



Province of the
EASTERN CAPE
SOCIAL DEVELOPMENT

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Periodical Review	3 year reviewal
Commencement Date	08-02-2023
Review Date	08-02-2026

STANDARD OPERATING PROCEDURE: MANAGE MOVEBLE ASSET

TITLE OF SOP	MANAGE MOVEBLE ASSET
SOP Number	AM-MAM-01
Purpose	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.
Scope	This standard operating procedure is applicable to all departmental employees of the Eastern Cape Department of Social Development and any person/s employed on a contractual basis. Assets belonging to the NGO's/NPO's shall be dealt with in terms of Non-Profit Organization Act 71 of 199.
Definitions and Acronyms	<p>AR - An Asset Register</p> <p>AO - Accounting Officer</p> <p>MCS - Modified Cash Standard</p> <p>GRAP - Standards of Generally Recognised Accounting Practice</p> <p>PFMA - Public Finance Management Act No1 of 1999</p> <p>SAPS - South African Police services</p> <p>IAS - International Accounting Standards</p> <p>IFRS - International Financial Reporting Standards (IFRS)</p> <p>BAS - Basic Accounting Systems</p>
Performance Indicator	Number of reconciled asset register

**STEP BY STEP GUIDE
MANAGE MOVEABLE ASSET**

Nr	Task Name	Task Procedure	Responsibility	Time Frame	Supporting Documentation	Service Standard
1.	Acquire the moveable assets	<ul style="list-style-type: none"> a) Identify moveable asset needs b) Compile the list of moveable asset needs c) Develop asset needs procurement memo d) Procure the asset needs depending to the availability of budget and follow the relevant SCM process. Deputy Director: Asset Management recommend the moveable asset procurement on the system. 	Affected directorate	5 days	<ul style="list-style-type: none"> • Identified moveable assets (input) • Procurement memo • Purchase Order 	
2	Receive the moveable assets	<ul style="list-style-type: none"> a) Ensure that the delivered items are matched against purchase orders received from procurement. Delivered items that do not appear on the purchase order should be returned immediately under no circumstances should these items be accepted. b) Notify the requestor of delivery and request to come and inspect the quality and quantity of assets delivered. c) Return goods that fail the quality inspection/ checks immediately. d) In case of IT related equipment depending on the quantity sample must be tested by IT technician before barcoding. e) Quantities of goods received that do not correspond with the approved purchased order should be treated as follows: <ul style="list-style-type: none"> • Where goods delivered are in excess of the amounts as per the approved purchase order, only the amount as per the approved purchase order should be accepted and the balance returned immediately. • Where goods delivered are less than the amounts as per the approved purchase order, the goods should be accepted whilst the goods received note is appropriately modified. The procurement unit should be notified about the short delivery and stores should expedite the balance of goods 	District Assistant Director: SCM /Asset Management (Provincial office)	3 days	<ul style="list-style-type: none"> • Purchase Order (input) • Signed delivery note • GRV • Received assets 	Manage all the Departmental assets throughout the year.

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		<p>outstanding. NB: no payment will be made until full delivery is done.</p> <ul style="list-style-type: none"> Ensure that the nominated official must do the GRV as proof that he or she has verified that the physical goods received correspond to the delivery note and purchase order. 				
3	Bar-code the assets	<p>On receipt of assets do the following:</p> <ol style="list-style-type: none"> Barcode the newly acquired assets with high quality bar-codes. Record all bar-coded moveable assets in the moveable additions' asset register. In the case where the asset is delivered to the end user, inform the asset management unit for barcoding and recording. 	District Assistant Director: SCM/Asset Management (Provincial office)	Within 7 working days on receipt of a new asset.	<ul style="list-style-type: none"> New received assets Additions Asset Register Barcoded assets 	
4	Issue the assets	<ol style="list-style-type: none"> Submit the issue form to the user to be completed. Both asset management practitioner and the user sign the issue form Update the additions asset register with the details in the issue form 	Asset Management Practitioner	1 day	<ul style="list-style-type: none"> New asset Issue form Updated Additions Asset Register 	
5	Reconcile the additions asset register to the general ledger (BAS)	<p>Do the following each month after the closure of BAS:</p> <ol style="list-style-type: none"> Obtain a download of all BAS transactions for the month to date after the closure for both capital, intangible and minor asset additions. Obtain supporting documentation for all entries on the BAS reports. Analyse reports and batches to identify accuracy of allocation of expenditure. Prepare journal entries to correct misallocations 	Deputy Director Asset Management	3 days	<ul style="list-style-type: none"> Additions Asset Register (input) Purchase documents (input) Signed Reconciliation of new assets to the general ledger 	
6	Move or Transfer assets	<ol style="list-style-type: none"> Responsibility Manager inform Asset Management in writing in advance to make the necessary arrangements to move or relocate the items. 	Asset Management Practitioners	3days for Internal Transfer	<ul style="list-style-type: none"> Asset movement form for internal asset transfers 	

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**STEP BY STEP GUIDE
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		<p>b) The details of where the asset is to be moved shall be indicated in the request for the movement and shall be signed by the Responsibility Manager.</p> <p>c) The asset movement form is completed by both the officials the asset is moved from and to; and authorised by an official from and asset management.</p> <p>d) An asset shall be moved once the movement form is completed and authorised.</p> <p>e) Transfer of assets between Department is done according to section 42 of PFMA.</p> <p>Update the asset register with the completed movement form.</p>		<p>3 months for Transfer between Departments</p>	<ul style="list-style-type: none"> • Letter/memo to transfer assets to another Department (if applicable) • Signed inventory lists of Asset Transferred by both Departments (if applicable) • Purchase records of Assets transferred to another Department • Signed transfer letter by both Head of Departments (if applicable) • Updated Asset Register 	
7	Return Assets	<p>a) Return all moveable assets to Asset Management section.</p> <p>b) When returning an asset both the user and Asset Management Practitioner must sign a Return of Asset Form</p> <p>c) Return the old asset within 14 days after receiving a new asset.</p> <p>d) Failure to return the old asset within the prescribed period might lead to the user being charged full cost of the asset.</p> <p>e) Asset Management Practitioner update the Asset Register with the details in the asset return form.</p>	End User	One Day	<ul style="list-style-type: none"> • Asset to be return • Asset Return Form • Updated Asset Register 	
8	Update asset register	<p>a) Update Asset Register on a regular basis reflecting with purchases, disposals, movement, returns, losses and transfers.</p> <p>b) Update the asset register with verification information half yearly and annually</p> <p>c) Maintain physical assets records for record and audit purpose, supporting documentation of all entries effected to the Asset Register i.e. purchases, disposals and transfers.</p>	Asset Management Practitioner	2 days	<ul style="list-style-type: none"> • Historical Asset Register • Additions Asset Register • Disposal Data • Loss Reports • Verification information • Purchase Records • Inventory lists of assets transferred. 	

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9	Verify assets	<p>Perform the following asset verification procedures half yearly and year end:</p> <ul style="list-style-type: none"> a) Each District and Provincial Office must be in possession of the latest verified and audited asset register. b) Five people must be involved in physical verification, two verifying and the other two checking. The fifth person shall do the reconciliation of the verification information to the asset register. The asset register should be highlighted clearly with different colours to indicate the assets that are verified; not verified and disposed. c) Agree physical assets on the floor to the asset register. d) Agree the asset register to the assets on the floor. e) The asset inventory list should be updated immediately with any changes and be re-printed f) The asset inventory list should be signed and dated by both the verifier and the responsible official. g) Asset inventory list should be pasted next to the officials working station. h) All asset inventory lists should be electronically typed (Not written by pen) i.e. new inventory lists should be created after each verification i) No official under any circumstances should remove the asset inventory list from the wall or keep it in a drawer. j) Asset with fallen bar-code trace the asset to the asset register and agree it to the user, the bar code must be written with a cocky pen. k) Check description, asset number, location, office number, date of acquisition, condition etc. 	Asset Management Practitioners	2 months	<ul style="list-style-type: none"> • Updated Asset Register (output) • Asset Register • Updated Asset Register • Asset Inventory lists • Verification report 	

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MANAGE MOVEABLE ASSET**

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10	Maintain and repair assets	<p>l) All the verified items must be marked with a sticker. m) A sticker must also be put outside the room to show that this has been verified</p> <p>a) Users report assets that need maintenance or repairs to be carried to asset management. b) Asset practitioners must also identify all assets that require repairs and maintenance during the physical verification of moveable assets. c) All computer related equipment that are out of warranty are maintained by Information and Communications Technology (ICT) Unit. d) All computer related equipment that are still under warranty sent back to the supplier for maintenance and repairs by ICT unit. ICT shall keep a record of all items sent to the supplier for maintenance and repairs.</p>	Asset Management Practitioners	5 days	<ul style="list-style-type: none"> • Asset to be repaired • Purchase order • Repaired Assets 	
11	Disclose in the Departmental financial statement	<p>Disclose the following on quarterly basis:</p> <p>1. Disclose the following at cost in its notes with regards to major moveable tangible capital assets for each class:</p> <p>a) The cost at the beginning and end of the period; and b) The reconciliation of the cost at the beginning and end of the period. c) Additions to moveable assets for the reporting period. d) Disposals/Transfers to moveable assets for the reporting period.</p> <p>2. Disclose the following at cost in its notes with regards to minor capital assets for every class</p> <p>a) The reconciliation of the opening balance of each class of minor capital assets to the closing balance. b) The total value and quantities of minor capital assets recorded in the asset register at the end of the</p>	Deputy Director Asset Management	5 days	<ul style="list-style-type: none"> • Updated Asset register • Signed disclosure note 	

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		<p>reporting period, distinguishing under quantities between recorded at one rand and at cost.</p> <p>c) Additions to minor capital assets.</p> <p>d) Disposal/Transfers to minor capital assets.</p> <p>3. Disclose the total value for every class of movable assets (major and minor) written off as well as the total cost of assets written off, for both the current and prior year.</p> <p>4. Disclose the following in its notes with regards to major intangible assets for each class of intangible assets:</p> <p>a) The cost at the beginning and end of the period.</p> <p>b) The movement in intangible assets during the reporting period (for both the current and the prior year).</p> <p>c) Additions to intangible assets for the reporting period.</p> <p>d) Disposals of intangible assets for the reporting period.</p>				

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PROCESS RISKS

Risk Name	Risk Description	Probability (H/M/L)	Impact (H / M / L)	Control Description	System / Manual
Loss or theft of 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






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

Document Name	Section Description or Document Description
Movable 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 movable assets to deliver services where needed within the Eastern Cape Province. It also seeks to ensure that the Department maintains an accurate and complete movable 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 movable 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	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)	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 45(e)	Sec 38 (d): 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; Sec 45(e): 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.
Public Finance Management Act No1 of 1999 section 42	42. Accounting officers' responsibilities when assets and liabilities are transferred. — (1) When assets or liabilities of a department are transferred to another department or other institution in terms of legislation or following a reorganization of functions, the accounting officer for the transferring department must— (a) draw up an inventory of such assets and liabilities; and

Document Name	Section Description or Document Description
<p>Treasury Regulations April 2001 Issued in terms of Public Finance Management act of 1999: Section 10.1</p>	<p>(b) provide the accounting officer for the receiving department or other institution with substantiating records, including personnel records of staff to be transferred.</p> <p>(2) Both the accounting officer for the transferring department and the accounting officer for the receiving department or other institution must sign the inventory when the transfer takes place.</p> <p>(3) The accounting officer for the transferring department must file a copy of the signed inventory with the relevant treasury and the Auditor-General within 14 days of the transfer</p> <p>10.1 Responsibility for asset management [Section 38(1)(d) of the PFMA]</p> <p>10.1.1 The accounting officer of an institution must take full responsibility and ensure that proper control systems exist for assets and that –</p> <p>(a) preventative mechanisms are in place to eliminate theft, losses, wastage and misuse; and</p> <p>(b) stock levels are at an optimum and economical level.</p> <p>10.1.2 The accounting officer must ensure that processes (whether manual or electronic) and procedures are in place for the effective, efficient, economical and transparent use of the institution's assets.</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 moveable assets		23 January 2023
Recommended by: Acting CIO	M.E.Gazi	Recommended		24/01/2023
Recommended by: Chief Financial Officer	S.N.Tutani	Recommended		01 Feb 2023
Recommended by: DDG	Dr.N.Z.G Yokwana	Recommended as requested		02/02/2023
Approved by: Head of the Department	M. Macheмба	Approved		08/02/2023
Distribution and Use of SOP	All Departmental staff			