



CHRIS HANI
DISTRICT MUNICIPALITY

SUSTAINING GROWTH
THROUGH OUR PEOPLE

LOSS CONTROL POLICY

2022/2023

TABLE OF CONTENTS

- 1. DEFINITION**
- 2. REGULATORY FRAMEWORK**
- 3. INTRODUCTION AND OBJECTIVE**
- 4. ADOPTION OF LOSS CONTROL POLICY**
- 5. DEFINITION OR RELEVANT CONCEPTS**
- 6. TYPES OF LOSSES AND DAMAGES**
- 7. RESPONSIBILITIES**
- 8. LOSS REDUCTION PREVENTION MEASURES**
- 9. RISK MANAGEMENT**
- 10. GENERAL PROCEDURES ON REPORTING LOSSES AND DAMAGES**
- 11. PROCESSES FOR MANAGING LOSSES**
- 12. RECOVERY**
- 13. REPORTS TO COUNCIL**
- 14. OTHER POLICIES**
- 15. ACCOUNTING FOR MUNICIPAL LOSSES**
- 16. FORMAT AND PURPOSE OF DOCUMENTATION**
- 17. EFFECTIVE DATE**

Definitions

In this policy, unless the context indicates otherwise-

"Losses" means any material loss or damages or prejudice to the municipality without derogating from or limiting the concept, also shortages, damages, theft, on intangible asset and property plant and equipment.

"Property plant and Equipment" includes tangible assets that are held for use in the production or supply of goods or services for rental to others or for administrative purposes and are expected to be used during more than one reporting period.

A class of property, plant and equipment is a grouping of assets of a similar nature or function in an entity's operations. The following are examples of separate classes:

- a. land;
- b. operational buildings;
- c. roads;
- d. machinery;
- e. motor vehicles;
- f. furniture and fixtures; and
- g. office equipment.

An "intangible asset" is an identifiable non-monetary asset without physical substance.

"Accounting officer" means a person referred to in sections 1 and 60 of the MFMA including his/her delegate in terms of the MFMA.

"Loss control officer" means an Asset Management Accountant with duties attached to loss control.

"Manage losses" All methods taken to reduce the frequency and/or severity of losses including exposure avoidance, loss prevention, and loss reduction, segregation of exposure units and ensuring that access controls are implemented and adhered to.

"MFMA" refers to The Municipal Finance Management Act 1 of 2003 (as amended).

"Assets" Are resources controlled by a Municipality as the result of past events and from which future economic benefits or potential service provision are expected to flow to the Municipality.

"Infrastructure assets" While there is no universally accepted definition of infrastructure assets, these assets usually display some or all of the following characteristics: they are part of a system or network; they are specialized in nature and do not have alternative uses; they are immovable; and they may be subject to constraints on disposal. Examples of infrastructure assets include road networks, sewer systems, water and power supply systems and communication networks.

"Heritage assets" GRAP103 defines heritage assets as assets which have a cultural, environmental, historical, natural, scientific, technological, or artistic significance and are held indefinitely for the benefit of present and future generations.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the financial statements.

"Investment assets" Are defined as properties (land or buildings) that are acquired for economic and capital gains. Examples are office parks and undeveloped land acquired for the purpose of resale in future years.

"Other assets" Are defined as assets utilized in normal operation, e.g. plant and equipment, motor vehicles and furniture and fittings

Investigation The term refers to: *"The careful search or examination with an intension to discover facts. This may include questioning of witnesses, forensic examination and investigation of financial records"* or *"theprocess of collecting information in order to reach some goal."*

"Evidence" This term refers to: *"the available body of facts or information indicating whether a belief or proposition is true or valid"* or *evidence is anything that you see, experience, read, or are told that causes you to believe that something is true or has really happened*

2. REGULATORY FRAMEWORK

All losses are to be dealt with in terms of the Treasury Regulations and the MFMA.

Municipal Finance Management Act 1 of 2003 (as amended)

Section 63(1)(a) *The accounting officer of a municipality is responsible for the management of— (a) the assets of the municipality, including the safeguarding and the maintenance of those assets*

Section 63 (2) (a, b and c) *The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure*

(a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;

(b) that the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practice; and

(c) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

Besides the minimising of losses, the MFMA compels Council and Management to recoup losses from person that are found to be responsible for a loss.

It is stated in Section 32 of the MFMA that " Unauthorised, irregular or fruitless and wasteful expenditure

(1) Without limiting liability in terms of the common law or other legislation-

(a) a political office- bearer of a municipality is liable for unauthorised expenditure if that office bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure.

(b) the accounting officer is liable for unauthorised expenditure deliberately or negligently incurred by the accounting officer, subject to subsection (3);

(c) any political office bearer or official of a municipality who deliberately or negligently committed, made or authorised an irregular expenditure is liable for that expenditure; or

(d) any political office bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure

2. A municipality must recover unauthorised, irregular of fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure-

(a) in the case of unauthorised expenditure is: -

(1) authorised in an adjustment budget; or

(2) certified by the municipal council after investigation by a council committee, as irrecoverable and written off by the council; and

(b) in the case of irregular or fruitless and wasteful expenditure is after investigation by a council committee, certified by the council as irrecoverable and written off by the council

3. If the accounting officer becomes aware that the council, the mayor or the executive committee of the municipality has taken a decision which if implemented, is likely to result in unauthorised, irregular or fruitless and wasteful expenditure, the accounting officer is not liable for any ensuing unauthorised, irregular or fruitless and wasteful expenditure provided that the accounting officer has informed the council, the mayor or the executive committee, in writing, that the expenditure is likely to be unauthorised, irregular or fruitless and wasteful expenditure

(4) The accounting officer must promptly inform the mayor, the MEC for local government in the province and the Auditor - General, in writing, of

(a) any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality.

(b) whether any person is responsible or under investigation for such unauthorised, irregular, or fruitless and wasteful expenditure; and

© the steps that have been taken-

(i) to recover or rectify such expenditure; and

(ii) to prevent a recurrence of such expenditure.

(5) The writing off in terms of subsection (2) of any unauthorised, irregular expenditure or fruitless and wasteful expenditure as irrecoverable is no excuse in criminal or disciplinary proceedings against a person charged with the commission of an offence or a breach of this Act relating to such unauthorised irregular or fruitless and wasteful expenditure.

(6) The accounting officer must report to the South Africa Police Service all cases of alleged –

(a) irregular expenditure that constitute a criminal offence; and

(b) theft and fraud that occurred in the municipality.

(7) The council of a municipality must take all reasonable steps to ensure that all cases referred to in subsection (6) are reported to the South Africa Police Service if –

(a) the charge is against the accounting officer; or

(b) the accounting officer fails to comply with that subsection.

(8) The Minister, acting with the concurrence of the Cabinet member responsible for local government, may regulate the application of this section by regulation in terms of section 168"

Section 78, each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure:

(a) that the system of financial management and internal control established for the municipality is carried out diligently.

(b) that the financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently;

(c) that any unauthorised, irregular or fruitless and wasteful expenditure and any other losses are prevented;

(d) that all revenue due to the municipality is collected;

(e) that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary.

MFMA Circular 76: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings

This Circular inter- alia deals with the manner in which allegations of financial misconduct should be reported within municipalities including simultaneous reporting of all allegations to the South African Police Services for criminal investigation, the establishment and functioning of the disciplinary board, preliminary and full scale investigation of allegations of financial misconduct and the submission of the necessary reports.

Local Government Anti – Corruption Strategy: COGTA

The entire strategy is applicable on loss control.

Government Integrity Management Framework: 2015

The entire framework is applicable on loss control.

Prevention and Combating of Corrupt Activities Act (12 OF 2004)

The entire act is applicable on loss control

Treasury Regulations

Part 4

The Accounting Officer of an institution must exercise all reasonable care to prevent and detect unauthorized, irregular, fruitless and wasteful expenditure.

- 1 The Accounting Officer of an institution must take full responsibility and ensure that proper control systems exist for assets and that preventative mechanism are in place to eliminate theft, losses, wastage and misuse.*

Part 5

- 1 Subject to the provisions of these regulations, or any other legislation or agreement, the municipality will bear its own damages and accident risks and be responsible for all claims and losses of municipal property where these arise from municipal activities by an official who is liable in law and who is or was employed by an institution.*
- 2 Notwithstanding paragraph 12.1.1, the Accounting Officer of an institution deemed economical and based on a risk assessment) insure motor vehicles or such other movable assets determined by the relevant treasury.*
- 1 When it appears that the municipality has suffered losses or damages through criminal acts or possible criminal acts, the matter must be reported, in writing, to the Accounting Officer and the South Africa Police Services. If liability can be determined, the Accounting Officer must recover the value the value of the loss from the person responsible.*
- 2 The Accounting Officer may write off losses or damages arising from criminal acts or omissions if, after a thorough investigation, it is found that the loss or damage irrecoverable.*

1. INTRODUCTION AND OBJECTIVE

- The Loss Control Policy provides a framework to enable the municipality to prevent, limit or reduce losses such as damage to property, loss of income, theft of asset as well as material and equipment.
- Strategically, the policy forms the Administration's endeavour to reach the IDP objective of ensuring good governance and institutional development.
- Create a culture where officials take care of municipal property, material and equipment.
- Mitigate the strategic risk where the municipality's inputs in terms of resources, does not result in an equally positive outcome in terms of service delivery.
- Create understanding of the proper loss control management processes
- Assist the municipality in ensuring that assets are properly safeguarded against loss, theft, unauthorized use & exposure to elements of nature and most importantly to advise and create uniform procedures to be followed in dealing with loss of property
- Compliance with MFMA & Treasury Regulations and Guidelines.

This policy is consistent with the Act and the gazetted framework

2. ADOPTION OF LOSS CONTROL POLICY

The Council of Chris Hani District Municipality must formally adopt the loss control policy which shall be consistent with the Act and its regulations.

The effective date of this policy or any amendments thereto, shall be the date of its adoption by Council.

3. DEFINITIONS OF RELEVANT CONCEPTS

Loss control is a risk management technique that aims to lower the likelihood and severity of a loss by either preventing / minimizing losses or recouping the loss from a responsible party.

It refers to a multidisciplinary approach in which human, engineering and management practices are employed to reduce the frequency or severity of losses

4 TYPES OF LOSSES AND DAMAGES

In terms of this policy, the following is envisaged to prevent and or minimize the following losses:

- Damage and/or vandalizing of immovable assets such as municipal buildings, water reticulation infrastructure, etc.
- Damage and/or vandalizing of movable assets such as motor vehicles.
- Theft, robbery or hijacking of movable assets.
- Misuse of immovable and movable assets.
- Damage to municipal property and equipment due to reckless and/or negligent handling of such equipment and property.
- Unauthorised use of council property such as motor vehicles and copiers.
- Theft of water
- Theft of Inventory material such as (chemical, fuel, etc)
- Rent paid for offices not in use.
- Payment of salaries after death of an official or termination of his/her services.
- Incorrect increase of salaries/benefits.
- Fruitless, wasteful, and unauthorised expenditure.
- "Ghost workers" in salary system.
- Any payment to a service provider for which the full value was not received.
- Paying for two officials booked for training when only one actually attended.
- No value for money for services rendered to the municipality.
- Expenditure made in vain, e.g. paying for ten chairs when only 5 is actually needed.
- Losses due to fraudulent/corrupt/criminal activities.
- Losses due to negligent/weak supervision.
- Personnel not at work without prior permission.
- Personnel on leave but leave days are not reflected on leave system.
- Low productivity.
- Using of municipal asset

5. RESPONSIBILITIES

Since the municipality covers its own insurance (self-insured) it is of outmost importance that responsibility and accountability can always be established for any loss of assets owned by the municipality to be able to recover such losses from responsible officials should negligence be found.

Every Head of Department has the responsibility to ensure that all assets, equipment and material in his / her department is properly taken care of , not being misused, well maintained and kept safe.

It is expected from every Head of Department to implement and maintain a system of internal controls in his / her department that will facilitate the above

It is responsibility of every Head of Department to ensure that there are corrective measures and consequence if assets, equipment and material are not properly taken care of, misused, damaged or stolen.

It is the responsibility of the Municipal Manager to ensure that all Heads of Departments fulfil their responsibility in the above regard.

5.1. Loss Control Officer

5.1.1 An appointed employee job description must be include the duties attached to loss control (hereinafter referred to as the Loss Control Officer. Without limiting the Accounting Officer's prerogative to assign and delegate responsibilities to officials, the Loss Control Officer must be responsible for, amongst other things, the following:

- Obtain details and statements related to claims and losses
- Follow up and settle these cases
- Monitor patterns of losses to improve prevention
- Establish procedures for reporting, recovery and review.

5.1.2 Measures and indicators to monitor losses include:

- The number and value of losses compared to similar periods or similar departments
- The average value per loss
- Losses grouped by type and/or possible cause.

A Loss Control Officer keeps and maintains a Loss Register with details of all losses.

5.2 Loss Control Committee

A loss control committee is to be established at the District Municipality. It is recommended that the loss control committee should consist of.

- ✚ Municipal loss control officer
- ✚ Representative from Corporate Services, (Fleet Management, ICT and Legal & Administration)
- ✚ Representative from Finance, (Asset Management & Budget Monitoring)
- ✚ 1 x Representative from.
 - Technical Services
 - Municipal Health Services
 - IPED

The functions of Loss control committee will be:

- Consider settled and repudiated claims for damages caused to the property of members of public arising against the Municipality from time to time as well as consider and settle internal loss control issues as they arise.
- The Committee shall have the authority to deal with claims as described in sub-clause 2.1(a) on the merit of each individual claim, for claims which fall within the excess amount of the Municipality's liability under its public liability insurance policy.
- The Committee shall focus on the following goals and functions in order to meet the purpose identified:
 - ✓ Review, consider and discuss all claims and losses received;
 - ✓ Consider and investigate repudiated claims from the insurance or refer back

for further information all claims tabledbefore the Committee which falls within its mandate;

- ✓ Attend meetings arranged for purposes of discussion and finalisation
- ✓ Seek advice from any Third Party in considering and finalising claimsbefore the Committee as the Committee may deem necessary.

The committee shall meet at least once a quarter and provide a report to the Accounting Officer through the office of the CFO on the status of the loss control register and also prepare a report to council for the losses incurred.

6. LOSS REDUCTION PREVENTION MEASURES

6.1 Internal Controls

6.1.1 Physical Security: This refers to preventive measures aimed at controlling or monitoring access to municipal assets to ensure that there is no unauthorized use, loss or damage. All assets should be held securely and access to them restricted as appropriate. It may even be appropriate to restrict knowledge of the existence of some assets. Unauthorized access and use, but also to protect the integrity of the data. Computer and data owners should secure information held on their systems especially personal information, which concerns third parties. The threat to computers can come from both inside and outside an organization as computer hackers may gain access in order to extract or corrupt information. The computer itself is also vulnerable to theft, both in terms of hardware and software. This type of theft has the additional cost of potential major disruption to the core operations of an organization.

6.1.2 Employees Accountability

On appointment – When the employee assumes responsibility, an appointment as asset holder and Asset Inventory Form (**Annexure C**) of all the assets the employee will use during the employ to the municipal, must be signed by the employee showing commitment for safeguarding the assets in their possession.

The Asset Inventory Form must be updated with any changes to assets within employee's possession.

Exit of employee: On exit of the employee, it is important to check any liabilities against the municipality and an Asset Inventory Form should be obtained confirming that all municipal assets have been returned before the employee exits the department.

Should a loss be discovered on the resignation of a person and that person is prepared to compensate in respect of the loss, a submission is to be forwarded to the delegated official from Human Resources in writing.

Should it be recommended that the amount is to be recovered from responsible official and that person's contract of employment has already been terminated, the amount can be recovered from the pension of the responsible for the loss.

It is very important for Asset Management Unit to be informed by Human Resources Management Section of any changes in the employees' status (Resignation, Transfer, Suspension, disciplinary actions pending) for the asset register update, Inventory sheet completeness and accuracy for completeness and accuracy.

6.2 RISK MANAGEMENT

Risk associated with assets

Risks in this area include use of assets for personal gain, or misappropriation of assets. This section suggests some controls, which should be in place to counter those risks.

How theft/loss could be committed and Examples of suggested controls

Theft or unauthorized use of assets

- Asset registers to be maintained up to date.

- Asset marking to be carried out where possible.
- Physical security of assets to be maintained.
- Spot checks on existence of assets to be carried out on a regular basis.
- Details of asset disposals, e.g. the asset itself, reason for disposal and date of expected disposal, disposal approved prior to sale / auction and results are followed up in terms of selling price achieved and prompt banking of income.

7. GENERAL PROCEDURES ON REPORTING LOSSES AND DAMAGES

Asset losses should be reported to the Asset Management Section (Snr Accountant asset management), who should ensure that the following procedures are adhered to:

- The affected official reports the loss;
 - ✓ immediately to his/her immediate line manager and Asset Management Office
 - ✓ to the police within 24 hours.
- Loss Control Officer obtains a detailed report of the incident that relate to the loss. Details are as follows;
 - ✓ detailed list of assets lost including description,
 - ✓ quantity
 - ✓ model, where applicable
 - ✓ serial number, where applicable and asset tag number.
- Affidavits must be obtained from relevant parties if the matter is to be reported to the po
- Satellite Offices must report the asset losses to the Asset Management at the district offices.
- Loss Control Officer reports to Manager who in turn submit to the Loss Control Committee;
 - ✓ a list of all asset losses to determine if the lost asset or funds can be recovered
 - ✓ losses not being recovered for further investigation and recommendation to the Accounting Officer through the office of the CFO for approval of write off by the council of the municipality
- Where it has been found that an official is liable for asset losses, the Loss Control Committee must determine the amount of the loss or damage and report to the

Accounting Officer through the office of the CFO in writing and request that official pay the amount within 30 days or in reasonable installments.

- If the official fails to comply with the request, the matter must be handed to the appointed municipal attorney or the dispute resolution structure / the designated official for the recovery of the loss of damage.
- If in any doubt, the Loss Control Committee must consult the Legal and Administration Manager on questions of law.

8. PROCESSES FOR MANAGING LOSSES

Processes for managing loss control must cater for the following stages

- **At Occurrence**
 - ✓ An official who becomes aware of a loss to the municipal property, must report such loss immediately in writing to:
 - his / her line Manager and Asset Management Office
 - South African Police Service (SAPS) within 24 hours of the incident and obtain case / accident report number
 - ✓ The line Manager after receiving the written report from his / her affected subordinate reports the incident to the Asset Management Section (Loss Control Officer) in writing. The line Manager's report will be accompanied by:
 - the official's signed report
 - Stamped Case or Accident Report (AR) number from SAPS
- The Loss Control Officer sends the insurance claim form to the official reporting the loss of asset.
- In cases in which a person who is aware of an irregularity, suspects that his/her identity may become known or that the Loss Control Officer is involved, he/she must report the irregularity to the Accounting Officer or if the Accounting Officer is involved in the irregularities, to the Office of the Auditor General.
 - The Loss Control Officer should update the loss control register and submit it to Manager for a review.

- The Loss Control Officer submits a reviewed loss control register to the Loss Control Committee to.
 - investigate the matter or have it investigated without delay and,
 - if requested, must ensure that the identity of the person or persons, who reported the irregularity is not made known.
- The loss report, together with all relevant annexure thereto, and additional supporting documentation, viz. statements, Loss Control form, sketch plans, negligence reports, quotations where applicable, shall be submitted within seven (7) working days of the said loss.

↓ The loss control officer shall ensure that the loss report together with supporting documentation, (as listed in the previous point above) is submitted so it is considered by Loss Control Committee. The Loss Control Committee meeting must be scheduled 7 days post the end of the quarter to accommodate the loss report, together with all relevant annexure thereto, and additional supporting documentation, viz. statements, Loss Control form, sketch plans, negligence reports, quotations where applicable that must be submitted to the committee within seven (7) working days of the said loss.

- The municipal loss control officer send invitations before the 7 working days becomes due to members, prepare agenda and attendance register for the Municipal Loss Control Committee meeting.

- **During Investigation**

- ✓ Investigation is to specifically indicate whether an act or omission by any official gave rise to loss or whether the loss could have been prevented, after accountability has been determined and approval for recovery /write off has been granted.
- ✓ The information to be obtained by means of supporting documents submitted and by means of questions posed if necessary, by the Loss Control Committee and answers given by the responsible official.
- Questions posed will include but not limited to;
 - ✓ How did the loss occur?
 - ✓ Whether he/she caused the loss, if no reason there of
 - ✓ Whether he/she is accountable for the loss

- ✓ His/her reason why he/she should not be held accountable for the loss
- ✓ Should he/she be accountable for the loss and she/he is prepared to compensate the municipality, an agreement is to be signed in this regard.

9.RECOVERY

Recovery and claims are implemented in terms of the current value or according to the nature of the loss and late payment may accrue interest in terms of National Treasury Regulations. Recovery can be made from the said person or a private party.

Recovery implementation procedures may involve a series of legal action between the affected private person, municipality or the affected private party.

9.1 PROCESS OF RECOVERY

It may happen depending on the outcome of the investigation that the relevant officer involved is approached to compensate for the loss/damage, undertakes to pay the loss/damage suffered by the municipality. Under such circumstances:

- Should the person, personally offer to pay off the debt in a once-off payment, or to pay monthly instalments so that the total loss is redeemed within 24 months, an understanding must be obtained from him/her and submitted to the delegated official for approval.
- Implementation of the Municipal credit control and debt and collection policy in cases of non- payments of the loss suffered.

10 REPORTS TO COUNCIL

- The Accounting Officer/delegated official must on an annual basis, submit a report to Council with the following minimum information:
 - ✓ Description and value of that were lost during the reporting period, due to theft/vandalism. List of assets that were replaced and not replaced.
 - ✓ Description and value of municipal assets that were damaged beyond repair. List of assets that were replaced and not replaced.

- ✓ Description and value of municipal assets that were damaged and repaired.
- ✓ Description and value of all losses that were incurred during the reporting period as listed under the types of losses sub section

11 OTHER POLICIES

- There are several other policies that also provide for the prevention of losses and/or the recouping thereof from the relevant responsible personnel. Examples of such policies are:
 - ✓ Fleet Management Policy.
 - ✓ Supply Chain Management Policy.
 - ✓ Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy
 - ✓ Telephone Usage Policy.
 - ✓ Overtime Policy.
 - ✓ Attendance of Conference/Courses Policy.
 - ✓ Tools of Trade Policy.
 - ✓ Personal Protective Clothing Policy.
 - ✓ Remuneration Policy.
 - ✓ Cash Management Policy
- It is expected from all Heads of Departments to implement all applicable policies to prevent, limit or reduce losses such as damage to property, loss of income, theft of assets as well as material and equipment.

12. ACCOUNTING FOR MUNICIPAL LOSS

12.1 LOSS REGISTER

- Reported losses must be recorded in the Loss register with all the information containing
 - ✓ Report of the Loss
 - ✓ Affidavit and South African Police Service Case Number (In where criminal /theft is suspected)
 - ✓ Extract from the Asset Register clearly indicating the lost Item and
 - ✓ Any supporting documents for other losses

- During investigation the lost asset should be flagged in the Asset register as below, until such time it has been recovered or approved for writing it off by the Accounting Officer and council.
 - ✓ Stolen
 - ✓ Pending investigation
 - ✓ Discovered
- Written Off (approval for writing off the asset ,and other loss be obtained)

12.2 ACCOUNTING/FINANCIAL RECORDS

No action in terms of accounting for such loss is necessary until the investigation is completed

12.3. Writing off losses

Subject to National Treasury Regulation 12.5 losses or damages referred to in paragraph 12.1 may be dealt with by Accounting Officers provided that:

- ✓ The amount of the loss or damage is not written off before a thorough investigation has been carried out and it has been found that it is irrecoverable;
 - ✓ Writing-off or other action is not considered before the final Police report has been received; and consideration has been given to approach the Municipal Attorney (Legal Manager) for advice.
- Write off or other action is to be considered until such time that a final South Police report has been received and an approval for write off obtained from the Accounting Officer and council or a duly delegated official.
 - Long outstanding losses must be followed up and considered for write off. (Municipal policies to determine the period on which the losses should be written off)
 - If the finding of the Loss Control Committee conclude that the person /persons is /are not liable in law and loss should not be recovered from him/her .The recommendation to this effect must clearly and convincingly motivated

- Asset Register and Loss Control Register can only be updated after finalization of the loss.

13. FORMAT AND PURPOSE OF DOCUMENTATION: FOR USE BY OFFICIALS REPORTING LOSSES AND DAMAGES

The following forms are to be used depending on the nature of the incident. A brief purpose for each form is provided and the proper distribution, originating from the relevant Unit, is also indicated.

11. EFFECTIVE DATE

This Policy takes effect on the 01st JULY 2022

Policy Adopted on the Chris Hani District Municipality council meeting, dated 25 MAY 2022

Signed by Municipal Manager:

G. Mashiyi
Initial & Surname

[Signature]
Signature

28 June 2022
Date

Signed by Speaker of the Council:

J. Congeni
Initial & Surname

[Signature]
Signature

30 June 2022
Date

ANNEXURE A: ASSET LOSS / ACCIDENT REPORT FORM (ALRF)

This form / report is used when loss has occurred through known theft or fraud or has not occurred accidentally. The report has been expanded to place more emphasis on the responsibility of the Unit and employees in safeguarding assets. Incorrect or insufficient completion of the form will result in it being returned to the responsible person.

This form / report is also used for all damages, i.e. when accidental damage or malicious damage has been sustained or where the loss of an item is known to be accidental. Although damage from whatever cause does not form part of the Loss Control Committee's brief, all instances of malicious damage / vandalism should nevertheless be reported to the Loss Control Officer *immediately*

It can also be completed in the event of any incident involving a municipal vehicle for example, accident, theft, hijacking.

ANNEXURE B: DECLARATION FORM

This is a sworn document should the person be found guilty of an act or omission that resulted to a loss/theft after thorough investigation to compensate the Municipal.

ANNEXURE C: APPOINTMENT AS AN ASSET HOLDER / ASSET INVENTORY FORM

This a form listing all the asset the employee is using and must be signed to acknowledge and accept responsibility of managing and safeguarding assets in terms of section 63 of the MFMA

ANNEXURE A

ASSET LOSS / ACCIDENT REPORT FORM (ALRF)

DIRECTORATE		DATE OF AN INCIDENT	
DIVISION		NATURE OF OCCURANCE	
LOCATION WHERE INCIDENT OCCURED		NAME OF RESPONSIBLE OFFICIAL	
TOWN		DESIGNATION	

Asset Detailed Information:

#	BARCODE	ASSET DESCRIPTION	SERIAL #	MAKE	MODEL
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					

Full Statement by the responsible official: (If some more space is required, please append the report)

Sketch:

Date and place where the incident was reported to the SAPS

Date	Name of the Police Station	SAPS reference/case no.	Telephone number	Town

Estimated cost of repairs/replacement (attach quotes)

#	Supplier Name	Quotation number	Amount
1.			

2.			
3.			

In the case of burglary, how was entry gained into the premises?

--

Is the building protected by burglar proofing?

--

Was all valuable equipment locked away? (If no, explain why not.)

--

Where are the keys kept?

--

Was there a night security officer on duty? (Provide a name of the security)

--

Confirmation of Accountability:

Details	Name and Surname	Signature	Date
Reporting Official			
Line Manager / HOD			

For Asset Management Use:

Asset Management Office	Name and Surname	Signature	Date
Captured by:			
Reviewed by:			

Filed by :			
------------	--	--	--

Contact Details Asset Management Office:

Telephone: 045 808 4747 / 4739	Fax Number: 045 839 2355	e-mail: mjilata@chrishanidm.gov.za
--------------------------------	-----------------------------	--

Please fax email or hand deliver the completed form to Asset Management Unit at 44 Cathcart Road, Komani, 5320
--

ANNEXURE B

DECLARATION

1. Statement by the responsible official

I (print) _____

Rank _____

stationed _____ at _____

hereby declare that, to the best of my knowledge, the information contained in the attached documentation is true and that I have reported the matter to the relevant authority.

Signature

Date

2. Verified by the Supervisor:

Signature

Rank

Date

3. Findings and Recommendation of Directorates Loss Control Committee

3.1

Loss case number/reference allocated by Institution

3.2

FMS responsibility code

3.3

Signature of Chairperson

Date

4. FINDINGS AND RECOMMENDATION OF MUNICIPAL LOSS CONTROL COMMITTEE

SIGNATURE OF CHAIRPERSON

DATE



I _____, hereby confirm and take responsibility for all the above listed assets. I will not allow movement of the above listed assets out of this office without informing the Asset Management Unit and completing an Asset Transfer Form.

Confirmation of Accountability: Asset Controller and User

Details	Name and Surname	Signature	Date
End User			

CHECKLIST

4.1 Key Personnel:

- Chief Users
- Head Of Provisioning Administration/Administrator
- Asset Officials
- Loss Control Officer
- Confirming Authority members
- SAPS(South African Police Service)
- Loss Control Committee

Documentation:

- Loss Control Register
- Internal Memorandum reporting the loss
- Case Number from the SAPS
- Asset Register
- Inventory sheet
- Annexure Documentation

For Motor Vehicle Loss

- Report detailing how the loss occurred
- Parties involved
- Drivers license of the official
- ID number of official
- Description of the Damage in the Asset
- Description of the Asset (Model ,Color, Year of make ,Registration, Value, Engine/Vin Number)

Period of reporting

- A Loss should be reported as soon as possible both externally and internally

Key Fields of the Documents:

Loss Control Register

- Name of the Municipality
- Item no /Asset Barcode
- Asset Description
- Serial Number
- Replacement Value (Current contract/Purchase price)
- Date Loss Responsible official
- Date reported to SAPS
- Date reported Internally
- SAPS No
- Results of investigation(Criminal/Departmental)

Internal Memorandum Reporting the Loss

Full description of the Loss (how did it occur, Time & Date, Place, Parties involved)

Responsible official

Case Number

Valid Police documentation with a SAPS stamp euthanatizing the validity

Asset Register and Inventory Sheet

Asset Description

Asset Number

Serial Number

Model

Cost of an Asset

Location

User / Custodian

Date of Purchase

