3 April 2004</p>	<p>The purpose of asset management framework is to introduce the concept of asset management. It is designed to highlight the principles of, and need for, asset management and give broad guidelines in this regard.</p>

AUTHORISATIONS

Designation:	Name:	Comments:	Signature:	Date:
Recommended by: Director-Asset Management	Mr. Marshall	Step by step on the management of loss of moveable assets		24 January 2023
Recommended by: Acting CIO	M.E.Gazi	Recommended		25/01/2023
Recommended by: Chief Financial Officer	S.N.Tutani	Recommended		01 Feb 2023
Recommended by: DDG	Dr.N.Z.G Yokwana	AS RECOMMENDED		03/02/2023
Approved by: Head of the Department	M. Macheмба	Approved		06/02/2022
Distribution and Use of SOP	All the Departmental staff			