



Province of the  
**EASTERN CAPE**  
SOCIAL DEVELOPMENT

SOP File Number:	MOVABLE ASSET MANAGEMENT-01
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**STANDARD OPERATING PROCEDURE: MOVABLE ASSET MANAGEMENT PROCESS**

<b>Approval Date</b>	26 September 2019
<b>Commencement Date</b>	26 September 2019
<b>Review Date</b>	26 September 2020
<b>Periodical Review</b>	Annually
<b>Resources</b>	Adequate personnel at District & Provincial office, Sufficient Budget, ICT Equipment, office furniture.
<b>Intent of SOP</b>	<p>The purpose of this document is to</p> <ul style="list-style-type: none"><li>• Ensure uniformity in the application of all movable asset management procedures across the Province.</li><li>• Prevent abuse of the asset management system.</li><li>• Establish credible audit trails.</li><li>• Promote transparency.</li><li>• Identify and assign roles and responsibilities to appropriate stakeholders in relation to different activities in movable asset management, to ensure a coherent and structured approach for the institution when managing movable capital assets.</li><li>• Outline the institution's planning efforts to comply with the requirements of asset life cycle costing.</li><li>• Provide options available for the acquisition, operationalization and disposal of capital assets.</li><li>• Provide for the formulation and implementation of structured capital asset maintenance strategies to ensure optimal availability of assets and prolong the economic life of such assets.</li><li>• Prevent the undermining of the financial management system through eradication of irregular procurement, recording and disposal</li></ul>

	<p>procedures.</p> <ul style="list-style-type: none"> <li>• Instil best practise in the acquisition, operation and maintenance and eventual disposal of assets.</li> <li>• Foster a culture of responsibility and accountability in the management of the institution's capital movable assets.</li> </ul>
<b>Scope</b>	This SOP applies to the management of Moveable Assets in the Department of Social Development within the Eastern Cape Government.
<b>Objective(s)</b>	The objective of Asset Management is to facilitate service delivery by providing the required assets that enable officials to render services in an effective way.
<b>Definitions</b>	<ol style="list-style-type: none"> <li>I. <b>Accounting Policies:</b> The specific principles, bases, conventions, rules and practices adopted by an entity in preparing financial statements.</li> <li>II. <b>Asset:</b> Is a resource controlled by the entity (Department) as a result of past events and from which future economic benefits or service potential are expected to flow to the entity (Department).</li> <li>III. <b>Asset acquisition:</b> The process by which an entity assumes control of an asset.</li> <li>IV. <b>Asset life cycle:</b> The cycle covering all the phases in the life of an asset. It starts when a need for an asset is first identified, through the acquisition thereof, the subsequent operation, maintenance and upgrading (if needed) as well as its eventual disposal.</li> <li>V. <b>Asset management:</b> The process of guiding the acquisition, use safeguarding and disposal of assets to make most of their service delivery potential and manage related risks and cost over their entire life.</li> <li>VI. <b>Asset register:</b> The asset database that provides the basis for the figures in the financial statements. It includes information on asset purchase prices, asset condition and expected life. It may also include information on current replacement cost.</li> <li>VII. <b>Asset strategy:</b> The means by which an entity proposes to manage its assets (across all phase of the life cycle) to meet service delivery needs most cost-effectively.</li> <li>VIII. <b>Asset useful life:</b> Useful life is the expected period of time over which an asset is to be used by the entity.</li> <li>IX. <b>Asset utilization:</b> A measure of how effectively an asset is being used to meet the entity's service delivery objectively.</li> <li>X. <b>Capitalisation:</b> The process whereby expenditure is changed to an asset account rather than to expense account.</li> <li>XI. <b>Carrying amount:</b> It is the difference between the cost (or valuation) and the accumulated impairment losses.</li> </ol>

	<p>XII. <b>Control of an asset:</b> An entity is deemed to control an asset if it has the capacity to benefit from the asset in pursuing its objectives.</p> <p>XIII. <b>Depreciation:</b> A systematic allocation of the cost an asset or other amount substituted for its cost over its estimated useful life. Depreciation recognises the gradual exhaustion of the asset's service potential.</p> <p>XIV. <b>Direct costs:</b> Costs that can be specifically assigned and directly attributed to an asset.</p> <p>XV. <b>Economy:</b> Refers to the acquisition of the appropriate quality and quality of financial, human and physical resourced at the appropriate time and place, at the lowest possible cost.</p> <p>XVI. <b>Enhancement / Rehabilitation:</b> The work needed to increase an asset's service potential, which is regarded as capital expenditure. Enhancement improves an asset's functionality in terms of extending its useful life or capacity or speed of delivery or the quality of the output.</p> <p>XVII. <b>Maintenance:</b> The work needed to maintain an asset in a condition that enables it to reach its service potential over its useful life. Maintenance does not extend but achieve as asset's useful life (current expenditure).</p> <p>XVIII. <b>Needs analysis:</b> A thorough analysis to compare community demands, expectations and needs with current and possible sources of service supply.</p> <p>XIX. <b>Risk management:</b> A management technique used to identify and analyse potential risks, and to implement appropriate responses.</p> <p>XX. <b>Useful life:</b> The time period over which it is expected that an asset will be used by the department before it becomes uneconomical to do so.</p> <p>XXI. <b>Intangible assets:</b> An Intangible asset meets the definition of an asset but lacks substance.</p>
<b>Desired Performance</b>	Complete and accurate movable asset register.
<b>Key Performance Indicator</b>	Number of implemented construction projects in terms of the infrastructure plan.
<b>Principles</b>	<ul style="list-style-type: none"> <li>• Respect for a person's knowledge and resources, as well as potential to develop and change for the benefit of the Department.</li> <li>• Professional integrity and ethical values of management and staff, including supportive attitude at all times throughout the organization.</li> </ul>

	<ul style="list-style-type: none"> <li>• Acceptance of responsibility and accountability as an approved user of Departmental asset.</li> <li>• High standard of service delivery by the use of Departmental asset by ensuring efficient and effective use of all assets.</li> </ul>
<p><b>Compliance Measures</b></p>	<p><b>BAR-CODING OF ASSETS</b></p> <p>a) The Asset Management Section shall be responsible for bar-coding of all assets in the department.</p> <p>b) Newly acquired assets must be barcoded on the date of delivery or within two working days of receipt of the moveable asset. At least within five working days for moveable assets delivered directly to the district offices.</p> <p>c) All bar-coded moveable assets must be recorded in the asset register.</p> <p>d) All moveable assets items must be bar-coded before they are issued to the relevant programme/ directorate/unit.</p> <p>e) Whenever a programme/ directorate/unit finds an asset item that is not bar-coded due to whatever reason, the programme/ directorate/unit shall immediately inform the Asset Management Section.</p> <p><b>6.10.6 VERIFICATION OF ASSETS</b></p> <p>a) All moveable assets must be physically verified bi-annually.</p> <p>b) The Responsibility Manager shall appoint an official from the directorate/unit to assist Asset Management Section during the physically verification process.</p> <p>c) Any variances identified after the physical verification of Assets must be followed up and communicated to the Director: Asset Management.</p> <p>d) The Director: Asset Management must approve all corrective measures that shall address the identified variances.</p> <p>e) The Director: Asset Management must submit a verification report to the Chief Financial Officer after each physical verification and physical reconciliation has been completed.</p> <p><b>6.10.8 MOVEMENT OF ASSETS</b></p> <p>a) Departmental employee shall not be allowed to move or relocate moveable asset of the department without the proper approval by Responsibility Manager and involvement of the Asset Management Section.</p> <p>b) Whenever a Responsibility Manager requires an asset to be moved or relocated, the Asset Management Section shall be contacted in writing in advance to make the necessary arrangements to move or relocate the items.</p> <p>c) 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>d) In cases of ICT equipment due for repairs, an asset movement form shall be filled by ICT section, the end user and approved by the Asset Manager.</p>

	e) All asset movement forms are kept by asset management unit.
<b>Performance Measures</b>	<ul style="list-style-type: none"> <li>• Completeness of the asset register. All the asset on floor has been captured on the asset register.</li> <li>• Existence: Implies that all the assets captured on the asset register exist.</li> <li>• Accuracy: all assets are recorded with correct values.</li> <li>• The asset register is in the correct format and verification is done twice a year.</li> <li>• The controls around the movement is implemented.</li> <li>• All the assets are barcoded.</li> </ul>
<b>Process Input Data</b>	<ul style="list-style-type: none"> <li>• Movable asset availability.</li> <li>• Intangible assets.</li> </ul>
<b>Process Output Data</b>	<ul style="list-style-type: none"> <li>• Updated major asset Register.</li> <li>• Updated minor Asset register.</li> <li>• Updated intangible asset register.</li> </ul>

## STEP BY STEP GUIDE

### Asset Management Process

Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
1	<b>Receive Assets</b>	<p>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.</p> <p>b) Notify the requestor of delivery and request to come and inspect the quality and quantity of assets delivered.</p> <p>c) Return goods that fail the quality inspection/ checks immediately.</p> <p>d) In case of IT related equipment depending on the quantity sample must be tested by IT technician before barcoding.</p> <p>e) Quantities of goods received that do not correspond with the approved purchased order should be treated as follows:</p> <ul style="list-style-type: none"> <li>• Where goods delivered are in excess of the quantity as per the approved purchase order, only the amount as per the approved purchase order should be accepted and the balance returned immediately.</li> </ul>	<p>District Assistant Director: SCM / Assistant Director: Asset Management</p> <p>Requestor</p> <p>District Assistant Director: SCM / Assistant Director: Asset Management</p> <p>District Assistant Director: SCM / Assistant Director: Asset Management</p>	<ul style="list-style-type: none"> <li>• Invoice</li> <li>• Signed delivery note</li> <li>• Signed GRV</li> <li>• Received assets</li> </ul>	1 day



STEP BY STEP GUIDE					
Asset Management Process					
Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
		<ul style="list-style-type: none"> <li>Where goods delivered are less than the quantity 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 outstanding. NB: no payment will be effected until full delivery is done.</li> <li>f) Ensure that the nominated official must sign the GRV as proof that he or she has verified that the physical goods received correspond to the delivery note and purchase order.</li> </ul>	District Assistant Director: SCM / Assistant Director: Asset Management		
2	<b>Barcode Assets</b>	<p>a) Use high quality bar-codes or any other form of marking the asset which will not/cannot be removed, and will not become detached after a period of time must be used</p>	District Assistant Director: SCM / Assistant Director: Asset Management	<ul style="list-style-type: none"> <li>Barcoded Asset</li> </ul>	5 days
3	<b>Issue Asset</b>	<p>a) Sign an issue voucher when issued with assets.</p> <p>b) Include the issuing / distribution of the asset in the asset register – i.e. the location field in the asset register should be updated, and the list of assets in the location should be updated. The Asset Inventory lists should be signed by the owner to accept responsibility.</p>	Requestor District Assistant Director: SCM / Assistant Director: Asset Management	<ul style="list-style-type: none"> <li>Issued Asset</li> </ul>	1 day

## STEP BY STEP GUIDE

### Asset Management Process

Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
4	<b>Update additions (New Asset) in Asset Register and Asset Inventory list</b>	<p>a) Request a copy of the approved purchase order and its supporting documentation (Delivery note, Goods Receipts Voucher, Order number and Invoice) from finance registry for updating additions asset register (new assets) and monthly reconciliation.</p> <p>b) Ensure that assets are accounted for in the general ledger and asset register under the applicable category.</p> <p>c) Ensure that paintings sculptures and ornaments may be deemed to be of a historical/cultural value and in that event it must be regarded as heritage assets and must be accounted for accordingly.</p> <p>d) Record assets at cost and on the date of payment.</p> <p>e) State the movable capital asset at fair value where cost of an asset cannot be determined accurately. The fair value may only be used in cases where assets are transferred to the institution and the cost is unknown.</p> <p>f) Record subsequent expenditure of a capital nature in the statement of financial performance as expenditure for capital assets is capitalised in the asset register on completion of the project. Repairs and maintenance is expensed as current goods</p>	<p>District Asset Management official Provincial Asset Management official</p> <p style="text-align: center;">Asset Deputy Director</p>	<ul style="list-style-type: none"> <li>• Updated Asset Register</li> <li>• Updated Inventory list</li> </ul>	1 day



## STEP BY STEP GUIDE

### Asset Management Process

Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
5	<b>Reconcile updated additions with the BAS Report (General Ledger) monthly.</b>	<p>a) Obtain a download of all BAS transactions under year to date for both capital and minor asset additions.</p> <p>b) Obtain supporting documentation for all entries on the reports.</p> <p>c) Analyze reports and batches to identify accuracy of allocation of expenditure.</p> <p>d) Prepare journal entries to correct misallocations.</p>	Asset Deputy Director	<ul style="list-style-type: none"> <li>• Current financial year BAS transaction</li> <li>• Updated Asset Register</li> <li>• Accurate Asset Register</li> </ul>	1 week
6	<b>Perform Asset Register maintenance</b>	<p>a) Ensure that individual asset registers are maintained at each District office and Head Office.</p> <p>b) Ensure that Head office maintains a consolidated and complete asset register that should include details of assets held at each of the Departments District offices.</p> <p>c) Take a note of any special conditions such as guarantees, warranties, servicing requirements, etc. relating to the purchase of the asset against the respective asset in the asset register.</p>	District Assistant Director: SCM / Assistant Director: Asset Management	<ul style="list-style-type: none"> <li>• Maintained Asset Register</li> <li>• Asset Count Report</li> <li>• Maintained Inventory list</li> </ul>	On going

STEP BY STEP GUIDE					
Asset Management Process					
Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
		<p>d) Record all assets purchased to the appropriate fixed asset categories and accounts in the asset register monthly.</p> <p>e) Maintaining an asset register with details as per the National Treasury Asset Management Minimum Requirements (<b>prescribed in the Asset Management Framework</b>).</p> <p>f) Reconcile results of the asset physical count to the accounting records (asset register).</p> <p>g) Ensure that asset inventory list is up-to-date at any given time.</p> <p>h) Record all acquisitions and disposals of fixed assets in the Fixed Assets Register.</p> <p>i) Perform monthly reconciliations of additions between the general ledger control account and detailed asset register and differences followed up. Reconciliation should be reviewed and signed off by the immediate supervisor.</p> <p>j) Ensure that Districts are updating their own additions and submit to provincial office.</p> <p>k) Update Asset Register on a regular basis reflecting i.e. purchases, disposals and transfers.</p> <p>l) Maintain physical fixed assets records for record and audit purpose - supporting documentation - of</p>			

STEP BY STEP GUIDE					
Asset Management Process					
Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
7	Verify assets physically against asset Register	<p>all entries effected to the Asset Register i.e. purchases, disposals and transfers.</p> <p>a) Note any special conditions such as guarantees, warranties, servicing requirements, etc. relating to the purchase of the asset against the respective asset in the asset register.</p> <p>b) Obtain asset register first from Head Office/District office.</p> <p>c) Involve at least five people 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.</p> <p>d) Agree physical assets on the floor against the asset inventory list.</p> <p>e) Agree the asset inventory list to the asset register.</p> <p>f) Make sure that all assets are marked with Bar code as appearing in asset register</p> <p>g) Check description, asset number, location, office number, user, and PERSAL number.</p> <p>h) Mark verified items with a special coloured sticker.</p> <p>i) Place the sticker outside the office to show that the office has been verified when an office is complete.</p> <p>j) Clear duplicates immediately.</p>	Asset Deputy Director	<ul style="list-style-type: none"> <li>• Verified Assets</li> <li>• Consolidated Asset Verification Report</li> <li>• Updated Asset Register</li> <li>• Signed Verification</li> </ul>	Bi-annually

STEP BY STEP GUIDE					
Asset Management Process					
Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
		k) Highlight all verified assets blue and unverified should remain white. l) Ensure that under no circumstances should unverified assets be marked as verified. m) Investigate all unverified assets before preparing the final verification report. n) Ensure that during the verification process unserviceable, repairable, obsolete or redundant assets are identified and marked as such clearly on the asset register. o) Ensure that each District Office prepares its own verification report signed by the District Director and submitted to Head Office asset management within 15 days after completion of verification process.	District Assistant Director: SCM / Assistant Director: Asset Management		
8	Return assets to asset management	a) Return the old equipment once issued with new equipment to asset management. b) Sign a return asset form. c) Ensure that in case of computer equipment where information has to be transferred from old computer to the new computer by IT technicians the following happens:	User  User and Receiver	<ul style="list-style-type: none"> <li>Returned Asset</li> </ul>	On-going

STEP BY STEP GUIDE					
Asset Management Process					
Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
		<p>i. Once the process of transferring information is complete, the IT technician has to indicate by placing a sticker on the ITEM whether it can be:</p> <ul style="list-style-type: none"> <li>• Donated</li> <li>• Cannibalized</li> <li>• Scrapped</li> <li>• Kept in stores to be used as a loan</li> </ul> <p>ii. Returns the asset to asset management after all of the above is complete and ensure that asset movement form is issued.</p> <p>Ensure that under no circumstances the IT equipment (computers; printers; laptops; IPADS etc.) be given to IT technicians.</p>	User		
9	Send assets for repairs	<p>a) Fill the transfer form Both the IT technicians and the user must fill in a transfer form.</p> <p>b) Inform asset management of any assets sent out for repairs.</p> <p>c) Ensure that Transfer form indicate that the asset has been taken by IT technician for repairs.</p>	User IT technician IT technician District Assistant Director: SCM / Assistant Director: Asset Management	<ul style="list-style-type: none"> <li>• Transfer form</li> <li>• Completed Transfer form</li> </ul>	On-going

STEP BY STEP GUIDE					
Asset Management Process					
Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
10	Send assets for disposal	<p>a) List all assets identified for disposal in a separate list, and both assets and the list must be forwarded to disposal management.</p> <p>b) Issue scrap certificate for those assets that can no longer be used in case of IT equipment.</p> <p>c) Ensure that no assets must be removed from the asset register until they are physically disposed. The fact that the asset is in the disposal list does not qualify for it to be removed.</p>	<p>District Assistant Director: SCM / Assistant Director: Asset Management</p> <p>IT technicians</p> <p>District Assistant Director: SCM / Assistant Director: Asset Management</p>	<ul style="list-style-type: none"> <li>Disposal list</li> <li>Scrap certificate</li> </ul>	On-going
11	Disclosure of movable asset in the annual financial statement	<p>A department shall disclose the following in its notes with regards to major movable tangible capital assets for each class:</p> <p>a) the cost at the beginning and end of the period; and</p> <p>b) a reconciliation of the cost at the beginning and end of the period (for both the current and the prior year) showing:</p> <p>(i) Prior period error (where applicable)</p> <p>(ii) Additions; and</p> <p>(iii) Disposals.</p>	Asset Deputy Director	<ul style="list-style-type: none"> <li>Accurate asset Register</li> </ul>	Quarterly



STEP BY STEP GUIDE					
Asset Management Process					
Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
		<p>c) additions to movable assets for the reporting period, showing separately:</p> <ul style="list-style-type: none"> <li>(i) cash additions;</li> <li>(ii) non-cash additions;</li> <li>(iii) capital work-in-progress current costs and finance lease payments; and</li> <li>(iv) Items received in current period, not paid (and paid in current year, received in prior year).</li> </ul> <p>d) disposals of movable assets for the reporting period, showing separately:</p> <ul style="list-style-type: none"> <li>(i) Assets sold for cash;</li> <li>(ii) assets transferred out or destroyed or scrapped; and</li> <li>(iii) Total actual cash received from disposals.</li> </ul> <p>1. A department shall disclose the following in its notes with regards to minor capital assets for each class (for the current and prior year):</p>			

STEP BY STEP GUIDE					
Asset Management Process					
Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
		<p>a) the reconciliation of the opening balance of each class of minor capital assets to the closing balance per category indicating the following:</p> <p>(i) prior period error (where applicable);</p> <p>(ii) additions; and</p> <p>(iii) disposals.</p> <p>b) The total value and quantities of minor capital assets in the asset register at the end of the reporting period.</p> <p>4. Department shall disclose the total amount for each class of movable assets and the total cost of assets written off.</p> <p>3. A department shall disclose the following in its notes with regards to intangible assets for each class of intangible assets:</p> <p>a) the movement in intangible assets during the reporting period (for both the current and the prior year) reflecting the following:</p> <p>(i) the cost at the beginning and end of the period;</p> <p>(ii) prior period error (where applicable);</p>			

STEP BY STEP GUIDE					
Asset Management Process					
Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
		<p>(iii) additions; and</p> <p>(iv) Disposals.</p> <p>b) additions to intangible assets for the reporting period showing separately:</p> <p><b>(i)</b> cash additions;</p> <p><b>(ii)</b> non-cash additions;</p> <p><b>(iii)</b> development work-in-progress – current costs; and</p> <p><b>(iv)</b> Items received in current period, not paid (paid in current year, received in prior year).</p> <p>c) disposals of intangible assets for the reporting period, separately reflecting the following:</p> <p><b>(i)</b> assets sold for cash;</p> <p><b>(ii)</b> Total actual cash received from disposals.</p> <p>Any adjustments to the opening balance of the current period must be reflected in the note of comparative information. The adjustments must be effected against the opening balance of the comparative information, in the adjustments column provided where the adjustment relates to periods prior to the beginning of the first day of the comparative period. Where the adjustment</p>			

STEP BY STEP GUIDE					
Asset Management Process					
Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
		relates to the comparative period the relevant addition or disposal column must be restated. The closing balance of the comparative period must be recalculated and the restated figure utilized as the opening balance for the current reporting period.			

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

Document or Process Name	Act or Section Description	Effective Date (if applicable)
<p><b>The Constitution of the Republic of South Africa</b></p>	<p>Constitutional Mandate: The Constitution of the Republic of South Africa (section 27 (1)) (c), provides for the right of access to appropriate social assistance to those unable to support themselves and their dependents. Section 28(1) of the Constitution enshrines the rights of the children with regard to appropriate care, basic nutrition, shelter, health care services and social services. Schedule 4 of the Constitution mandates the provincial governments to render population development and welfare services</p>	
<p><b>Public Finance Management Act</b></p>	<p>Public Finance Management Act, No 1 of 1999 as Amended section 38(1) 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 45e (Responsibilities of other officials is responsible for the management, including the safe-guarding of the assets.)</p>	<p><b>1999</b></p>
<p><b>Treasury Regulations</b></p>	<p>Treasury Regulations section 10.1.1 (The accounting officer of an institution must take full responsibility and ensure that proper control systems exist for assets and that-(a) preventative mechanisms are in place to eliminate theft, losses, wastage and misuse.)</p>	
<p><b>Public Service Regulations</b></p>	<p>Public Service Regulations 2016 section 16A and B which refer to failure to comply with the Departmental Moveable Asset Management Policy.</p>	<p><b>2016</b></p>
<p><b>Generally, Recognised Accounting Practices (GRAP) 17</b></p>	<p>Generally, Recognized Accounting Practices (GRAP) 17(Note: this section applies to all property plant and equipment, except (a) where a different accounting treatment has been adopted in accordance with another GRAP)</p>	

<p><b>Generally Recognised Accounting Practices (GRAP 102),</b></p>	<p>Generally Recognized Accounting Practices (GRAP 102), Intangible assets This standard applies to accounting for intangible assets except: (a) intangible assets that are within the scope of another Standard of GRAP (b) financial assets, as defined in the Standards of GRAP on Financial Instruments.</p>	
<p><b>Preferential Procurement Policy Framework Act</b></p>	<p>Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPPFA) and Preferential Procurement Regulations, 2017. The purpose of this act is to enhance the participation of Historically Disadvantaged Individuals (HDIs) and the small, medium and micro enterprises (SMMEs) in the public sector procurement system.</p>	<p><b>2000</b></p>
<p><b>Non-Profit Organisation Act</b></p>	<p>Non-Profit Organization Act 71, 1997 - Section 17 (1) every registered non-profit organization must, to the standards of generally accepted accounting practice— (a) keep accounting records of its income, expenditure, assets and liabilities.</p>	<p><b>1997</b></p>
<p><b>Supply Chain Management</b></p>	<p>Supply Chain Management – A Guide for Accounting officers / Authorities</p>	
<p><b>Policy Handbook</b></p>	<p>Social Development Booklet latest issue</p>	



## PROCESS RISKS





Risk Name	Risk Description	Prob-ability (H/M/L)	Impact (H/M/L)	Control Description	System / Manual
Human Error	Human error in reading bars codes and capturing of assets	M	H	To initiate the development of Asset Management System by Deputy Director Asset management.	System
Asset Register	Use of excel spread sheet for the asset register as data might be lost without a trace.	L	H		
Asset Movement	Movement of Assets without informing asset management unit.	H	M	<ul style="list-style-type: none"> <li>Appointment of asset controllers</li> <li>Work-shop asset controllers on the completion of asset movement form</li> <li>Spot check of asset on monthly basis</li> <li>Implementation of an Asset Management System with asset tracking functionality that monitors and reports on all asset movements.</li> <li>Movement form to be completed by both the IT personnel and the end user to be approved by the Asset management official.</li> </ul>	Manual
Asset procurement	IT equipment sent for repairs without informing asset management	H	H		
Asset procurement	Buying assets using incorrect SCOA code.	L	H	<ul style="list-style-type: none"> <li>Asset management with Budget section to reject all the items that are procured using incorrect SCOA code.</li> <li>Monthly reconciliation between asset register and BAS</li> </ul>	System

Risk Name	Risk Description	Prob-ability (H/M/L)	Impact (H / M / L)	Control Description	System / Manual
<b>Asset Information</b>	The risk that asset information is not financially recorded accurately	L	H	<ul style="list-style-type: none"> <li>Accurate reconciliation of verified information to the asset register.</li> <li>Monthly reconciliation of the addition to trial balance / BAS detailed report.</li> <li>Reconciliation of the opening Balance of the asset management note per annual report to the asset register.</li> </ul>	Manual

## AUTHORIZATION

Authorization:	Name:	Comments	Signature:	Date:
<b>Quality Checked By</b> Director : Management Information Services	N. A. Mazizi			
<b>Recommended by</b> Acting Chief Information Officer	M.E.Gazi			
<b>Recommended by</b> Director – HRD	X.Moloti			
<b>Recommended by</b> Director – Asset Management	G.Marshall			
<b>Recommended by</b> Acting Chief Financial Officer	N.Ngciringwana			
<b>Approved by</b> Head of the Department	N.Baart			
<b>Distribution and Use of SOP</b>	District Directors, Corporate Service Managers, Service Managers, Area Deputy Directors, Assistant Directors and All staff			

**AUTHORIZATION**

Authorization:	Name:	Comments	Signature:	Date:
Quality Checked By Director : Management Information Services	N. A. Mazzi	Quality checked. SOP to be updated and reissued annually.		10/09/2019
Recommended by Acting Chief Information Officer	M.E.Gazi			
Recommended by Director – Asset Management	G.Marshall	<i>G Marshall</i>		10/09/2019
Recommended by Acting Chief Financial Officer	N.Ngingwana			
Approved by Head of the Department	N.Baart	<i>Approved.</i>		18/9/2019
Distribution and Use of SOP	District Directors, Corporate Service Managers, Service Managers, Area Deputy Directors, Assistant Directors and All staff	APPROVED, SUBJECT TO SUPERVISOR CONSULTATION + RECOMMENDATIONS RETURNED		26/10/2019