



STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT
Capricorn District Municipality

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

Procedures for the performing of responsibilities and duties of Asset Management, provides the staff in the Finance Department with procedures and guidelines on the operational management aspects of the day to day running of the Finance Department of a municipality.

This manual is intended to be a practical guide to assist municipalities to maintain a management, accounting and information system that accounts for assets of the municipality.

Each section of the Procedures Manual indicates the staff involved for that specific section. Municipalities can adjust the staff members involved, based on their own circumstances. In assigning different responsibilities to staff members, care must be taken that each procedure is monitored (verified) by a staff member senior to the person performing the procedure. A staff member senior to the verifier, must review the procedure/s as indicated in the time-frames. This will reduce the opportunities to allow any person to be in a position to both perpetrate and conceal errors or fraud in the normal course of the person's duties. It will also ensure that management directives are carried out.

When monitoring/reviewing procedures performed by staff members, sufficient evidence must be available to confirm that specific procedures were performed. This evidence can then be used for performance evaluation of staff members.

The level of involvement of each official is indicated at each procedure and is summarised as follows:

- a. PD Perform Daily
- b. PW Perform Weekly
- c. PM Perform Monthly
- d. PQ Perform Quarterly
- e. PBI Perform Bi-Annually
- f. PA Perform Annually
- g. VD Verify Daily
- h. VW Verify Weekly
- i. VM Verify Monthly
- j. VQ Verify Quarterly
- k. VBI Verify Bi-Annually
- l. VA Verify Annually
- m. RD Review Daily

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- n. RW Review Weekly
- o. RM Review Monthly
- p. RQ Review Quarterly
- q. RBI Review Bi-Annually
- r. RA Review Annually

Property, plant and equipment are tangible items that:

- a) Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- b) Are expected to be used during more than one reporting period.

Staff members involved in procedures:

- ACA Admin Clerk: Assets
- GIS GIS Technician
- AA Accountant: Movable Assets
- MPMU Manager: Project Management Unit
- SAE Senior Accountant: Expenditure
- EM Executive Managers
- Managers of other Departments within Municipality
- CFO Chief Financial Officer
- MM Municipal Manager

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Acquisitions

This section deals with the acquisition and construction of Property, Plant and Equipment.

Procedures for Acquisition of Movable Assets (New)

No	Procedure	Admin Clerk: Assets	Accountant: Movable Assets	Senior Accountant: Assets	Managers: All Departments	Executive Managers	Manager: Supply Chain Management	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line Item	Proposed Mscoa Item	KPI
1	Follow the normal Supply Chain Management (SCM) procedures as per Expenditure Cycle.										GRA P 17	PPE	PPE	

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2	Indicate during the SCM procedures if a new/renewal asset is acquired.										GRA P 17	PPE	PPE	
3	All assets are received at a central base and the Manager who ordered the asset is contacted.										GRA P 17	PPE	PPE	
4	ALTERNATIVE: The Manager who order the asset receive the asset.										GRA P 17	PPE	PPE	
5	Sign that asset was received, agree with order placed, and that the asset is in a working condition.		VD		P D		R M				GRA P 17	PPE	PPE	
6	Sign invoice that goods were received in good order and supplier can be paid.		VD		P D		R M				GRA P 17	PPE	PPE	
7	Send invoice to the Creditors Department.		VD		P D		R M				GRA P 17	PPE	PPE	
8	The Creditors Department follow normal payment procedures.										GRA P 17	PPE	PPE	

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9	Complete a "Asset Acquisition Form" that consists of the following minimum information: <ul style="list-style-type: none"> • Town; • Location; • Room number; • Asset code; • Description; • Asset type; • Asset make/model; • Asset colour; • Units; • Department within Municipality; • Serial number; • Registration number; 		VD		P D	V D	R M				GRA P 17	PPE	PPE	Asset Acquisition Form
10	Send the "Asset Acquisition Form", with copy of invoice to the Chief Clerk: Assets		VD		P D		R M				GRA P 17	PPE	PPE	
11	Verify information on the "Asset Acquisition Form".		PD	VD			R M				GRA P 17	PPE	PPE	
12	Confirm, for reasonability that expected useful life of asset agrees with the Asset Management Policy.		PD	VD			R M				GRA P 17	PPE	PPE	
13	Barcode the asset.	PD	VW	R W							GRA P 17	PPE	PPE	

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14	Update the "Asset Acquisition Form" with barcode and any other short comings.		PD	VD			R M				GRA P 17	PPE	PPE	
15	For assets leased from another party and the risks and rewards have been effectively transferred to the municipality: <ul style="list-style-type: none"> • Recognise as finance lease assets; • Recognise at the lowest of fair value of the asset or present value of minimum leased payments. 		PM	V M			V M	R M			GRA P 13 GRA P 17	PPE	PPE	
16	For assets financed by a Provision, recognise the asset at: <ul style="list-style-type: none"> • The best estimate; or • If the effect of the time value of money is material, calculate the present value of the expenditure expected to be required to settle the present obligation. Use a discount rate that reflects current market assessments of the time value of money and risks 		PM	V M			V M	R M			GRA P 17 GRA P 19	PPE	PPE	

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	specific to the liability.													
17	Recognise all computer software that is an integral part of the related hardware (i.e. the hardware cannot operate without the software) as Property Plant and Equipment together with the related hardware (normally computer equipment).		PD	VD			R M				GRA P 17 GRA P 31	PPE	PPE	
18	Capture asset in the Asset Register.		PD	VD			R M				GRA P 17	PPE	PPE	
19	Prepare a monthly list of all acquisitions.		PD	VD			R M				GRA P 17	PPE	PPE	Monthly list of acquisitions
20	Submit monthly list of acquisitions to the Senior Accountant: Assets.		PD	VD			R M				GRA P 17	PPE	PPE	

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21	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.		PM	V M				R M			MF MA S 63	GRA P 17	PPE	PPE	Asset Register Reconciliation
22	Investigate any differences.		PM	V M				R M				GRA P 17	PPE	PPE	
23	Correct any differences.		PM	V M				R M				GRA P 17	PPE	PPE	
24	File list of acquisitions with audit trail of acquisitions, for future reference.		PM	V M				R M				GRA P 17	PPE	PPE	Monthly list of acquisitions
25	Submit monthly financial reports in terms of Actual versus Budget spend to the CFO and other appropriate officials.		PM				V M	V M	R M			GRA P 17	PPE	PPE	Monthly Reports
26	Review repairs and maintenance projects in the General Ledger to confirm the correct allocation between repairs and			P M			V M	R M				GRA P 17	PPE	PPE	Review of Repairs and Maintenance Projects

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	maintenance and assets.													
27	Correct any differences.			P M		V M	R M				GRA P 17	PPE	PPE	

Procedures for Acquisition of Movable Assets (Renewal)

No	Procedure	Admin Clerk: Assets	Accountant: Movable Assets	Senior Accountant:	Managers: All Departments	Executive Managers	Manager: Supply Chain	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line Item	Proposed Miscoa Item	KPI

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1	Complete a "Request of Asset Replacement Form".				PD		V M	R M	R A		GRA P 17	PP E	PP E	
2	Send the "Request of Asset Replacement Form" to the Head of Department.		PD		PD		V M	R M	R A		GRA P 17	PP E	PP E	Request of Asset Replacement Form
3	Approve the "Request of Asset Replacement Form".					P D	V M	R M	R A		GRA P 17	PP E	PP E	
4	Follow the normal Supply Chain Management (SCM) procedures.		VD		PD		R M				GRA P 17	PP E	PP E	
5	Indicate during the SCM procedures if a										GRA P 17	PP E	PP E	

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	new/existing asset is acquired.													
6	All assets are received at central base and the Manager who ordered the asset is contacted.										GRA P 17	PP E	PP E	
7	ALTERNATIVE: The Manager who order the asset receive the asset.										GRA P 17	PP E	PP E	
8	Sign that asset was received, agree with order placed, and that the asset is in a working condition.		VD		PD		R M				GRA P 17	PP E	PP E	Goods Received Note
9	Sign invoice that goods were received in good order and supplier can be paid.		VD		PD		R M				GRA P 17	PP E	PP E	
10	Send invoice to the Creditors Department.		VD		PD		R M				GRA P 17	PP E	PP E	
11	Creditors Department follow normal payment procedures.										GRA P 17	PP E	PP E	
12	Complete the "Asset Replacement Form", by using all segments of mSCOA.		VD		PD	V D	R M				GRA P 17	PP E	PP E	Asset Replacement Form

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13	Request the Manager: Information Systems to remove all hardware and software from computers, before they are handed in at asset store.		VD		PD	V D	R M				GRA P 17	PP E	PP E	
14	Send replaced asset to asset stores.										GRA P 17	PP E	PP E	
15	Verify information on the "Asset Replacement Form" with the Asset Register.		PD	VD	VD		R M				GRA P 13 GRA P 17	PP E	PP E	
16	Issue receipt for asset received.		PD	VD	VD		R M				GRA P 17 GRA P 19	PP E	PP E	Asset receipt
17	Receive receipt from asset store when asset is handed in.		VD		PD		R M				GRA P 17 GRA P 31	PP E	PP E	
18	Send the "Asset Replacement Form", "Request for Asset Replacement" and copy of receipt from asset store to the Chief Clerk: Assets.		VD		PD		R M				GRA P 17	PP E	PP E	
19	Review the "Asset Replacement Form", "Request for Asset		PD		VD		R M				GRA P 17	PP E	PP E	

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	Replacement" and copy of receipt from asset store.												
20	Write-off replaced asset to R1 on the Asset Register.		PD	VD			R M			GRA P 17	PP E	PP E	
21	Prepare a monthly list of all write-offs.		PD	VD			R M			GRA P 17	PP E	PP E	Monthly list of write-offs
22	Submit monthly list of write-offs to the Accountant: Assets.		PD	VD			R M			GRA P 17	PP E	PP E	
23	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.		PM				R M		MFM A S 63	GRA P 17	PP E	PP E	Asset Register Reconciliation
24	Investigate any differences.		PM				R M			GRA P 17	PP E	PP E	
25	Correct any differences.		PM				R M			GRA P 17	PP E	PP E	
26	File list of write-offs with audit trail of acquisitions, for future reference.		PM				R M			GRA P 17	PP E	PP E	Monthly list of acquisitions

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27	<p>Complete the "Asset Acquisition Form" that consists of the following minimum information:</p> <ul style="list-style-type: none"> • Town; • Location; • Room number; • Asset code; • Description; • Asset type; • Asset make/model; • Asset colour; • Units; • Department within Municipality; • Serial number; • Registration number; • Condition; • Custodian of asset; • Cost of asset (Excluding VAT); • VAT on transaction; • Total cost (including VAT); • Estimate useful life; • Start depreciation date; • New/Renewal asset; • Project number; • Line-item; • If asset must be separately insured; and • All segments of mSCOA. 		VD		PD		R M				GRA P 17	PP E	PP E	Asset Acquisition Form
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28	Send "Asset Acquisition Form", with copy of invoice to the Chief Clerk: Assets		VD		PD		R M							
29	Verify information on the "Asset Acquisition Form" against invoice and the Asset Management Policy.	PD	VD				R M							
30	Confirm that expected useful life of asset agrees with the Asset Management Policy.	PD	VD				R M							
31	Barcode the asset.	PD	VW	R W										
32	Update the "Asset Acquisition Form" with barcode and any other short comings.	PD	VD				R M							
33	Capture asset in the Asset Register.	PD	VD				R M							
34	Prepare a monthly list of all acquisitions.	PD	VD				R M							Monthly list of acquisitions
35	Submit monthly list of acquisitions to the Accountant: Assets.	PD	VD				R M							
36														

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37	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.		PM					R M			MFM A S 63				Asset Register Reconciliation
38	Investigate any differences.		PM					R M							
39	Correct any differences.		PM					R M							
40	File list of acquisitions with audit trail of acquisitions, for future reference.		PM					R M							Monthly list of acquisitions

	Procedures for Construction of Infrastructure Assets															
No	Procedure	Admin Clerk: Assets	GIS: Technician	Accountant: Immovabl	Senior	Senior	Managers:	Managers:	Executive Manager:	Chief	Municipal	Legislatio	GRAP Standard	GRAP	Proposed	KPI

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1	Follow the normal Supply Chain Management Procedures (SCM).														GR AP 17	P P E	P P E		
2	Indicate during the SCM procedures if a new/renewal asset is acquired.														GR AP 17	P P E	P P E		
3	The Project Management Unit manage the project.														GR AP 17	P P E	P P E		

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4	Sign that work was performed as per Service-Level Agreement.				V D		P D			R M			GR AP 17	P P E	P P E	
5	Sign invoice that goods were received in good order and supplier can be paid.				V D		P D			R M			GR AP 17	P P E	P P E	
6	Send invoice to the Creditors Department.				V D		P D			R M			GR AP 17	P P E	P P E	
7	The Creditors Department follow normal payment procedures												GR AP 17	P P E	P P E	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

8	<p>Complete the "Asset Acquisition Form" that consists of the following minimum information:</p> <ul style="list-style-type: none"> • Town; • Location; • Room number; • Asset code; • Description; • Asset type; • Asset make/model; • Asset colour; • Units; • Department within Municipality; • Serial number; • Registration number; • Condition; • Custodian of asset; • Cost of asset (Excluding VAT);• VAT on transaction; • Total cost (including VAT); • Estimate useful life; • Start depreciation date; • New/Renewal asset; • Project number; • Line-item; • GPS coordinates of 			VD	P D		P D			R M				GR AP 17	P P E	P P E	Asset Acquisition Form
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<p>project; • Indicate if project is still in progress or completed; • Subsequent measurement method of asset; • If asset must be separately insured; and • All segments of mSCOA.</p>											
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

9	FOR PROJECTS STILL UNDER CONSTRUCTION: Send "Asset Acquisition Form", with copy of payment certificate to the Chief Clerk: Assets			VD	P D					R M				GR AP 17	P P E E	P P E E	
10	Verify information on the "Asset Acquisition Form".			PD	V D					R M				GR AP 17	P P E E	P P E E	
11	Capture asset in the Work-in-progress Register, by using all segments of mSCOA.			PD	V D					R M				GR AP 17	P P E E	P P E E	
12	Capture retention, as indicated on payment certificate, in the Retention Register. Use all segments of mSCOA.				V D	P D				R M				GR AP 17	P P E E	P P E E	Retention Register
13	Prepare monthly list of all work-inprogress.			PD	V D					R M				GR AP 17	P P E E	P P E E	Monthly list of work in progress
14	Submit monthly list of work-inprogress to the Accountant: Assets.			PD	V D					R M				GR AP 17	P P E E	P P E E	

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15	Reconcile the Work-in-progress Register with the General Ledger.			PM	V D								MF MA S 63	GR AP 13 GR AP 17	P P E E	P P E E	Asset Register Reconciliatio n
16	Reconcile the Retention Register with the General Ledger.				V M	P M								GR AP 17 GR AP 19	P P E E	P P E E	
17	Investigate any differences.			PM	V D									GR AP 17 GR AP 31	P P E E	P P E E	
18	Correct any differences.			PM	V D									GR AP 17	P P E E	P P E E	
19	File list of work-in-progress, with audit trail of acquisitions and supporting documentation, for future reference.			PM	V D									GR AP 17	P P E E	P P E E	Monthly list of work in progress
20	File copy of the Retention Register with supporting documentation for future reference.				V M	P M								GR AP 17	P P E E	P P E E	Retention Register

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21	FOR COMPLETED PROJECTS: Unbundle infrastructure or appoint a Service Provider, through SCM process, to unbundle infrastructure assets.		PD	VD	R M		R M							GR AP 17	P P E	P P E	
22	Complete the "Asset Acquisition Form" for completed project.		VD	PD			R M							GR AP 17	P P E	P P E	
23	Document unbundled items on the "Asset Acquisition Form", with all segments of mSCOA.		VD	PD			R M							GR AP 17	P P E	P P E	
24	Send "Asset Acquisition Form", with final Bill of Quantities, final As-Built Drawings, Completion Certificate and associated special information to the Chief Clerk: Assets			VD		P D	R M							GR AP 17	P P E	P P E	
25	Verify information on the "Asset Acquisition Form" against payment certificate and the Asset			PD	V D		R M							GR AP 17	P P E	P P E	Asset Acquisition Form

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	Management Policy.																
26	Confirm, for reasonability that expected useful life of asset agrees with the Asset Management Policy.			PD	V D		R M							GR AP 17	P P E	P P E	
27	Reconcile work-in-progress with unbundled items.		VW	PD	R W				R M					GR AP 17	P P E	P P E	
28	Update project on GIS system.		PW	VW			R W										GIS Maps
29	Update the "Asset Acquisition Form" with GIS data and any other short comings.			PD	V D				R M								Asset Acquisition Form
30	Capture asset in the Asset Register by using all segments of mSCOA.			PD	V D				R M								
31	Prepare a monthly list of all acquisitions.			PD	V D				R M								Monthly list of acquisitions
32	Submit monthly list of acquisitions to the Accountant: Assets.			PD	V D				R M								

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33	Prepare journals for transfer of work-in-progress.			PD	V D					R D	R M						
34	Capture journals in the financial system.	PD		VD	R D					R D							
35	Reconcile the Asset Register and the Work-in-progress Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.			PM	R M					R M		MF MA S 63					Asset Register Reconciliation
36	Investigate any differences.			PM	R M					R M							
37	Correct any differences.			PM	R M					R M							
38	File list of acquisitions with audit trail of acquisitions, for future reference.			PM	R M					R M							

Asset Count

This section deals with procedures for the first complete asset count and subsequent asset counts of Property, Plant and Equipment.

Staff members involved in procedures:

CA Clerk: Assets

AA Accountant: Assets

MPMU Manager: Project Management Unit

HAE Head: Assets and Expenditure

CFO Chief Financial Officer

MM Municipal Manager

HOD Heads of other Departments within Municipality

FC Finance Committee (can also be Executive Committee)

C Council

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	Procedures for performing an Asset Count of Movable Assets (First-time full Asset Count)																				
No	Procedure	Admin Clerk: Assets	GIS: Technician	Accountant: Mmovable Assets	Senior Accountant: Assets	Senior Accountant: Expenditure	Managers: PMU	Managers: All Departments	Executive Managers	Manager: Supply Chain Management	Chief Financial Officer	Municipal Manager	Finance Portfolio Committee	Council	Legislation	GRAP Standard	GRAP Line Item	Proposed Mscoa Item			KPI

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

1	Develop Asset Count Procedures that indicates the following: <ul style="list-style-type: none"> • Roles and responsibilities of all involved in the asset count. • Employees conducting the asset count; • Time Schedule of asset count; • Procedures to be performed during the asset count, including method of counting; • Procedures for assets not previously included in Asset Register; • Procedures for assets transferred during the year, Transfer procedures;• Procedures for missing assets 			PA	P A																																																																																																																																																																																									
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<ul style="list-style-type: none"> • Method of condition rating as per Asset Management Policy; • Method of determining remaining useful life (RUL) per Asset Management Policy; • Procedures to identify any indication of impairment; • Procedures how to document description of asset (Type, Make, Colour); • Follow-up procedures after asset count, if needed; and • Action to be taken if procedures are not adhered to. 												
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2	Submit asset count procedures to the HOD meeting.			PA	V A					V A	R A	R A				GR AP 17	P P E	P P E	
3	Approve asset count procedures at the HOD meeting.										P A	V A				GR AP 17	P P E	P P E	Minutes of HOD Meeting
4	Inform other departments of the asset count in writing.			PA	V A		V A			R A						GR AP 17	P P E	P P E	E-mail to Departments

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5	Prepare asset count template for "First-time Full Asset Count - Movable Assets", that consists of the following minimum information: <ul style="list-style-type: none"> • Town; • Location; • Room number; • Asset code; • Description; • Asset type; • Asset class; • Asset sub class; • Asset make/model; • Asset colour; • Units; • Department within municipality; • Serial number;• Registration number; • Condition; • Custodian of asset; • Date of asset count; • Confirmation from custodian that asset exist and asset 			PA	P A									
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<p>count was performed accurately and includes all assets; • Confirmation from employee performing the asset count, that asset exists and asset count was performed accurately and includes all assets;</p>													
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6	<p>Perform asset count (Asset count team consist of: 2 x employees in Finance Department + 1 employee of department where asset count is performed), as per following procedures:</p> <ul style="list-style-type: none"> • Mark all assets that have been counted (sticker with same colour); • Mark all assets without a barcode (sticker with different colour in procedure above); • Assess condition of asset, based on hierarchy in the Asset Management Policy; • Take picture of asset with barcode; 	PA			V A		P A		R A				GR AP 17	P P E	P P E	Asset Count Template Deviations Report
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<ul style="list-style-type: none"> • Complete Asset Count Template; • Sign Asset Count Template; • Document any deviations from asset count procedures; • Report any deviations from asset count procedures immediately. 													
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7	Verify asset count with information on the Asset Register: <ul style="list-style-type: none"> • Town; • Location; • Room number; • Asset code; • Description; • Asset type; • Asset make/model; • Asset colour; • Units; • Department within municipality; • Serial number; • Registration number; • Condition; • Custodian of asset; 	PA		PA	V A					R A	R A					GR AP 17	P P E	P P E	
8	Prepare a list of all "missing assets".	PA		VA	V A					R A						GR AP 17	P P E	P P E	List of Missing Assets
9	Send list of "missing asset" to all custodians and manager to whom custodian reports.	VA		PA	V A					R A						GR AP 17	P P E	P P E	

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10	Obtain reasons for "missing assets".	VA		PA	V A											GR AP 17	P P E	P P E	
11	Physically verify assets not verified during asset count.	PA		VA	V A											GR AP 17	P P E	P P E	
12	Obtain "Asset Transfer Forms", with segments of mSCOA, from custodian if asset was transferred.	VA		PA	V A											GR AP 17	P P E	P P E	
13	Verify asset at new location if asset was transferred.	PA		VA	V A											GR AP 17	P P E	P P E	
14	Obtain copy of receipt for assets handed-in at asset store.	VA		PA	V A											GR AP 17	P P E	P P E	
15	Verify existence of asset at asset store.	PA		VA	V A											GR AP 13 GR AP 17	P P E	P P E	
16	Update list of "missing assets".	PA		VA	V A											GR AP 17 GR	P P E	P P E	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

																		AP 19			
17	Send final list of "missing assets" to the Accountant: Assets.	PA		VA	V A													GR AP 17 GR AP 31	P P E	P P E	Final list of Missing Assets
18	Obtain values from the Asset Register for all "missing assets".			PA	V A													GR AP 17	P P E	P P E	
19	Prepare list of "missing assets" with values and all segments of mSCOA.			PA	V A													GR AP 17	P P E	P P E	
20	Send list of "missing assets" with values to the Financial Committee.																	GR AP 17	P P E	P P E	Final list of Missing Assets
21	The Financial Committee investigate items on list of "missing assets".																	GR AP 17	P P E	P P E	
22	The Financial Committee approve list of "missing assets".																	GR AP 17	P P E	P P E	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

23	Send approved list of "missing assets" to the Accountant: Assets.															GR AP 17	P P E	P P E	
24	Write-off assets on the Asset Register.			PA	V A											GR AP 17	P P E	P P E	
25	Capture journals on financial system, by using all segments of mSCOA.	PA		VA	R A											GR AP 17	P P E	P P E	Corrective Journals
26	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.			PA	V A											GR AP 17	P P E	P P E	
27	Investigate any differences.			PA	V A											GR AP 17	P P E	P P E	
28	Correct any differences.			PA	V A														

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

29	File the list of "missing assets" with audit trail of write-offs for future reference.			PA	V A					V A	R A							
30	Prepare a list of all assets, identified during the asset count, without a barcode.			PA	V A					V A	R A							
31	Review the Asset Register, to identify if asset was not previously recorded on the Asset Register.			PA	V A					V A	R A							
32	Barcode assets without barcodes.			PA	V A					V A	R A							
33	Prepare the final list of "assets not previously recognised", with estimated remaining useful lives and all segments of mSCOA.			PA	V A					V A	R A							List of assets not previously recognised
34	Send the final list of "assets not previously			PA	V A					V A	R A							

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	recognised" to the Accountant: Assets.																		
35	Obtain current replacement cost for all assets not previously recognised.			PA	V A					V A	R A								Supporting documentation for CRC
36	Obtain remaining useful lives of assets from final list of "assets not previously recognised".			PA	V A					V A	R A								
37	Calculate the fair value of each asset.			PA	V A					V A	R A								Fair value calculations
38	Send list of "assets not previously recognised" with fair values to the Manager SCM			PA	V A					V A	R A								
39	Review fair value calculations of assets.			VA	P A					V A	R A								
40	Send list of "assets not previously recognised" with fair values to the									P A	V A	V A	R A	R A					List of Assets not previously recognised

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	Finance Committee.																		
41	The Finance Committee investigate items on list of "assets not previously recognised".																		
42	The Finance Committee approve list of "assets not previously recognised".																		
43	Send approved list of "assets not previously recognised" to the Senior Accountant Assets																		Final list of Assets not previously recognised
44	Capture "assets not previously recognised" in the Asset Register, by using all segments of mSCOA.																		

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

45	Capture "assets not previously recognised" journals on the financial system, by using all segments of mSCOA.	PA		VA							RA							
46	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.			PA	VA						VA	RA				MFM AS 63		Asset Register Reconciliation
47	Investigate any differences.			PA	VA						VA	RA						
48	Correct any differences.			PA	VA						VA	RA						
49	File list of "assets not previously recognised" with audit trail of transfer-in assets, for future reference.			PA	VA						VA	RA						
50	Obtain condition rating of all	PA		VA	VA						VA	RA						

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	assets from asset count teams.																		
51	Calculate the remaining useful life of asset, by taken the condition rating of the asset into account. Calculation is based on hierarchy in the Asset Management Policy.			PA	V A					V A	R A								RUL Calculations
52	Compare RUL with RUL of prior year.			PA	V A					V A	R A								
53	Split list of "changes in useful lives" in different categories: <ul style="list-style-type: none"> • Changes less than 2 years • Changes more than 2 years 			PA	V A					V A	R A								
54	Send list of "changes in useful lives" to the Accountant: Assets.			PA	V A					V A	R A								
55	Review remaining useful life calculations and split			PA	V A					V A	R A								

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	into different categories.																		
56	Treatment of changes in remaining useful lives: • Consider whether for each category whether it is change in useful life or an error in terms of GRAP 3. Also see indicators in GRAP 17.57 to identify changes in useful lives.			PA	V A					V A	R A								
57	Calculate backlog depreciation.			PA	V A					V A	R A								Backlog depreciation calculations
58	Record backlog depreciation in the Asset Register, by using all segments of mSCOA.			PA	V A					V A	R A								
59	Record backlog depreciation in the Asset Register, by using all			PA	V A					V A	R A								

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	segments of mSCOA.																		
60	Update the Asset Register with all remaining useful lives.			PA	V A					V A	R A								
61	Capture journals for backlog depreciation (correction of error) on the financial system, by using all segments of mSCOA.																		
62	Capture journals for backlog depreciation (correction of error) on the financial system, by using all segments of mSCOA.	PA		PA	V A					V A	R A								
63	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated			PA	V A					V A	R A			MFM A S 63					Asset Register Reconciliation

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	impairment losses and carrying values.																		
64	Send list of "obsolete assets" to all custodians and manager to whom custodian reports.			PA	V A					V A	R A								
65	Request confirmation that list of "obsolete stock" is correct.			PA	V A					V A	R A								
66	Request managers in all departments to complete the "Asset Replacement Form" with all segments of mSCOA.			PA	V A					V A	R A								
67	Request managers in all departments to send obsolete assets to asset store.			PA	V A					V A	R A								

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

68	Receive asset at asset stores.			PA	V A					V A	R A							
69	Verify information on the "Asset Replacement Form" with list of obsolete assets.			PA	V A					V A	R A							
70	Issue receipt for asset received.			PA	V A					V A	R A							Asset Store Receipt
71	Managers in all departments send the "Asset Replacement Form" and copy of receipt from asset store to the Admin Clerk: Assets.	VA		VA	R A					R A	R A							Asset Replacement Form
72	Review the "Asset Replacement Form" and copy of receipt from asset store.	PA		VA	V A					R A	R A							
73	Write-off replaced asset to an amount representative of the economic benefits the municipality expects to receive from the sale. Use all	PA		VA	V A					R A	R A							

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	segments of mSCOA for transaction.																		
74	Prepare a list of all write-offs with all segments of mSCOA.	PA		VA	V A					R A	R A								List of writeoffs
75	Send list of write-offs to the Finance Committee.									P A	V A	V A	R A	R A					List of writeoffs
76	The Finance Committee investigate items on list of writeoffs.												P A	V A					
77	The Finance Committee approve list of write-offs.												P A	V A					
78	Submit list of write-offs to the Accountant: Assets.			PA	V A					V A	R A								Approved list of write-offs
79	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated			PA	V A					V A	R A				MFM A S 63				

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	impairment losses and carrying values.																		
80	Investigate any differences.			PA	V A					V A	R A								
81	Correct any differences.			PA	V A					V A	R A								
82	File the list of write-offs with audit trail of acquisitions, for future reference.			PA	V A														
83	Perform a Test Depreciation Run, by using all segments of mSCOA.			PA	V A					V A	R A								
84	Investigate any differences.			PA	V A					V A	R A								
85	Correct any differences.			PA	V A					V A	R A								
86	Perform a Depreciation Run, by using all segments of mSCOA.			PA	V A					V A	R A								Depreciation Run
87	Reconcile depreciation in the Asset Register with depreciation			PA	V A					V A	R A				MFM A S 63				

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	in the General Ledger, by using all segments of mSCOA.																		
88	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.			PA	V A					V A	R A								MFM A S 63
89	Investigate any differences.			PA	V A					V A	R A								
90	Correct any differences.			PA	V A					V A	R A								
91	Prepare a list of all deviations from asset count procedures. The list of deviations must also include: • Deviations from procedures for the movement of assets from one user to another;			PA	V A					V A	R A								List of Deviations

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	<ul style="list-style-type: none"> Any non-compliance with the maintenance strategy; and Instances found where assets were not utilised for the purpose for which they were acquired. 																		
92	Submit list of all deviations to the Municipal Manager.				P A					V A	R A								
	Procedures for accepted by:																		
	Employee	Signature			D a t e														
	DS																		
	LW																		
	CSCM																		
	ASCM																		
	AE																		
	MSCM																		

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	HAE																	
	CFO																	
	MM																	
	Procedures for performing Competitive Bidding approved by:																	
	Chief Financial Officer																	
	Municipal Manager																	

	Procedures for performing an Asset Count of Movable Assets (Annual Asset Count)																		
No	Procedure	Admin Clerk: Assets	GIS: Technician	Accountant: Movable Assets	Senior	Senior	Managers: PMU	Managers: All	Executive	Manager: Supply	Chief Financial	Municipal Manager	Finance Portfolio	Council	Legislation	GRAP Standard	GRAP Line Item	Proposed Mscoa	KPI

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

1	<p>Develop Asset Count Procedures that indicates the following:</p> <ul style="list-style-type: none"> • Roles and responsibilities of all involved in the asset count. • Employees conducting the asset count; • Time Schedule of asset count; • Procedures to be performed during the asset count, including method of counting; • Procedures for assets not previously included in Asset Register; • Procedures for assets transferred during the year, Transfer procedures;• Procedures for missing assets 			PA	P A						R A	R A			Asset Management Policy	GR AP 17	P P E	P P E	Asset Count Procedures
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<ul style="list-style-type: none"> • Method of condition rating as per Asset Management Policy; • Method of determining remaining useful life (RUL) per Asset Management Policy; • Procedures to identify any indication of impairment; • Procedures how to document description of asset (Type, Make, Colour); • Follow-up procedures after asset count, if needed; and • Action to be taken if procedures are not adhered to. 												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

2	Submit asset count procedures to the HOD meeting.			PA	V A					V A	R A	R A				GR AP 17	P P E	P P E	
3	Approve asset count procedures at the HOD meeting.										P A	V A				GR AP 17	P P E	P P E	Minutes of HOD Meeting
4	Inform other departments of the asset count in writing.			PA	V A		V A			R A						GR AP 17	P P E	P P E	E-mail to Departments

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

5	<p>Prepare Asset Count Template for "Annual Asset Count", with the following minimum information:</p> <ul style="list-style-type: none"> • Town; • Location; • Room number; • Asset code; • Description; • Asset type; • Asset class; • Asset sub class; • Asset make/model; • Asset colour; • Units;Department within municipality; • Serial number; • Registration number; • Condition; • Custodian of asset; • Date of asset count; • Confirmation from custodian that asset exist and asset count was performed 			PA	P A										GR AP 17	P P E	P P E	
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<p>accurately and includes all assets; and</p> <ul style="list-style-type: none">• Confirmation from employee performing the asset count, that asset exists and asset count was performed accurately and includes all assets.													
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

6	Populate Asset Count Template with information obtained from the Asset Register.			PA	V A			P A		R A					GR AP 17	P P E	P P E	Asset Count Template Deviations Report
7	Perform asset count (Individual asset count team consist of 2 x employees in Finance Department + 1 employee of department where asset count is performed), as per following procedures: <ul style="list-style-type: none"> • Mark all assets that have been counted (sticker with same colour); • Mark all assets without a barcode (sticker with different colour in procedure above); • Assess condition of asset, based on hierarchy 	PA		PA	V A					R A	R A				GR AP 17	P P E	P P E	Asset Count Template Deviations Report

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<p>in the Asset Management Policy;</p> <ul style="list-style-type: none"> • Take picture of asset with barcode; Complete Asset Count Template; • Sign Asset Count Template; • Document any deviations from asset count procedures; and • Report any deviations from asset count procedures immediately. 													
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

8	Verify asset count with information on the Asset Register: <ul style="list-style-type: none"> • Town; • Location; • Room number; • Asset code; • Description; • Asset type; • Asset make/model; • Asset colour; • Units;Department within municipality; • Serial number; • Registration number; • Condition; and • Custodian of Asset. 	PA		VA	V A										GR AP 17	P P E	P P E	List of Missing Assets	
9	Prepare a list of all "missing assets" with all segments of mSCOA.	PA		VA	V A														List of Missing Assets
10	Send list of "missing asset" to all custodians and manager to whom custodian reports.	PA		VA	V A										GR AP 17	P P E	P P E		

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

11	Obtain reasons for "missing assets".	VA		PA	V A											GR AP 17	P P E	P P E	
12	Physically verify assets not verified during asset count.	PA		VA	V A											GR AP 17	P P E	P P E	
13	Obtain "Asset Transfer Forms", with segments of mSCOA, from custodian if asset was transferred.	VA		PA	V A											GR AP 17	P P E	P P E	
14	Verify asset at new location if asset was transferred.	PA		VA	V A											GR AP 17	P P E	P P E	
15	Obtain copy of receipt for assets handed-in at asset store.	VA		PA	V A											GR AP 17	P P E	P P E	
16	Verify existence of asset at asset store.	PA		VA	V A											GR AP 13 GR AP 17	P P E	P P E	
17	Update list of "missing assets".	PA		VA	V A											GR AP 17 GR	P P E	P P E	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

																	AP 19			
18	Send final list of "missing assets" to the Accountant: Assets.	PA		VA	V A												GR AP 17 GR AP 31	P P E	P P E	Final list of Missing Assets
19	Obtain values from the Asset Register for all "missing assets".			PA	V A												GR AP 17	P P E	P P E	
20	Prepare list of "missing assets" with values and all segments of mSCOA.			PA	V A												GR AP 17	P P E	P P E	
21	Prepare a report with all deviations found during the asset count.			PA	V A												GR AP 17	P P E	P P E	
22	Submit report with deviations to the Chief Financial Officer.			PA	V A												GR AP 17	P P E	P P E	Asset Count Deviations Report
23	Send list of "missing assets" with values to the Financial Committee.			PA	V A												GR AP 17	P P E	P P E	Final list of Missing Assets

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

24	The Financial Committee investigate items on list of "missing assets".													PA	VA				
25	The Financial Committee approve list of "missing asset".													PA	VA				
26	Send approved list of "missing assets" to the Accountant: Assets.								PA	VA	VA					GR AP 17	PE	PE	
27	Write-off assets on the Asset Register.			PA	VA				VA	RA						GR AP 17	PE	PE	
28	Capture journals on financial system, by using all segments of mSCOA.	PA		VA	RA											GR AP 17	PE	PE	
29	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated			PA	VA				VA	RA				MFM AS 63		GR AP 17	PE	PE	Asset Register Reconciliation

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	impairment losses and carrying values.																		
30	Investigate any differences.			PA	V A					V A	R A					GR AP 17	P P E	P P E	
31	Correct any differences.			PA	V A					V A	R A								
32	File the list of "missing assets" with audit trail of write-offs for future reference.			PA	V A					V A	R A								
33	Prepare a list of all assets, identified during the asset count, without a barcode.			PA	V A					V A	R A								
34	Review the Asset Register, to identify if asset was not previously recorded on the Asset Register.			PA	V A					V A	R A								

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

35	Barcode assets without barcodes.			PA	V A					V A	R A							
36	Prepare the final list of "assets not previously recognised", with estimated remaining useful lives and all segments of mSCOA.			PA	V A					V A	R A							List of assets not previously recognised
37	Send the final list of "assets not previously recognised" to the Accountant: Assets.			PA	V A					V A	R A							
38	Obtain current replacement cost for all assets not previously recognised.			PA	V A					V A	R A							Supporting documentation for CRC
39	Obtain remaining useful lives of assets from final list of "assets not previously recognised".			PA	V A					V A	R A							
40	Calculate the fair value of each asset.			PA	V A					V A	R A							Fair value calculations

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

41	Send list of "assets not previously recognised" with fair values to the Manager SCM			PA	V A					V A	R A							
42	Review fair value calculations of assets.			VA	P A					V A	R A							
43	Send list of "assets not previously recognised" with fair values to the Finance Committee.									P A	V A	V A	R A	R A				List of Assets not previously recognised
44	The Finance Committee investigate items on list of "assets not previously recognised".												P A	V A				
45	The Finance Committee approve list of "assets not previously recognised".												P A	V A				
46	Send approved list of "assets not previously recognised" to the				P A					V A	V A	V A						Final list of Assets not previously recognised

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	Senior Accountant Assets																		
47	Capture "assets not previously recognised" in the Asset Register, by using all segments of mSCOA.			PA	V D					V A	R A								
48	Capture "assets not previously recognised" journals on the financial system, by using all segments of mSCOA.	PA		VA						R A									
49	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.			PA	V A					V A	R A			MFM A S 63					Asset Register Reconciliati on
50	Investigate any differences.			PA	V A					V A	R A								

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

51	Correct any differences.			PA	V A					V A	R A							
52	File list of "assets not previously recognised" with audit trail of transfer-in assets, for future reference.			PA	V A					V A	R A							
53	Obtain condition rating of all assets from asset count teams.	PA		VA	V A					V A	R A							
54	Calculate the remaining useful life of asset, by taken the condition rating of the asset into account. Calculation is based on hierarchy in the Asset Management Policy.			PA	V A					V A	R A							RUL Calculations
55	Compare RUL with RUL of prior year.			PA	V A					V A	R A							RUL Comparisons
56	Prepare a list of assets with a change of more than 1 year.			PA	V A					V A	R A							

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

57	Split list of "changes in useful lives" in different categories: <ul style="list-style-type: none"> • Changes less than 2 years • Changes more than 2 years 			PA	V A					V A	R A							
58	Send list of "changes in useful lives" to the Accountant: Assets.			PA	V A					V A	R A							List of Changes in Remaining Useful Lives
59	Review remaining useful life calculations and split into different categories.			PA	V A					V A	R A							
60	Treatment of remaining useful lives: <ul style="list-style-type: none"> • Consider whether for each category whether it is change in useful life or an indication of impairment. Also see other indicators in: • GRAP 17.52 to identify 			PA	V A					V A	R A							

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	changes in useful lives; and • GRAP 21 & 26 for impairments.																		
61	Treatment of impairment - Refer to Section on impairments.			PA	V A					V A	R A								
62	Update the Asset Register with all remaining useful lives.			PA	V A					V A	R A								Backlog depreciation calculations
63	Perform the Test Depreciation Run, by using all segments of mSCOA.			PA	V A					V A	R A								
64	Investigate any differences.			PA	V A					V A	R A								
65	Correct any differences.			PA	V A					V A	R A								
66	Perform the Depreciation Run, by using all			PA	V A					V A	R A								

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	segments of mSCOA.																		
67	Reconcile depreciation in the Asset Register with depreciation in the General Ledger across all segments of mSCOA.	PA		PA	V A					V A	R A								
68	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.			PA	V A					V A	R A			MFM A S 63					Asset Register Reconciliation
69	Investigate any differences.			PA	V A					V A	R A								
70	Correct any differences.			PA	V A					V A	R A								
71	Generate reports for changes in useful lives.			PA	V A					V A	R A								
72	Prepare disclosure note in the Financial Statements			PA	V A					V A	R A								Disclosure Note

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	for changes in useful lives.																		
73	Prepare a list, with all segments of mSCOA, of all "obsolete assets".			PA	V A					V A	R A								List of Obsolete Assets
74	Send list of "obsolete assets" to all custodians and manager to whom custodian report.			PA	V A					V A	R A								
75	Request confirmation list of "obsolete stock" is correct.			PA	V A					V A	R A								
76	Request managers in all departments to complete the "Asset Replacement Form", by using all segments of mSCOA.	VA		VA	R A					R A	R A								
77	Request managers in all departments to send obsolete assets to asset store.	PA		VA	V A					R A	R A								

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

78	Receive asset at asset stores.	PA		VA	V A					R A	R A							
79	Verify information on the "Asset Replacement Form" with list of obsolete assets.	PA		VA	V A					R A	R A							
80	Issue receipt for asset received.	PA		VA	V A					R A	R A							Asset Store Receipt
81	Managers in all departments send the "Asset Replacement Form" and copy of receipt from asset store to the Chief Clerk: Assets.	PA		VA	V A					R A	R A							Asset Replacement Form
82	Review the "Asset Replacement Form" and copy of receipt from asset store.	PA		VA	V A					R A	R A							
83	Write-off replaced asset to an amount representative of the economic benefits the municipality expects to receive from the sale, by			PA	V A					V A	R A							

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	using all segments of mSCOA.																		
84	Prepare list of all write-offs with all segment of mSCOA.			PA	V A					V A	R A								List of write-offs
85	Send list of write-offs to the Financial Committee.			PA	V A					V A	R A								List of write-offs
86	The Financial Committee investigate items on list of writeoffs.											P A	V A						
87	The Financial Committee approve list of write-offs.											P A	V A						
88	Submit list of write-offs to the Accountant: Assets.			PA	V A					V A	R A								Approved list of write-offs
89	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated			PA	V A					V A	R A								

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	depreciation, accumulated impairment losses and carrying values.																		
90	Investigate any differences.			PA	V A					V A	R A								
91	Correct any differences.			PA	V A					V A	R A								
92	File list of write-offs with audit trail of acquisitions, for future reference.			PA	V A					V A	R A								
93	Prepare a list of all deviations from asset count procedures.			PA	V A					V A	R A								List of Deviations
94	Submit list of all deviations to the Municipal Manager.			PA	V A					V A	R A	R A							
	Procedures for accepted by:																		

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	Employee	Signature			Date													
	DS																	
	LW																	
	CSCM																	
	ASCM																	
	AE																	
	MSCM																	
	HAE																	
	CFO																	
	MM																	
	Procedures for performing Competitive Bidding approved by:																	
	Chief Financial Officer																	
	Municipal Manager																	

	Procedures for performing an Asset Count of Immovable Assets (First-time full Asset Count)																				
No	Procedure	Admin Clerk: Asset	GIS: Technician	Accountant: Mmov	Senior	Senior	Manag	Manag	Execu	Manag	Chief	Munici	Financ	Counc	Legisl	ation	GRAP	Stand	GRAP	Propo	KPI

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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

1	Develop Asset Count Procedures that indicates the following: <ul style="list-style-type: none"> • Roles and responsibilities of all involved in the asset count. • Employees conducting the asset count; • Time Schedule of asset count; • Procedures to be performed during the asset count, including method of counting; • Procedures for assets not previously included in Asset Register; • Procedures for assets transferred during the year, Transfer procedures;• Procedures for missing assets 			PA	P A									Asset Count Procedures
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<ul style="list-style-type: none"> • Method of condition rating as per Asset Management Policy; • Method of determining remaining useful life (RUL) per Asset Management Policy; • Procedures to identify any indication of impairment; • Procedures how to document description of asset (Type, Make, Colour); • Follow-up procedures after asset count, if needed; and • Action to be taken if procedures are not adhered to. 												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

2	Submit asset count procedures to the HOD meeting.			PA	V A					V A	R A	R A				GR AP 17	P P E	P P E	
3	Approve asset count procedures at the HOD meeting.										P A	V A				GR AP 17	P P E	P P E	Minutes of HOD Meeting
4	Inform other departments of the asset count in writing.			PA	V A		V A			R A	R A					GR AP 17	P P E	P P E	E-mail to Departments

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

5	<p>Prepare Asset Count Template for "Annual Asset Count", with the following minimum information:</p> <ul style="list-style-type: none"> • Town; • Location; • Room number; • Asset code; • Description; • Asset type; • Asset class; • Asset sub class; • Asset make/model; • Asset colour; • Units;Department within municipality; • Serial number; • Registration number; • Condition; • Custodian of asset; • Date of asset count; • Confirmation from custodian that asset exist and asset count was performed 			PA	P A							GR AP 17	P P E E	
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<p>accurately and includes all assets; and</p> <ul style="list-style-type: none">• Confirmation from employee performing the asset count, that asset exists and asset count was performed accurately and includes all assets.													
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

6	Obtain list from the Deeds Office of all properties registered in the name of the municipality.			PA	V A			P A		R A	R A				GR AP 17	P P E	P P E	List from Deeds Office
7	Obtain list from the Valuation Roll of all properties registered in the name of the municipality.	PA		PA	V A					R A	R A				GR AP 17	P P E	P P E	List from Valuation Roll
8	Obtain list of all properties in the Asset Register.	PA		VA	V A					R A	R A				GR AP 17	P P E	P P E	
9	Reconcile list from the Deeds Office with list from the Valuation Roll.	PA		VA	V A					R A	R A							Reconciliati on between Deeds Office and Valuation Roll
10	Investigate any differences.	PA		VA	V A					R A	R A				GR AP 17	P P E	P P E	
11	Document reasons for differences.	VA		PA	V A					R A	R A				GR AP 17	P P E	P P E	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

12	Prepare a list of all properties under the control of the municipality.	PA		VA	V A					R A	R A					GR AP 17	P P E	P P E	
13	Reconcile the list with properties in the Asset Register.	VA		PA	V A					R A	R A					GR AP 17	P P E	P P E	Reconciliati on between property list and Asset Register
14	Investigate any differences.	PA		VA	V A					R A	R A					GR AP 17	P P E	P P E	
15	Document reasons for differences.	VA		PA	V A					R A	R A					GR AP 17	P P E	P P E	
16	Prepare a final list of all properties under the control of the municipality.	PA		VA	V A					R A	R A					GR AP 13 GR AP 17	P P E	P P E	
17	Inspect all property under the control of the municipality and determine their usage.	PA		VA	V A					R A	R A					GR AP 17 GR AP 19	P P E	P P E	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

18	Inspect all property under the control of the municipality and assess condition of the asset, based on hierarchy in the Asset Management Policy.	PA		VA	V A					R A	R A					GR AP 17 GR AP 31	P P E E	P P E E	
19	Obtain values from a Registered Valuer for all property under the control of the municipality.			PA	V A					R A						GR AP 17	P P E E	P P E E	Values Report
20	Prepare a Property Register, with values.			PA	V A					V A	R A					GR AP 17	P P E E	P P E E	Property Register
21	Send the Property Register with values to the Finance Committee.			PA	V A					V A	R A		R A			GR AP 17	P P E E	P P E E	Property Register
22	The Finance Committee approve the Property Register.												P A	V A		GR AP 17	P P E E	P P E E	
23	Send approved Property Register to the Accountant: Assets.			PA	V A					V A	R A					GR AP 17	P P E E	P P E E	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

24	Send condition rating of all properties in the Property Register to the Accountant: Assets.			PA	V A					V A	R A							
25	Calculate backlog depreciation on properties.												P A	V A				Calculations
26	Update the Asset Register with information in the Property Register and calculations of backlog depreciation, by using all segments of mSCOA.								P A	V A	V A				GR AP 17	P P E	P P E	
27	Capture journals on the financial system, by using all segments of mSCOA.			PA	V A				V A	R A					GR AP 17	P P E	P P E	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

28	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.	PA		VA	RA											GR AP 17	P P E	P P E	Asset Register Reconciliation
29	Investigate any differences.			PA	VA					VA	RA					GR AP 17	P P E	P P E	
30	Correct any differences.			PA	VA					VA	RA								
31	File list of "properties not previously recognised" with audit trail of transfer-in assets, for future reference.			PA	VA					VA	RA								
32	Perform the Test Depreciation Run, by using all segments of mSCOA segments.			PA	VA					VA	RA								

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

33	Investigate any differences.			PA	V A					V A	R A							
34	Correct any differences.			PA	V A					V A	R A							
35	Perform the Depreciation Run, by using all segments of mSCOA.			PA	V A					V A	R A							Depreciation Run
36	Reconcile depreciation in the Asset Register with depreciation in the General Ledger, by using all segments of mSCOA.			PA	V A					V A	R A							
37	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.			PA	V A					V A	R A			MFM A S 63				Asset Register Reconciliation

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

38	Investigate any differences.			PA	V A					V A	R A							
39	Correct any differences.			PA	V A					V A	R A							
40	Start transfer process for property not registered in the name of the municipality.			PA	V A					V A	R A							
41	Prepare a list of all deviations from asset count procedures.			VA	P A					V A	R A							List of Deviations
42	Submit list of all deviations to the Municipal Manager.									P A	V A	V A						
	Procedures for accepted by:																	
	Employee	Signature			D a t e													
	DS																	
	LW																	
	CSCM																	
	ASCM																	
	AE																	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	MSCM																		
	HAE																		
	CFO																		
	MM																		
	Procedures for performing Competitive Bidding approved by:																		
	Chief Financial Officer																		
	Municipal Manager																		

	Procedures for performing an Asset Count of Immovable Assets (Annual Asset Count)																		
No	Procedure	Admin Clerk: Assets	GIS: Technician	Accountant: Mmovable Assets	Senior Accountant:	Senior Accountant:	Managers: PMU	Managers: All	Executive Managers	Manager: Supply	Chief Financial Officer	Municipal Manager	Finance Portfolio	Council	Legislation	GRAP Standard	GRAP Line Item	Proposed Mscoa Item	KPI

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

1	<p>Develop Asset Count Procedures that indicates the following:</p> <ul style="list-style-type: none"> • Roles and responsibilities of all involved in the asset count. • Employees conducting the asset count; • Time Schedule of asset count; • Procedures to be performed during the asset count, including method of counting; • Procedures for assets not previously included in Asset Register; • Procedures for assets transferred during the year, Transfer procedures;• Procedures for missing assets 			PA	P A					R A	R A		Asset Management Policy	GR AP 17	P P E	P P E	Asset Count Procedures
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<ul style="list-style-type: none"> • Method of condition rating as per Asset Management Policy; • Method of determining remaining useful life (RUL) per Asset Management Policy; • Procedures to identify any indication of impairment; • Procedures how to document description of asset (Type, Make, Colour); • Follow-up procedures after asset count, if needed; and • Action to be taken if procedures are not adhered to. 												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

2	Submit asset count procedures to the HOD meeting.			PA	V A					V A	R A	R A				GR AP 17	P P E	P P E	
3	Approve asset count procedures at the HOD meeting.										P A	V A				GR AP 17	P P E	P P E	Minutes of HOD Meeting
4	Inform other departments of the asset count in writing.			PA	V A		V A			R A	R A					GR AP 17	P P E	P P E	E-mail to Departments

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

5	<p>Prepare Asset Count Template for "Annual Asset Count", with the following minimum information:</p> <ul style="list-style-type: none"> • Town; • Location; • Room number; • Asset code; • Description; • Asset type; • Asset class; • Asset sub class; • Asset make/model; • Asset colour; • Units;Department within municipality; • Serial number; • Registration number; • Condition; • Custodian of asset; • Date of asset count; • Confirmation from custodian that asset exist and asset count was performed 			PA	P A										GR AP 17	P P E	P P E	
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<p>accurately and includes all assets; and</p> <ul style="list-style-type: none">• Confirmation from employee performing the asset count, that asset exists and asset count was performed accurately and includes all assets.												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

6	Obtain list from the Deeds Office of all properties registered in the name of the municipality.			PA	V A			P A		R A	R A				GR AP 17	P P E	P P E	List from Deeds Office
7	Obtain list from the Valuation Roll of all properties registered in the name of the municipality.	PA		PA	V A					R A	R A				GR AP 17	P P E	P P E	List from Valuation Roll
8	Reconcile list from the Deeds Office with the Property Register.	PA		PA	V A					R A	R A							Reconciliation between Deeds Office and Property Register
9	Investigate any differences.	PA		VA	V A					R A	R A				GR AP 17	P P E	P P E	
10	Document reasons for differences.			PA	V A					R A	R A				GR AP 17	P P E	P P E	
11	Reconcile list from Valuation Roll with the Property Register.			VA	V A					R A	R A			MFM A S 63	GR AP 17	P P E	P P E	Reconciliation between Valuation Roll and

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

																			Property Register		
12	Investigate any differences.			PA	V A					R A	R A							GR AP 17	P P E	P P E	
13	Document reasons for differences.			PA	V A					R A	R A							GR AP 17	P P E	P P E	
14	Inspect all property in the Property register and confirm their usage and location.			PA	V A					R A	R A							GR AP 13 GR AP 17	P P E	P P E	
15	Inspect all property in the Property Register and assess condition of the asset, based on hierarchy in the Asset Management Policy.			PA	V A					R A	R A							GR AP 17 GR AP 19	P P E	P P E	
16	Obtain values from a Registered Valuer for all property under the control of the municipality.			PA	V A					R A	R A							GR AP 17 GR AP 31	P P E	P P E	Values Report

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

17	Update the Property Register with registered owner, values, usage of property and condition of property.			PA	V A						R A	R A						
18	Prepare the "Asset Transfer Form", with all segments of mSCOA, for all property of which usage has changed during the year.			PA	V A						R A	R A						
19	Send the updated Property Register with summary of all changes during the year to the Accountant: Assets			PA	V A						R A	R A						
20	Send the "Asset Transfer Forms", for all property of which usage has changed during the year, to the Accountant: Assets.			PA	V A						R A	R A						

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

21	Review the "Asset Transfer Form" and ensure that all land and buildings acquired for resale or distribution has been: <ul style="list-style-type: none"> • classified as inventory; and • are valued at the lower of cost or net realisable value. 			PA	V A						R A	R A						
22	Update the Assets Register with all asset transfers, by using segments of mSCOA.			PA	V A						R A	R A						
23	Capture journals on the financial system, by using all segments of mSCOA.			PA	V A						R A	R A						
24	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses			PA	V A						R A	R A			MFM A S 63			Asset Register Reconciliation

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	and carrying values.																		
25	Investigate any differences.			PA	V A					R A	R A								
26	Correct any differences.			PA	V A					R A	R A								
27	File list of "Asset Transfers" with audit trail of transfers, for future reference.			PA	V A					R A	R A								
28	Reconcile the Property Register with the Asset Register.			PA	V A					R A	R A				MFM A S 63				
29	Investigate any differences.			PA	V A					R A	R A								
30	Document reasons for differences.			PA	V A					R A	R A								
31	Capture journals for properties not previously recognised on the financial system, by using segment of mSCOA.			PA	V A					R A	R A								

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

32	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.			PA	V A						R A	R A						
33	Investigate any differences.			PA	V A						R A	R A						
34	Correct any differences.																	
35	File list of "properties not previously recognised" with audit trail of transferin assets, for future reference.			PA	V A						R A	R A						
36	Capture journals for properties disposed during the year on the financial system, by using all segments of mSCOA.			PA	V A						R A	R A						

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

37	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.			PA	V A						R A	R A				MFM A S 63			Asset Register Reconciliation
38	Investigate any differences.			PA	V A						R A	R A							
39	Correct any differences.			PA	V A						R A	R A							
40	File list of "properties disposed" with audit trail of disposals, for future reference.			PA	V A						R A	R A							
41	Capture journals for properties carried at revaluation cost on the financial system, by using all segments of mSCOA.			PA	V A						R A	R A							Revaluation Journal

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

42	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.			PA	V A					R A	R A				MFM A S 63			Asset Register Reconciliation
	Investigate any differences.			PA	V A					R A	R A							
	Correct any differences.			PA	V A					R A	R A							
	File list of "revaluation adjustments" with audit trail of adjustments, for future reference.			PA	V A					R A	R A							
	Perform the Test Depreciation Run, by using all segments of mSCOA.			PA	V A					R A	R A							
	Investigate any differences.			PA	V A					R A	R A							
	Correct any differences.			PA	V A					R A	R A							
	Perform the Depreciation Run, by			PA	V A					R A	R A							Depreciation Run

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	using all segments of mSCOA.																		
	Reconcile depreciation in the Asset Register with depreciation in the General Ledger, by using all segments of mSCOA.			PA	V A						R A	R A							
	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.			PA	V A						R A	R A				MFM A S 63			Asset Register Reconciliation
	Investigate any differences.			PA	V A						R A	R A							
	Correct any differences.			PA	V A						R A	R A							
	Start transfer process for property not registered in the name of the municipality.			PA	V A						R A	R A							

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

Prepare a list of all deviations from asset count procedures.			PA	V A						R A	R A							List of Deviations
Submit list of all deviations to the Municipal Manager.			PA	V A						R A	R A							
Procedures for accepted by:																		
Employee	Signature																	
DS																		
LW																		
CSCM																		
ASCM																		
AE																		
MSCM																		
HAE																		
CFO																		
MM																		
Procedures for performing Competitive Bidding approved by:																		

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	Chief Financial Officer																		
	Municipal Manager																		

	Procedures for Transfer of Property, Plant and Equipment within the Municipality																		
No	Procedure	Admin Clerk: Assets	GIS: Technician	Accountant: Mmovable Assets	Senior Accountant: Assets	Senior Accountant: Expenditures	Managers: PMU	Managers: All Departments	Executive Managers	Manager: Supply	Chief Financial Officer	Municipal Manager	Finance Portfolio	Council	Legislation	GRAP Standard	GRAP Line Item	Proposed Mscoa Item	KPI

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

1	Complete the "Asset Transfer" form.	VD		VD				PD								GRA P 17	PP E	PP E	Asset Transfer Form

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

2	Document the following on the "Asset Transfer" form: <ul style="list-style-type: none"> • Date of transfer; • Previous room number; • Location of previous room number; • Current custodian of 										Asset Management Policy	GRAP 17	PPE	Asset Transfer Form
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	asset; • New room number; • Location of new room number; • New custodian of asset; • Asset number; • Barcode number; • GIS number; • Serial number; • Condition of												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<p>asset;</p> <ul style="list-style-type: none"> • Confirmation from previous Custodian that asset was transferred; • Confirmation from new custodian that asset was received; and • All segments of mSCOA. 												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

3	Manager of each section approve asset transfer.	VD		VD				PD							GRA P 17	PP E	PP E	
4	Send the "Asset Transfer Form" to the Chief Clerk: Assets .	VD		VD				PD							GRA P 17	PP E	PP E	
5	Review the "Asset Transfer Form" and update fields if needed.	PD		VW						R M					GRA P 17	PP E	PP E	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

6	Update the Asset Register, including all segments of mSCO A.																	GRA P 17	PP E	PP E	Asset Transfer Form	
7	File list of asset transfers with audit trail of transfers, for future reference.																		GRA P 17	PP E	PP E	Audit Trail

	Procedures for Impairment of Property																					
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	y, Plant and Equip ment																		
No	Proce dure	Admin Clerk: Assets	GIS: Technician	Accountant: Mmovable Assets	Senior Accountant: Assets	Senior Accountant: Expenditure	Managers: PMU	Managers: All Departments	Executive Managers	Manager: Supply Chain Management	Chief Financial Officer	Municipal Manager	Finance Portfolio Committee	Council	Legislation	GRAP Standard	GRAP Line Item	Proposed Miscoa Item	KPI
1	Identify any indication of impair	PM		VM						R M	R A				GRA P 21	GRA P 17	PP E	PP E	Asset Counts

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	ment by using examples as set out in GRAP 21 Impairments of Non-Cash Generating Assets and GRAP 26 Impairment of Cash Generating Assets.																	
2	Send list of all impairments to the Accoun	PM		VM						R M	R A				GRA P 26	GRA P 17	PP E	PP E

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	tant: Assets.																		
3	Review indication of impairments and determine if there is actually an indication of impairment. Consult with other departments.			PM	VA					VA	RA				GRAP 21 GRAP 26	GRAP 17	PE	PE	
4	Determine if the asset is a cash-generating asset of non-			PM	VA					RA					GRAP 21 GRAP 26	GRAP 17	PE	PE	Impairment Calculations

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	cash generating asset, by using decision trees in GRAP 21 Impairments of Non-Cash Generating Assets and GRAP 26 Impairment of Cash Generating Assets, as guidance.												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

5	Calculate the recoverable service amount for non-cash generating assets.			PM	VA										GRA P 21	GRA P 17	PP E	PP E	Impairment Calculations
6	Calculate the recoverable amount for cash generating assets.			PM	VA										GRA P 21	GRA P 17	PP E	PP E	Impairment Calculations
7	Obtain carrying value of assets from the Asset Register.			PM	VA										GRA P 21 GRA P 26	GRA P 17	PP E	PP E	Impairment Calculations

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

8	Calculate impairment.			PM	VA					RA				GRAP 21 GRAP 26				Impairment Calculations
9	Determine whether the asset had prior year impairments or reversal of impairments.			PM	VA					RA				GRAP 21 GRAP 26	GRAP 17	PP E	PP E	
10	Update the Asset Register with impairment, by using all segments of			PM	VA					RA					GRAP 17	PP E	PP E	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	mSCO A.																	
11	Capture journals for impairments on the financial system, by using all segments of mSCO A.			PM	VA					RA					GRAP 17	PE	PE	
12	Reconcile the Asset Register with the General Ledger. Confirm that there			PM	VA					RA			MFA S 63	GRAP 17	PE	PE		

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.																		
13	Investigate any differences			PM	VA					RA						GRAP 17	PE	PE	
14	Correct any differences			PM	VA					RA						GRAP 13 GRAP 17	PE	PE	
15	File list of Impairments with			PM	VA					RA						GRAP 17 GRAP 19	PE	PE	Impairment Calculations

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	audit trail of impairments for future reference.																		
16																GRAP 17	PP E	PP E	

	Procedures for Disposal of Property, Plant and Equipment (Movable Assets)																		
No	Procedure	Admin Clerk: Assets	GIS: Technician	Accountant: Movable Assets	Senior Accountant	Senior Accountant	Managers: PMU	Managers: All Departments	Executive	Manager: Supply	Chief Financial	Municipal Manager	Finance Portfolio	Council	Legislation	GRAP Standard	GRAP Line Item	Proposed Mscoa Item	KPI

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

1	Maintain a list of all obsolete assets in asset store.	PA		VA	RA					RA						GRA P 17	PP E	PP E	List of obsolete assets
2	Identify the need for an auction.									PA	VA	RA				GRA P 17	PP E	PP E	
3	Send list of all obsolete items in asset store to the Heads	PA		VA	RA					RA						GRA P 17	PP E	PP E	List of obsolete assets

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	of Departments. The list should include all segments of mSCOA.																		
4	Request the Heads of Departments to indicate the following: <ul style="list-style-type: none"> • Which assets on the list can be sold; • Any additional items that they would like to dispose. • Assets to be sold are no 	PA		VA	R A				R A								GRA P 17	PP E	PP E

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	longer needed to perform minimum level of basic municipal services;																		
5	The Head of Department update disposal list.								P A	V A	R A				GRA P 17	PP E	PP E	List of obsolete assets	
6	The Head of Department sign list of disposals.								P A	V A	R A				GRA P 17	PP E	PP E		
7	The Head of Department send disposal list to Admin Clerk: Assets			VA			PA		R A						GRA P 17	PP E	PP E		

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

8	Consolidate all lists of disposals.			PA	V A														Consolidated list of obsolete assets
9	Verify items on disposal list with the Asset Register.			PA	V A										GRA P 17	PP E	PP E		
10	Confirm that all assets are written-off to an amount representative of the economic benefits the municipality expects to receive from the sale, by using all segments			PA	V A										GRA P 17	PP E	PP E		

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	of mSCOA.																		
11	Submit list of write-offs to the Accountant: Assets.			PA	V A					R A					GRA P 17	PP E	PP E	Write-off List	
12	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses			PA	R A					R A				MFM A S 63	GRA P 17	PP E	PP E		

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	and carrying values.																		
13	Investigate any differences.			PA	RA					RA				MFM AS 63	GRAP 17	PE	PE		
14	Correct any differences.			PA	RA					RA					GRAP 13 GRAP 17	PE	PE		
15	File list of write-offs with audit trail of write-offs, for future reference.			PA	RA					RA					GRAP 17 GRAP 19	PE	PE		
16	Request inputs from the National and Provincial Treasury for all non-exempt assets to be									PA	VA	RA			GRAP 17 GRAP 31	PE	PE		

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	transferred or disposed.																		
17	Submit a list of items to be sold to the Finance Committee. Insert an information statement if there are any non-exempt capital assets on the list that needs to be transferred or disposed.			PA	V A					V A	R A	R A							

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

18	<p>The Finance Committee investigate items on list by taking into account the provisions of section 14 of the MFMA:</p> <ul style="list-style-type: none"> • The fair market value of the asset; • The economic and community value to be received in exchange for the asset; • The asset is 												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<p>no longer needed to provide the minimum level of basic municipal services; and• Recommendations from National and Provincial Treasury for all nonexempt assets to be transferred or disposed.</p>												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

19	<p>The Finance Committee approve that items on list may be sold. Specific, individual approval is needed where:</p> <ul style="list-style-type: none"> • An individual capital asset exceeded R50m; • Individual capital asset exceeded 1% of the total value of the capital assets as determined from the latest 												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

audited AFS; • An amount determined in the Asset Management Policy (if less than R50m or 1%).																			
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

20	<p>For all non-exempt capital assets that are going to be transferred or disposed:</p> <ul style="list-style-type: none"> • Advertise in local newspapers the intention to transfer or dispose nonexempt assets; • Invite, at least 60 days before council meeting, the local community and other 												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<p>interest parties to submit comments or recommendations;</p> <ul style="list-style-type: none"> • Prepare a summary of all comments and recommendations received; • Submit summary of all comments and recommendations to Council; • Invite local community and other interest parties to 												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

attend Council Meeting; and • Council approves all non-exempt assets to be transferred or disposed.																			
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

21	<p>For all assets in excess of R10m for which council approved a right to use, control or manage:</p> <ul style="list-style-type: none"> • Council must consider if the capital asset may be required by the municipality during the period for which the right is to be granted; • Council must consider if any significant 								V A	V A	V A	P A	P A
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<p>economic or financial benefit will be received;</p> <ul style="list-style-type: none"> • Council must consider any risks and rewards relating to the granting of the right or use of non-exempt assets; • Comments or representations received from local community and other interested 												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	<p>persons.</p> <ul style="list-style-type: none"> • Any other compliance with applicable legislation. 																	
22	Follow the Supply Chain Management Procedures to hold auction.			PA						V A	R A	R A						
23	Advertise auction in newspaper			PA						V A	R A	R A						

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	rs and on municipal website.																		
24	Request the Manager: Information Systems to remove all hardware and software from computers, before they are sold at an auction.			PA						V A	R A	R A							
25	Request the Manager: Information Systems to remove all hardware and			PA						V A	R A	R A							

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	software from computers, before they are donated.																		
26	Hold auction.			PA						V A A	R A A	R A A							
27	Receive letter from the Auctioneer, indicating proceeds of auction, commission paid and items sold.			PA						V A A	R A A	R A A							Letter from Auctioneer
28	Write-off all assets that were sold, to R0 in the Asset Register, by using all segments																		

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	of mSCOA.																		
29	Submit list of write-offs to the Accountant: Assets.			PD	V D					R M									Write-off List
30	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and			PA	R A					R A				MFM A S 63					

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	carrying values.																		
31	Investigate any differences.			PA	RA					RA									
32	Correct any differences.			PA	RA					RA									
33	File list of write-offs with audit trail of write-offs, for future reference.			PA	RA					RA									Write-off List
34	Capture journals for sale of asset on the financial system, by using all segments of mSCOA.			PA	RA					RA									

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

35	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.			PA	RA					RA					MFM A S 63			Asset Register Reconciliation
36	Investigate any differences.			PA	RA					RA								
37	Correct any differences.			PA	RA					RA								

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

38	Prepare a report of all assets that were sold.												Report of Assets Sold
39	Submit report to the Finance Committee, indicating all items that were sold and proceeds at auction.						P A	V A	V A	R A	R A		Report of Assets Sold
40	Place on the municipal website an information statement containing a list of assets that have been disposed.						P A	V A	V A	R A	R A		Information statement on website

	Procedures for Disposal of Property, Plant and Equipment (Immovable Assets)																		
No	Procedure	Admin Clerk: Assets	GIS: Technician	Accountant: Movable Assets	Senior Accountant: Assets	Senior Accountant: Expenditure	Managers: PMU	Managers: All Departments	Executive Managers	Manager: Supply Chain Management	Chief Financial Officer	Municipal Manager	Finance Portfolio Committee	Council	Legislation	GRAP Standard	GRAP Line Item	Proposed Mscoa Item	KPI

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

1	Identify the need for an auction.			PA	V A				V A	R A							GRA P 17	PP E	PP E
2	Request the Manager: Town Planning to identify property that can be sold and to indicate that property is no longer needed to provide the minimum level of basic municipal services.			PA	V A					R A							GRA P 17	PP E	PP E

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

3	The Manager: Town Planning sends list of properties to the Chief Clerk: Assets			VA	PA					RA					GRA P 17	PP E	PP E	
4	Verify items on disposal list with the Asset Register.			PA	VA					RA					GRA P 17	PP E	PP E	
5	Request inputs from the National and Provincial Treasury for all non-exempt assets to be transferred									PA	VA	RA			GRA P 17	PP E	PP E	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	d or disposed.																		
6	Submit a list of properties to be sold to the Finance Committee.			PA	V A					R A	R A	R A				GRA P 17	PP E	PP E	
7	The Finance Committee investigate items on list by taken into account the provisions of section 14 of the MFMA: • The fair market value of the asset; • The				V A					V A	V A	V A	P A	R A		GRA P 17	PP E	PP E	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<p>economic and community value to be received in exchange for the asset;</p> <ul style="list-style-type: none"> • The asset is no longer needed to provide the minimum level of basic municipal services; and • Recommendations from National and Provincial Treasury for all nonexem 												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	pt assets to be transferred or disposed.																		
8	The Finance Committee approve that items on list may be sold. Specific, individual approval is needed where: <ul style="list-style-type: none"> • An individual capital asset 									V A	V A	V A	P A	R A					

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<p>exceeded R50m;• Individual capital asset exceeded 1% of the total value of the capital assets as determined from the latest audited AFS; • An amount determined in the Asset Management Policy (if less than R50m or 1%).</p>												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

9	For all non-exempt capital assets that are going to be transferred or disposed: <ul style="list-style-type: none"> • Advertise in local newspapers the intention to transfer or dispose nonexempt assets; • Invite, at least 60 days before council meeting, the local community and other 												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<p>interest parties to submit comments or recommendations. <ul style="list-style-type: none"> • Prepare a summary of all comments and recommendations received; • Submit summary of all comments and recommendations to Council; </p>												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

10	<p>For all assets in excess of R10m for which council approved a right to use, control or manage:</p> <ul style="list-style-type: none"> • Council must consider if the capital asset may be required by the municipality during the period for which the right is to be granted; • Council must consider if any significant 												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

<p>economic or financial benefit will be received;</p> <ul style="list-style-type: none"> • Council must consider any risks and rewards relating to the granting of the right or use of non-exempt assets; • Comments or representations received from local community and other interest persons. 												
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STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	<ul style="list-style-type: none"> Any other compliance with applicable legislation. 																	
11	Follow the Supply Chain Management Procedures to hold auction.			PA					V A	R A	R A				GRA P 17	PP E	PP E	
12	Advertise auction in newspapers and			PA					V A	R A	R A				GRA P 17	PP E	PP E	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	on the municipal website.																		
13	Hold auction.			PA						V A	R A	R A				GRA P 17	PP E	PP E	
14	Receive letter from the Auctioneer, indicating proceeds of auction, commission paid and items sold.			PA						V A	R A	R A				GRA P 13 GRA P 17	PP E	PP E	Letter from Auctioneer
15	Write-off all assets that were sold, to R0 in the Asset Register, by using all segments of mSCOA.															GRA P 17 GRA P 19	PP E	PP E	
16	Submit list of write-	PD		VD						R M						GRA P 17	PP E	PP E	Write-off List

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	offs to the Accountant: Assets.																		GRA P 31
17	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.			PA	RA					RA									
18	Investigate any differences.			PA	RA					RA									

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

19	Correct any differences.			PA	R A					R A								
20	File list of write-offs with audit trail of write-offs, for future reference.			PA	R A					R A								Write-off List
21	Capture journals for sale of asset on the financial system, by using all segments of mSCOA.			PA	V A					R A	R A							
22	Reconcile the Asset Register with the General Ledger. Confirm that there are			PA	V A					V A	R A							Asset Register Reconciliation

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	no differences for cost, accumulated depreciation, accumulated impairment losses and carrying values.																		
23	Investigate any differences.			PA						RA									
24	Correct any differences.			PA						RA									
25	Send list of properties sold to the Manager: Town Planning		PA	VA						RA									
26	The Manager:		PA	VA						RA									

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	Town Planning update the Property Register.																		
27	Prepare a report of all assets that were sold.			PA	V A					R A									Report of Assets Sold
28	Submit report to the Finance Committee, indicating all items that were sold and proceeds at auction.									P A	V A	R A	V A						Report of Assets Sold
29	Place on the municipal website an information statement									P A	V A	R A	V A						Information statement on website

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

containing a list of assets that have been disposed.																			
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	Procedures for Monthly Meetings (Property, Plant and Equipment)																		
No	Procedure	Admin Clerk: Assets	GIS: Technician	Accountant: Movable Assets	Senior Accountant: Assets	Senior Accountant: Expenditure Managers: PMU	Managers: All Departments	Executive Managers	Manager: Supply Chain	Chief Financial Officer	Municipal Manager	Finance Portfolio	Council	Legislation	GRAP Standard	GRAP Line Item	Proposed Miscoa Item	KPI	

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

1	CFO holds monthly meeting with the Accountant Assets and the Head: Assets and Expenditure to discuss			PM						P M	P M	R M				GRA P 17	PP E	PP E	Number of meetings per year

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

	except ions identi ed during the month.																		
2	Deter mine correct ive action to be taken to preven t or reduce similar except ions.			PM						P M	P M	R M				GRA P 17	PP E	PP E	Number of outstanding findings and findings solved during year.
3	Submi t pre- audit checkli st to the CFO as proof that tasks									P M	R M					GRA P 17	PP E	PP E	Number of preaudit checklists per year.

STANDARD OPERATING PROCEDURES FOR ASSET MANAGEMENT

have been performed and work performed was verified as correct by relevant officials.																			
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