

SECTION C – ASSET MANAGEMENT

8. 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.

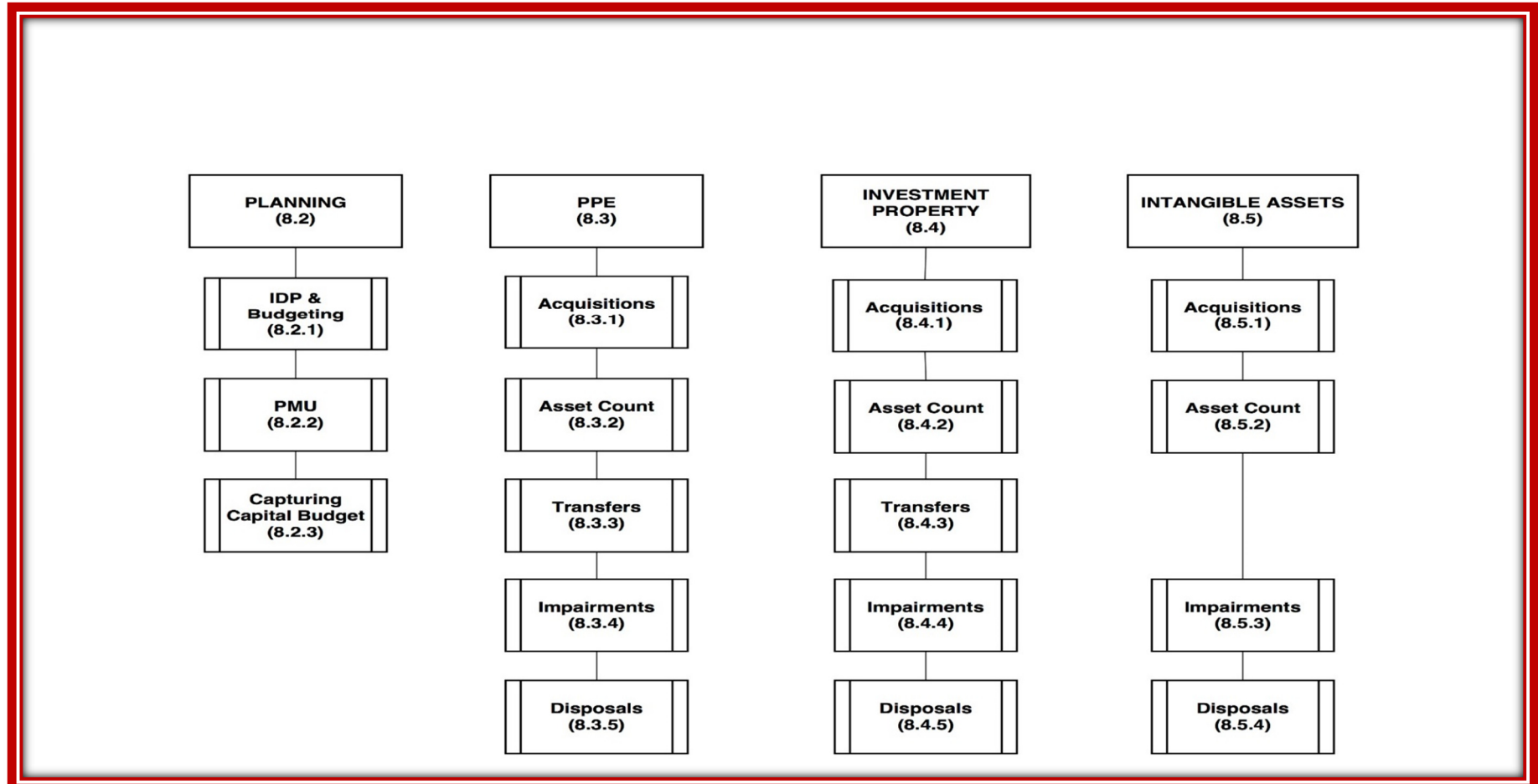
When monitoring/reviewing procedures performed by staff members, sufficient evidence must be available to confirm that specific procedures were performed. This evidence can then be used for performance evaluation of staff members.

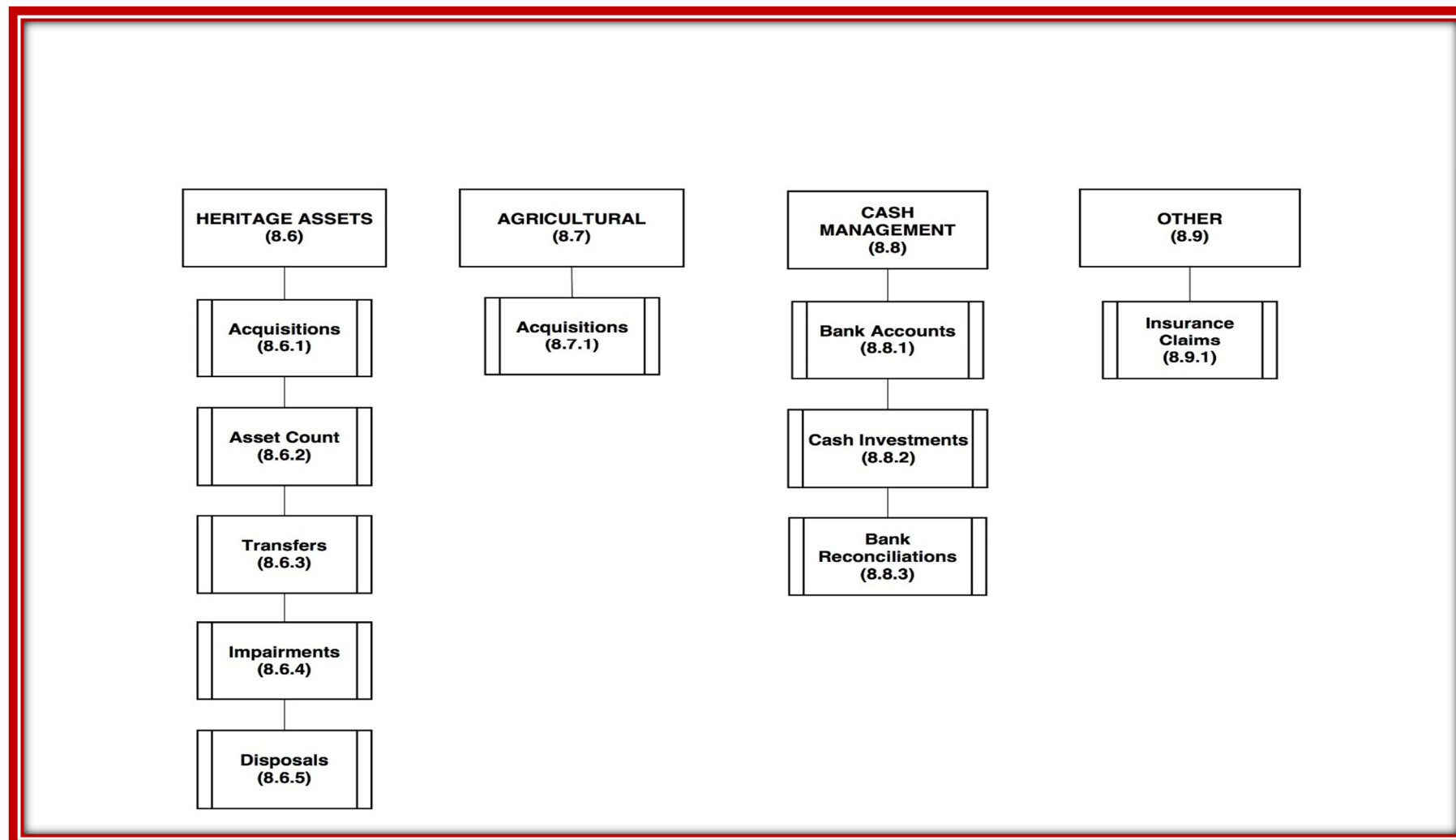
The level of involvement of each official is indicated at each procedure and is summarised as follows:

PD	Perform Daily
PW	Perform Weekly
PM	Perform Monthly
PQ	Perform Quarterly
PBI	Perform Bi-Annually
PA	Perform Annually
VD	Verify Daily
VW	Verify Weekly
VM	Verify Monthly
VQ	Verify Quarterly
VBI	Verify Bi-Annually
VA	Verify Annually
RD	Review Daily
RW	Review Weekly
RM	Review Monthly
RQ	Review Quarterly
RBI	Review Bi-Annually
RA	Review Annually

8.1 PROCESS FLOW CHARTS

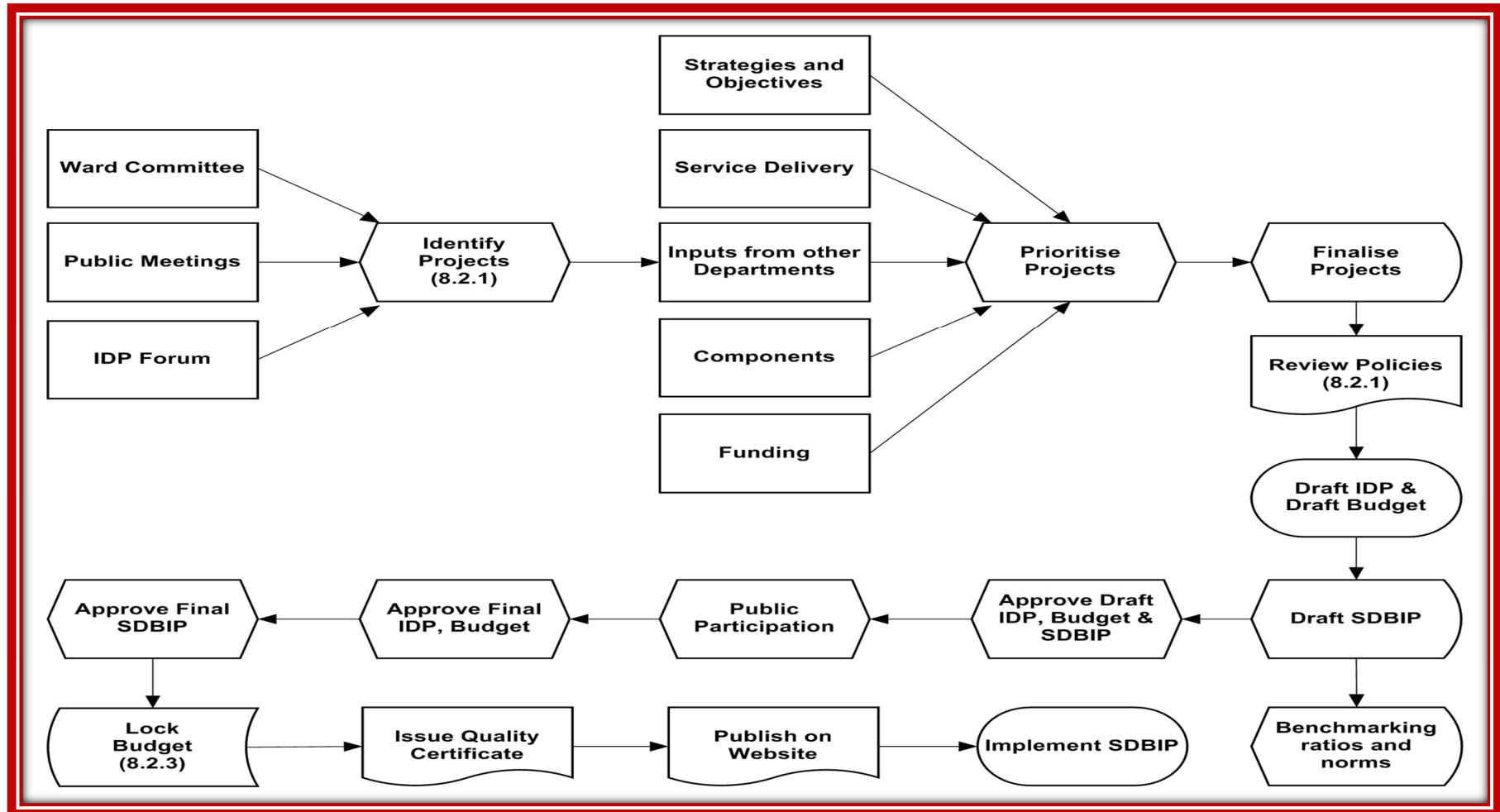
High-level overview of business processes covered in this section:





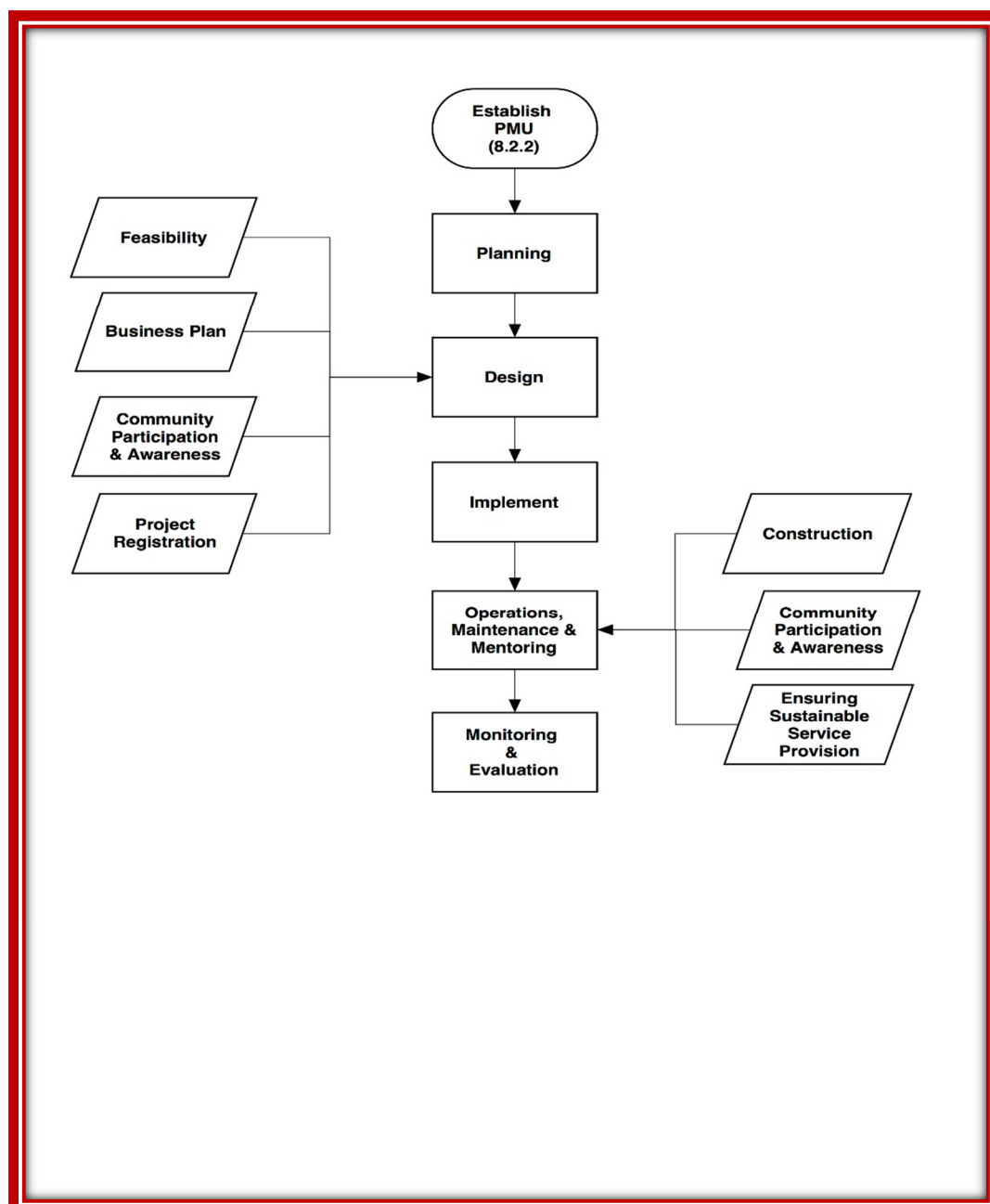
8.1.1 Planning

An overview of procedures for Planning Activities. Detailed standard operating procedures are set out in section 8.2.



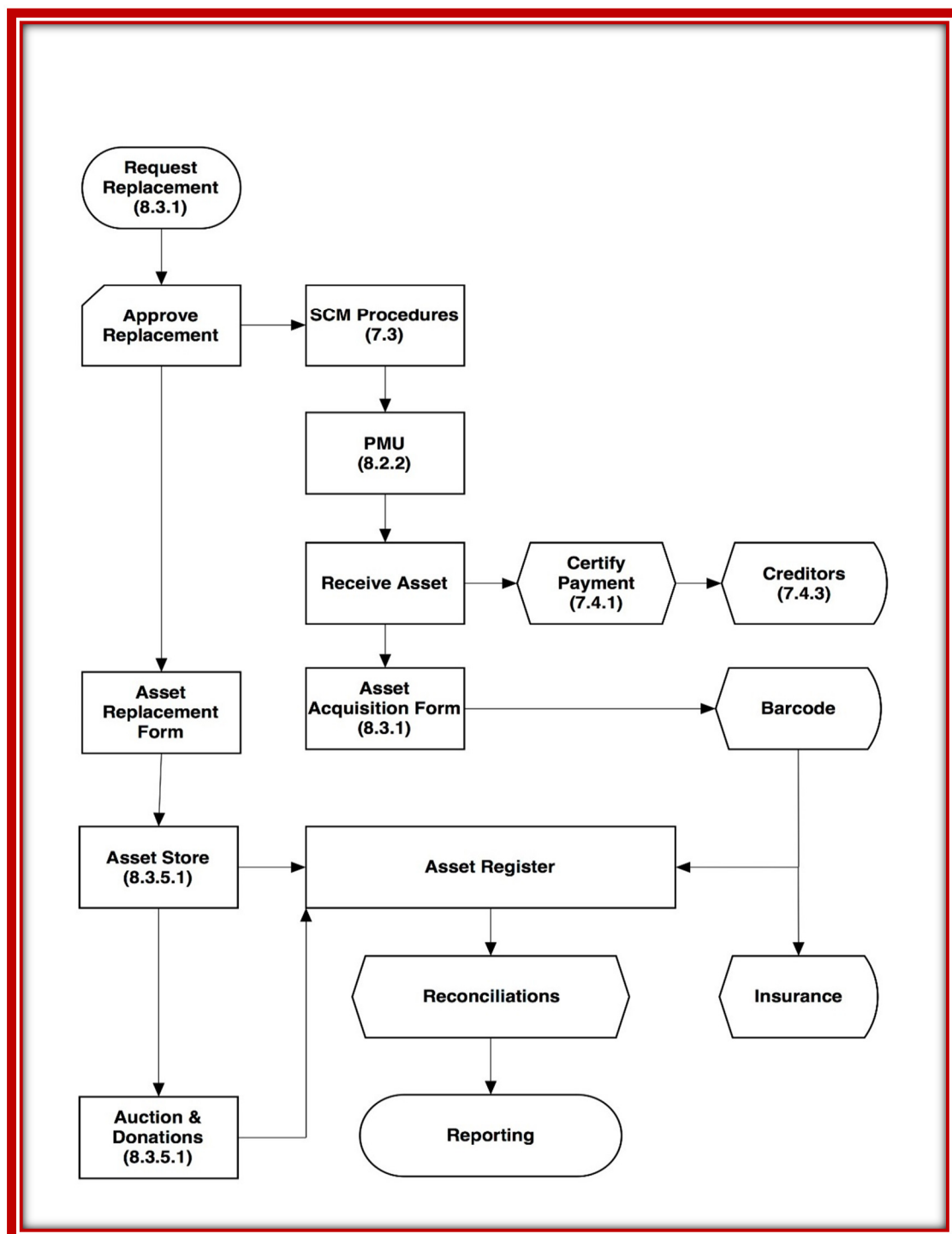
8.1.2 Project Management Unit

An overview of procedures to establish a Project Management Unit. Detailed standard operating procedures are set out in section 8.2.2.



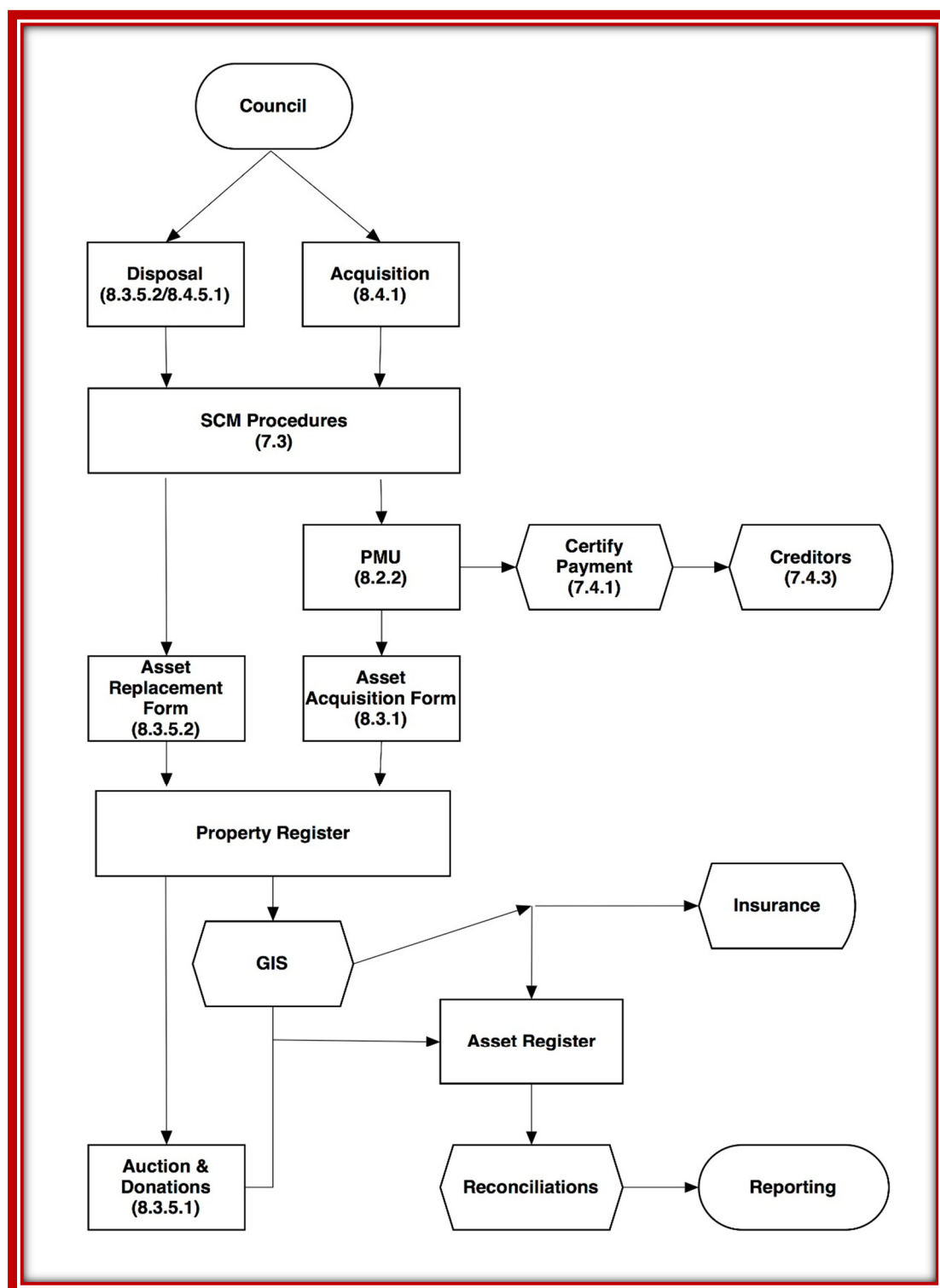
8.1.3 Acquisition and Disposal of Movable Assets

An overview of procedures to Acquire and Dispose Movable Assets. Detailed standard operating procedures are set out in section 8.3.



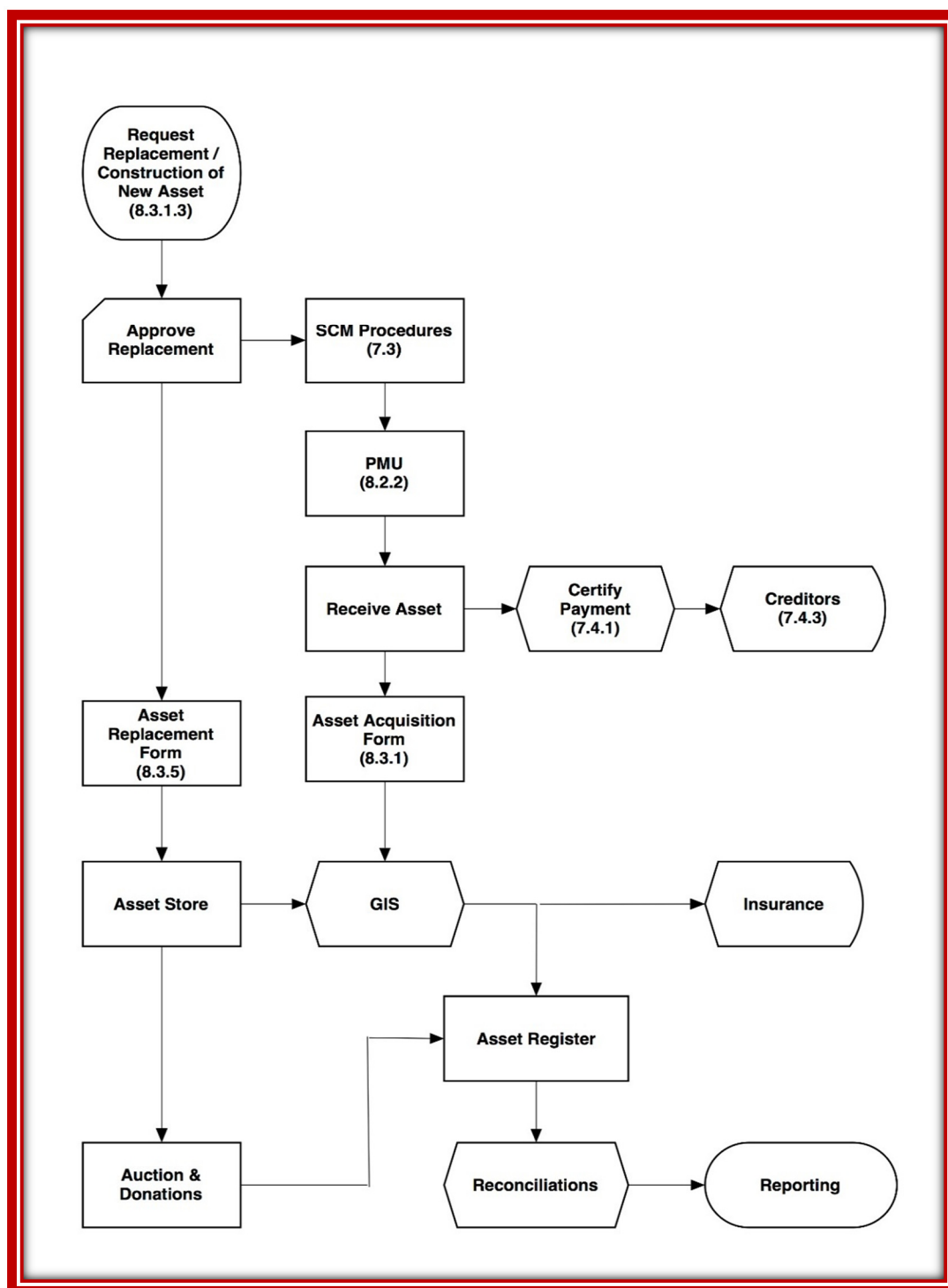
8.1.4 Acquisition and Disposal of Immovable Assets

An overview of procedures to Acquire and Dispose Immovable Assets. Detailed standard operating procedures are set out in sections 8.3 and 8.4.



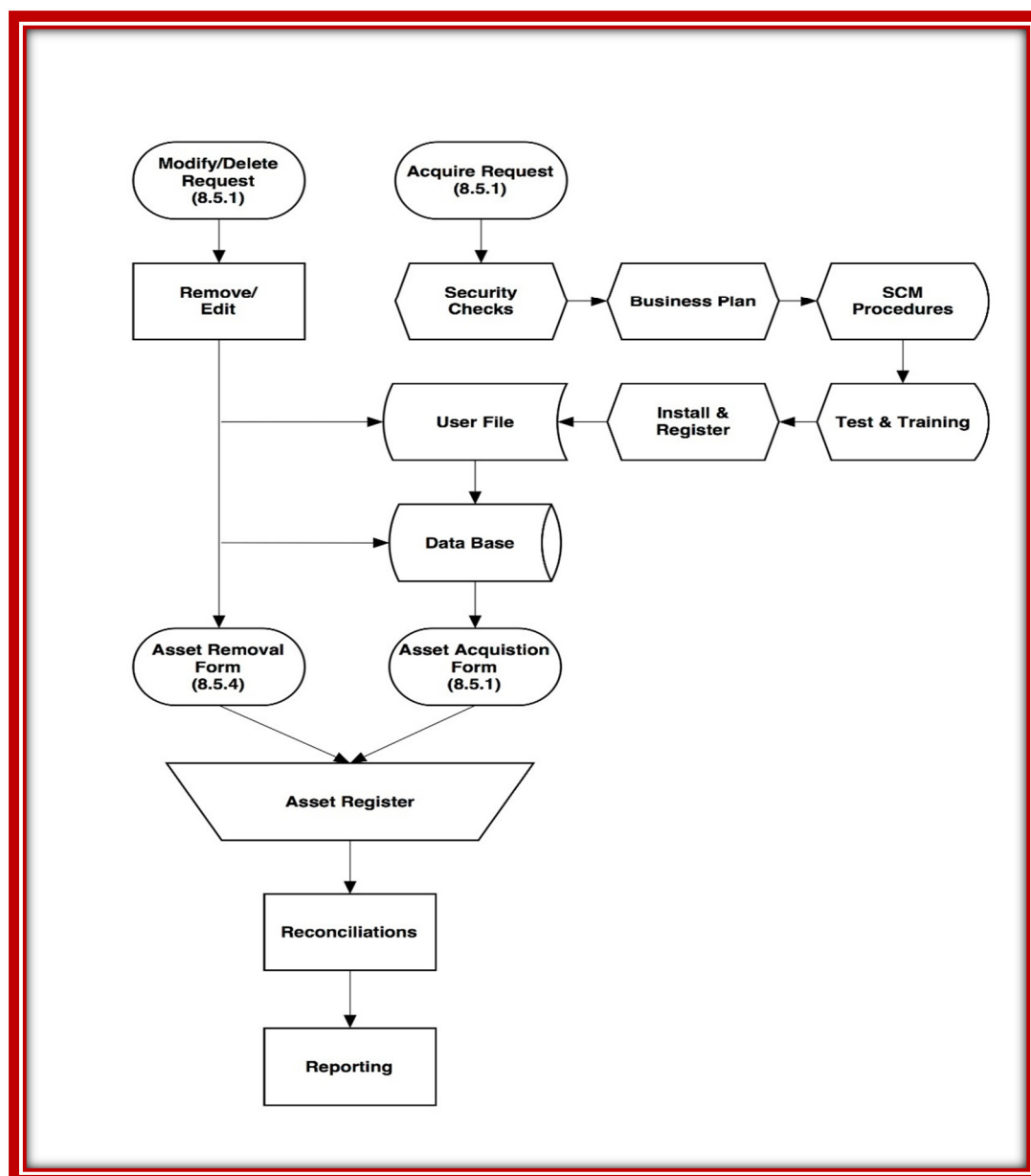
8.1.5 Construction of Infrastructure Assets

An overview of procedures to Construct Infrastructure Assets. Detailed standard operating procedures are set out in section 8.3.



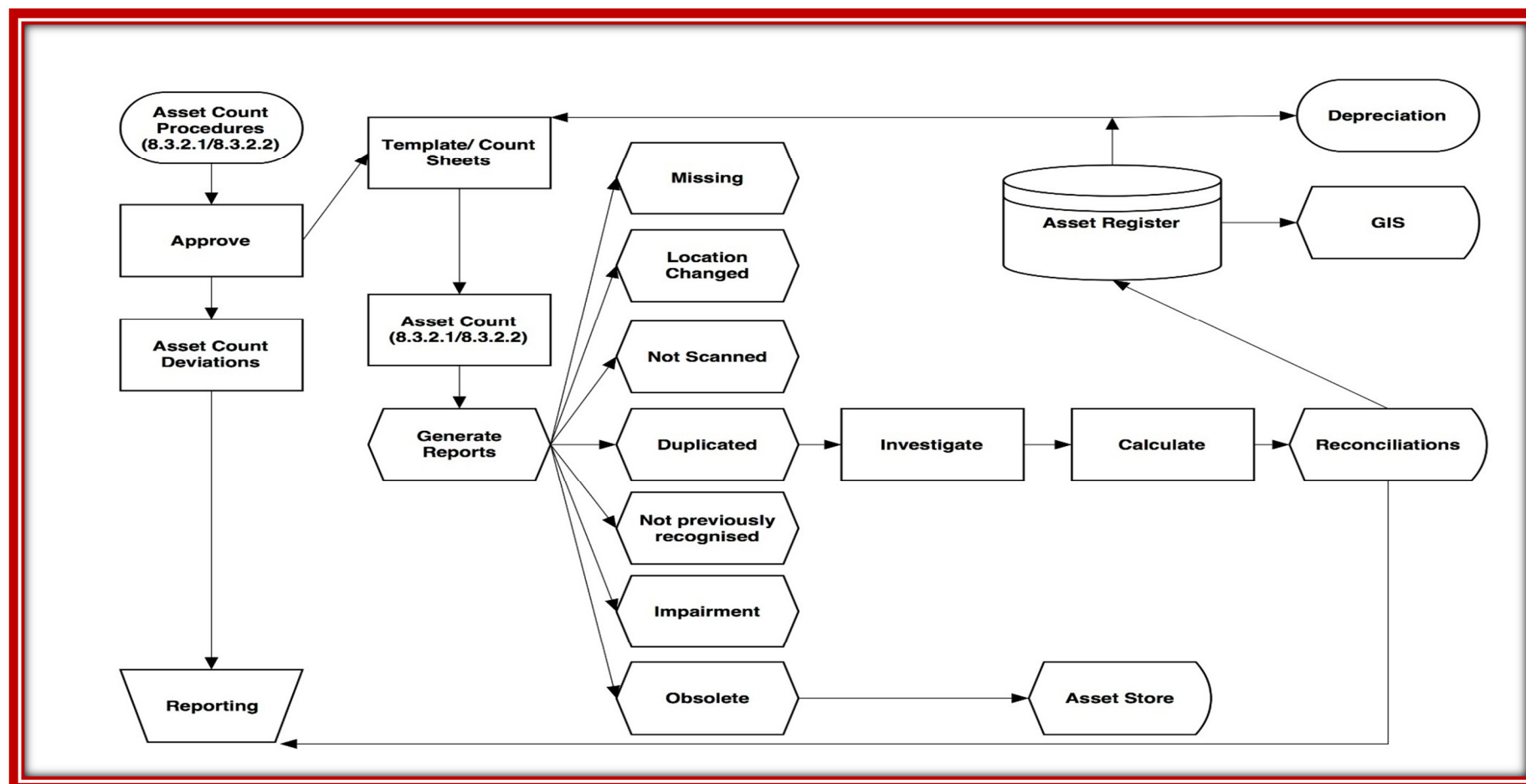
8.1.6 Acquisition and Disposal of Intangible Assets

An overview of procedures to Acquire and Dispose Intangible Assets. Detailed standard operating procedures are set out in section 8.5.



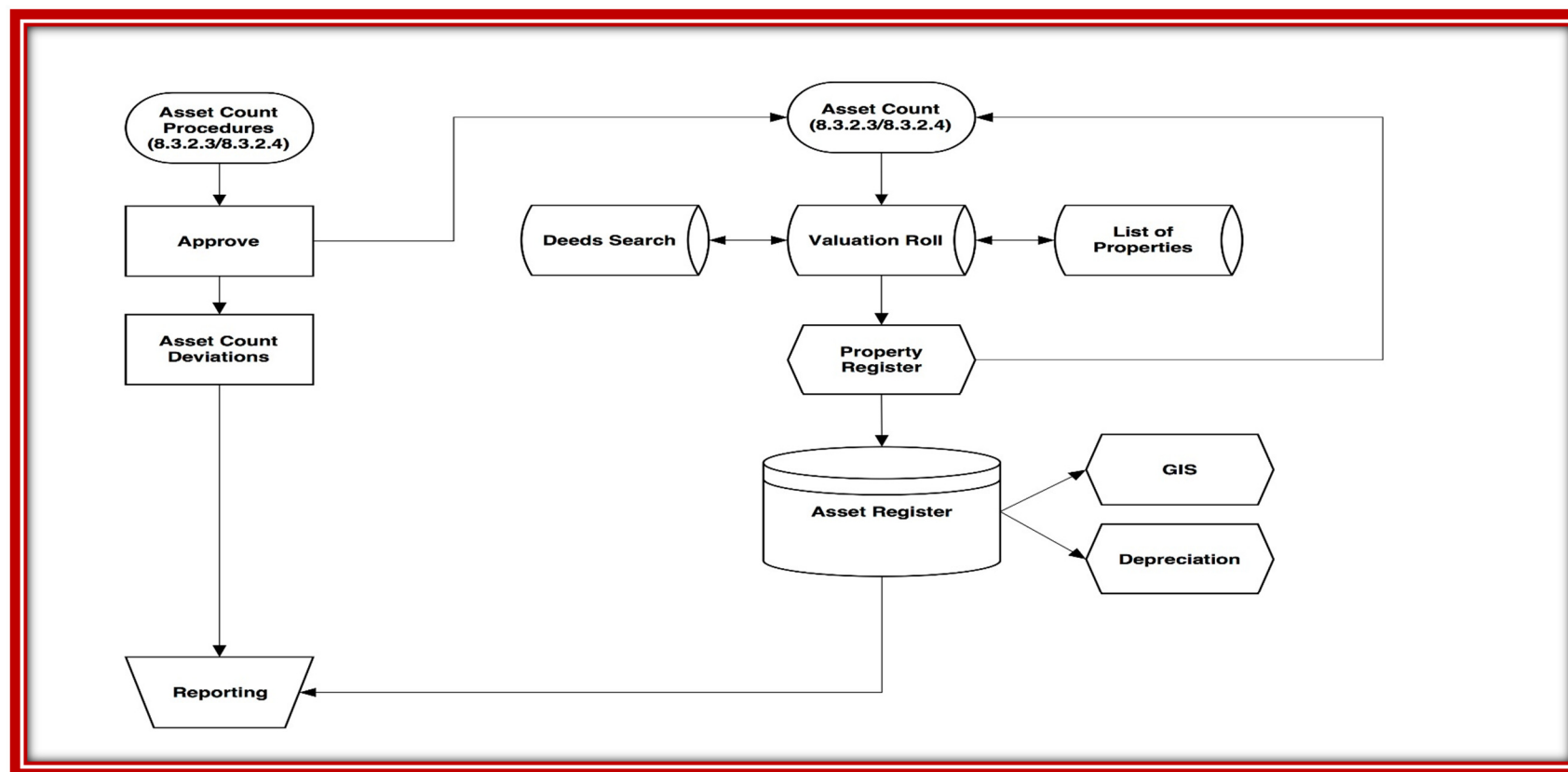
8.1.7 Asset Count of Movable Assets

An overview of procedures to conduct an Asset Count of Movable Assets. Detailed standard operating procedures are set out in section 8.3.2.



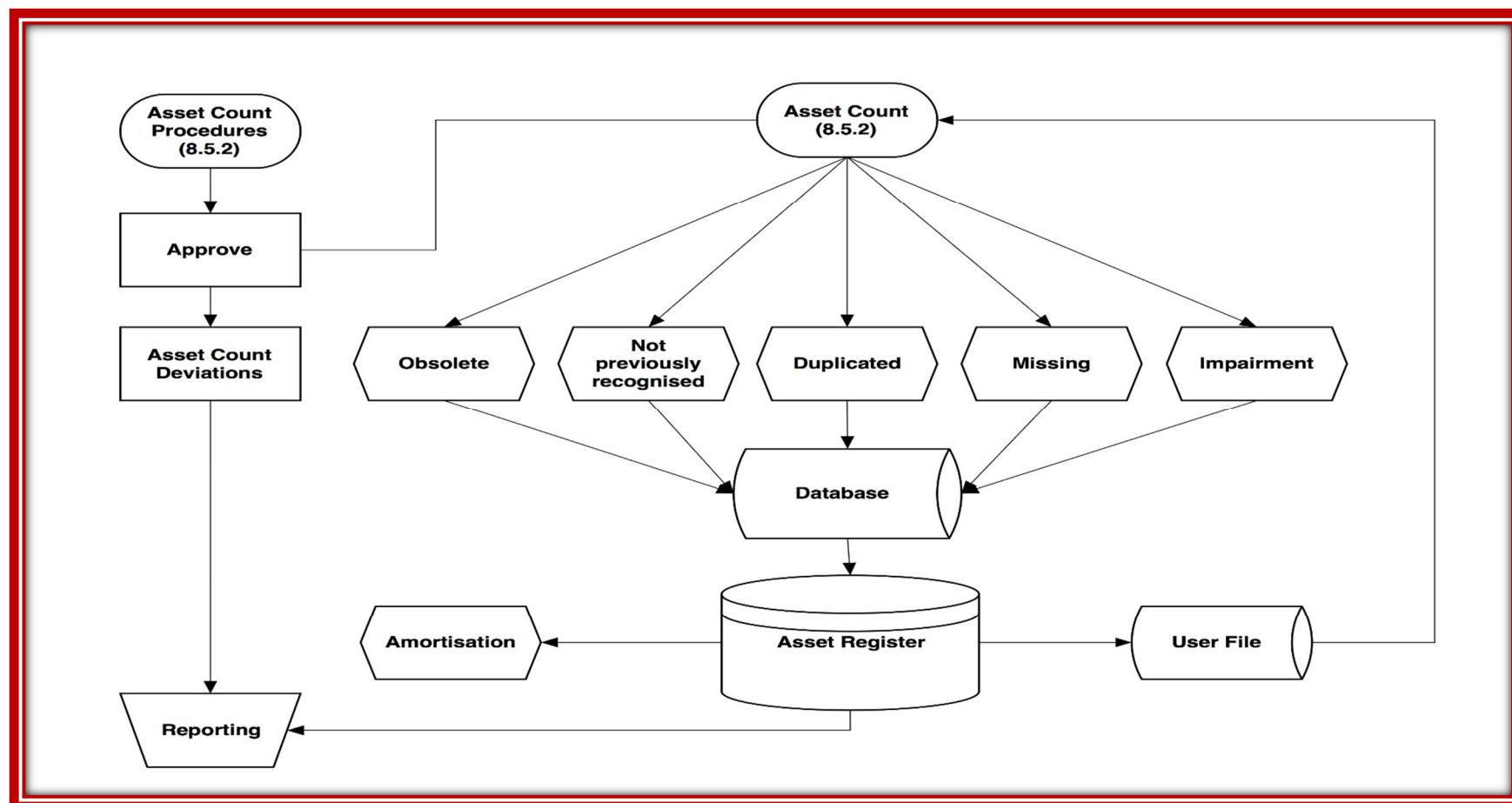
8.1.8 Asset Count of Immovable Assets

An overview of procedures to conduct an Asset Count of Immovable Assets. Detailed standard operating procedures are set out in section 8.3.2.



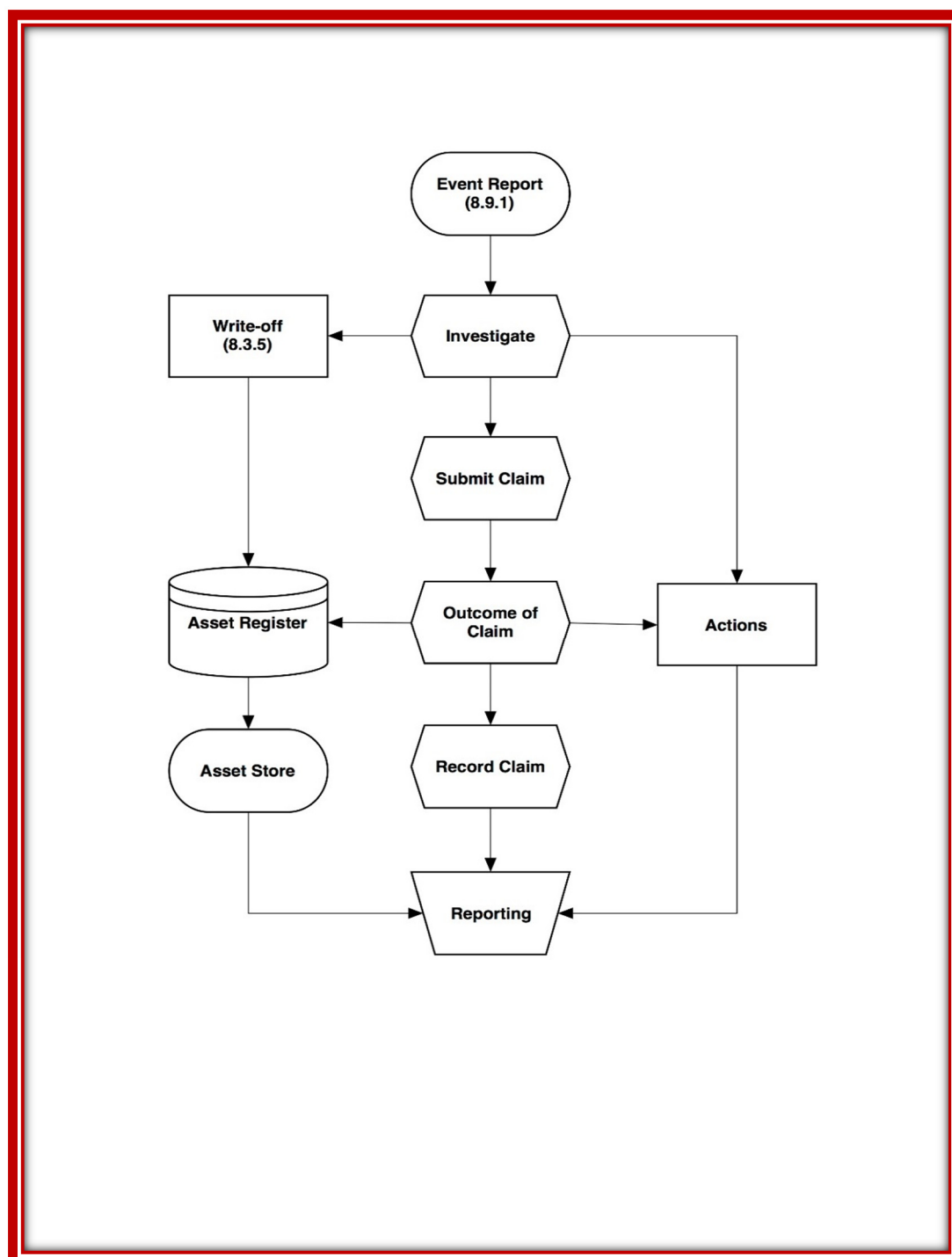
8.1.9 Asset Count of Intangible Assets

An overview of procedures to conduct an Asset Count of Intangible Assets. Detailed standard operating procedures are set out in section 8.5.2.



8.1.10 Insurance Claims

An overview of procedures to record Insurance Claims. Detailed standard operating procedures are set out in section 8.9.



8.2 PLANNING

The accounting officer of a municipality must take all reasonable steps, in terms of section 63(2) of the Municipal Finance Management Act (Act 56 of 2003), to ensure that:

- a) The municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- b) The municipality's assets are valued in accordance with standards of generally recognised accounting practice; and
- c) The municipality has and maintains a system of internal control of assets, including an asset register, as may be prescribed.

Staff members involved in procedures

AA	Accountant: Assets
SM	Manager: Strategic Services
MPMU	Manager: Project Management Unit
HAE	Head: Assets and Expenditure
HBTO	Head: Budget and Treasury
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 MUNICIPALITIES

8.2.1 Procedures for performing Planning Activities (Revised IDP and Annual Budget)

No	Procedure	Head: Assets and Expenditure	Strategic Manager	Other Departments	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Follow the procedures, as set out in Chapter 5 of the Municipal Systems Act (Act of 2000) to develop, implement and approve an Integrated Development Plan (IDP).		PA			VA		RA	MSA S 23 to S37		N/A	N/A	Approved IDP
2	Review the Integrated Develop Plan (IDP) and previous year's actual performance against set targets. Obtain inputs from: <ul style="list-style-type: none"> Ward Committees Public (via Public IDP Meetings) Public Sector (via IDP Forum) 		PA			VA		RA	MSA S 34		N/A	N/A	Attendance Register and Minutes of Meetings
3	Capture projects in the Planning Module of the financial system.		PA		VA	RA					N/A	N/A	Capture projects in Planning Module of financial system.
4	Send draft list of projects to Other Departments within Municipality for inputs.		PA			VA					N/A	N/A	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Head: Assets and Expenditure	Strategic Manager	Other Departments	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
5	Hold meetings within Departments to prioritise projects.			PA		VA					N/A	N/A	
6	<p>Prioritise projects, based on:</p> <ul style="list-style-type: none"> • Master Plans; • Spatial Development Framework; • Housing Implementation Plans; • Service Delivery Backlogs; • Asset Replacement Policy; • Statutory Requirements; • Maintenance Plans; • Strategic Objectives; • Infrastructure Plans identified in prior years; • Duration of project; • Cost effectiveness of project; • Indicate if project is for a new/renewal asset; and • Inputs received during IDP process. <p>This procedure is performed in the Planning Module of the financial system.</p>			PA		VA		RA			N/A	N/A	Departmental Strategic Meetings

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Head: Assets and Expenditure	Strategic Manager	Other Departments	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
7	If a component of a project is classified as capital of nature, ensure that applicable GRAP requirements are met to classify the proposed expenditure as an asset.	VA		PA		RA					N/A	N/A	
8	Identify funding sources of prioritised projects. (Make use of mSCOA Funding segment)			PA		VA					N/A	N/A	
9	Allocate all segments of mSCOA to all prioritised projects.			PA		RA					N/A	N/A	
10	Send list of prioritised projects, with aligned segments of mSCOA, to Strategic Manager.		VA	PA		RA					N/A	N/A	
11	Compile list of all prioritised projects. This list should be an extract from the Planning Module of the financial system.		PA			RA					N/A	N/A	
11	Hold meeting with the Finance Committee. (Executive Council Committee Meeting)					PA		VA			N/A	N/A	Minutes of Meeting

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Head: Assets and Expenditure	Strategic Manager	Other Departments	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
12	Finalise projects based on: <ul style="list-style-type: none"> • Available Funding; • Master Plans; • Spatial Development Framework; • Housing Implementation Plans; • Service Delivery Backlogs; • Asset Replacement Policy; • Statutory Requirements; • Maintenance Plans; • Strategic Objectives; • Future Operational Cost and Revenue of Project; • Municipal tariffs implications; and • Duration of project. 					PA	VA	RA			N/A	N/A	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Head: Assets and Expenditure	Strategic Manager	Other Departments	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
13	Indicate on Final Project List: <ul style="list-style-type: none"> Strategic Objectives; Duration of project; Future Operational Cost and Revenue of Project; If project is for a new/existing asset; Municipal Ward in which asset will be erected; GPS Coordinates where asset will be erected; Estimate monthly capital expenditure of project; Different asset categories and sub-categories of project; and mSCOA Project Number 					PA	VA	RA			N/A	N/A	Final Project List
14	Prepare the draft Revised IDP.		PA			VA		RA	MSA S 34		N/A	N/A	Revised IDP
15	Prepare the draft Budget, by using all mSCOA segments. Add mSCOA Project Number to GUID of Project Segment. All budget schedules should be generated by the financial system				PA	VA	RA	RA			N/A	N/A	Draft Budget

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Head: Assets and Expenditure	Strategic Manager	Other Departments	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
16	Prepare the draft Service Delivery and Budget Implementation Plan (SDBIP). Add the mSCOA Project Number to each project to ensure a link between the IDP, the Budget and the SDBIP.		PA		VA	RA	VA	VA			N/A	N/A	Draft SDBIP
17	Evaluate the draft Budget against approved Benchmarking ratios and norms.		PA		VA	RA	VA	VA			N/A	N/A	Financial Ratios and Norms
18	Submit the draft IDP, the draft Budget and the draft SDBIP to Council and follow budget procedures as set out in the MFMA, Budget Regulations and Planning and Performance Management Regulations.					PA	VA	VA	MFMA S 21		N/A	N/A	Budget Process Documents
19	Council approve the IDP and the Annual Budget.							PA			N/A	N/A	IDP / Annual Budget
20	Council approve the SDBIP.							PA	MFMA S53		N/A	N/A	SDBIP
21	Upload budget on the National Treasury Local Government Database (LG Database) portal by using data extraction from the segments of mSCOA.				PA	RA					N/A	N/A	mSCOA Data String

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Head: Assets and Expenditure	Strategic Manager	Other Departments	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
22	Publish the IDP, the Budget and the SDBIP on the municipal website.		PA			RA			MFMA S75		N/A	N/A	
23	Issue signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations.					PA	VA	VA			N/A	N/A	Quality Certificate
24	Implement the SDBIP.					PA	VA	VA			N/A	N/A	
25	Start with Supply Chain Management Procedures as per monthly Capital Budget / Procurement Plan.	VW		PD		VM		VM			N/A	N/A	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for performing Planning Activities (Revised IDP and Annual Budget) accepted by:

	Employee	Signature	Date
HAE			
SM			
OD			
CFO			
MM			

Procedures for performing Planning Activities (Revised IDP and Annual Budget) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.2.2 Procedures for establishing a Project Management Unit

No	Procedure	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Prepare a business plan that clarifies whether the Project Management Unit (PMU) will be according to a shared services model or within the municipality. (Section 88 of the Municipal Structures Act (Act No. 117 of 1998))	PA	VA	VA	RA	PMU Guideline		N/A	N/A	PMU Business Plan
2	Indicate in business plan the details and qualifications of the human resources that are to be utilised in the PMU.	PA	VA	VA	RA			N/A	N/A	PMU Business Plan
3	Include a detailed budget in the business plan for the PMU.	PA	VA	VA	RA			N/A	N/A	PMU Business Plan
4	Indicate in business plan how the PMU is going to benefit the municipalities it is going to serve.	PA	VA	VA	RA			N/A	N/A	PMU Business Plan



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
5	Consult with other local municipalities if the PMU is to be established at a district municipality level. (Section 88 of the Municipal Structures Act (Act No. 117 of 1998))	PA	VA	VA	RA		MSTA S 88	N/A	N/A	Proof of consultation
6	Inform the district municipality if the PMU is to be established at local municipality level. (Section 88 of the Municipal Structures Act (Act No. 117 of 1998))	PA	VA	VA	RA		MSTA S 88	N/A	N/A	
7	Forward details and qualifications of the candidates to be deployed in the PMU to the district municipality or local municipality, depending where the PMU is located.	PA	VA	VA	RA			N/A	N/A	
8	Submit a business plan to the National Municipal Infrastructure Unit, within National Treasury, in the first year of establishing the PMU.	PA	VA	VA	RA			N/A	N/A	Proof of Business Plan submitted

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
9	Obtain approval from the National Municipal Infrastructure Unit to establish the PMU.	PA	VA	VA	RA			N/A	N/A	Approval from National MI Unit
10	Submit a revised business plan to DPLG if the original model of established PMU changes.	PA	VA	VA	RA			N/A	N/A	Revised PMU Business Plan
11	Submit an annual budget before 15 February to DPLG.	PA	VA	VA	RA			N/A	N/A	PMU Budget



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for establishing a Project Management Unit accepted by:

	Employee	Signature	Date
MPMU			
HAE			
CFO			
MM			

Procedures for establishing a Project Management Unit approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.2.3 Procedures for Capturing of Approved Capital Budget

No	Procedure	Head: Budget and Treasury	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Capture capital expenditure of the approved capital budget on the financial system. This procedure requires seamless integration from the Planning Module of the financial system.	PA		RA	VA			CAPEX	Projects	Approved Capital Budget and System Print-out
2	Perform a Budget Test Run, to ensure that all segments of mSCOA have been captured correctly.	PA		RA	VA			CAPEX	Projects	Budget Test Run
3	Investigate and correct any differences found after test run.	PA		RA	VA			CAPEX	Projects	
4	Perform a Final Budget Run on the financial system.	PA		RA	VA			CAPEX	Projects	Final Budget Run
5	File the Final Budget Run for future reference.	PA		RA	VA			CAPEX	Projects	Final Budget Run
6	Lock capital budget on the financial system.	PA		RA	VA			CAPEX	Projects	
7	Implement the SDBIP.							CAPEX	Projects	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Head: Budget and Treasury	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
8	Follow the normal Supply Chain Management procedures as set out in section 7.3.							CAPEX	Projects	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for capturing approved Capital Budget accepted by:

	Employee	Signature	Date
HAE			
HBTO			
CFO			
MM			

Procedures for capturing approved Capital Budget approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.2.4 Procedures for Monthly Meetings (Planning)

No	Procedure	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	CFO holds monthly meeting with the Accountant: Assets and the Head: Assets and Expenditure to monitor actual expenditure against budget expenditure, and any other exceptions identified during the month.	PM	PM	PM	RM			PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	Number of meetings per year
2	Determine corrective action to be taken to address any deviations, and to prevent or reduce similar exceptions.	PM	PM	PM	RM			PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	Number of outstanding findings and findings solved during year.
3	Submit pre-audit checklist to the CFO as proof that tasks have been performed and work performed was verified as correct by relevant officials.		PM	RM				PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	Number of pre-audit checklists per year.

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Monthly Meetings (Planning) accepted by:

	Employee	Signature	Date
AA			
HAE			
CFO			
MM			

Procedures for Monthly Meetings (Planning) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

8.3 PROPERTY, PLANT AND EQUIPMENT

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

DC	Data Capturer
CA	Clerk: Assets
CCA	Chief Clerk: Assets
GIS	GIS Technician
AA	Accountant: Assets
MIT	Manager: Information Systems
MPMU	Manager: Project Management Unit
MTP	Manager: Town Planning
HAE	Head: Assets and Expenditure
HBTO	Head: Budget and Treasury
HOD	Heads of other Departments within Municipality
CFO	Chief Financial Officer
MM	Municipal Manager

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.3.1 Acquisitions

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

8.3.1.1 Procedures for Acquisition of Movable Assets (New)

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Accountant: Expenditure	Managers: All Departments	Head of Department	Head: Assets and Expenditure	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.											GRAP 17	PPE	PPE	
2	Indicate during the SCM procedures if a new/renewal asset is acquired.											GRAP 17	PPE	PPE	
3	All assets are received at a central base and the Manager who ordered the asset is contacted.											GRAP 17	PPE	PPE	
4	ALTERNATIVE: The Manager who order the asset receive the asset.											GRAP 17	PPE	PPE	
5	Sign that asset was received, agree with order placed, and that the asset is in a working condition.			VD		PD		RM				GRAP 17	PPE	PPE	



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Accountant: Expenditure	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
6	Sign invoice that goods were received in good order and supplier can be paid.			VD		PD		RM				GRAP 17	PPE	PPE	
7	Send invoice to the Creditors Department.			VD		PD		RM				GRAP 17	PPE	PPE	
8	The Creditors Department follow normal payment procedures.											GRAP 17	PPE	PPE	
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; 														

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Accountant: Expenditure	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Condition; Custodian of asset; Cost of asset (Excluding VAT); VAT on transaction; Total cost (including VAT); Estimate useful life Start depreciation date; New/Existing asset; Project number; Line-item; Funding source; Subsequent measurement method of asset; If asset must be separately insured; and All other segments of mSCOA. 			VD		PD	VD	RM				GRAP 17	PPE	PPE	Asset Acquisition Form
10	Send the "Asset Acquisition Form", with copy of invoice to the Chief Clerk: Assets			VD		PD		RM				GRAP 17	PPE	PPE	
11	Verify information on the "Asset Acquisition Form".		PD	VD				RM				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Accountant: Expenditure	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
12	Confirm, for reasonability that expected useful life of asset agrees with the Asset Management Policy.		PD	VD				RM				GRAP 17	PPE	PPE	
13	Barcode the asset.	PD	VW	RW								GRAP 17	PPE	PPE	
14	Update the "Asset Acquisition Form" with barcode and any other short comings.		PD	VD				RM				GRAP 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	VM			VM	RM			GRAP 13 GRAP 17	PPE	PPE	
16	For assets financed by a Provision, recognise the asset at: <ul style="list-style-type: none"> The best estimate; or 														

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Accountant: Expenditure	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> 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 specific to the liability. 			PM	VM			VM	RM			GRAP 17 GRAP 19	PPE	PPE	
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				RM				GRAP 17 GRAP 31	PPE	PPE	
18	Capture asset in the Asset Register.		PD	VD				RM				GRAP 17	PPE	PPE	
19	Prepare a monthly list of all acquisitions.		PD	VD				RM				GRAP 17	PPE	PPE	Monthly list of acquisitions
20	Submit monthly list of acquisitions to the Accountant: Assets.		PD	VD				RM				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Accountant: Expenditure	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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				RM			MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
22	Investigate any differences.			PM				RM				GRAP 17	PPE	PPE	
23	Correct any differences.			PM				RM				GRAP 17	PPE	PPE	
24	File list of acquisitions with audit trail of acquisitions, for future reference.			PM				RM				GRAP 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			VM	VM	RM			GRAP 17	PPE	PPE	Monthly Reports
26	Review repairs and maintenance projects in the General Ledger to confirm the correct allocation between repairs and maintenance and assets.				PM		VM	RM				GRAP 17	PPE	PPE	Review of Repairs and Maintenance Projects
27	Correct any differences.				PM		VM	RM				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Acquisition of Movable Assets (New) accepted by:

	Employee	Signature	Date
CA			
CCA			
AA			
AE			
OD			
HAE			
CFO			
MM			

Procedures for performing of Acquisition of Movable Assets (New) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.3.1.2 Procedures for Acquisition of Movable Assets (Renewal)

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Complete a "Request of Asset Replacement Form".				PD		VM	RM	RA		GRAP 17	PPE	PPE	
2	Send the "Request of Asset Replacement Form" to the Head of Department.				PD		VM	RM	RA		GRAP 17	PPE	PPE	
3	Approve the "Request of Asset Replacement Form".					PD	VM	RM	RA		GRAP 17	PPE	PPE	Request of Asset Replacement Form
4	Follow the normal Supply Chain Management (SCM) procedures.										GRAP 17	PPE	PPE	
5	Indicate during the SCM procedures if a new/existing asset is acquired.										GRAP 17	PPE	PPE	
6	All assets are received at central base and the Manager who ordered the asset is contacted.										GRAP 17	PPE	PPE	
7	ALTERNATIVE: The Manager who order the asset receive the asset.										GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
8	Sign that asset was received, agree with order placed, and that the asset is in a working condition.			VD	PD		RM				GRAP 17	PPE	PPE	Goods Received Note
9	Sign invoice that goods were received in good order and supplier can be paid.			VD	PD		RM				GRAP 17	PPE	PPE	
10	Send invoice to the Creditors Department.			VD	PD		RM				GRAP 17	PPE	PPE	
11	Creditors Department follow normal payment procedures.										GRAP 17	PPE	PPE	
12	Complete the "Asset Replacement Form", by using all segments of mSCOA.			VD	PD	VD	RM				GRAP 17	PPE	PPE	Asset Replacement Form
13	Request the Manager: Information Systems to remove all hardware and software from computers, before they are handed in at asset store.			VD	PD	VD	RM				GRAP 17	PPE	PPE	
14	Send replaced asset to asset stores.			VD	PD	VD	RM				GRAP 17	PPE	PPE	
15	Verify information on the "Asset Replacement Form" with the Asset Register.		PD	VD	VD		RM				GRAP 17	PPE	PPE	
16	Issue receipt for asset received.		PD	VD	VD		RM				GRAP 17	PPE	PPE	Asset receipt

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
17	Receive receipt from asset store when asset is handed in.			VD	PD		RM				GRAP 17	PPE	PPE	
18	Send the "Asset Replacement Form", "Request for Asset Replacement" and copy of receipt from asset store to the Chief Clerk: Assets.			VD	PD		RM				GRAP 17	PPE	PPE	
19	Review the "Asset Replacement Form", "Request for Asset Replacement" and copy of receipt from asset store.			PD	VD		RM				GRAP 17	PPE	PPE	
20	Write-off replaced asset to R1 on the Asset Register.		PD	VD			RM				GRAP 17	PPE	PPE	
21	Prepare a monthly list of all write-offs.		PD	VD			RM				GRAP 17	PPE	PPE	Monthly list of write-offs
22	Submit monthly list of write-offs to the Accountant: Assets.		PD	VD			RM				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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			RM			MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
24	Investigate any differences.			PM			RM				GRAP 17	PPE	PPE	
25	Correct any differences.			PM			RM				GRAP 17	PPE	PPE	
26	File list of write-offs with audit trail of acquisitions, for future reference.			PM			RM				GRAP 17	PPE	PPE	Monthly list of acquisitions
27	Complete the "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; 													

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> • 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		RM				GRAP 17	PPE	PPE	Asset Acquisition Form
28	Send "Asset Acquisition Form", with copy of invoice to the Chief Clerk: Assets			VD	PD		RM				GRAP 17	PPE	PPE	
29	Verify information on the "Asset Acquisition Form" against invoice and the Asset Management Policy.		PD	VD			RM				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
30	Confirm that expected useful life of asset agrees with the Asset Management Policy.		PD	VD			RM				GRAP 17	PPE	PPE	
31	Barcode the asset.	PD	VW	RW							GRAP 17	PPE	PPE	
32	Update the "Asset Acquisition Form" with barcode and any other short comings.		PD	VD			RM				GRAP 17	PPE	PPE	
33	Capture asset in the Asset Register.		PD	VD			RM				GRAP 17	PPE	PPE	
34	Prepare a monthly list of all acquisitions.		PD	VD			RM				GRAP 17	PPE	PPE	Monthly list of acquisitions
35	Submit monthly list of acquisitions to the Accountant: Assets.		PD	VD			RM				GRAP 17	PPE	PPE	
36	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			RM			MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
37	Investigate any differences.			PM			RM				GRAP 17	PPE	PPE	
38	Correct any differences.			PM			RM				GRAP 17	PPE	PPE	
39	File list of acquisitions with audit trail of acquisitions, for future reference.			PM			RM				GRAP 17	PPE	PPE	Monthly list of acquisitions

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Acquisition of Movable Assets (Renewal) accepted by:

	Employee	Signature	Date
CA			
CCA			
AA			
OD			
HAE			
CFO			
MM			

Procedures for Acquisition of Movable Assets (Renewal) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.3.1.3 Procedures for Construction of Infrastructure Assets

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	GIS Technician	Accountant: Assets	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Follow the normal Supply Chain Management Procedures (SCM).											GRAP 17	PPE	PPE	
2	Indicate during the SCM procedures if a new/renewal asset is acquired.											GRAP 17	PPE	PPE	
3	The Project Management Unit manage the project.											GRAP 17	PPE	PPE	
4	Sign that work was performed as per Service-Level Agreement.					VD	PD	RM				GRAP 17	PPE	PPE	
5	Sign invoice that goods were received in good order and supplier can be paid.					VD	PD	RM				GRAP 17	PPE	PPE	
6	Send invoice to the Creditors Department.					VD	PD	RM				GRAP 17	PPE	PPE	
7	The Creditors Department follow normal payment procedures as set out in section 7.4.											GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	GIS Technician	Accountant: Assets	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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); 														



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	GIS Technician	Accountant: Assets	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> VAT on transaction; Total cost (including VAT); Estimate useful life; Start depreciation date; New/Renewal asset; Project number; Line-item; GPS coordinates of 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. 					VD	PD	RM				GRAP 17	PPE	PPE	Asset Acquisition Form
9	FOR PROJECTS STILL UNDER CONSTRUCTION: Send "Asset Acquisition Form", with copy of payment certificate to the Chief Clerk: Assets					VD	PD	RM				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	GIS Technician	Accountant: Assets	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
10	Verify information on the "Asset Acquisition Form".			PD		VD		RM				GRAP 17	PPE	PPE	
11	Capture asset in the Work-in-progress Register, by using all segments of mSCOA.			PD		VD		RM				GRAP 17	PPE	PPE	
12	Capture retention, as indicated on payment certificate, in the Retention Register. Use all segments of mSCOA.			PD		VD		RM				GRAP 17	PPE	PPE	Retention Register
13	Prepare monthly list of all work-in-progress.			PD		VD		RM				GRAP 17	PPE	PPE	Monthly list of work in progress
14	Submit monthly list of work-in-progress to the Accountant: Assets.			PD		VD		RM				GRAP 17	PPE	PPE	
15	Reconcile the Work-in-progress Register with the General Ledger.					PM		RM			MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
16	Reconcile the Retention Register with the General Ledger.					PM		RM				GRAP 17	PPE	PPE	Retention Register Reconciliation
17	Investigate any differences.					PM		RM				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	GIS Technician	Accountant: Assets	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
18	Correct any differences.					PM		RM				GRAP 17	PPE	PPE	
19	File list of work-in-progress, with audit trail of acquisitions and supporting documentation, for future reference.					PM		RM				GRAP 17	PPE	PPE	Monthly list of work in progress
20	File copy of the Retention Register with supporting documentation for future reference.					PM		RM				GRAP 17	PPE	PPE	Retention Register
21	FOR COMPLETED PROJECTS: Unbundle infrastructure or appoint a Service Provider, through SCM process, to unbundle infrastructure assets.				PD	VD	RM					GRAP 17	PPE	PPE	
22	Complete the "Asset Acquisition Form" for completed project.				VD	PD	RM					GRAP 17	PPE	PPE	
23	Document unbundled items on the "Asset Acquisition Form", with all segments of mSCOA.				VD	PD	RM					GRAP 17	PPE	PPE	Asset Acquisition Form

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	GIS Technician	Accountant: Assets	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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	PD	RM				GRAP 17	PPE	PPE	
25	Verify information on the "Asset Acquisition Form" against payment certificate and the Asset Management Policy.			PD		VD		RM				GRAP 17	PPE	PPE	Asset Acquisition Form
26	Confirm, for reasonability that expected useful life of asset agrees with the Asset Management Policy.			PD		VD		RM				GRAP 17	PPE	PPE	
27	Reconcile work-in-progress with unbundled items.			PD	VW	RW		RM				GRAP 17	PPE	PPE	
28	Update project on GIS system.				PW	VW	RW					GRAP 17	PPE	PPE	GIS Maps
29	Update the "Asset Acquisition Form" with GIS data and any other short comings.			PD		VD		RM				GRAP 17	PPE	PPE	Asset Acquisition Form
30	Capture asset in the Asset Register by using all segments of mSCOA.			PD		VD		RM				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	GIS Technician	Accountant: Assets	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
31	Prepare a monthly list of all acquisitions.			PD		VD		RM				GRAP 17	PPE	PPE	Monthly list of acquisitions
32	Submit monthly list of acquisitions to the Accountant: Assets.			PD		VD		RM				GRAP 17	PPE	PPE	
33	Prepare journals for transfer of work-in-progress.					PD		RD	RM			GRAP 17	PPE	PPE	
34	Capture journals in the financial system.	PD				VD		RD				GRAP 17	PPE	PPE	
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		RM			MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
36	Investigate any differences.				PM			RM				GRAP 17	PPE	PPE	
37	Correct any differences.					PM		RM				GRAP 17	PPE	PPE	
38	File list of acquisitions with audit trail of acquisitions, for future reference.					PM		RM				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Construction of Infrastructure Assets accepted by:

	Employee	Signature	Date
DC			
CA			
GIS			
AA			
MPMU			
OD			
CFO			
MM			

Procedures for Construction of Infrastructure Assets approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

8.3.2 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

DC	Data Capturer
CA	Clerk: Assets
CCA	Chief Clerk: Assets
AA	Accountant: Assets
MPMU	Manager: Project Management Unit
MTP	Manager: Town Planning
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 MUNICIPALITIES

8.3.2.1 Procedures for performing an Asset Count of Movable Assets (First-time full Asset Count)

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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; 															



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Procedures for missing assets 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. 											Asset Management Policy	GRAP 17	PPE	PPE	Asset Count Procedures
2	Submit asset count procedures to the HOD meeting.					PA	VA	RA	RA				GRAP 17	PPE	PPE	
3	Approve asset count procedures at the HOD meeting.							PA	VA				GRAP 17	PPE	PPE	Minutes of HOD Meeting

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
4	Inform other departments of the asset count in writing.			PA	VA	VA	RA						GRAP 17	PPE	PPE	E-mail to Departments
5	<p>Prepare asset count template for "First-time Full Asset Count - Movable Assets", that consists of 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; 															

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Registration number; Condition; Custodian of asset; Date of asset count; Confirmation from custodian that asset exist and asset 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; 															
				PA		PA	VA						GRAP 17	PPE	PPE	
6	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:															

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<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; Complete Asset Count Template; Sign Asset Count Template; Document any deviations from asset count procedures; Report any deviations from asset count procedures immediately. 		PA	PA	PA	VA	RA						GRAP 17	PPE	PPE	Asset Count Template Deviations Report



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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		VA	RA						GRAP 17	PPE	PPE	
8	Prepare a list of all "missing assets".		PA	VA		VA	RA						GRAP 17	PPE	PPE	List of Missing Assets

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
9	Send list of "missing asset" to all custodians and manager to whom custodian reports.		VA	PA		VA	RA						GRAP 17	PPE	PPE	
10	Obtain reasons for "missing assets".		VA	PA		VA	RA						GRAP 17	PPE	PPE	
11	Physically verify assets not verified during asset count.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
12	Obtain "Asset Transfer Forms", with segments of mSCOA, from custodian if asset was transferred.		VA	PA		VA	RA						GRAP 17	PPE	PPE	
13	Verify asset at new location if asset was transferred.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
14	Obtain copy of receipt for assets handed-in at asset store.		VA	PA		VA	RA						GRAP 17	PPE	PPE	
15	Verify existence of asset at asset store.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
16	Update list of "missing assets".		PA	VA		VA	RA						GRAP 17	PPE	PPE	
17	Send final list of "missing assets" to the Accountant: Assets.			PA		VA	RA						GRAP 17	PPE	PPE	Final list of Missing Assets
18	Obtain values from the Asset Register for all "missing assets".					PA	VA	RA					GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
19	Prepare list of "missing assets" with values and all segments of mSCOA.					PA	VA	RA					GRAP 17	PPE	PPE	
20	Send list of "missing assets" with values to the Financial Committee.						PA	VA	VA	RA	RA		GRAP 17	PPE	PPE	Final list of Missing Assets
21	The Financial Committee investigate items on list of "missing assets".									PA	VA		GRAP 17	PPE	PPE	
22	The Financial Committee approve list of "missing assets".									PA	VA		GRAP 17	PPE	PPE	
23	Send approved list of "missing assets" to the Accountant: Assets.						PA	VA	VA				GRAP 17	PPE	PPE	
24	Write-off assets on the Asset Register.					PA	VA	RA					GRAP 17	PPE	PPE	
25	Capture journals on financial system, by using all segments of mSCOA.	PA				VA	RA						GRAP 17	PPE	PPE	Corrective Journals

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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	VA	RA				MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
27	Investigate any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
28	Correct any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
29	File the list of "missing assets" with audit trail of write-offs for future reference.					PA	VA	RA					GRAP 17	PPE	PPE	
30	Prepare a list of all assets, identified during the asset count, without a barcode.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
31	Review the Asset Register, to identify if asset was not previously recorded on the Asset Register.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
32	Barcode assets without barcodes.		PA	VA		VA	RA						GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
33	Prepare the final list of "assets not previously recognised", with estimated remaining useful lives and all segments of mSCOA.		PA	VA		VA	RA						GRAP 17	PPE	PPE	List of assets not previously recognised
34	Send the final list of "assets not previously recognised" to the Accountant: Assets.			PA		VA	RA						GRAP 17	PPE	PPE	
35	Obtain current replacement cost for all assets not previously recognised.					PA	VA	RA					GRAP 17	PPE	PPE	Supporting documentation for CRC
36	Obtain remaining useful lives of assets from final list of "assets not previously recognised".					PA	VA	RA					GRAP 17	PPE	PPE	
37	Calculate the fair value of each asset.					PA	VA	RA					GRAP 17	PPE	PPE	Fair value calculations
38	Send list of "assets not previously recognised" with fair values to the Head: Assets and Expenditure.					PA	VA	RA					GRAP 17	PPE	PPE	
39	Review fair value calculations of assets.					VA	PA	RA					GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
40	Send list of "assets not previously recognised" with fair values to the Finance Committee.						PA	VA	VA	RA	RA		GRAP 17	PPE	PPE	List of Assets not previously recognised
41	The Finance Committee investigate items on list of "assets not previously recognised".									PA	VA		GRAP 17	PPE	PPE	
42	The Finance Committee approve list of "assets not previously recognised".									PA	VA		GRAP 17	PPE	PPE	
43	Send approved list of "assets not previously recognised" to the Accountant: Assets.						PA	VA	VA				GRAP 17	PPE	PPE	Final list of Assets not previously recognised
44	Capture "assets not previously recognised" in the Asset Register, by using all segments of mSCOA.					PA	VA	RA					GRAP 17	PPE	PPE	
45	Capture "assets not previously recognised" journals on the financial system, by using all segments of mSCOA.	PA				VA	RA						GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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	RA				MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
47	Investigate any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
48	Correct any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
49	File list of "assets not previously recognised" with audit trail of transfer-in assets, for future reference.					PA	VA	RA					GRAP 17	PPE	PPE	
50	Obtain condition rating of all assets from asset count teams.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
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		VA	RA						GRAP 17	PPE	PPE	RUL Calculations

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
52	Compare RUL with RUL of prior year.			PA		VA	RA						GRAP 17	PPE	PPE	RUL Comparisons
53	Prepare a list of assets with a change of more than 1 year.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
54	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	VA		VA	RA						GRAP 17	PPE	PPE	
55	Send list of "changes in useful lives" to the Accountant: Assets.			PA		VA	RA						GRAP 17	PPE	PPE	List of Changes in Remaining Useful Lives
56	Review remaining useful life calculations and split into different categories.					PA	VA	RA					GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
57	Treatment of changes in remaining useful lives: <ul style="list-style-type: none"> Consider whether for each category whether it is change in useful life or an error in terms of GRAP 3. <p>Also see indicators in GRAP 17.57 to identify changes in useful lives.</p>					PA	VA	RA					GRAP 17	PPE	PPE	
58	Calculate backlog depreciation.			PA		RA	VA						GRAP 17	PPE	PPE	Backlog depreciation calculations
59	Record backlog depreciation in the Asset Register, by using all segments of mSCOA.					PA	VA	RA					GRAP 17	PPE	PPE	
60	Update the Asset Register with all remaining useful lives.					PA	VA	RA					GRAP 17	PPE	PPE	
61	Capture journals for backlog depreciation (correction of error) on the financial system, by using all segments of mSCOA.	PA				VA	RA						GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
62	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				MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
63	Prepare a list of all "obsolete assets".			PA		VA	RA	RA					GRAP 17	PPE	PPE	List of Obsolete Assets
64	Send list of "obsolete assets" to all custodians and manager to whom custodian reports.			PA		VA	RA	RA					GRAP 17	PPE	PPE	
65	Request confirmation that list of "obsolete stock" is correct.			PA		VA	RA	RA					GRAP 17	PPE	PPE	
66	Request managers in all departments to complete the "Asset Replacement Form" with all segments of mSCOA.			PA		VA	RA	RA					GRAP 17	PPE	PPE	
67	Request managers in all departments to send obsolete assets to asset store.			PA		VA	RA	RA					GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
68	Receive asset at asset stores.		PA	VA		VA	RA	RA					GRAP 17	PPE	PPE	
69	Verify information on the "Asset Replacement Form" with list of obsolete assets.		PA	VA		VA	RA	RA					GRAP 17	PPE	PPE	
70	Issue receipt for asset received.		PA	VA		VA	RA	RA					GRAP 17	PPE	PPE	Asset Store Receipt
71	Managers in all departments send the "Asset Replacement Form" and copy of receipt from asset store to the Chief Clerk: Assets.			VA		VA	RA	RA					GRAP 17	PPE	PPE	Asset Replacement Form
72	Review the "Asset Replacement Form" and copy of receipt from asset store.			PA		VA	RA	RA					GRAP 17	PPE	PPE	
73	Write-off replaced asset to an amount representative of the economic benefits the municipality expects to receive from the sale. Use all segments of mSCOA for transaction.			PA		VA	RA	RA					GRAP 17	PPE	PPE	
74	Prepare a list of all write-offs with all segments of mSCOA.			PA		VA	RA	RA					GRAP 17	PPE	PPE	List of write-offs

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
75	Send list of write-offs to the Finance Committee.						PA	VA	VA	RA	RA		GRAP 17	PPE	PPE	List of write-offs
76	The Finance Committee investigate items on list of write-offs.									PA	VA		GRAP 17	PPE	PPE	
77	The Finance Committee approve list of write-offs.									PA	VA		GRAP 17	PPE	PPE	
78	Submit list of write-offs to the Accountant: Assets.			PA		VA	RA	RA					GRAP 17	PPE	PPE	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 impairment losses and carrying values.						PA	VA	RA			MFMA S 63	GRAP 17	PPE	PPE	
80	Investigate any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
81	Correct any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
82	File the list of write-offs with audit trail of acquisitions, for future reference.												GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
83	Perform a Test Depreciation Run, by using all segments of mSCOA.					PA	VA	RA					GRAP 17	PPE	PPE	
84	Investigate any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
85	Correct any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
86	Perform a Depreciation Run, by using all segments of mSCOA.					PA	VA	RA					GRAP 17	PPE	PPE	Depreciation Run
87	Reconcile depreciation in the Asset Register with depreciation in the General Ledger, by using all segments of mSCOA.					PA	VA	RA				MFMA S 63	GRAP 17	PPE	PPE	
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	VA	RA				MFMA S 63	GRAP 17	PPE	PPE	
89	Investigate any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
90	Correct any differences.					PA	VA	RA					GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
91	Prepare a list of all deviations from asset count procedures. The list of deviations must also include: <ul style="list-style-type: none"> • Deviations from procedures for the movement of assets from one user to another; • Any non-compliance with the maintenance strategy; and • Instances found where assets were not utilised for the purpose for which they were acquired. 					PA	VA	RA					GRAP 17	PPE	PPE	List of Deviations
92	Submit list of all deviations to the Municipal Manager.					PA	PA	VA	RA				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for performing an Asset Count of Movable Assets (First-time full Asset Count) accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
HAE			
CFO			
MM			

Procedures for performing an Asset Count of Movable Assets (First-time full Asset Count) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.3.2.2 Procedures for performing an Asset Count of Movable Assets (Annual Asset Count)

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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; 															

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Procedures for assets transferred during the year, without following Asset Transfer procedures; Procedures for missing assets; Method of condition rating; Method of determining remaining useful life (RUL); Indicators of changes in expected useful lives; 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. 			PA		PA	RA	RA				Asset Management Policy	GRAP 17	PPE	PPE	Asset Count Procedures
2	Submit asset count procedures to the HOD meeting.					PA	VA	RA	RA				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
3	Approve asset count procedures at the HOD meeting							PA	VA				GRAP 17	PPE	PPE	Minutes of HOD Meeting
4	Inform other departments of asset count in writing.			PA		VA	RA						GRAP 17	PPE	PPE	E-mail to Departments
5	Prepare Asset Count Template for "Annual Asset Count", with 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 municipality; within															

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Serial number; Registration number; Condition; Custodian of asset; Date of asset count; Confirmation from custodian that asset exist and asset count was performed accurately and includes all assets; and Confirmation from employee performing the asset count, that asset exists and asset count was performed accurately and includes all assets. 															
				PA		PA	VA						GRAP 17	PPE	PPE	
6	Populate Asset Count Template with information obtained from the Asset Register.					PA	VA	RA					GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
7	<p>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:</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; • Complete Asset Count Template; 															

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Sign Asset Count Template; Document any deviations from asset count procedures; and Report any deviations from asset count procedures immediately. 		PA	PA	PA	VA	RA						GRAP 17	PPE	PPE	Asset Count Template Deviations Report
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 municipality; within															

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Serial number; Registration number; Condition; and Custodian of Asset. 		PA	PA		VA	RA						GRAP 17	PPE	PPE	
9	Prepare a list of all "missing assets" with all segments of mSCOA.		PA	VA		VA	RA						GRAP 17	PPE	PPE	List of Missing Assets
10	Send list of "missing assets" to all custodians and manager to whom custodian report.		VA	PA		VA	RA						GRAP 17	PPE	PPE	
11	Obtain reasons for "missing assets".		VA	PA		VA	RA						GRAP 17	PPE	PPE	
12	Physically verify assets not verified during asset count.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
13	Obtain the "Asset Transfer Forms", with all segments of mSCOA, from custodian if asset was transferred.		VA	PA		VA	RA						GRAP 17	PPE	PPE	
14	Verify asset at new location if asset was transferred.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
15	Obtain copy of receipt for assets handed-in at asset store.		VA	PA		VA	RA						GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

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16	Verify existence of asset at asset store.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
17	Update list of "missing assets".		PA	VA		VA	RA						GRAP 17	PPE	PPE	
18	Send the final list of "missing assets" to the Accountant: Assets.			PA		VA	RA						GRAP 17	PPE	PPE	Final list of Missing Assets
19	Obtain values from the Asset Register for all "missing assets".					PA	VA	RA					GRAP 17	PPE	PPE	
20	Prepare list of "missing assets" with values and all segments of mSCOA					PA	VA	RA					GRAP 17	PPE	PPE	
21	Prepare a report with all deviations found during the asset count.					PA	VA	RA					GRAP 17	PPE	PPE	
22	Submit report with deviations to the Chief Financial Officer.						PA	VA	RA				GRAP 17	PPE	PPE	Asset Count Deviations Report
23	Send list of "missing assets" with values to the Financial Committee.						PA	VA	VA	RA	RA		GRAP 17	PPE	PPE	Final list of Missing Assets

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
24	The Financial Committee investigate items on list of "missing assets".									PA	VA		GRAP 17	PPE	PPE	
25	The Financial Committee approve list of "missing asset".									PA	VA		GRAP 17	PPE	PPE	
26	Send approved list of "missing assets" to the Accountant: Assets.						PA	VA	VA				GRAP 17	PPE	PPE	
27	Write-off assets on the Asset Register.					PA	VA	RA					GRAP 17	PPE	PPE	
28	Capture journals on the financial system, by using all segments of mSCOA.	PA				VA	RA						GRAP 17	PPE	PPE	
29	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				MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
30	Investigate any differences.					PA	VA	RA					GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

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31	Correct any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
32	File list of "missing assets" with audit trail of write-offs for future reference.					PA	VA	RA					GRAP 17	PPE	PPE	
33	Prepare a list of all assets, identified during the asset count, without a barcode.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
34	Review the Asset Register, to identify if asset was not previously recorded on the Asset Register.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
35	Barcode assets without barcodes.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
36	Prepare final list of "assets not previously recognised", with remaining useful lives (RUL) and all segments of mSCOA.		PA	VA		VA	RA						GRAP 17	PPE	PPE	List of assets not previously recognised
37	Send final list of "assets not previously recognised" to the Accountant: Assets.			PA		VA	RA						GRAP 17	PPE	PPE	
38	Obtain current replacement cost for all assets not previously recognised.					PA	VA	RA					GRAP 17	PPE	PPE	Supporting documentation for CRC

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

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39	Obtain remaining useful lives of assets from the report.					PA	VA	RA					GRAP 17	PPE	PPE	
40	Calculate fair value of each asset.					PA	VA	RA					GRAP 17	PPE	PPE	Fair value calculations
41	Send list of "assets not previously recognised" with fair values to the Head: Assets and Expenditure.					PA	VA	RA					GRAP 17	PPE	PPE	
42	Review fair value calculations of assets.					VA	PA	RA					GRAP 17	PPE	PPE	
43	Send list of "assets not previously recognised" with fair values to the Finance Committee.						PA	VA	VA	RA	RA		GRAP 17	PPE	PPE	List of assets not previously recognised
44	The Finance Committee investigate items on list of "assets not previously recognised".									PA	VA		GRAP 17	PPE	PPE	
45	The Finance Committee approve list of "assets not previously recognised".									PA	VA		GRAP 17	PPE	PPE	



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
46	Send approved list of "assets not previously recognised" to the Accountant: Assets.						PA	VA	VA				GRAP 17	PPE	PPE	Final list of assets previously recognised
47	Capture "assets not previously recognised" in the Asset Register, by using all segments of mSCOA.					PA	VA	RA					GRAP 17	PPE	PPE	
48	Capture journals on the financial system, by using all segments of mSCOA.	PA				VA	RA						GRAP 17	PPE	PPE	
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	VA	RA				MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
50	Investigate any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
51	Correct any differences.					PA	VA	RA					GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
52	File list of "assets not previously recognised" with audit trail of transfer-in assets, for future reference.					PA	VA	RA					GRAP 17	PPE	PPE	
53	Obtain condition rating of all assets from asset count teams.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
54	Calculate remaining useful life of asset, by taken the condition rating of the asset into account. Calculation is based on hierarchy in Asset Management Policy.			PA		VA	RA						GRAP 17	PPE	PPE	RUL Calculations
55	Compare RUL with RUL of prior year.			PA		VA	RA						GRAP 17	PPE	PPE	RUL Comparisons
56	Prepare a list of assets with a change of more than 1 year.		PA	VA		VA	RA						GRAP 17	PPE	PPE	
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	VA		VA	RA						GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
58	Send list of "changes in useful lives" to the Accountant: Assets.			PA		VA	RA						GRAP 17	PPE	PPE	List of Changes in Remaining Useful Lives
59	Review remaining useful life calculations and split into different categories.					PA	VA	RA					GRAP 17	PPE	PPE	
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. <u>Also see other indicators in:</u> <ul style="list-style-type: none"> GRAP 17.52 to identify changes in useful lives; and GRAP 21 & 26 for impairments. 					PA	VA	RA					GRAP 17	PPE	PPE	
61	Treatment of impairment - Refer to Section 8.3.4 on impairments.			PA		RA	VA						GRAP 17	PPE	PPE	
62	Update the Asset Register with all remaining useful lives.					PA	VA	RA					GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
63	Perform the Test Depreciation Run, by using all segments of mSCOA.					PA	VA	RA					GRAP 17	PPE	PPE	
64	Investigate any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
65	Correct any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
66	Perform the Depreciation Run, by using all segments of mSCOA.					PA	VA	RA					GRAP 17	PPE	PPE	
67	Reconcile depreciation in the Asset Register with depreciation in the General Ledger across all segments of mSCOA.					PA	VA	RA					GRAP 17	PPE	PPE	
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	VA	RA				MFMA S 63	GRAP 17	PPE	PPE	
69	Investigate any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
70	Correct any differences.					PA	VA	RA					GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
71	Generate reports for changes in useful lives.					PA	VA	RA					GRAP 17	PPE	PPE	
72	Prepare disclosure note in the Financial Statements for changes in useful lives.					PA	VA	RA					GRAP 17	PPE	PPE	Disclosure Note
73	Prepare a list, with all segments of mSCOA, of all "obsolete assets".			PA		VA	RA	RA					GRAP 17	PPE	PPE	List of Obsolete Assets
74	Send list of "obsolete assets" to all custodians and manager to whom custodian report.			PA		VA	RA	RA					GRAP 17	PPE	PPE	
75	Request confirmation list of "obsolete stock" is correct.			PA		VA	RA	RA					GRAP 17	PPE	PPE	
76	Request managers in all departments to complete the "Asset Replacement Form", by using all segments of mSCOA.			PA		VA	RA	RA					GRAP 17	PPE	PPE	
77	Request managers in all departments to send obsolete assets to asset store.			PA		VA	RA	RA					GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
78	Receive asset at asset stores.		PA	VA		VA	RA	RA					GRAP 17	PPE	PPE	
79	Verify information on the "Asset Replacement Form" with list of obsolete assets.		PA	VA		VA	RA	RA					GRAP 17	PPE	PPE	
80	Issue receipt for asset received.		PA	VA		VA	RA	RA					GRAP 17	PPE	PPE	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.			VA		VA	RA	RA					GRAP 17	PPE	PPE	Asset Replacement Form
82	Review the "Asset Replacement Form" and copy of receipt from asset store.			PA		VA	RA	RA					GRAP 17	PPE	PPE	
83	Write-off replaced asset to an amount representative of the economic benefits the municipality expects to receive from the sale, by using all segments of mSCOA.			PA		VA	RA	RA					GRAP 17	PPE	PPE	
84	Prepare list of all write-offs with all segment of mSCOA.			PA		VA	RA	RA					GRAP 17	PPE	PPE	List of write-offs

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
85	Send list of write-offs to the Financial Committee.						PA	VA	VA	RA	RA		GRAP 17	PPE	PPE	List of write-offs
86	The Financial Committee investigate items on list of write-offs.									PA	VA		GRAP 17	PPE	PPE	
87	The Financial Committee approve list of write-offs.									PA	VA		GRAP 17	PPE	PPE	
88	Submit list of write-offs to the Accountant: Assets.			PA		VA	RA	RA					GRAP 17	PPE	PPE	Approved list of write-offs
89	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			MFMA S 63	GRAP 17	PPE	PPE	
90	Investigate any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
91	Correct any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
92	File list of write-offs with audit trail of acquisitions, for future reference.												GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
93	Prepare a list of all deviations from asset count procedures.					PA	VA	RA					GRAP 17	PPE	PPE	List of Deviations
94	Submit list of all deviations to the Municipal Manager.						PA	VA	RA				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for performing an Asset Count of Movable Assets (Annual Asset Count) accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
HAE			
CFO			
MM			

Procedures for performing an Asset Count of Movable Assets (Annual Asset Count) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.3.2.3 Procedures for performing an Asset Count of Immovable Assets (First-time full Asset Count)

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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; 															

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Method of determining remaining useful life (RUL); Procedures to identify any indication of impairment; Procedures how to document description of asset (type, usage); Follow-up procedures after asset count, if needed; and Action to be taken if procedures are not adhered to. 			PA	PA		RA	RA				Asset Management Policy	GRAP 17	PPE	PPE	Asset Count Procedures
2	Submit asset count procedures to the HOD meeting.				PA		VA	RA	RA				GRAP 17	PPE	PPE	
3	Approve asset count procedures at the HOD meeting							PA	VA				GRAP 17	PPE	PPE	Minutes of HOD Meeting
4	Inform other departments of asset count in writing.			PA	VA		RA						GRAP 17	PPE	PPE	E-mail to Departments

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
5	<p>Prepare the Asset Count Template for "First-time Full Asset Count - Non-Movable Assets", that consists of the following minimum information:</p> <ul style="list-style-type: none"> • Town; • Location; • Plot number; • Deeds number; • Name of registered owner; • Date of construction; • Asset code; • Description; • Asset type; • Department within municipality; • Asset usage; • Condition; • Custodian of asset; 															



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Date of asset count; Confirmation from Custodian that asset exist and asset count was performed accurately and includes all assets; and Confirmation from employee performing the asset count, that asset exists and asset count was performed accurately and includes all assets. 			PA	PA		VA						GRAP 17	PPE	PPE	
6	Obtain list from the Deeds Office of all properties registered in the name of the municipality.					PA	VA	RA					GRAP 17	PPE	PPE	List from Deeds Office
7	Obtain list from the Valuation Roll of all properties registered in the name of the municipality.					PA	VA	RA					GRAP 17	PPE	PPE	List from Valuation Roll

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
8	Obtain list of all properties in the Asset Register.					PA	VA	RA					GRAP 17	PPE	PPE	
9	Reconcile list from the Deeds Office with list from the Valuation Roll.					PA	VA	RA					GRAP 17	PPE	PPE	Reconciliation between Deeds Office and Valuation Roll
10	Investigate any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
11	Document reasons for differences.					PA	VA	RA					GRAP 17	PPE	PPE	
12	Prepare a list of all properties under the control of the municipality.					PA	VA	RA					GRAP 17	PPE	PPE	
13	Reconcile the list with properties in the Asset Register.					PA	VA	RA					GRAP 17	PPE	PPE	Reconciliation between property list and Asset Register
14	Investigate any differences.					PA	VA	RA					GRAP 17	PPE	PPE	
15	Document reasons for differences.					PA	VA	RA					GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
16	Prepare a final list of all properties under the control of the municipality.					PA	VA	RA					GRAP 17	PPE	PPE	
17	Inspect all property under the control of the municipality and determine their usage.					PA	VA	RA					GRAP 17	PPE	PPE	
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	RA					GRAP 17	PPE	PPE	
19	Obtain values from a Registered Valuer for all property under the control of the municipality.					PA	VA	RA					GRAP 17	PPE	PPE	Values Report
20	Prepare a Property Register, with values.					PA	VA	RA					GRAP 17	PPE	PPE	Property Register
21	Send the Property Register with values to the Finance Committee.					PA		VA	RA				GRAP 17	PPE	PPE	Property Register

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
22	The Finance Committee approve the Property Register.									PA	VA		GRAP 17	PPE	PPE	
23	Send approved Property Register to the Accountant: Assets.				VA	PA	RA						GRAP 17	PPE	PPE	
24	Send condition rating of all properties in the Property Register to the Accountant: Assets.				VA	PA			RA				GRAP 17	PPE	PPE	
25	Calculate backlog depreciation on properties.				PA		VA	RA					GRAP 17	PPE	PPE	Calculations
26	Update the Asset Register with information in the Property Register and calculations of back-log depreciation, by using all segments of mSCOA.				PA		VA	RA					GRAP 17	PPE	PPE	
27	Capture journals on the financial system, by using all segments of mSCOA.	PA			VA		RA						GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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				MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
29	Investigate any differences.				PA		VA	RA					GRAP 17	PPE	PPE	
30	Correct any differences.				PA		VA	RA					GRAP 17	PPE	PPE	
31	File list of "properties not previously recognised" with audit trail of transfer-in assets, for future reference.				PA		VA	RA					GRAP 17	PPE	PPE	
32	Perform the Test Depreciation Run, by using all segments of mSCOA segments.				PA		VA	RA					GRAP 17	PPE	PPE	
33	Investigate any differences.				PA		VA	RA					GRAP 17	PPE	PPE	
34	Correct any differences.				PA		VA	RA					GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
35	Perform the Depreciation Run, by using all segments of mSCOA.				PA		VA	RA					GRAP 17	PPE	PPE	Depreciation Run
36	Reconcile depreciation in the Asset Register with depreciation in the General Ledger, by using all segments of mSCOA.				PA		VA	RA					GRAP 17	PPE	PPE	
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		VA	RA				MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
38	Investigate any differences.				PA		VA	RA					GRAP 17	PPE	PPE	
39	Correct any differences.				PA		VA	RA					GRAP 17	PPE	PPE	
40	Start transfer process for property not registered in the name of the municipality.					PA		VA	RA				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
41	Prepare a list of all deviations from asset count procedures.				PA		VA	RA					GRAP 17	PPE	PPE	List of Deviations
42	Submit list of all deviations to the Municipal Manager.						PA	VA	RA				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for performing an Asset Count of Immovable Assets (First-time full Asset Count) accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
MTP			
HAE			
CFO			
MM			

Procedures for performing an Asset Count of Immovable Assets (First-time full Asset Count) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.3.2.4 Procedures for performing an Asset Count of Immovable Assets (Annual Asset Count)

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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; • Method of determining remaining useful life (RUL); • Procedures to identify any indication of impairment; 													

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Procedures how to document description of asset (type, usage); Follow-up procedures after asset count, if needed; and Action to be taken if procedures are not adhered to. 			PA	PA		RA	RA		Asset Management Policy	GRAP 17	PPE	PPE	Asset Count Procedures
2	Submit asset count procedures to the HOD meeting.				PA		VA	RA	RA		GRAP 17	PPE	PPE	
3	Approve asset count procedures at the HOD meeting							PA	VA		GRAP 17	PPE	PPE	Minutes of HOD Meeting
4	Inform other departments of asset count in writing.			PA	VA		RA				GRAP 17	PPE	PPE	E-mail to Departments
5	Prepare the Asset Count Template for "Annual Asset Count - Non-Movable Assets", that consists of the following minimum information: <ul style="list-style-type: none"> Town; Location; Plot number; 													

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> • Deeds number; • Name of registered owner; • Date of construction; • Asset code; • Description; • Asset type; • Department within municipality; • Asset usage; • Condition; • Custodian of asset; • Date of asset count; • Confirmation from custodian that asset exist and asset count was performed accurately and includes all assets; and • Confirmation from employee performing the asset count, that asset exists and asset count was performed accurately and includes all assets. 													
				PA	PA		VA				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
6	Obtain list from the Deeds Office of all properties registered in the name of the municipality.					PA	VA	RA			GRAP 17	PPE	PPE	List from Deeds Office
7	Obtain list from the Valuation Roll of all properties registered in the name of the municipality.					PA	VA	RA			GRAP 17	PPE	PPE	List from Valuation Roll
8	Reconcile list from the Deeds Office with the Property Register.					PA	VA	RA			GRAP 17	PPE	PPE	Reconciliation between Deeds Office and Property Register
9	Investigate any differences.					PA	VA	RA			GRAP 17	PPE	PPE	
10	Document reasons for differences.					PA	VA	RA			GRAP 17	PPE	PPE	
11	Reconcile list from Valuation Roll with the Property Register.					PA	VA	RA		MFMA S 63	GRAP 17	PPE	PPE	Reconciliation between Valuation Roll and Property Register
12	Investigate any differences.					PA	VA	RA			GRAP 17	PPE	PPE	
13	Document reasons for differences.					PA	VA	RA			GRAP 17	PPE	PPE	
14	Inspect all property in the Property register and confirm their usage and location.					PA	VA	RA			GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
15	Inspect all property in the Property Register and assess condition of the asset, based on hierarchy in the Asset Management Policy.					PA	VA	RA			GRAP 17	PPE	PPE	
16	Obtain values from a Registered Valuer for all property under the control of the municipality.					PA	VA	RA			GRAP 17	PPE	PPE	Values Report
17	Update the Property Register with registered owner, values, usage of property and condition of property.					PA	VA	RA			GRAP 17	PPE	PPE	
18	Prepare the "Asset Transfer Form", with all segments of mSCOA, for all property of which usage has changed during the year.					PA	VA	RA			GRAP 17	PPE	PPE	
19	Send the updated Property Register with summary of all changes during the year to the Accountant: Assets					PA	VA	RA			GRAP 17	PPE	PPE	
20	Send the "Asset Transfer Forms", for all property of which usage has changed during the year, to the Accountant: Assets.					PA	VA	RA			GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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	VA	VA	RA			GRAP 17	PPE	PPE	
22	Update the Assets Register with all asset transfers, by using segments of mSCOA.				PA	VA	VA	RA			GRAP 17	PPE	PPE	
23	Capture journals on the financial system, by using all segments of mSCOA.	PA			VA		RA				GRAP 17	PPE	PPE	
24	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		MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
25	Investigate any differences.				PA		VA	RA			GRAP 17	PPE	PPE	
26	Correct any differences.				PA		VA	RA			GRAP 17	PPE	PPE	
27	File list of "Asset Transfers" with audit trail of transfers, for future reference.				PA		VA	RA			GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
28	Reconcile the Property Register with the Asset Register.				PA	VA	VA	RA		MFMA S 63	GRAP 17	PPE	PPE	
29	Investigate any differences.				PA	VA	VA	RA			GRAP 17	PPE	PPE	
30	Document reasons for differences.				PA	VA	VA	RA			GRAP 17	PPE	PPE	
31	Capture journals for properties not previously recognised on the financial system, by using segment of mSCOA.	PA			VA		RA				GRAP 17	PPE	PPE	
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		VA	RA		MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
33	Investigate any differences.				PA		VA	RA			GRAP 17	PPE	PPE	
34	Correct any differences.				PA		VA	RA			GRAP 17	PPE	PPE	
35	File list of "properties not previously recognised" with audit trail of transfer-in assets, for future reference.				PA		VA	RA			GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
36	Capture journals for properties disposed during the year on the financial system, by using all segments of mSCOA.	PA			VA		RA				GRAP 17	PPE	PPE	
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		VA	RA		MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
38	Investigate any differences.				PA		VA	RA			GRAP 17	PPE	PPE	
39	Correct any differences.				PA		VA	RA			GRAP 17	PPE	PPE	
40	File list of "properties disposed" with audit trail of disposals, for future reference.				PA		VA	RA			GRAP 17	PPE	PPE	
41	Capture journals for properties carried at revaluation cost on the financial system, by using all segments of mSCOA.	PA			VA		RA				GRAP 17	PPE	PPE	Revaluation Journal

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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		VA	RA		MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
43	Investigate any differences.				PA		VA	RA			GRAP 17	PPE	PPE	
44	Correct any differences.				PA		VA	RA			GRAP 17	PPE	PPE	
45	File list of "revaluation adjustments" with audit trail of adjustments, for future reference.				PA		VA	RA			GRAP 17	PPE	PPE	
46	Perform the Test Depreciation Run, by using all segments of mSCOA.				PA		VA	RA			GRAP 17	PPE	PPE	
47	Investigate any differences.				PA		VA	RA			GRAP 17	PPE	PPE	
48	Correct any differences.				PA		VA	RA			GRAP 17	PPE	PPE	
49	Perform the Depreciation Run, by using all segments of mSCOA.				PA		VA	RA			GRAP 17	PPE	PPE	Depreciation Run
50	Reconcile depreciation in the Asset Register with depreciation in the General Ledger, by using all segments of mSCOA.				PA		VA	RA			GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
51	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			MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
52	Investigate any differences.				PA	VA	RA				GRAP 17	PPE	PPE	
53	Correct any differences.				PA	VA	RA				GRAP 17	PPE	PPE	
54	Start transfer process for property not registered in the name of the municipality.					PA	VA	RA			GRAP 17	PPE	PPE	
55	Prepare a list of all deviations from asset count procedures.				PA	VA	RA				GRAP 17	PPE	PPE	List of Deviations
56	Submit list of all deviations to the Municipal Manager.					PA	VA	RA			GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for performing an Asset Count of Immovable Assets (Annual Asset Count) accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
MTP			
HAE			
CFO			
MM			

Procedures for performing an Asset Count of Immovable Assets (Annual Asset Count) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

8.3.3 Transfers

This section deals with procedures for transfer of assets within municipality.

Staff members involved in procedures

DC	Data Capturer
CA	Clerk: Assets
CCA	Chief Clerk: Assets
AA	Accountant: Assets
MIT	Manager: Information Systems
MPMU	Manager: Project Management Unit
MTP	Manager: Town Planning
HAE	Head: Assets and Expenditure
HOD	Heads of other Departments within Municipality
CFO	Chief Financial Officer
MM	Municipal Manager

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.3.3.1 Procedures for Transfer of Property, Plant and Equipment within the Municipality

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Complete the "Asset Transfer" form.			VD	VD	PD					GRAP 17	PPE	PPE	Asset Transfer Form
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; • New room number; • Location of new room number; • New custodian of asset; • Asset number; • Barcode number; • GIS number; • Serial number; 													



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Condition of asset; Confirmation from previous Custodian that asset was transferred; Confirmation from new custodian that asset was received; and All segments of mSCOA. 			VD	VD	PD				Asset Management Policy	GRAP 17	PPE	PPE	Asset Transfer Form
3	Manager of each section approve asset transfer.			VD	VD	PD					GRAP 17	PPE	PPE	
4	Send the "Asset Transfer Form" to the Chief Clerk: Assets.			VD	VD	PD					GRAP 17	PPE	PPE	
5	Review the "Asset Transfer Form" and update fields if needed.			PD	VW		RM				GRAP 17	PPE	PPE	
6	Update the Asset Register, including all segments of mSCOA.										GRAP 17	PPE	PPE	Asset Transfer Form
7	File list of asset transfers with audit trail of transfers, for future reference.										GRAP 17	PPE	PPE	Audit Trail

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for transfer of Property, Plant and Equipment within the Municipality accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
HAE			
CFO			
MM			

Procedures for transfer of Property, Plant and Equipment within the Municipality approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

8.3.4 Impairments

This section deals with procedures for impairment of assets.

Staff members involved in procedures

DC	Data Capturer
CA	Clerk: Assets
CCA	Chief Clerk: Assets
AA	Accountant: Assets
MTP	Manager: Town Planning
HAE	Head: Assets and Expenditure
CFO	Chief Financial Officer
MM	Municipal Manager

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.3.4.1 Procedures for Impairment of Property, Plant and Equipment

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Identify any indication of impairment by using examples as set out in GRAP 21 Impairments of Non-Cash Generating Assets and GRAP 26 Impairment of Cash Generating Assets.		PM	PM	VM		RM	RA			GRAP 21 GRAP 26	PPE	PPE	Asset Counts
2	Send list of all impairments to the Accountant: Assets.		PM	PM	VM		RM	RA			GRAP 21 GRAP 26	PPE	PPE	
3	Review indication of impairments and determine if there is actually an indication of impairment. Consult with other departments.				PM		VA	RA			GRAP 21 GRAP 26	PPE	PPE	
4	Determine if the asset is a cash-generating asset of non-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.				PM		VA	RA			GRAP 21 GRAP 26	PPE	PPE	Impairment Calculations
5	Calculate the recoverable service amount for non-cash generating assets.				PM		VA	RA			GRAP 21	PPE	PPE	Impairment Calculations
6	Calculate the recoverable amount for cash generating assets.				PM		VA	RA			GRAP 26	PPE	PPE	Impairment Calculations

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
7	Obtain carrying value of assets from the Asset Register.				PM		VA	RA			GRAP 21 GRAP 26	PPE	PPE	Impairment Calculations
8	Calculate impairment.				PM		VA	RA			GRAP 21 GRAP 26	PPE	PPE	Impairment Calculations
9	Determine whether the asset had prior year impairments or reversal of impairments.				PM		RM	RA			GRAP 21 GRAP 26	PPE	PPE	
10	Update the Asset Register with impairment, by using all segments of mSCOA.				PM		RM	RA			GRAP 21 GRAP 26	PPE	PPE	
11	Capture journals for impairments on the financial system, by using all segments of mSCOA.	PM			VM		RM	RA			GRAP 21 GRAP 26	PPE	PPE	
12	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		RM	RA		MFMA S 63	GRAP 21 GRAP 26	PPE	PPE	
13	Investigate any differences				PM		RM	RA			GRAP 21 GRAP 26	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
14	Correct any differences				PM		RM	RA			GRAP 21 GRAP 26	PPE	PPE	
15	File list of Impairments with audit trail of impairments for future reference.				PM		RM	RA			GRAP 21 GRAP 26	PPE	PPE	Impairment Calculations

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for the impairment of Property, Plant and Equipment accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
HAE			
CFO			
MM			

Procedures for the impairment of Property, Plant and Equipment approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

8.3.5 Disposals

The accounting officer of a municipality must take all reasonable steps, in terms of section 63(2) of the Municipal Finance Management Act (Act 56 of 2003), to ensure that:

- a) The municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- b) The municipality's assets are valued in accordance with standards of generally recognised accounting practice; and
- c) The municipality has and maintains a system of internal control of assets, including an asset register, as may be prescribed.

This section deals with the disposal of assets.

Staff members involved in procedures

DC	Data Capturer
CA	Clerk: Assets
CCA	Chief Clerk: Assets
AA	Accountant: Assets
MIT	Manager: Information Systems
MPMU	Manager: Project Management Unit
HAE	Head: Assets and Expenditure
HBTO	Head: Budget and Treasury
HOD	Heads of other Departments within Municipality
CFO	Chief Financial Officer
MM	Municipal Manager
FC	Finance Committee (can also be Executive Committee)
C	Council

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.3.5.1 Procedures for Disposal of Property, Plant and Equipment (Movable Assets)

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Maintain a list of all obsolete assets in asset store.		PA	VA		RA						GRAP 17	PPE	PPE	List of obsolete assets
2	Identify the need for an auction.					PA	VA	RA				GRAP 17	PPE	PPE	
3	Send list of all obsolete items in asset store to the Heads of Departments. The list should include all segments of mSCOA.		PA	VA		RA						GRAP 17	PPE	PPE	List of obsolete assets
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 longer needed to perform minimum level of basic municipal services; 		PA	VA		RA						GRAP 17	PPE	PPE	
5	The Head of Department update disposal list.					PA	VA	RA				GRAP 17	PPE	PPE	List of obsolete assets

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
6	The Head of Department sign list of disposals.					PA	VA	RA				GRAP 17	PPE	PPE	
7	The Head of Department send disposal list to Chief Clerk: Assets		VA		PA	RA						GRAP 17	PPE	PPE	
8	Consolidate all lists of disposals.		PA	VA		RA						GRAP 17	PPE	PPE	Consolidated list of obsolete assets
9	Verify items on disposal list with the Asset Register.		PA	VA		RA						GRAP 17	PPE	PPE	
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 of mSCOA.		PA	VA		RA						GRAP 17	PPE	PPE	
11	Submit list of write-offs to the Accountant: Assets.		PD	VD		RM						GRAP 17	PPE	PPE	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 and carrying values.			PA		RA					MFMA S 63	GRAP 17	PPE	PPE	
13	Investigate any differences.			PA		RA						GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
14	Correct any differences.			PA		RA						GRAP 17	PPE	PPE	
15	File list of write-offs with audit trail of write-offs, for future reference.			PA		RA						GRAP 17	PPE	PPE	Write-off List
16	Request inputs from the National and Provincial Treasury for all non-exempt assets to be transferred or disposed.					PA	VA	RA				GRAP 17	PPE	PPE	
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		VA	RA	RA				GRAP 17	PPE	PPE	
18	The Finance Committee investigate items on list by taking into account the provisions of section 14 of the MFMA: <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 no longer needed to provide the minimum level of basic municipal services; and 														

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Recommendations from National and Provincial Treasury for all non-exempt assets to be transferred or disposed. 					VA	VA	VA	PA	PA	MFMA S 14	GRAP 17	PPE	PPE	
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 audited AFS; An amount determined in the Asset Management Policy (if less than R50m or 1%). 					VA	VA	VA	PA	PA	MFMA S 14	GRAP 17	PPE	PPE	



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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 non-exempt assets; • Invite, at least 60 days before council meeting, the local community and other interest parties to submit comments or recommendations; • 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 attend Council Meeting; and • Council approves all non-exempt assets to be transferred or disposed. 					PA	VA	RA	PA	PA	MFMA S 14	GRAP 17	PPE	PPE	



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
21	For all assets in excess of R10m for which council approved a right to use, control or manage: <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 economic or financial benefit will be received; • 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 persons. • Any other compliance with applicable legislation. 					VA	VA	VA	PA	PA		GRAP 17	PPE	PPE	
22	Follow the Supply Chain Management Procedures to hold auction.			PA		VA	RA	RA				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
23	Advertise auction in newspapers and on municipal website.			PA		VA	RA	RA				GRAP 17	PPE	PPE	
24	Request the Manager: Information Systems to remove all hardware and software from computers, before they are sold at an auction.			PA		VA	RA	RA				GRAP 17	PPE	PPE	
25	Request the Manager: Information Systems to remove all hardware and software from computers, before they are donated.			PA		VA	RA	RA				GRAP 17	PPE	PPE	
26	Hold auction.			PA		VA	RA	RA				GRAP 17	PPE	PPE	
27	Receive letter from the Auctioneer, indicating proceeds of auction, commission paid and items sold.			PA		VA	RA	RA				GRAP 17	PPE	PPE	Letter from Auctioneer
28	Write-off all assets that were sold, to R0 in the Asset Register, by using all segments of mSCOA.														
29	Submit list of write-offs to the Accountant: Assets.		PD	VD		RM						GRAP 17	PPE	PPE	Write-off List

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
30	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					MFMA S 63	GRAP 17	PPE	PPE	
31	Investigate any differences.			PA		RA						GRAP 17	PPE	PPE	
32	Correct any differences.			PA		RA						GRAP 17	PPE	PPE	
33	File list of write-offs with audit trail of write-offs, for future reference.			PA		RA						GRAP 17	PPE	PPE	Write-off List
34	Capture journals for sale of asset on the financial system, by using all segments of mSCOA.	PA			VA	RA						GRAP 17	PPE	PPE	
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		VA	RA				MFMA S 63	GRAP 17	PPE	PPE	Asset Register Reconciliation
36	Investigate any differences.			PA		RA						GRAP 17	PPE	PPE	
37	Correct any differences.			PA		RA						GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
38	Prepare a report of all assets that were sold.			PA		RA						GRAP 17	PPE	PPE	Report of Assets Sold
39	Submit report to the Finance Committee, indicating all items that were sold and proceeds at auction.					PA	VA	VA	RA	RA		GRAP 17	PPE	PPE	Report of Assets Sold
40	Place on the municipal website an information statement containing a list of assets that have been disposed.					PA	VA	VA	RA	RA		GRAP 17	PPE	PPE	Information statement on website

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Disposal of Property, Plant and Equipment (Movable Assets) accepted by:

	Employee	Signature	Date
CA			
CCA			
AA			
HAE			
HOD			
CFO			
MM			

Procedures for Disposal of Property, Plant and Equipment (Movable Assets) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.3.5.2 Procedures for Disposal of Property, Plant and Equipment (Immovable Assets)

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Identify the need for an auction.					PA	VA	RA				GRAP 17	PPE	PPE	
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	VA		RA						GRAP 17	PPE	PPE	
3	The Manager: Town Planning sends list of properties to the Chief Clerk: Assets		VA		PA	RA						GRAP 17	PPE	PPE	
4	Verify items on disposal list with the Asset Register.		PA	VA		RA						GRAP 17	PPE	PPE	
5	Request inputs from the National and Provincial Treasury for all non-exempt assets to be transferred or disposed.						PA	VA	RA			GRAP 17	PPE	PPE	
6	Submit a list of properties to be sold to the Finance Committee.			PA		VA	RA	RA				GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
7	The Finance Committee investigate items on list by taken into account the provisions of section 14 of the MFMA: <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 no longer needed to provide the minimum level of basic municipal services; and Recommendations from National and Provincial Treasury for all non-exempt assets to be transferred or disposed. 					VA	VA	VA	PA	RA		GRAP 17	PPE	PPE	
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 exceeded R50m; 														

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> 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%). 					VA	VA	VA	PA	RA		GRAP 17	PPE	PPE	
9	<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 non-exempt assets; Invite, at least 60 days before council meeting, the local community and other interest parties to submit comments or recommendations. Prepare a summary of all comments and recommendations received; Submit summary of all comments and recommendations to Council; 														

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Invite local community and other interest parties to attend Council Meeting; Council approves all non-exempt assets to be transferred or disposed. 					PA	VA	VA	PA	RA		GRAP 17	PPE	PPE	
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 economic or financial benefit will be received; Council must consider any risks and rewards relating to the granting of the right or use of non-exempt assets; 														

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Comments or representations received from local community and other interest persons. Any other compliance with applicable legislation. 					VA	VA	VA	PA	PA		GRAP 17	PPE	PPE	
11	Follow the Supply Chain Management Procedures to hold auction.			PA		VA	RA	RA				GRAP 17	PPE	PPE	
12	Advertise auction in newspapers and on the municipal website.			PA		VA	RA	RA				GRAP 17	PPE	PPE	
13	Hold auction.			PA		VA	RA	RA				GRAP 17	PPE	PPE	
14	Receive letter from the Auctioneer, indicating proceeds of auction, commission paid and items sold.			PA		VA	RA	RA				GRAP 17	PPE	PPE	Letter from Auctioneer
15	Write-off all assets that were sold, to R0 in the Asset Register, by using all segments of mSCOA.														
16	Submit list of write-offs to the Accountant: Assets.		PD	VD		RM						GRAP 17	PPE	PPE	Write-off List

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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						GRAP 17	PPE	PPE	
18	Investigate any differences.			PA		RA						GRAP 17	PPE	PPE	
19	Correct any differences.			PA		RA						GRAP 17	PPE	PPE	
20	File list of write-offs with audit trail of write-offs, for future reference.			PA		RA						GRAP 17	PPE	PPE	Write-off List
21	Capture journals for sale of asset on the financial system, by using all segments of mSCOA.	PA			VA	RA						GRAP 17	PPE	PPE	
22	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					GRAP 17	PPE	PPE	Asset Register Reconciliation
23	Investigate any differences.			PA		RA						GRAP 17	PPE	PPE	
24	Correct any differences.			PA		RA						GRAP 17	PPE	PPE	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
25	Send list of properties sold to the Manager: Town Planning			VA	PA	RA						GRAP 17	PPE	PPE	
26	The Manager: Town Planning update the Property Register.			VA	PA	RA						GRAP 17	PPE	PPE	
27	Prepare a report of all assets that were sold.			PA	VA	RA						GRAP 17	PPE	PPE	Report of Assets Sold
28	Submit report to the Finance Committee, indicating all items that were sold and proceeds at auction.					PA	VA	RA	VA			GRAP 17	PPE	PPE	Report of Assets Sold
29	Place on the municipal website an information statement containing a list of assets that have been disposed.					PA	VA	RA	VA			GRAP 17	PPE	PPE	Information statement on website

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Disposal of Property, Plant and Equipment (Immovable Assets) accepted by:

	Employee	Signature	Date
CA			
CCA			
AA			
HAE			
HOD			
CFO			
MM			

Procedures for Disposal of Property, Plant and Equipment (Immovable Assets) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.3.6 Procedures for Monthly Meetings (Property, Plant and Equipment)

No	Procedure	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	CFO holds monthly meeting with the Accountant Assets and the Head: Assets and Expenditure to discuss exceptions identified during the month.	PM	PM	PM	RM		GRAP 17	PPE	PPE	Number of meetings per year
2	Determine corrective action to be taken to prevent or reduce similar exceptions.	PM	PM	PM	RM		GRAP 17	PPE	PPE	Number of outstanding findings and findings solved during year.
3	Submit pre-audit checklist to the CFO as proof that tasks have been performed and work performed was verified as correct by relevant officials.		PM	RM			GRAP 17	PPE	PPE	Number of pre-audit checklists per year.

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Monthly Meetings (Property, Plant and Equipment) accepted by:

	Employee	Signature	Date
AA			
HAE			
CFO			
MM			

Procedures for Monthly Meetings (Property, Plant and Equipment) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

8.4 INVESTMENT PROPERTY

Investment property is property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- a) Use in the production or supply of goods or services or for administrative purposes; or
- b) Sale in the ordinary course of operations.

Staff members involved in procedures

DC	Data Capturer
CA	Clerk: Assets
CCA	Chief Clerk: Assets
GIS	GIS Technician
AA	Accountant: Assets
MIT	Manager: Information Systems
MPMU	Manager: Project Management Unit
MTP	Manager: Town Planning
HAE	Head: Assets and Expenditure
HBTO	Head: Budget and Treasury
HOD	Heads of other Departments within Municipality
CFO	Chief Financial Officer
MM	Municipal Manager
FC	Finance Committee (can also be Executive Committee)
C	Council

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.4.1 Acquisitions

This section deals with the construction of investment property.

8.4.1.1 Procedures for Construction of Investment Property

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Manager: Town Planning	Accountant: Assets	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Follow the normal Supply Chain Management procedures (SCM).											GRAP 16	IP	IP	
2	The Project Management Unit manage project											GRAP 16	IP	IP	
3	Sign that work was performed as per Service-Level Agreement.					VD	PD	RM				GRAP 16	IP	IP	
4	Sign invoice that goods were received in good order and supplier can be paid.					VD	PD	RM				GRAP 16	IP	IP	
5	Send invoice to the Creditors Department.					VD	PD	RM				GRAP 16	IP	IP	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Manager: Town Planning	Accountant: Assets	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
6	The Creditors Department follow normal payment procedures.											GRAP 16	IP	IP	
7	Complete "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; • Condition; • Custodian of asset; • Estimate useful life 														



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Manager: Town Planning	Accountant: Assets	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Start depreciation date; New/Renewal asset; Project number; Line-item; GPS coordinates of project; Indicate if project is still in progress or completed; Subsequent measurement method of asset; If asset must be separately insured; and All other segments of mSCOA. 					VD	PD	RM				GRAP 16	IP	IP	Asset Acquisition Form
8	FOR PROJECTS STILL UNDER CONSTRUCTION: Send the "Asset Acquisition Form", with copy of payment certificate to the Chief Clerk: Assets.					VD	PD	RM				GRAP 16	IP	IP	
9	Verify information on the "Asset Acquisition Form".			PD		VD		RM				GRAP 16	IP	IP	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Manager: Town Planning	Accountant: Assets	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
10	Capture asset in the Work-in-progress Register by documenting all information on payment certificate, and by using all segments of mSCOA.			PD		VD		RM				GRAP 16	IP	IP	
11	Prepare a monthly list of all work-in-progress.			PD		VD		RM				GRAP 16	IP	IP	Monthly list of work in progress
12	Submit monthly list of work-in-progress to the Accountant: Assets.			PD		VD		RM				GRAP 16	IP	IP	
13	Reconcile the Work-in-progress Register with the General Ledger. Pay special attention to all segments of mSCOA.					PM		RM			MFMA S 63	GRAP 16	IP	IP	Asset Register Reconciliation
14	Investigate any differences.					PM		RM				GRAP 16	IP	IP	
15	Correct any differences.					PM		RM				GRAP 16	IP	IP	
16	File list of work-in-progress, with audit trail of acquisitions, for future reference.					PM		RM				GRAP 16	IP	IP	Monthly list of work in progress

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Manager: Town Planning	Accountant: Assets	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
17	FOR COMPLETED PROJECTS: Complete the "Asset Acquisition Form" for completed project.				VD		PD	RM				GRAP 16	IP	IP	
18	Document unbundled items on the "Asset Acquisition Form". Use all segments of mSCOA.				VD		PD	RM				GRAP 16	IP	IP	Asset Acquisition Form
19	Send the "Asset Acquisition Form", with final Bill of Quantities, final As-Built Drawings, Completion Certificate and associated special Information to the Chief Clerk: Assets				VD		PD	RM				GRAP 16	IP	IP	
20	Verify information on the "Asset Acquisition Form".			PD		VD		RM				GRAP 16	IP	IP	Asset Acquisition Form
21	Confirm, for reasonability that expected useful life of asset agrees with the Asset Management Policy.			PD		VD		RM				GRAP 16	IP	IP	
22	Reconcile work-in-progress with unbundled items.		PD	VW		RW		RM				GRAP 16	IP	IP	
23	Update the Property Register.					PW		RW				GRAP 16	IP	IP	GIS Maps

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Manager: Town Planning	Accountant: Assets	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
24	Capture asset on the Asset Register, by using all segments of mSCOA.			PD		VD		RM				GRAP 16	IP	IP	
25	Prepare list of all acquisitions, using all segments of mSCOA.			PD		VD		RM				GRAP 16	IP	IP	Monthly list of acquisitions
26	Submit monthly list of acquisitions to the Accountant: Assets.			PD		VD		RM				GRAP 16	IP	IP	
27	Capture journals for transfer of work-in-progress on the financial system, by using all segments of mSCOA.	PD				VD		RD				GRAP 16	IP	IP	
28	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		RM			MFMA S 63	GRAP 16	IP	IP	Asset Register Reconciliation
29	Investigate any differences.					PM		RM				GRAP 16	IP	IP	
30	Correct any differences.					PM		RM				GRAP 16	IP	IP	
31	File list of acquisitions with audit trail of acquisitions, for future reference.					PM		RM				GRAP 16	IP	IP	Monthly list of acquisitions

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Manager: Town Planning	Accountant: Assets	Manager: Project Management Unit	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
33	Submit monthly financial reports in terms of actual versus budget spend to the CFO and other appropriate officials.					PM		VM	RM			GRAP 16	IP	IP	Monthly Reports

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Construction of Investment Property Assets accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
GIS			
AA			
MPMU			
HAE			
CFO			
MM			

Procedures for Construction of Investment Property approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.4.2 Asset Count

This section deals with procedures for first complete asset count and subsequent asset counts of Investment Property.

8.4.2.1 Procedures for performing an Asset Count of Investment Property (First-time full Asset Count)

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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; 															



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Procedures for assets not previously included in asset register; Method of determining remaining useful life; Procedures to identify any indication of impairment; Procedures how to document description of asset (type, usage); Follow-up procedures after asset count, if needed; Action to be taken if procedures are not adhered to. 			PA	PA		RA	RA				Asset Management Policy	GRAP 16	IP	IP	Asset Count Procedures
2	Submit asset count procedures to the HOD meeting.				PA		VA	RA	RA				GRAP 16	IP	IP	
3	Approve asset count procedures at the HOD meeting.							PA	VA				GRAP 16	IP	IP	Minutes of HOD Meeting
4	Inform other departments of asset count in writing.			PA	VA		RA						GRAP 16	IP	IP	E-mail to Departments

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
5	<p>Prepare the Asset Count Template for "First-time Full Asset Count - Investment Property", that consists of the following minimum information:</p> <ul style="list-style-type: none"> • Town; • Location; • Plot number; • Deeds number; • Name of registered owner; • Date of construction; • Asset code; • Description; • Asset type; • Department Municipality; within • Asset usage; • Condition; • Custodian of asset; • Date of asset count; • GPS coordinates; 															



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Confirmation from custodian that asset exist and asset count was performed accurately and include all assets; and Confirmation from employee performing the asset count, that asset exist and asset count was performed accurately and include all assets. 			PA	PA		VA						GRAP 16	IP	IP	
6	Obtain list from the Deeds Office of all properties registered in the name of the municipality.					PA	VA	RA					GRAP 16	IP	IP	List from Deeds Office
7	Obtain list from the Valuation Roll of all properties registered in the name of the municipality.					PA	VA	RA					GRAP 16	IP	IP	List from Valuation Roll
8	Obtain list of all properties in the Asset Register.					PA	VA	RA					GRAP 16	IP	IP	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
9	Reconcile list from the Deeds Office with list from the Valuation Roll.					PA	VA	RA					GRAP 16	IP	IP	Reconciliation between Deeds Office and Valuation Roll
10	Investigate any differences.					PA	VA	RA					GRAP 16	IP	IP	
11	Document reasons for differences.					PA	VA	RA					GRAP 16	IP	IP	
12	Prepare a list of all properties under the control of the municipality.					PA	VA	RA					GRAP 16	IP	IP	
13	Reconcile list with properties in the Asset Register.					PA	VA	RA					GRAP 16	IP	IP	Reconciliation between property list and Asset Register
14	Investigate any differences.					PA	VA	RA					GRAP 16	IP	IP	
15	Document reasons for differences.					PA	VA	RA					GRAP 16	IP	IP	
16	Prepare a final list of all properties under the control of the municipality.					PA	VA	RA					GRAP 16	IP	IP	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
17	Inspect all property under the control of the municipality and determine their usage.					PA	VA	RA					GRAP 16	IP	IP	
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	RA					GRAP 16	IP	IP	
19	Obtain values from a Registered Valuer for all property under the control of the municipality.					PA	VA	RA					GRAP 16	IP	IP	Values Report
20	Prepare a Property Register, with values.					PA	VA	RA					GRAP 16	IP	IP	Property Register
21	Send the Property Register values to the Finance Committee.					PA		VA	RA				GRAP 16	IP	IP	Property Register
22	The Finance Committee approve the Property Register.									PA	VA		GRAP 16	IP	IP	
23	Send approved Property Register to the Accountant: Assets.				VA	PA	RA						GRAP 16	IP	IP	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
24	Send condition rating of all properties in the Property Register to the Accountant: Assets				VA	PA			RA				GRAP 16	IP	IP	
25	Calculate backlog depreciation on properties.				PA		VA	RA					GRAP 16	IP	IP	Backlog depreciation calculations
26	Update the Asset Register with information in the Property Register and calculations of back-log depreciation, by using all segments of mSCOA.				PA		VA	RA					GRAP 16	IP	IP	
27	Capture journals for properties not previously recognised on the financial system, by using all segments of mSCOA.	PA			VA		RA						GRAP 16	IP	IP	
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				MFMA S 63	GRAP 16	IP	IP	Asset Register Reconciliation

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
29	Investigate any differences.				PA		VA	RA					GRAP 16	IP	IP	
30	Correct any differences.				PA		VA	RA					GRAP 16	IP	IP	
31	File list of "properties not previously recognised" with audit trail of transfer-in assets, for future reference.				PA		VA	RA					GRAP 16	IP	IP	
32	Perform the Test Depreciation Run by using all segments of mSCOA.				PA		VA	RA					GRAP 16	IP	IP	
33	Investigate any differences.				PA		VA	RA					GRAP 16	IP	IP	
34	Correct any differences.				PA		VA	RA					GRAP 16	IP	IP	
35	Perform the Depreciation Run by using all segments of mSCOA.				PA		VA	RA					GRAP 16	IP	IP	Report of Depreciation Run
36	Reconcile depreciation in the Asset Register with depreciation in the General Ledger, by using all segments of mSCOA.				PA		VA	RA					GRAP 16	IP	IP	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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		VA	RA				MFMA S 63	GRAP 16	IP	IP	Asset Register Reconciliation
38	Investigate any differences.				PA		VA	RA					GRAP 16	IP	IP	
39	Correct any differences.				PA		VA	RA					GRAP 16	IP	IP	
40	Start transfer process for property not registered in the name of the municipality.					PA		VA	RA				GRAP 16	IP	IP	
41	Prepare a list of all deviations from asset count procedures.				PA		VA	RA					GRAP 16	IP	IP	List of Deviations
42	Submit list of all deviations to the Municipal Manager.						PA	VA	RA				GRAP 16	IP	IP	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for performing an Asset Count of Investment Property (First-time full Asset Count) accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
MTP			
HAE			
CFO			
MM			

Procedures for performing an Asset Count of Investment Property (First-time full Asset Count) accepted by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.4.2.2 Procedures for performing an Asset Count of Investment Property (Annual Asset Count)

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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; 													

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Method of determining remaining useful life (RUL); Procedures to identify any indication of impairment; Procedures how to document description of asset (type, usage); Follow-up procedures after asset count, if needed; and Action to be taken if procedures are not adhered to. 			PA	PA		RA	RA		Asset Management Policy	GRAP 16	IP	IP	Asset Procedures Count
2	Submit asset count procedures to the HOD meeting.				PA		VA	RA	RA		GRAP 16	IP	IP	
3	Approve asset count procedures at the HOD meeting							PA	VA		GRAP 16	IP	IP	Minutes of HOD Meeting
4	Inform other departments of asset count in writing.			PA	VA		RA				GRAP 16	IP	IP	E-mail to Departments
5	Prepare asset count template for "Annual Asset Count - Investment Property", that consists of the following minimum information: <ul style="list-style-type: none"> Town; 													

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> • Location; • Plot number; • Deeds number; • Name of registered owner; • Date of construction; • Asset code; • Description; • Asset type; • Department within municipality; • Asset usage; • Condition; • Custodian of asset; • Date of asset count; • GPS coordinates; • Confirmation from custodian that asset exist and asset count was performed accurately and includes all assets; and 													



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<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. 			PA	PA		VA				GRAP 16	IP	IP	
6	Obtain list from the Deeds Office of all properties registered in the name of the municipality.					PA	VA	RA			GRAP 16	IP	IP	List from Deeds Office
7	Obtain list from the Valuation Roll of all properties registered in the name of the municipality.					PA	VA	RA			GRAP 16	IP	IP	List from Valuation Roll
8	Reconcile list from the Deeds Office with the Property Register.					PA	VA	RA			GRAP 16	IP	IP	Reconciliation between Deeds Office and Property Register
9	Investigate any differences.					PA	VA	RA			GRAP 16	IP	IP	
10	Document reasons for differences.					PA	VA	RA			GRAP 16	IP	IP	
11	Reconcile list from the Valuation Roll with the Property Register.					PA	VA	RA			GRAP 16	IP	IP	Reconciliation between Valuation Roll and Property Register

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
12	Investigate any differences.					PA	VA	RA			GRAP 16	IP	IP	
13	Document reasons for differences.					PA	VA	RA			GRAP 16	IP	IP	
14	Inspect all property in the Property Register and confirm their usage.					PA	VA	RA			GRAP 16	IP	IP	
15	Inspect all property in the Property Register and assess condition of the asset, based on hierarchy in the Asset Management Policy.					PA	VA	RA			GRAP 16	IP	IP	
16	Obtain values from a Registered Valuer for all property under the control of the municipality.					PA	VA	RA			GRAP 16	IP	IP	Values Report
17	Update the Property Register with registered owner, values, usage of property and condition of property.					PA	VA	RA			GRAP 16	IP	IP	
18	Prepare the "Asset Transfer Form" for all property of which usage has changed during the year, by using all segments of mSCOA.					PA	VA	RA			GRAP 16	IP	IP	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
19	Send the updated Property Register with summary of all changes during the year to the Accountant: Assets.					PA	VA	RA			GRAP 16	IP	IP	
20	Send all "Asset Transfer Forms", for all property of which usage has changed during the year, to the Accountant: Assets.					PA	VA	RA			GRAP 16	IP	IP	
21	Update the Asset Register with all asset transfers, by using all segments of mSCOA.				PA	VA	VA	RA			GRAP 16	IP	IP	
22	Capture journals for asset transfers on the financial system, by using all segments of mSCOA.	PA			VA		RA				GRAP 16	IP	IP	
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.				PA		VA	RA		MFMA S 63	GRAP 16	IP	IP	Asset Register Reconciliation
24	Investigate any differences.				PA		VA	RA			GRAP 16	IP	IP	
25	Correct any differences.				PA		VA	RA			GRAP 16	IP	IP	
26	File list of "Asset Transfers" with audit trail of transfers, for future reference.				PA		VA	RA			GRAP 16	IP	IP	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
27	Reconcile the Property Register with the Asset Register.				PA	VA	VA	RA			GRAP 16	IP	IP	
28	Investigate any differences.				PA	VA	VA	RA			GRAP 16	IP	IP	
29	Document reasons for differences.				PA	VA	VA	RA			GRAP 16	IP	IP	
30	Capture journals for properties not previously recognised on financial system, by using all segments of mSCOA.	PA			VA		RA				GRAP 16	IP	IP	
31	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		MFMA S 63	GRAP 16	IP	IP	Asset Register Reconciliation
32	Investigate any differences.				PA		VA	RA			GRAP 16	IP	IP	
33	Correct any differences.				PA		VA	RA			GRAP 16	IP	IP	
34	File list of "properties not previously recognised" with audit trail of transfer-in assets, for future reference.				PA		VA	RA			GRAP 16	IP	IP	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
35	Capture journals for properties disposed during the year on the financial system, by using all segments of mSCOA.	PA			VA		RA				GRAP 16	IP	IP	
36	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		MFMA S 63	GRAP 16	IP	IP	Asset Register Reconciliation
37	Investigate any differences.				PA		VA	RA			GRAP 16	IP	IP	
38	Correct any differences				PA		VA	RA			GRAP 16	IP	IP	
39	File list of "properties disposed" with audit trail of disposals, for future reference.				PA		VA	RA			GRAP 16	IP	IP	
40	Perform the Test Depreciation Run, by using all segments of mSCOA.				PA		VA	RA			GRAP 16	IP	IP	
41	Investigate any differences.				PA		VA	RA			GRAP 16	IP	IP	
42	Correct any differences.				PA		VA	RA			GRAP 16	IP	IP	
43	Perform the Depreciation Run, by using all segments of mSCOA.				PA		VA	RA			GRAP 16	IP	IP	Depreciation Run

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
44	Reconcile depreciation in the Asset Register with depreciation in the General Ledger, by using all segments of mSCOA.				PA		VA	RA		MFMA S 63	GRAP 16	IP	IP	
45	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		MFMA S 63	GRAP 16	IP	IP	Asset Register Reconciliation
46	Investigate any differences.				PA		VA	RA			GRAP 16	IP	IP	
47	Correct any differences.				PA		VA	RA			GRAP 16	IP	IP	
48	Start transfer process for property not registered in the name of the municipality.					PA		VA	RA		GRAP 16	IP	IP	
49	Prepare a list of all deviations from asset count procedures.				PA		VA	RA			GRAP 16	IP	IP	List of Deviations
50	Submit list of all deviations to the Municipal Manager.						PA	VA	RA		GRAP 16	IP	IP	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for performing an Asset Count of Investment Property (Annual Asset Count) accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
MTP			
HAE			
CFO			
MM			

Procedures for performing an Asset Count of Investment Property (Annual Asset Count) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.4.3 Transfers

This section deals with procedures for transfer of assets within municipality.

8.4.3.1 Procedures for Transfer of Investment Property within the Municipality

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Complete the "Asset Transfer" form.			VD	VD	PD					GRAP 16	IP	IP	Asset Transfer Form
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; • New room number; • Location of new room number; • New custodian of asset; 													

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Asset number; Barcode number; GIS number; Serial number; Condition of asset; Confirmation from previous Custodian that asset was transferred; Confirmation from new custodian that asset was received; and All segments of mSCOA. 			VD	VD	PD				Asset Management Policy	GRAP 16	IP	IP	Asset Transfer Form
3	Manager of each section approve asset transfer.			VD	VD	PD					GRAP 16	IP	IP	
4	Send "Asset Transfer Form" to the Chief Clerk: Assets.			VD	VD	PD					GRAP 16	IP	IP	
5	Review the "Asset Transfer Form" and update field if needed.			PD	VW		RM				GRAP 16	IP	IP	
6	Update the Asset Register by using all segments of mSCOA.										GRAP 16	IP	IP	Asset Transfer Form
7	File list of asset transfers with audit trail of transfers, for future reference.										GRAP 16	IP	IP	Audit Trail

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for transfer of Investment Property within the Municipality accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
HAE			
CFO			
MM			

Procedures for transfer of Investment Property within the Municipality approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.4.4 Impairments

This section deals with procedures for impairment of Investment Property.

8.4.4.1 Procedures for Impairment of Investment Property

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Identify any indication of impairment, for investment property carrying at cost, by using examples in GRAP 21 Impairments of Non-Cash Generating Assets and GRAP 26 Impairment of Cash Generating Assets.		PM	PM	VM	VM	RM	RA			GRAP 21 GRAP 26	IP	IP	Asset Counts
2	Send list of all impairments to the Accountant: Assets.		PM	PM	VM	VM	RM	RA			GRAP 21 GRAP 26	IP	IP	
3	Review indication of impairments and determine if there is actually an indication of impairment. Consult with other departments.				PM	VM	VA	RA			GRAP 21 GRAP 26	IP	IP	



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
4	Determine if the asset is a cash-generating asset of non-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.				PM		VA	RA			GRAP 21 GRAP 26	IP	IP	Impairment Calculations
5	Calculate the recoverable service amount for non-cash generating assets.				PM		VA	RA			GRAP 21	IP	IP	Impairment Calculations
6	Calculate the recoverable amount for cash generating assets.				PM		VA	RA			GRAP 26	IP	IP	Impairment Calculations
7	Obtain carrying value of assets from asset register.				PM		VA	RA			GRAP 21 GRAP 26	IP	IP	Impairment Calculations
8	Calculate impairment.				PM		VA	RA			GRAP 21 GRAP 26	IP	IP	Impairment Calculations
9	Determine whether the asset had prior year impairments or reversal of impairments.				PM		RM	RA			GRAP 21 GRAP 26	IP	IP	
10	Update the Asset Register with impairment, by using all segments of mSCOA.				PM		RM	RA			GRAP 21 GRAP 26	IP	IP	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
11	Capture journals for impairments on the financial system, by using all segments of mSCOA.	PM			VM		RM	RA			GRAP 21 GRAP 26	IP	IP	
12	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		RM	RA			GRAP 21 GRAP 26	IP	IP	
13	Investigate any differences.				PM		RM	RA			GRAP 21 GRAP 26	IP	IP	
14	Correct any differences.				PM		RM	RA			GRAP 21 GRAP 26	IP	IP	
15	File list of impairments with audit trail of impairments for future reference.				PM		RM	RA			GRAP 21 GRAP 26	IP	IP	Impairment Calculations

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for impairment of Investment Property accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
HAE			
CFO			
MM			

Procedures for impairment of Investment Property approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

8.4.5 Disposals

The accounting officer of a municipality must take all reasonable steps, in terms of section 63(2) of the Municipal Finance Management Act (Act 56 of 2003), to ensure that:

- a) The municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- b) The municipality's assets are valued in accordance with standards of generally recognised accounting practice; and
- c) The municipality has and maintains a system of internal control of assets, including an asset register, as may be prescribed.

This section deals with the disposal of Investment Property.

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.4.5.1 Procedures for Disposal of Investment Property

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Identify the need for an auction.					PA	VA	RA				GRAP 16	IP	IP	
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	VA		RA						GRAP 16	IP	IP	
3	The Manager: Town Planning send list of properties to Chief Clerk: Assets		VA		PA	RA						GRAP 16	IP	IP	
4	Verify items on disposal list with the Asset Register.		PA	VA		RA						GRAP 16	IP	IP	
5	Request inputs from the National and Provincial Treasury for all non-exempt assets to be transferred or disposed.					PA	VA	RA				GRAP 16	IP	IP	
6	Submit a list of properties to be sold to the Finance Committee.			PA		VA	RA	RA				GRAP 16	IP	IP	



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
7	The Finance Committee investigate items on list by taken into account the provisions of section 14 of the MFMA: <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 no longer needed to provide the minimum level of basic municipal services; and Recommendations from National and Provincial Treasury for all non-exempt assets to be transferred or disposed. 					VA	VA	VA	PA	VA	MFMA S 14	GRAP 16	IP	IP	
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 exceeded R50m; 														

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> 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%). 					VA	VA	VA	PA	VA	MFMA S 14	GRAP 16	IP	IP	
9	<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 non-exempt assets; Invite, at least 60 days before council meeting, the local community and other interest parties to submit comments or recommendations; Prepare a summary of all comments and recommendations received; Submit summary of all comments and recommendations to Council; 														

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Invite local community and other interest parties to attend Council Meeting; and Council approves all non-exempt assets to be transferred or disposed. 					PA	VA	VA	PA	PA	MFMA S 14	GRAP 16	IP	IP	
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 economic or financial benefit will be received; Council must consider any risks and rewards relating to the granting of the right or use of non-exempt assets; 														



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Comments or representations received from local community and other interest persons; and Any other compliance with applicable legislation. 					VA	VA	VA	PA	PA	MFMA S 14	GRAP 16	IP	IP	
11	Follow the Supply Chain Management procedures to hold auction.			PA		VA	RA	RA				GRAP 16	IP	IP	
12	Advertise auction in newspapers and on the municipal website.			PA		VA	RA	RA				GRAP 16	IP	IP	
13	Hold auction.			PA		VA	RA	RA				GRAP 16	IP	IP	
14	Receive letter from the Auctioneer, indicating proceeds of auction, commission paid and items sold.			PA		VA	RA	RA				GRAP 16	IP	IP	Letter from Auctioneer
15	Write-off all assets that were sold, to R0 in the Asset register, by using all segments of mSCOA.											GRAP 16	IP	IP	
16	Submit list of write-offs to the Accountant: Assets.		PD	VD		RM						GRAP 16	IP	IP	Write-off List

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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					MFMA S 63	GRAP 16	IP	IP	
18	Investigate any differences.			PA		RA						GRAP 16	IP	IP	
19	Correct any differences.			PA		RA						GRAP 16	IP	IP	
20	File list of write-offs with audit trail of write-offs, for future reference.			PA		RA						GRAP 16	IP	IP	Write-off List
21	Capture journals for sale of asset on the financial system, by using all segments of mSCOA.	PA			VA	RA						GRAP 16	IP	IP	
22	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				MFMA S 63	GRAP 16	IP	IP	Asset Register Reconciliation
23	Investigate any differences.			PA		RA						GRAP 16	IP	IP	
24	Correct any differences.			PA		RA						GRAP 16	IP	IP	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Town Planning	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
25	Send list of properties sold to the Manager: Town Planning			PA	VA	RA						GRAP 16	IP	IP	
26	The Manager: Town Planning update the Property Register.			VA	PA	RA						GRAP 16	IP	IP	
27	Prepare report of all assets that were sold.			PA	VA	RA						GRAP 16	IP	IP	Report of Assets Sold
28	Submit report to the Finance Committee, indicating all items that were sold and proceeds at auction.			PA	VA	RA			VA			GRAP 16	IP	IP	Report of Assets Sold
29	Place on the municipal website an information statement containing a list of assets that have been disposed.			PA	VA	RA			VA			GRAP 16	IP	IP	Information statement on website

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Disposal of Investment Property accepted by:

	Employee	Signature	Date
CA			
CCA			
AA			
HAE			
HOD			
CFO			
MM			

Procedures for Disposal of Investment Property approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.4.6 Procedures for Monthly Meetings (Investment Property)

No	Procedure	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	CFO holds monthly meeting with the Accountant Assets and the Head: Assets and Expenditure to discuss exceptions identified during the month.	PM	PM	PM	RM		GRAP 16	IP	IP	Number of meetings per year
2	Determine corrective action to be taken to prevent or reduce similar exceptions.	PM	PM	PM	RM		GRAP 16	IP	IP	Number of outstanding findings and findings solved during year.
3	Submit pre-audit checklist to the CFO as proof that tasks have been performed and work performed was verified as correct by relevant officials.		PM	RM			GRAP 16	IP	IP	Number of pre-audit checklists per year.

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Monthly Meetings (Investment Property) accepted by:

	Employee	Signature	Date
AA			
HAE			
CFO			
MM			

Procedures for Monthly Meetings (Investment Property) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

8.5 INTANGIBLE ASSETS

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

Staff members involved in procedures

DC	Data Capturer
CA	Clerk: Assets
CCA	Chief Clerk: Assets
AA	Accountant: Assets
MIT	Manager: Information Systems
HAE	Head: Assets and Expenditure
HBTO	Head: Budget and Treasury
CFO	Chief Financial Officer
MM	Municipal Manager
HOD	Heads of other Departments within Municipality

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.5.1 Acquisitions

This section deals with the acquisition and development of Intangible Assets.

8.5.1.1 Procedures for Acquisition of Intangible Assets

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Log an IT Request.			PD	VD			RM		GRAP 31	INTA	INTA	
2	Obtain all details of the program.				PD			RM		GRAP 31	INTA	INTA	
3	Perform security checks on the program.				PD			RM		GRAP 31	INTA	INTA	
4	Prepare an IT Business Plan with the following minimum information: <ul style="list-style-type: none"> Employee and/or department requested the acquisition/modification; Detail of the program; Results of security checks performed; Classification of proposed expenditure is operational and/or capital of nature; Funding source of proposed expenditure; Estimate time of completion. 				PD			RM	Asset Management Policy	GRAP 31	INTA	INTA	IT Business Plan

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
5	Submit the IT Business Plan to the IT Committee for recommendation.				PD			RM		GRAP 31	INTA	INTA	
6	Submit the IT Business Plan to the HOD meeting for approval.				PD			RM		GRAP 31	INTA	INTA	
7	The Municipal Manager approve the IT Business Plan.				VM			PM		GRAP 31	INTA	INTA	Approved IT Business Plan
8	Follow normal Supply Chain Management procedures (SCM).									GRAP 31	INTA	INTA	
9	Receive/download/develop the program.				PD			RM		GRAP 31	INTA	INTA	
10	Test the program.				PD			RM		GRAP 31	INTA	INTA	
11	Install and register the program.				PD			RM		GRAP 31	INTA	INTA	
12	Update individual user file.				PD			RM		GRAP 31	INTA	INTA	
13	Sign invoice that goods were received in good order and supplier can be paid.			VD	PD	RM				GRAP 31	INTA	INTA	
14	Send invoice to the Creditors Department.			VD	PD	RM				GRAP 31	INTA	INTA	
15	The Creditors Department follow normal payment procedures as set out in section 7.4.									GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
16	<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; • Parent asset; • Units; • Department within municipality; • Serial number; • Registration number; • Condition; • Custodian of asset; • Estimate useful life (EUL); • Start depreciation date; • New/Renewal asset; • Project number; • Line-item; 												

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Subsequent measurement method of asset; If asset must be separately insured; and All segments of mSCOA. 			VD	PD	RM				GRAP 31	INTA	INTA	Asset Acquisition Form
17	Send the "Asset Acquisition Form", with copy of invoice to the Chief Clerk: Assets			VD	PD	RM				GRAP 31	INTA	INTA	
18	Verify information on the "Asset Acquisition Form".		PD	VD		RM				GRAP 31	INTA	INTA	
19	Confirm that expected useful life of asset agrees with the Asset Management Policy.		PD	VD		RM				GRAP 31	INTA	INTA	
20	Obtain asset number for the Intangible Asset.	PD	VW	RW						GRAP 31	INTA	INTA	
21	Update the "Asset Acquisition Form" with asset number and any other short comings.		PD	VD		RM				GRAP 31	INTA	INTA	
22	Capture asset on the Asset Register, by using all segments of mSCOA.		PD	VD		RM				GRAP 31	INTA	INTA	
23	Prepare monthly list of all acquisitions.		PD	VD		RM				GRAP 31	INTA	INTA	Monthly list of acquisitions
24	Submit monthly list of acquisitions to the Accountant: Assets.		PD	VD		RM				GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
25	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		RM			MFMA S 63	GRAP 31	INTA	INTA	Asset Register Reconciliation
26	Investigate any differences.			PM		RM				GRAP 31	INTA	INTA	
27	Correct any differences.			PM		RM				GRAP 31	INTA	INTA	
28	File list of acquisitions with audit trail of acquisitions, for future reference.			PM		RM				GRAP 31	INTA	INTA	Monthly list of acquisitions
29	Submit monthly financial reports in terms of actual versus budget spend to the CFO and other appropriate officials.			PM		VM	RM			GRAP 31	INTA	INTA	Monthly Reports
30	Send a copy of "Asset Acquisition Form" with asset number to the Manager: Information Technology.		PW	VW	VW	RM				GRAP 31	INTA	INTA	
31	Update the Intangible Asset Database.				PW			RA		GRAP 31	INTA	INTA	
32	File copy of the "Asset Acquisition Form" in each individual user file.				PW			RA		GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Acquisition of Intangible Assets accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
MIT			
HAE			
CFO			
MM			

Procedures for Acquisition of Intangible Assets approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.5.2 Asset Count

This section deals with procedures for first complete asset count and subsequent asset counts of Intangible Assets.

8.5.2.1 Procedures for performing an Asset Count of Intangible Assets (First-time full Asset Count)

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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; 															



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Procedures for assets not previously included in asset register; Procedures for assets transferred during the year, without following asset transfer procedures; Procedures for missing assets; Method of condition rating; Method of determining remaining useful life (RUL); 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. 			PA	PA		RA	RA				Asset Management Policy	GRAP 31	INTA	INTA	Asset Count Procedures

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
2	Submit asset count procedures to the HOD meeting.				PA		VA	RA	RA				GRAP 31	INTA	INTA	
3	Approve asset count procedures at the HOD meeting.							PA	VA				GRAP 31	INTA	INTA	Minutes of HOD Meeting
4	Inform other departments of asset count in writing.			PA	VA		RA						GRAP 31	INTA	INTA	E-mail to Departments
5	Prepare the Asset Count Template for "First-time Full Asset Count - Intangible Assets", that consists of the following minimum information: <ul style="list-style-type: none"> • Town; • Location; • Room number; • Asset code; • Description; • Asset type; • Parent asset; • Units; • Department within municipality; 															



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Serial number; Registration number; Condition; Custodian of asset; Date of asset count; Confirmation from custodian that asset exist and asset count was performed accurately and include all assets; and Confirmation from employee performing the asset count, that asset exist and asset count was performed accurately and include all assets. 			PA	PA		VA					Asset Management Policy	GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
6	Perform asset count (individual asset count team consist of 1 x employee in IT Department + 1 x employee in Finance Department + 1 employee of department where asset count is performed).		PA	PA	VA	VA	RA						GRAP 31	INTA	INTA	
7	Assess condition of asset, based on hierarchy in the Asset Management Policy		PA	PA	VA	VA	RA						GRAP 31	INTA	INTA	
8	Complete asset count template.		PA	PA	VA	VA	RA						GRAP 31	INTA	INTA	
9	Sign asset count template.		PA	PA	VA	VA	RA						GRAP 31	INTA	INTA	Asset Count Template
10	Document any deviations from asset count procedures.		PA	PA	VA	VA	RA						GRAP 31	INTA	INTA	Deviations Report
11	Report any deviations from asset count procedures immediately to the Municipal Manager.		PA	PA	VA	VA	RA		VA				GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
12	Prepare user file for each employee, consisting of: <ul style="list-style-type: none"> • Software installed on computer; • Registration documents of all software on computer; • History of all changes to software on computer; and • Any additional documentation as per IT Policy. 					PA	VA	RA					GRAP 31	INTA	INTA	
13	Prepare a database of all Intangible Assets as per user files.					PA	VA	RA					GRAP 31	INTA	INTA	
14	Reconcile the database with Intangible Assets in the Asset Register.					PA	VA	RA				MFMA S 63	GRAP 31	INTA	INTA	Reconciliation between database and Asset Register
15	Investigate any differences.					PA	VA	RA					GRAP 31	INTA	INTA	
16	Document reasons for differences.					PA	VA	RA					GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
17	Prepare a final list of all Intangible Assets in the municipality.					PA	VA	RA					GRAP 31	INTA	INTA	
18	Obtain current replacement cost for all Intangible Assets not previously recognised.				PA	VA	RA						GRAP 31	INTA	INTA	Supporting documentation for CRC
19	Obtain remaining useful lives of Intangible Assets from database.				PA	VA	RA						GRAP 31	INTA	INTA	
20	Calculate fair value of the Intangible Asset.				PA	VA	RA						GRAP 31	INTA	INTA	Fair Value Calculations
21	Send list of "intangible assets not previously recognised" with fair values to the Head: Assets and Expenditure.				PA	VA	RA						GRAP 31	INTA	INTA	
22	Review fair value calculations of Intangible Assets.				VA	PA	RA						GRAP 31	INTA	INTA	
23	Send list of "intangible assets not previously recognised" with fair values to the Finance Committee.					PA	VA	VA	VA	RA	RA		GRAP 31	INTA	INTA	List of Intangible Assets not previously recognised

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
24	The Finance Committee investigate items on list of "intangible assets not previously recognised".									PA	VA		GRAP 31	INTA	INTA	
25	The Finance Committee approve list of "intangible assets not previously recognised".									PA	VA		GRAP 31	INTA	INTA	
26	Send approved list of "intangible assets not previously recognised" to the Accountant: Assets.					VA	PA	RA					GRAP 31	INTA	INTA	Final list of Intangible Assets not previously recognised
27	Capture "intangible assets not previously recognised" in the Asset Register.				PA	VA	RA						GRAP 31	INTA	INTA	
28	Capture journals for Intangible Assets not previously recognised on the financial system, by using all segments of mSCOA.	PA			VA	RA							GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
29	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated amortisation, accumulated impairment losses and carrying values.				PA	VA	RA					MFMA S 63	GRAP 31	INTA	INTA	Asset Register Reconciliation
30	Investigate any differences.				PA	VA	RA						GRAP 31	INTA	INTA	
31	Correct any differences.				PA	VA	RA						GRAP 31	INTA	INTA	
32	File list of "intangible assets not previously recognised" with audit trail of transfer-in assets, for future reference.				PA	VA	RA						GRAP 31	INTA	INTA	
33	Perform the Test Amortisation Run, by using all segments of mSCOA.				PA		VA	RA					GRAP 31	INTA	INTA	
34	Investigate any differences.				PA		VA	RA					GRAP 31	INTA	INTA	
35	Correct any differences.				PA		VA	RA					GRAP 31	INTA	INTA	
36	Perform the Amortisation Run, by using all segments of mSCOA.				PA		VA	RA					GRAP 31	INTA	INTA	Amortisation Run

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
37	Reconcile amortisation in the Asset Register with amortisation in the General Ledger, by using all segments of mSCOA.				PA		VA	RA					GRAP 31	INTA	INTA	
38	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated amortisation, accumulated impairment losses and carrying values.				PA		VA	RA				MFMA S 63	GRAP 31	INTA	INTA	Asset Register Reconciliation
40	Investigate any differences.				PA		VA	RA					GRAP 31	INTA	INTA	
41	Correct any differences.				PA		VA	RA					GRAP 31	INTA	INTA	
42	Prepare a list of all deviations from asset count procedures.				PA		VA	RA					GRAP 31	INTA	INTA	List of Deviations
43	Submit list of all deviations to the Municipal Manager.						PA	VA	RA				GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for performing an Asset Count of Intangible Assets (First-time full Asset Count) accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
MIT			
HAE			
CFO			
MM			

Procedures for performing an Asset Count of Intangible Assets (First-time full Asset Count) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.5.2.2 Procedures for performing an Asset Count of Intangible Assets (Annual Asset Count)

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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; • Method of determining remaining useful life (RUL); 															



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Procedures to identify any indication of impairment; Indicators to identify changes in useful lives; Procedures how to document description of asset (type, usage); Follow-up procedures after asset count, if needed; and Action to be taken if procedures are not adhered to. 			PA	PA		RA	RA				Asset Management Policy	GRAP 31	INTA	INTA	Asset Count Procedures
2	Submit asset count procedures to the HOD meeting.				PA		VA	RA	RA				GRAP 31	INTA	INTA	
3	Approve asset count procedures at the HOD meeting.							PA	VA				GRAP 31	INTA	INTA	Minutes of HOD Meeting
4	Inform other departments of asset count in writing.			PA	VA		RA						GRAP 31	INTA	INTA	E-mail to Departments

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
5	<p>Prepare asset count template from Intangible Asset Database for "Annual Asset Count - Intangible Assets", that consists of the following minimum information:</p> <ul style="list-style-type: none"> • Town; • Location; • Room number; • Asset code; • Description; • Asset type; • Parent asset; • Units; • Department municipality; within • Serial number; • Registration number; • Condition; • Custodian of asset; • Date of asset count; 															

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Confirmation from custodian that asset exists and asset count was performed accurately and includes all assets; and Confirmation from employee performing the asset count, that asset exists and asset count was performed accurately and includes all assets. 			PA	PA		VA					Asset Management Policy	GRAP 31	INTA	INTA	
6	Obtain user file of each employee.					PA	VA	RA					GRAP 31	INTA	INTA	User Files for each employee
7	Perform asset count (Individual asset count team consist of 1 x employee in IT Department + 1 x employee in Finance Department + 1 employee of Department where asset count is performed).		PA	PA	VA	VA	RA						GRAP 31	INTA	INTA	
8	Assess condition of asset, based on hierarchy in the Asset Management Policy.		PA	PA	VA	VA	RA						GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
9	Complete asset count template.		PA	PA	VA	VA	RA						GRAP 31	INTA	INTA	
10	Sign asset count template.		PA	PA	VA	VA	RA						GRAP 31	INTA	INTA	Asset Count Template
11	Document any deviations from asset count procedures.		PA	PA	VA	VA	RA						GRAP 31	INTA	INTA	Deviations Report
12	Report any deviations from asset count procedures immediately.		PA	PA	VA	VA	RA						GRAP 31	INTA	INTA	
13	Verify asset count with information on the Intangible Asset Database: <ul style="list-style-type: none"> • Town; • Location; • Room number; • Asset code; • Description; • Asset type; • Parent asset; • Units; 															

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Department within municipality; Serial number; Registration number; Condition; Custodian of asset; 											MFMA S 63	GRAP 31	INTA	INTA	
14	Prepare a list of all "missing intangible assets".				VA	PA	RA						GRAP 31	INTA	INTA	List of Missing Assets
15	Send list of "missing intangible assets" to all custodians and manager to whom custodian report.				VA	PA	RA						GRAP 31	INTA	INTA	
16	Obtain reasons for "missing intangible assets".				VA	PA	RA						GRAP 31	INTA	INTA	
17	Physically verify intangible assets not verified during asset count.				VA	PA	RA						GRAP 31	INTA	INTA	
18	Obtain the "Intangible Asset Transfer Forms" from custodian if asset was transferred, by using all segments of mSCOA.				VA	PA	RA						GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
19	Verify asset at new location if asset was transferred.				VA	PA	RA						GRAP 31	INTA	INTA	
20	Update list of "missing assets".		PA	VA	VA	RA							GRAP 31	INTA	INTA	
21	Send final list of "missing assets" to the Accountant: Assets.			PA	VA	RA							GRAP 31	INTA	INTA	
22	Obtain values from asset register for all "missing intangible assets".				PA	VA	RA						GRAP 31	INTA	INTA	
23	Prepare list of "missing intangible assets" with values.				PA	VA	RA						GRAP 31	INTA	INTA	
24	Prepare a report with all deviations found during the asset count.					PA	VA	RA					GRAP 31	INTA	INTA	
25	Submit report with deviations to the Chief Financial Officer.						PA	VA	RA				GRAP 31	INTA	INTA	Asset Count Deviations Report
26	Send list of "missing intangible assets" with values to the Finance Committee.					PA	VA	VA	RA				GRAP 31	INTA	INTA	List of Missing Assets
27	The Finance Committee investigate items on list of "missing intangible assets".									PA	VA		GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
28	The Finance Committee approve list of "missing intangible assets".									PA	VA		GRAP 31	INTA	INTA	
29	Prepare a list of all Intangible Assets not previously recognised with all segments of mSCOA.					PA	VA	RA					GRAP 31	INTA	INTA	
30	Obtain the current replacement cost for all Intangible Assets not previously recognised.				PA	VA	RA						GRAP 31	INTA	INTA	
31	Obtain remaining useful lives of Intangible Assets from database.				PA	VA	RA						GRAP 31	INTA	INTA	
32	Calculate fair value of intangible asset.				PA	VA	RA						GRAP 31	INTA	INTA	Supporting Documentation for DRC Calculations
33	Send list of "intangible assets not previously recognised" with fair values to the Head: Assets and Expenditure.				PA	VA	RA						GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
34	Review the fair value calculations of Intangible Assets.				VA	PA	RA						GRAP 31	INTA	INTA	Fair Value Calculations
35	Send list of "intangible assets not previously recognised" with fair values to Finance Committee.					PA	VA	VA	VA	RA	RA		GRAP 31	INTA	INTA	
36	Finance Committee investigate items on list of "intangible assets not previously recognised".									PA	VA		GRAP 31	INTA	INTA	Asset List
37	Finance Committee approve list of "intangible assets not previously recognised".									PA	VA		GRAP 31	INTA	INTA	
38	Update user files.					PA	VA	VA	RA				GRAP 31	INTA	INTA	User Files
39	Update the Intangible Asset Database.					PA	VA	VA	RA				GRAP 31	INTA	INTA	Intangible Asset Database
40	Send updated the Intangible Asset Database, with summary of all changes during the year, to the Accountant: Assets.				VA	PA	VA	VA					GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
41	Update the Asset Register with information on the Intangible Asset Database, by using all segments of mSCOA.				PA	VA	RA						GRAP 31	INTA	INTA	
42	Capture journals for all changes to Intangible Assets on the financial system, by using all segments of mSCOA.	PA			VA	RA							GRAP 31	INTA	INTA	
43	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated amortisation, accumulated impairment losses and carrying values.				PA	VA	RA					MFMA S 63	GRAP 31	INTA	INTA	
44	Investigate any differences.				PA	VA	RA						GRAP 31	INTA	INTA	
45	Correct any differences.				PA	VA	RA						GRAP 31	INTA	INTA	
46	File list of "intangible assets not previously recognised" with audit trail of transfer-in assets, for future reference.				PA	VA	RA						GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
47	Perform the Test Amortisation Run, by using all segments of mSCOA.				PA		VA	RA					GRAP 31	INTA	INTA	
48	Investigate any differences.				PA		VA	RA					GRAP 31	INTA	INTA	
49	Correct any differences.				PA		VA	RA					GRAP 31	INTA	INTA	
50	Perform the Amortisation Run, by using all segments of mSCOA.				PA		VA	RA					GRAP 31	INTA	INTA	
51	Reconcile amortisation in the Asset Register with amortisation in the General Ledger, by using all segments of mSCOA.				PA		VA	RA				MFMA S 63	GRAP 31	INTA	INTA	
52	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated amortisation, accumulated impairment losses and carrying values.				PA		VA	RA				MFMA S 63	GRAP 31	INTA	INTA	Asset Register Reconciliation
53	Investigate any differences.				PA		VA	RA					GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
54	Correct any differences.				PA		VA	RA					GRAP 31	INTA	INTA	
55	Prepare a list of all deviations from asset count procedures.				PA		VA	RA					GRAP 31	INTA	INTA	List of Deviations
56	Submit list of all deviations to the Municipal Manager.						PA	VA	RA				GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for performing an Asset Count of Intangible Assets (Annual Asset Count) accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
MIT			
HAE			
CFO			
MM			

Procedures for performing an Asset Count of Intangible Assets (Annual Asset Count) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.5.3 Impairments

This section deals with procedures for impairment of Intangible Assets.

8.5.3.1 Procedures for Impairment of Intangible Assets

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Identify any indication of impairment by using examples in GRAP 21 Impairments of Non-Cash Generating Assets and GRAP 26 Impairment of Cash Generating Assets.		PM	PM	VM	PM	RM	RA			GRAP 21 GRAP 26	INTA	INTA	Asset Counts
2	Send list of all impairments to the Accountant: Assets.		PM	PM	VM	PM	RM	RA			GRAP 21 GRAP 26	INTA	INTA	
3	Review indication of impairments and determine if there is actually an indication of impairment. Consult with other departments.				PM	VM	VA	RA			GRAP 21 GRAP 26	INTA	INTA	
4	Determine if the asset is a cash-generating asset of non-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.				PM		VA	RA			GRAP 21	INTA	INTA	Impairment Calculations

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
5	Calculate the recoverable service amount for non-cash generating assets.				PM		VA	RA			GRAP 26	INTA	INTA	Impairment Calculations
6	Calculate the recoverable amount for cash generating assets.				PM		VA	RA			GRAP 21 GRAP 26	INTA	INTA	Impairment Calculations
7	Obtain the carrying value of assets from the Asset Register.				PM		VA	RA			GRAP 21 GRAP 26	INTA	INTA	Impairment Calculations
8	Calculate impairment.				PM		VA	RA			GRAP 21 GRAP 26	INTA	INTA	Impairment Calculations
9	Determine whether the asset had prior year impairments or reversal of impairments.				PM		RM	RA			GRAP 21 GRAP 26	INTA	INTA	
10	Update the Asset Register with impairment, by using all segments of mSCOA.				PM		RM	RA			GRAP 21 GRAP 26	INTA	INTA	
11	Capture journals for impairments on the financial system, by using all segments of mSCOA.	PM			VM		RM	RA			GRAP 21 GRAP 26	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
12	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated amortisation, accumulated impairment losses and carrying values.				PM		RM	RA		MFMA S 63	GRAP 21 GRAP 26	INTA	INTA	
13	Investigate any differences.				PM		RM	RA			GRAP 21 GRAP 26	INTA	INTA	
14	Correct any differences.				PM		RM	RA			GRAP 21 GRAP 26	INTA	INTA	
15	File list of Impairments with audit trail of impairments for future reference.				PM		RM	RA			GRAP 21 GRAP 26	INTA	INTA	Impairment Calculations

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for impairment of Intangible Assets accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
MIT			
HAE			
CFO			
MM			

Procedures for impairment of Intangible Assets approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.5.4 Disposals

This section deals with the disposal of Intangible Assets.

8.5.4.1 Procedures for Write-off of Intangible Assets

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	The Manager complete the "Modify and Delete Form", by using all segments of mSCOA.									GRAP 31	INTA	INTA	Modify and Delete Form
2	Send the "Modify and Delete Form" to the Manager: Information Systems.									GRAP 31	INTA	INTA	
3	Review the "Modify and Delete Form".				PD			RM		GRAP 31	INTA	INTA	
4	Obtain user file.				PD			RM		GRAP 31	INTA	INTA	User File
5	Remove/edit the program.				PD			RM		GRAP 31	INTA	INTA	
6	Print confirmation of program edit/remove.				PD			RM		GRAP 31	INTA	INTA	
7	File confirmation of actions performed in User File.				PD			RM		GRAP 31	INTA	INTA	User File
8	Update the Intangible Asset Database.				PD			RM		GRAP 31	INTA	INTA	Intangible Asset Database

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
9	Send weekly list of all changes to the Chief Clerk: Assets.				PD			RM		GRAP 31	INTA	INTA	Changes to Intangible Asset Database
10	Write-off all assets that were sold, to R0 in the Asset Register, by using all segments of mSCOA.									GRAP 31	INTA	INTA	
11	Submit list of write-offs to the Accountant: Assets.		PD	VD		RM				GRAP 31	INTA	INTA	List of write-offs
12	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated amortisation, accumulated impairment losses and carrying values.			PA		RA			MFMA S 63	GRAP 31	INTA	INTA	
13	Investigate any differences.			PA		RA				GRAP 31	INTA	INTA	
14	Correct any differences.			PA		RA				GRAP 31	INTA	INTA	
15	File list of write-offs with audit trail of write-offs, for future reference.			PA		RA				GRAP 31	INTA	INTA	List of write-offs
16	Submit report to the IT Committee, for all changes that were made.				PM			RM		GRAP 31	INTA	INTA	Monthly IT Report

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Manager: Information Systems	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
17	Remove all hardware and software from computers, before they are handed in at asset store.				PM			RM		GRAP 31	INTA	INTA	
18	Remove all hardware and software from computers, before they are sold at an auction.				PM			RM		GRAP 31	INTA	INTA	
19	Remove all hardware and software from computers, before they are donated.				PM			RM		GRAP 31	INTA	INTA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Write-off of Intangible Assets accepted by:

	Employee	Signature	Date
CA			
CCA			
AA			
HAE			
MIT			
CFO			
MM			

Procedures for Write-off of Intangible Assets approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.5.5 Procedures for Monthly Meetings (Intangible Assets)

No	Procedure	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	CFO holds monthly meeting with the Accountant Assets and the Head: Assets and Expenditure to discuss exceptions identified during the month.	PM	PM	PM	RM		GRAP 31	INTA	INTA	Number of meetings per year
2	Determine corrective action to be taken to prevent or reduce similar exceptions.	PM	PM	PM	RM		GRAP 31	INTA	INTA	Number of outstanding findings and findings solved during year.
3	Submit pre-audit checklist to the CFO as proof that tasks have been performed and work performed was verified as correct by relevant officials.		PM	RM			GRAP 31	INTA	INTA	Number of pre-audit checklists per year.

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Monthly Meetings (Intangible Assets) accepted by:

	Employee	Signature	Date
AA			
HAE			
CFO			
MM			

Procedures for Monthly Meetings (Intangible Assets) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

8.6 HERITAGE ASSETS

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Staff members involved in procedures

DC	Data Capturer
CA	Clerk: Assets
CCA	Chief Clerk: Assets
GIS	GIS Technician
AA	Accountant: Assets
MIT	Manager: Information Systems
MPMU	Manager: Project Management Unit
MTP	Manager: Town Planning
HAE	Head: Assets and Expenditure
HBTO	Head: Budget and Treasury
HOD	Head of other Departments within Municipality
CFO	Chief Financial Officer
MM	Municipal Manager

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.6.1 Acquisitions

This section deals with the acquisition of assets.

8.6.1.1 Procedures for Acquisition of Heritage Assets

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Follow normal Supply Chain Management procedures (SCM) as per Expenditure Cycle.										GRAP 103	HA	HA	
2	All assets are received at a central base and manager who ordered the asset is contacted.										GRAP 103	HA	HA	
3	ALTERNATIVE: The Manager who ordered the asset receive the asset.										GRAP 103	HA	HA	
4	Sign that asset was received, agree with order placed and that the asset is in a working condition.			VD	PD		RM				GRAP 103	HA	HA	
5	Sign invoice that goods were received in good order and supplier can be paid.			VD	PD		RM				GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
6	Send invoice to the Creditors Department.			VD	PD		RM				GRAP 103	HA	HA	
7	The Creditors department follow normal payment procedures.										GRAP 103	HA	HA	
8	Complete the "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; • Condition; • Custodian of asset; • Estimate useful life (EUL) 													



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Start depreciation date; Project number; Line-item; Subsequent measurement method of Asset; If asset must be separately insured; and All segments of mSCOA. 			VD	PD	VD	RM			Asset Management Policy	GRAP 103	HA	HA	Asset Acquisition Form
9	Send the "Asset Acquisition Form", with copy of invoice to the Chief Clerk: Assets			VD	PD		RM				GRAP 103	HA	HA	
10	Verify information on the "Asset Acquisition Form".		PD	VD			RM				GRAP 103	HA	HA	
11	Barcode the asset/s.	PD	VW	RW							GRAP 103	HA	HA	
12	Update the "Asset Acquisition Form" with barcode and any other short comings.		PD	VD			RM				GRAP 103	HA	HA	
13	Capture asset on the Asset Register, by using all segments of mSCOA.		PD	VD			RM				GRAP 103	HA	HA	
14	Prepare monthly list of all acquisitions.		PD	VD			RM				GRAP 103	HA	HA	Monthly list of acquisitions

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Managers: All Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
15	Submit monthly list of acquisitions to the Accountant: Assets.		PD	VD			RM				GRAP 103	HA	HA	
16	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated impairment losses and carrying values.			PM			RM			MFMA S 63	GRAP 103	HA	HA	Asset Register Reconciliation
17	Investigate any differences.			PM			RM				GRAP 103	HA	HA	
18	Correct any differences.			PM			RM				GRAP 103	HA	HA	
19	File list of acquisitions with audit trail of acquisitions, for future reference.			PM			RM				GRAP 103	HA	HA	Monthly list of acquisitions
20	Submit monthly financial reports in terms of actual versus budget spend to the CFO and other appropriate officials.			PM		VM	VM	RM			GRAP 103	HA	HA	Monthly Reports

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Acquisition of Heritage Assets accepted by:

	Employee	Signature	Date
CA			
CCA			
AA			
OD			
HAE			
CFO			
MM			

Procedures for performing of Acquisition of Heritage Assets approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.6.2 Asset Count

This section deals with procedures for first complete asset count and subsequent asset counts of Heritage Assets.

8.6.2.1 Procedures for performing an Asset Count of Heritage Assets (First-time full Asset Count)

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	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; 															



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Procedures for assets transferred during the year, without following asset transfer procedures; Procedures for missing assets; Method of condition rating; Method of determining remaining useful life (RUL); Indicators to identify changes in useful lives; 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. 			PA		PA	RA	RA				Asset Management Policy	GRAP 103	HA	HA	Asset Count Procedures

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
2	Submit asset count procedures to the HOD meeting.					PA	VA	RA	RA				GRAP 103	HA	HA	
3	Approve asset count procedures at the HOD meeting.							PA	VA				GRAP 103	HA	HA	Minutes of HOD Meeting
4	Inform other Departments of asset count in writing.			PA	VA	VA	RA						GRAP 103	HA	HA	E-mail to Departments
5	Prepare the Asset Count Template for "First-time Full Asset Count - Heritage 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; 															

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Asset Colour; Units; Department within Municipality; Serial Number; Registration Number; Condition; Custodian of Asset; Date of Asset Count; Confirmation from Custodian that asset exists and asset count was performed accurately and includes all assets; and Confirmation from employee performing the asset count, that asset exists and asset count was performed accurately and includes all assets. 			PA		PA	VA						GRAP 103	HA	HA	



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
6	<p>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:</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 Asset Policy; • Take picture of asset with barcode; • Complete Asset Count Template; 															



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Sign Asset Count Template; Document any deviations from asset count procedures; and Report any deviations from asset count procedures immediately. 		PA	PA	PA	VA	RA						GRAP 103	HA	HA	Asset Count Template Deviations Report
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; 															

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Serial number; Registration number; Condition; and Custodian of asset. 		PA	PA		VA	RA						GRAP 103	HA	HA	
8	Prepare a list of all "missing assets".		PA	VA		VA	RA						GRAP 103	HA	HA	List of Missing Assets
9	Send list of "missing asset" to all custodians and manager to whom custodian report.		VA	PA		VA	RA						GRAP 103	HA	HA	
10	Obtain reasons for "missing assets".		VA	PA		VA	RA						GRAP 103	HA	HA	
11	Physically verify assets not verified during asset count.		PA	VA		VA	RA						GRAP 103	HA	HA	
12	Obtain the "Asset Transfer Forms" from custodian if asset was transferred.		VA	PA		VA	RA						GRAP 103	HA	HA	
13	Verify asset at new location if asset was transferred.		PA	VA		VA	RA						GRAP 103	HA	HA	
14	Obtain copy of receipt for assets handed-in at asset store.		VA	PA		VA	RA						GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
15	Verify existence of asset at asset store.		PA	VA		VA	RA						GRAP 103	HA	HA	
16	Update list of "missing assets".		PA	VA		VA	RA						GRAP 103	HA	HA	
17	Send final list of "missing assets" to the Accountant: Assets.			PA		VA	RA						GRAP 103	HA	HA	Final list of Missing Assets
18	Obtain values from asset register for all "missing assets".					PA	VA	RA					GRAP 103	HA	HA	
19	Prepare list of "missing assets" with values and all segments of mSCOA.					PA	VA	RA					GRAP 103	HA	HA	
20	Send list of "missing assets" with values to the Finance Committee.						PA	VA	VA	RA	RA		GRAP 103	HA	HA	Final list of Missing Assets
21	The Finance Committee investigate items on list of "missing assets".									PA	VA		GRAP 103	HA	HA	
22	The Finance Committee approve list of "missing assets".									PA	VA		GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
23	Send approved list of "missing assets" to the Accountant: Assets.					VA	VA	VA					GRAP 103	HA	HA	
24	Write-off assets on the Asset Register, by using all segments of mSCOA.					PA	VA	RA					GRAP 103	HA	HA	
25	Capture journals for assets written-off on the financial system, by using all segments of mSCOA.	PA				VA	RA						GRAP 103	HA	HA	
26	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated impairment losses and carrying values.					PA	VA	RA				MFMA S 63	GRAP 103	HA	HA	Asset Register Reconciliation
27	Investigate any differences.					PA	VA	RA					GRAP 103	HA	HA	
28	Correct any differences.					PA	VA	RA					GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
29	File list of "missing assets" with audit trail of write-offs for future reference.					PA	VA	RA					GRAP 103	HA	HA	
30	Prepare a list of all assets, identified during the asset count, without a barcode.		PA	VA		VA	RA						GRAP 103	HA	HA	
31	Review the Asset Register, to identify if asset was not previously recorded on asset register.		PA	VA		VA	RA						GRAP 103	HA	HA	
32	Barcode assets without barcodes.		PA	VA		VA	RA						GRAP 103	HA	HA	
33	Prepare final list of "assets not previously recognised", with remaining useful lives and all segments of mSCOA.		PA	VA		VA	RA						GRAP 103	HA	HA	List of Assets not previously recognised
34	Send final list of "assets not previously recognised" to the Accountant: Assets.			PA		VA	RA						GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
35	Obtain fair values from Registered Valuers for all assets not previously recognised.					PA	VA	RA					GRAP 103	HA	HA	Supporting documentation for Fair Values
36	Send list of "assets not previously recognised" with fair values to the Head: Assets and Expenditure.					PA	VA	RA					GRAP 103	HA	HA	
37	Review the fair value calculations of assets.					VA	PA	RA					GRAP 103	HA	HA	
38	Send list of "assets not previously recognised" with fair values to the Finance Committee.						PA	VA	VA	RA	RA		GRAP 103	HA	HA	List of Assets not previously recognised
39	The Finance Committee investigate items on list of "assets not previously recognised".									PA	VA		GRAP 103	HA	HA	
40	The Finance Committee approve list of "assets not previously recognised".									PA	VA		GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
41	Send approved list of "assets not previously recognised" to the Accountant: Assets.						VA	VA	VA				GRAP 103	HA	HA	Final list of Assets not previously recognised
42	Capture "assets not previously recognised" in the Asset Register, by using all segments of mSCOA.					PA	VA	RA					GRAP 103	HA	HA	
43	Capture journals for assets not previously recognised on the financial system, by using all segments of mSCOA.	PA				VA	RA						GRAP 103	HA	HA	
44	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated impairment losses and carrying values.					PA	VA	RA				MFMA S 63	GRAP 103	HA	HA	Asset Register Reconciliation
45	Investigate any differences.					PA	VA	RA					GRAP 103	HA	HA	
46	Correct any differences.					PA	VA	RA					GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
47	File list of "assets not previously recognised" with audit trail of transfer-in assets, for future reference.					PA	VA	RA					GRAP 103	HA	HA	
48	Obtain condition rating of all assets from asset count teams.		PA	VA		VA	RA						GRAP 103	HA	HA	
49	Update the Asset Register with condition ratings.					PA	VA	RA					GRAP 103	HA	HA	
50	Prepare a list of all "obsolete assets" by using all segments of mSCOA.			PA		VA	RA	RA					GRAP 103	HA	HA	List of Obsolete Assets
51	Send list of "obsolete assets" to all custodians and manager to whom custodian report.			PA		VA	RA	RA					GRAP 103	HA	HA	
52	Request confirmation that list of "obsolete stock" is correct.			PA		VA	RA	RA					GRAP 103	HA	HA	
53	Request managers in all departments to complete the "Asset Replacement Form", by using all segments of mSCOA.			PA		VA	RA	RA					GRAP 103	HA	HA	



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
54	Request Managers in all departments to send obsolete assets to asset store.			PA		VA	RA	RA					GRAP 103	HA	HA	
55	Receive asset at asset stores.		PA	VA		VA	RA	RA					GRAP 103	HA	HA	
56	Verify information on the "Asset Replacement Form" with list of obsolete assets.		PA	VA		VA	RA	RA					GRAP 103	HA	HA	
57	Issue receipt for asset received.		PA	VA		VA	RA	RA					GRAP 103	HA	HA	Asset Store Receipt
58	The Managers in all departments send the "Asset Replacement Form" and copy of receipt from asset store to the Chief Clerk: Assets.			VA		VA	RA	RA					GRAP 103	HA	HA	Asset Replacement Form
59	Review the "Asset Replacement Form" and copy of receipt from asset store.			PA		VA	RA	RA					GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
60	Write-off the replaced asset to an amount representative of the economic benefits the entity expects to receive from the sale on asset register, by using all segments of mSCOA.			PA		VA	RA	RA					GRAP 103	HA	HA	
61	Prepare a list of all write-offs.			PA		VA	RA	RA					GRAP 103	HA	HA	List of write-offs
62	Send list of write-offs to the Finance Committee.						PA	VA	VA	RA	RA		GRAP 103	HA	HA	List of write-offs
63	The Finance Committee investigate items on list of write-offs.									PA	VA		GRAP 103	HA	HA	
64	The Finance Committee approve list of write-offs.									PA	VA		GRAP 103	HA	HA	
65	Submit list of write-offs to the Accountant: Assets.			PA		VA	RA	RA					GRAP 103	HA	HA	Approved list of write-offs

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
66	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated impairment losses and carrying values.					PA	VA	RA				MFMA S 63	GRAP 103	HA	HA	
67	Investigate any differences.					PA	VA	RA					GRAP 103	HA	HA	
68	Correct any differences.					PA	VA	RA					GRAP 103	HA	HA	
70	File list of write-offs with audit trail of acquisitions, for future reference.												GRAP 103	HA	HA	
71	Prepare a list of all deviations from asset count procedures.					PA	VA	RA					GRAP 103	HA	HA	List of Deviations
72	Submit list of all deviations to the Municipal Manager.					PA	VA	RA					GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for performing an Asset Count of Heritage Assets (First-time full Asset Count) accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
HAE			
CFO			
MM			

Procedures for performing an Asset Count of Heritage Assets (First-time full Asset Count) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.6.2.2 Procedures for performing an Asset Count of Heritage Assets (Annual Asset Count)

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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, without following asset transfer procedures; 															



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Procedures for missing assets; Method of condition rating; Method of determining remaining useful life (RUL); Indicators to identify changes in useful lives; 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. 			PA		PA	RA	RA				Asset Management Policy	GRAP 103	HA	HA	Asset Count Procedures
2	Submit asset count procedures to the HOD meeting.					PA	VA	RA	RA				GRAP 103	HA	HA	
3	Approve asset count procedures at the HOD meeting.							PA	VA				GRAP 103	HA	HA	Minutes of HOD Meeting

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
4	Inform other departments of asset count in writing.			PA		VA	RA						GRAP 103	HA	HA	E-mail to Departments
5	<p>Prepare the Asset Count Template for "Annual Asset Count - Heritage Assets", 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; 															

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Condition; Custodian of asset; Date of asset count; Confirmation from custodian that asset exists and asset count was performed accurately and includes all assets; and Confirmation from employee performing the asset count, that asset exists and asset count was performed accurately and includes all assets. 			PA		PA	VA					Asset Management Policy	GRAP 103	HA	HA	
6	Populate the Asset Count Template with information obtained from the Asset Register.					PA	VA	RA					GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
7	<p>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:</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 Asset Management Policy; • Take picture of asset with barcode; • Complete Asset Count Template; 															



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Sign Asset Count Template; Document any deviations from asset count procedures; and Report any deviations from asset count procedures immediately. 		PA	PA	PA	VA	RA						GRAP 103	HA	HA	Asset Count Template Deviations Report
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 municipality; within Serial number; Registration number; 															

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Condition; Custodian of asset; and All segments of mSCOA. 		PA	PA		VA	RA						GRAP 103	HA	HA	
9	Prepare a list of all "missing assets".		PA	VA		VA	RA						GRAP 103	HA	HA	List of Missing Assets
10	Send list of "missing assets" to all custodians and manager to whom custodian report.		VA	PA		VA	RA						GRAP 103	HA	HA	
11	Obtain reasons for "missing assets".		VA	PA		VA	RA						GRAP 103	HA	HA	
12	Physically verify assets not verified during asset count.		PA	VA		VA	RA						GRAP 103	HA	HA	
13	Obtain the "Asset Transfer Forms", with all segments of mSCOA, from custodian if asset was transferred.		VA	PA		VA	RA						GRAP 103	HA	HA	
14	Verify asset at new location if asset was transferred.		PA	VA		VA	RA						GRAP 103	HA	HA	
15	Obtain copy of receipt for assets handed-in at asset store.		VA	PA		VA	RA						GRAP 103	HA	HA	
16	Verify existence of asset at asset store.		PA	VA		VA	RA						GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
17	Update the list of "missing assets".		PA	VA		VA	RA						GRAP 103	HA	HA	
18	Send the Final list of "missing assets" to the Accountant: Assets.			PA		VA	RA						GRAP 103	HA	HA	Final list of Missing Assets
19	Obtain values from the Asset register for all "missing assets".					PA	VA	RA					GRAP 103	HA	HA	
20	Prepare list of "missing assets" with values and all segments of mSCOA.					PA	VA	RA					GRAP 103	HA	HA	
21	Prepare a report with all deviations found during the asset count.					PA	VA	RA					GRAP 103	HA	HA	
22	Submit report with deviations to the Chief Financial Officer.						PA	VA	RA				GRAP 103	HA	HA	Asset Count Deviations Report
23	Send list of "missing assets" with values to the Finance Committee.						PA	VA	VA	RA	RA		GRAP 103	HA	HA	Final list of Missing Assets
24	The Finance Committee investigate items on list of "missing asset".									PA	VA		GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
25	The Finance Committee approve list of "missing assets".									PA	VA		GRAP 103	HA	HA	
26	Send approved list of "missing assets" to the Accountant: Assets.						VA	VA	VA				GRAP 103	HA	HA	
27	Write-off assets on the Asset Register, by using all segments of mSCOA.					PA	VA	RA					GRAP 103	HA	HA	
28	Capture journals for assets written-off on the financial system, by using all segments of mSCOA.	PA				VA	RA						GRAP 103	HA	HA	
29	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated impairment losses and carrying values.					PA	VA	RA				MFMA S 63	GRAP 103	HA	HA	Asset Register Reconciliation
30	Investigate any differences.					PA	VA	RA					GRAP 103	HA	HA	
31	Correct any differences.					PA	VA	RA					GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
32	File the list of "missing assets" with audit trail of write-offs for future reference.					PA	VA	RA					GRAP 103	HA	HA	
33	Prepare a list of all assets, identified during the asset count, without a barcode.		PA	VA		VA	RA						GRAP 103	HA	HA	
34	Review the Asset Register, to identify if asset was not previously recorded on asset register.		PA	VA		VA	RA						GRAP 103	HA	HA	
35	Barcode assets without barcodes.		PA	VA		VA	RA						GRAP 103	HA	HA	
36	Send the final list of "assets not previously recognised", with all segments of mSCOA, to the Accountant: Assets.			PA		VA	RA						GRAP 103	HA	HA	
37	Obtain fair values from a Registered Valuer for all assets not previously recognised.					PA	VA	RA					GRAP 103	HA	HA	Supporting documentation for Fair Value

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
38	Send list of "assets not previously recognised" with fair values to the Head: Assets and Expenditure.					PA	VA	RA					GRAP 103	HA	HA	
39	Review the fair value calculations of assets.					VA	PA	RA					GRAP 103	HA	HA	
40	Send list of "assets not previously recognised" with fair values to the Finance Committee.						PA	VA	VA	RA	RA		GRAP 103	HA	HA	List of Assets not previously recognised
41	The Finance Committee investigate items on list of "assets not previously recognised".									PA	VA		GRAP 103	HA	HA	
42	The Finance Committee approve list of "assets not previously recognised".									PA	VA		GRAP 103	HA	HA	
43	Send the approved list of "assets not previously recognised" to the Accountant: Assets.						PA	VA	RA				GRAP 103	HA	HA	Final list of Assets not previously recognised

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
44	Capture "assets not previously recognised" in the Asset Register, by using all segments of mSCOA.					PA	VA	RA					GRAP 103	HA	HA	
45	Capture journals for assets not previously recognised on the financial system, by using all segments of mSCOA.	PA				VA	RA						GRAP 103	HA	HA	
46	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated impairment losses and carrying values.					PA	VA	RA				MFMA S 63	GRAP 103	HA	HA	Asset Register Reconciliation
47	Investigate any differences.					PA	VA	RA					GRAP 103	HA	HA	
48	Correct any differences.					PA	VA	RA					GRAP 103	HA	HA	
49	File list of "assets not previously recognised" with audit trail of transfer-in assets, for future reference.					PA	VA	RA					GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
50	Obtain condition rating of all assets from asset count teams.		PA	VA		VA	RA						GRAP 103	HA	HA	
51	Compare RUL with RUL of prior year.			PA		VA	RA						GRAP 103	HA	HA	RUL Comparisons
52	Prepare a list of assets with a change of more than 1 year.		PA	VA		VA	RA						GRAP 103	HA	HA	
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	VA		VA	RA						GRAP 103	HA	HA	
54	Send list of "changes in useful lives" to the Accountant: Assets.			PA		VA	RA						GRAP 103	HA	HA	List of Changes in Remaining Useful Lives
55	Review remaining useful life (RUL) calculations and split into different categories.					PA	VA	RA					GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
56	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. <p>Also see other indicators in:</p> <ul style="list-style-type: none"> GRAP 17.52 to identify changes in useful lives; and GRAP 21 & 26 for impairments. 					PA	VA	RA					GRAP 103	HA	HA	
57	Treatment of impairment - Refer to section 8.6.4.1 on impairments			PA		RA	VA						GRAP 103	HA	HA	
58	Update the Asset Register with all remaining useful lives.					PA	VA	RA					GRAP 103	HA	HA	
59	Prepare a list of all "obsolete assets", by using all segments of mSCOA.			PA		VA	RA	RA					GRAP 103	HA	HA	List of Obsolete Assets
60	Send list of "obsolete assets" to all custodians and manager to whom custodian report.			PA		VA	RA	RA					GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
61	Request confirmation that list of "obsolete stock" is correct.			PA		VA	RA	RA					GRAP 103	HA	HA	
62	Request managers in all departments to complete the "Asset Replacement Form" by using all segments of mSCOA.			PA		VA	RA	RA					GRAP 103	HA	HA	
63	Request managers in all departments to send obsolete assets to asset store.			PA		VA	RA	RA					GRAP 103	HA	HA	
64	Receive asset at asset store.		PA	VA		VA	RA	RA					GRAP 103	HA	HA	
65	Verify information on the "Asset Replacement Form" with list of obsolete assets.		PA	VA		VA	RA	RA					GRAP 103	HA	HA	
66	Issue receipt for asset received.		PA	VA		VA	RA	RA					GRAP 103	HA	HA	Asset Store Receipt
67	Managers in all departments send "Asset Replacement Form" and copy of receipt from asset store to the Chief Clerk: Assets.			VA		VA	RA	RA					GRAP 103	HA	HA	Asset Replacement Form

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
68	Review the "Asset Replacement Form" and copy of receipt from asset store.			PA		VA	RA	RA					GRAP 103	HA	HA	
69	Write-off replaced asset to R1 on the Asset Register, by using all segments of mSCOA.			PA		VA	RA	RA					GRAP 103	HA	HA	
70	Prepare list of all write-offs.			PA		VA	RA	RA					GRAP 103	HA	HA	List of write-offs
71	Send list of write-offs to the Finance Committee.						PA	VA	VA	RA	RA		GRAP 103	HA	HA	List of write-offs
72	The Finance Committee investigate items on list of write-offs.									PA	VA		GRAP 103	HA	HA	
73	The Finance Committee approve list of write-offs.									PA	VA		GRAP 103	HA	HA	
74	Submit list of write-offs to the Accountant: Assets.			PA		VA	RA	RA					GRAP 103	HA	HA	Approved list of write-offs

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Other Departments	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
75	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated impairment losses and carrying values.					PA	VA	RA				MFMA S 63	GRAP 103	HA	HA	
76	Investigate any differences.					PA	VA	RA					GRAP 103	HA	HA	
77	Correct any differences.					PA	VA	RA					GRAP 103	HA	HA	
78	File list of write-offs with audit trail of acquisitions, for future reference.					PA	VA	RA					GRAP 103	HA	HA	
79	Prepare a list of all deviations from asset count procedures.					PA	VA	RA					GRAP 103	HA	HA	List of Deviations
80	Submit list of all deviations to the Municipal Manager.					PA	VA	RA					GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for performing an Asset Count of Heritage Assets (Annual Asset Count) accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
HAE			
CFO			
MM			

Procedures for performing an Asset Count of Heritage Assets (Annual Asset Count) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.6.3 Transfers

This section deals with procedures for transfer of Heritage Assets within municipality.

8.6.3.1 Procedures for Transfer of Heritage Assets within the Municipality

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Complete the "Asset Transfer" form.			VD	VD	PD					GRAP 103	HA	HA	Asset Transfer Form
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; • New room number; • Location of new room number; • New custodian of asset; • Asset number; • Barcode number; 													

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> • GIS number; • Serial number; • Condition of asset; • Confirmation from previous custodian that asset was transferred; • Confirmation from new custodian that asset was received; and • All segments of mSCOA. 			VD	VD	PD					GRAP 103	HA	HA	Asset Transfer Form
3	Manager of each section approve asset transfer.			VD	VD	PD					GRAP 103	HA	HA	
4	Send the "Asset Transfer Form" to the Chief Clerk: Assets.			VD	VD	PD					GRAP 103	HA	HA	
5	Review the "Asset Transfer Form" and update field if needed.			PD	VW		RM				GRAP 103	HA	HA	
6	Update the Asset Register, by using all segments of mSCOA.				PD		VM	RM			GRAP 103	HA	HA	Asset Transfer Form
7	File list of asset transfers with audit trail of transfers, for future reference.				PD		VM	RM			GRAP 103	HA	HA	Audit Trail

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for the transfer of Heritage Assets within the Municipality accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
HAE			
CFO			
MM			

Procedures for the transfer of Heritage Assets within the Municipality approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.6.4 Impairments

This section deals with impairment of Heritage Assets within municipality.

8.6.4.1 Procedures for Impairment of Heritage Assets

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Identify any indication of impairment by using examples in GRAP 21 Impairments of Non-Cash Generating Assets and GRAP 26 Impairment of Cash Generating Assets.		PM	PM	VM		RM	RA			GRAP 21 GRAP 26	HA	HA	Asset Counts
2	Send list of all impairments to the Accountant: Assets.		PM	PM	VM		RM	RA			GRAP 21 GRAP 26	HA	HA	
3	Review indication of impairments and determine if there is actually an indication of impairment. Consult of other departments.				PM		VA	RA			GRAP 21 GRAP 26	HA	HA	
4	Determine if the asset is a cash-generating asset of non-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.				PM		VA	RA			GRAP 21 GRAP 26	HA	HA	Impairment Calculations

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
5	Calculate the recoverable service amount for non-cash generating assets.				PM		VA	RA			GRAP 21	HA	HA	Impairment Calculations
6	Calculate the recoverable amount for cash generating assets.				PM		VA	RA			GRAP 26	HA	HA	Impairment Calculations
7	Obtain carrying value of assets from the Asset Register.				PM		VA	RA			GRAP 21 GRAP 26	HA	HA	Impairment Calculations
8	Calculate impairment.				PM		VA	RA			GRAP 21 GRAP 26	HA	HA	Impairment Calculations
9	Determine whether the asset had prior year impairments or reversal of impairments.				PM		RM	RA			GRAP 21 GRAP 26	HA	HA	
10	Update the Asset Register with impairment, by using all segments of mSCOA.				PM		RM	RA			GRAP 21 GRAP 26	HA	HA	
11	Capture journals for impairments on the financial system, by using all segments of mSCOA.	PM			VM		RM	RA			GRAP 21 GRAP 26	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
12	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated impairment losses and carrying values.				PM		RM	RA			GRAP 21 GRAP 26	HA	HA	
13	Investigate any differences.				PM		RM	RA			GRAP 21 GRAP 26	HA	HA	
14	Correct any differences.				PM		RM	RA			GRAP 21 GRAP 26	HA	HA	
15	File list of impairments with audit trail of impairments for future reference.				PM		RM	RA			GRAP 21 GRAP 26	HA	HA	Impairment Calculations

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for the impairment of Heritage Assets accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
HAE			
CFO			
MM			

Procedures for the impairment of Heritage Assets approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.6.5 Disposals

This section deals with the disposal of Heritage Assets.

8.6.5.1 Procedures for Disposal of Heritage Assets

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Maintain a list of all obsolete assets in asset store.		PA	VA		RA						GRAP 103	HA	HA	List of obsolete assets
2	Identify the need for an auction.					PA	VA	RA				GRAP 103	HA	HA	
3	Send list of all obsolete items in asset store to the Heads of Departments. List must include all segments of mSCOA.		PA	VA		RA						GRAP 103	HA	HA	List of obsolete assets
4	Request the Heads of Departments to indicate if items can be sold and if there are any additional items that they would like to dispose.		PA	VA		RA						GRAP 103	HA	HA	



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
5	The Heads of Departments update disposal list.		VA		PA	RA						GRAP 103	HA	HA	List of obsolete assets
6	The Heads of Departments sign list of disposals.		VA		PA	RA						GRAP 103	HA	HA	
7	The Heads of Departments send disposal list to the Chief Clerk: Assets		VA		PA	RA						GRAP 103	HA	HA	
8	Consolidate all disposal lists.			PA	VA	RA						GRAP 103	HA	HA	Consolidated list of obsolete assets
9	Verify items on disposal list with asset register.		PA	VA		RA						GRAP 103	HA	HA	
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 of mSCOA.		PA	VA		RA						GRAP 103	HA	HA	
11	Submit list of write-offs to the Accountant: Assets.		PD	VD		RM						GRAP 103	HA	HA	Write-off List
12	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated impairment losses and carrying values.			PA		RA					MFMA S 63	GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
13	Investigate any differences.			PA		RA						GRAP 103	HA	HA	
14	Correct any differences.			PA		RA						GRAP 103	HA	HA	
15	File list of write-offs with audit trail of write-offs, for future reference.			PA		RA						GRAP 103	HA	HA	Write-off List
16	Request inputs from the National and Provincial Treasury for all non-exempt assets to be transferred or disposed.					PA	VA	RA			MFMA S 14	GRAP 103	HA	HA	
17	Submit a list of items to be sold to the Finance Committee.			PA		VA	RA	RA				GRAP 103	HA	HA	
18	The Finance Committee investigate items on list by taken into account the provisions of section 14 of the MFMA and any other legislation applicable to each specific Heritage Asset: <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; 														

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<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 non-exempt assets to be transferred or disposed. 					VA	VA	VA	PA	VA	MFMA S 14	GRAP 103	HA	HA	
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 audited AFS; and An amount determined in the Asset Management Policy (if less than R50m or 1%). 					VA	VA	VA	PA	VA	MFMA S 14	GRAP 103	HA	HA	
20	Follow the Supply Chain Management procedures to hold auction.			PA		VA	RA	RA				GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
21	Advertise auction in newspapers and on the municipal website.			PA		VA	RA	RA				GRAP 103	HA	HA	
22	Hold auction.			PA		VA	RA	RA				GRAP 103	HA	HA	
23	Receive letter from the Auctioneer, indicating proceeds of auction, commission paid and items sold.			PA		VA	RA	RA				GRAP 103	HA	HA	Letter from Auctioneer
24	Write-off all assets that were sold, to R0 in the Asset Register, by using all segments of mSCOA.											GRAP 103	HA	HA	
25	Submit list of write-offs to the Accountant: Assets.		PD	VD		RM						GRAP 103	HA	HA	Write-off List
26	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated impairment losses and carrying values.			PA		RA					MFMA S 63	GRAP 103	HA	HA	
27	Investigate any differences.			PA		RA						GRAP 103	HA	HA	
28	Correct any differences.			PA		RA						GRAP 103	HA	HA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
29	File list of write-offs with audit trail of write-offs, for future reference.			PA		RA						GRAP 103	HA	HA	Write-off List
30	Capture journals for sale of asset transactions on the financial system, by using all segments of mSCOA.	PA			VA	RA						GRAP 103	HA	HA	
31	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, accumulated impairment losses and carrying values.			PA		VA	RA				MFMA S 63	GRAP 103	HA	HA	Asset Register Reconciliation
32	Investigate any differences.			PA		RA						GRAP 103	HA	HA	
33	Correct any differences.			PA		RA						GRAP 103	HA	HA	
34	Prepare report of all assets that were sold.			PA		RA						GRAP 103	HA	HA	Report of Assets Sold

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Head of Departments	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
35	Submit a report to the Finance Committee, indicating all items that were sold and proceeds at auction.			PA		RA			VA			GRAP 103	HA	HA	Report of Assets Sold
36	Place on the municipal website an information statement containing a list of assets that have been disposed.			PA		RA			VA			GRAP 103	HA	HA	Information statement on website



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Disposal of Heritage Assets accepted by:

	Employee	Signature	Date
CA			
CCA			
AA			
HAE			
HOD			
CFO			
MM			

Procedures for Disposal of Heritage Assets approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.6.6 Procedures for Monthly Meetings (Heritage Assets)

No	Procedure	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	CFO holds monthly meeting with the Accountant Assets and the Head: Assets and Expenditure to discuss exceptions identified during the month.	PM	PM	PM	RM		GRAP 103	HA	HA	Number of meetings per year
2	Determine corrective action to be taken to prevent or reduce similar exceptions.	PM	PM	PM	RM		GRAP 103	HA	HA	Number of outstanding findings and findings solved during year.
3	Submit pre-audit checklist to the CFO as proof that tasks have been performed and work performed was verified as correct by relevant officials.		PM	RM			GRAP 103	HA	HA	Number of pre-audit checklists per year.

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Monthly Meetings (Heritage Assets) accepted by:

	Employee	Signature	Date
AA			
HAE			
CFO			
MM			

Procedures for Monthly Meetings (Heritage Assets) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

8.7 AGRICULTURAL

Agricultural produce is the harvested product of the entity's biological assets.

A biological asset is a living animal or plant.

Staff members involved in procedures

DC	Data Capturer
LW	Leader Worker
CA	Clerk: Assets
CCA	Chief Clerk: Assets
AA	Accountant: Assets
HAE	Head: Assets and Expenditure
HOD	Heads of other Departments within Municipality
CFO	Chief Financial Officer
MM	Municipal Manager

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.7.1 Acquisitions

This section deals with the acquisition of Biological Assets.

8.7.1.1 Procedures for Acquisition of Biological Assets

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Leader Worker	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Follow the normal Supply Chain Management procedures (SCM) as per Expenditure Cycle.										GRAP 27	AA	AA	
2	All assets are received at central base and the manager who ordered the asset is contacted.										GRAP 27	AA	AA	
3	ALTERNATIVE: The Manager who ordered the asset receive the asset.										GRAP 27	AA	AA	
4	Sign that the asset was received, agree with order placed and that the asset is alive.			VD	PD		RM				GRAP 27	AA	AA	
5	Sign invoice that goods were received in good order and supplier can be paid.			VD	PD		RM				GRAP 27	AA	AA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Leader Worker	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
6	Send invoice to Creditors Department.			VD	PD		RM				GRAP 27	AA	AA	
7	Creditors department follow normal payment procedures.										GRAP 27	AA	AA	
8	Complete the "Asset Acquisition Form" that consists of the following minimum information: <ul style="list-style-type: none"> • Town; • Location; • Asset number; • Description; • Asset type; • Asset colour; • Units; • Department within municipality; • Registration number; • Condition; • Custodian of asset; • Project number; • Line-item; • Subsequent measurement method of asset; • If asset must be separately insured; 									Asset Management Policy	GRAP 27	AA	AA	Asset Acquisition Form



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Leader Worker	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> If asset must be separately insured; and All segments of mSCOA 			VD	PD	VD	RM			Asset Management Policy	GRAP 27	AA	AA	Asset Acquisition Form
9	Send the "Asset Acquisition Form", with copy of invoice to the Chief Clerk: Assets			VD	PD		RM				GRAP 27	AA	AA	
10	Verify information on the "Asset Acquisition Form".		PD	VD			RM				GRAP 27	AA	AA	
11	Update the "Asset Acquisition Form" with any other short comings.		PD	VD			RM				GRAP 27	AA	AA	
12	Capture asset on the Asset Register, by using all segments of mSCOA.		PD	VD			RM				GRAP 27	AA	AA	
13	Prepare monthly list of all acquisitions.		PD	VD			RM				GRAP 27	AA	AA	Monthly list of acquisitions
14	Submit monthly list of acquisitions to the Accountant: Assets.		PD	VD			RM				GRAP 27	AA	AA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Leader Worker	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
15	Reconcile the Asset Register with the General Ledger. Confirm that there are no differences for cost, adjustments and carrying values.			PM			RM			MFMA S 63	GRAP 27	AA	AA	Asset Register Reconciliation
16	Investigate any differences.			PM			RM				GRAP 27	AA	AA	
17	Correct any differences.			PM			RM				GRAP 27	AA	AA	
18	File list of acquisitions with audit trail of acquisitions, for future reference.			PM			RM				GRAP 27	AA	AA	Monthly list of acquisitions
19	Submit monthly financial reports in terms of actual versus budget spend to the CFO and other appropriate officials.			PM		VM	VM	RM			GRAP 27	AA	AA	Monthly Reports



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Acquisition of Biological Assets accepted by:

	Employee	Signature	Date
CA			
CCA			
AA			
LW			
HAE			
CFO			
MM			

Procedures for performing of Acquisition of Biological Assets approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.7.2 Procedures for Monthly Meetings (Agricultural Assets)

No	Procedure	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	CFO hold monthly meeting with the Accountant Assets and the Head: Assets and Expenditure to discuss exceptions identified during the month.	PM	PM	PM	RM		GRAP 27	AA	AA	Number of meetings per year
2	Determine corrective action to be taken to prevent or reduce similar exceptions.	PM	PM	PM	RM		GRAP 27	AA	AA	Number of outstanding findings and findings solved during year.
3	Submit pre-audit checklist to the CFO as proof that tasks have been performed and work performed was verified as correct by relevant officials.		PM	RM			GRAP 27	AA	AA	Number of pre-audit checklists per year.

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Monthly Meetings (Agricultural Assets) accepted by:

	Employee	Signature	Date
AA			
HAE			
CFO			
MM			

Procedures for Monthly Meetings (Agricultural Assets) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

8.8 CASH MANAGEMENT

The accounting officer of a municipality must, in terms of section 10 of the Municipal Finance Management Act (Act 56 of 2003):

- a) Must administer all the municipality's bank accounts, including a bank account referred to in section 12 or 48(2)(d);
- b) Is accountable to the municipal council for the municipality's bank accounts; and
- c) Must enforce compliance with sections 7, 8 and 11 of the MFMA.

This section deals with Cash Management of a Municipality.

Staff members involved in procedures

DC	Data Capturer
HC	Head Cashier
ABTO	Accountant: Budget and Treasury Office
HAE	Head: Assets and Expenditure
HBTO	Head: Budget and Treasury Office
HI	Head: Income
HOD	Heads of other Departments within Municipality
CFO	Chief Financial Officer
MM	Municipal Manager
FC	Finance Committee (can also be Executive Committee)
C	Council

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.8.1 Procedures for Municipal Bank Accounts

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	<p>Develop a Cash Management and Investment Policy, containing procedures for at least the following sections:</p> <p><u>CASH MANAGEMENT</u></p> <ul style="list-style-type: none"> • Debtor collections • Payment to creditors • Receipt of payments • Debt <p><u>BANKING</u></p> <ul style="list-style-type: none"> • Primary bank account • Administration • Withdrawal of funds • Relief, Charitable and Trust Funds • Banking arrangements 														



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Collection and banking of revenue Permissible methods of payment Receipts Security of cash at pay points Unclaimed deposits INVESTMENTS <ul style="list-style-type: none"> Legislative requirements Cash flow estimates Investment ethics Investment principles General investment practice 							PA	VA	RA	Budget Reg. Cash Management and Investment Policy	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	Cash Management and Investment Policy
2	Workshop the draft Cash Management and Investment Policy with all Stakeholders.							PA	VA	RA		GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
3	Submit the final Cash Management and Investment Policy to the Council for approval.							PA	VA	RA		GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
4	Implement the Cash Management and Investment Policy.							VA	PA	RA		GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
5	Open and maintain at least one bank account in the name of the municipality, by following specific supply chain management procedures on procurement of Banking Services. (Primary Bank Account)							VA	PA	RA	SCM Reg. Par 30	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	Primary Bank Account

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
6	Commence with the procuring process for a contract for banking services at least nine months before the end of an existing contract, by following specific supply chain management procedures on procurement of Banking Services.						PA	RA	VA			GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
7	Any contract for banking services: <ul style="list-style-type: none"> • Must be procured through competitive bids; • Must be consistent with section 7 or 85 of the MFMA; and • May not be for a period of more than five years at a time. 						PA	RA	VA		MFMA S 7 MFMA S 85	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
8	The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper commonly circulating locally, the website of the municipality and in any other appropriate manner (which may include an advertisement in the Government Tender Bulletin).										SCM Reg. Par 30	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
9	The Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No.94 of 1990).										MFMA S 7	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
10	The municipality may not open a bank account: <ul style="list-style-type: none"> Abroad; With an institution not registered as a bank in terms of the Banks Act, 1990 (Act No. 94 of 1990); or Otherwise than in the name of the municipality. 							VA	PA	RA	MFMA S 7	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
11	The municipality ensure that any new banking arrangements are taking effect from the first day of the financial year ensuing after the bid has been awarded.							VA	PA	RA		GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
12	Consider inviting tenders for banking services at any earlier stage, after consultation with the Chief Financial Officer, if the services offered by the municipality's current banking institution(s) are materially defective or not cost-effective.							VA	PA	RA		GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
13	<p>"The primary bank account"</p> <ul style="list-style-type: none"> If the Municipality has only one bank account, that account is its primary bank account; If the Municipality has more than one bank account, it must designate one of those bank accounts as its primary bank account. 							VA	PA	RA	MFMA S 8	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	Primary Bank Account

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
14	Submit to the National Treasury, the relevant Provincial Treasury and the Auditor-General, in writing, the name of the bank where the primary bank account of the municipality is held, and the type and number of the account.							VA	PA	RA	MFMA S 8	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	Confirmation of Primary Bank Account
15	Inform the National Treasury and the Auditor-General in writing, at least 30 days before effecting the change, if the municipality wants to change its primary bank account.							VA	PA	RA	MFMA S 9	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	Confirmation of Primary Bank Account

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
16	<p>Submit, in writing, the following to the relevant Provincial Treasury and the Auditor-General:</p> <ul style="list-style-type: none"> • Within 90 days after the municipality has opened a new bank account, the name of the bank where the account has been opened, and the type and number of the account; and • Annually before the start of a financial year, the name of each bank where the municipality holds a bank account, and the type and number of each account. 							VA	PA	RA	<p>MFMA S 8</p> <p>MFMA S 9</p>	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	Confirmation of Bank Accounts

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
17	<p>The following money received must be paid promptly into the Primary Bank Account of the municipality:</p> <ul style="list-style-type: none"> All allocations to the municipality, including those made to the municipality for transmission to a municipal entity or other external mechanism assisting the municipality in the performance of its functions; All income received by the municipality on its investments; 														



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> All income received by the municipality in connection with its interest in any municipal entity, including dividends; All money collected by a municipal entity or other external mechanism on behalf of the municipality; and Any other moneys as may be prescribed. 			VM		PM	VM	RM	RM		MFMA S 8	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
18	<p>Money may only be withdrawn from the municipal bank account:</p> <ul style="list-style-type: none"> To defray expenditure appropriated in terms of an approved budget; 														



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> To defray expenditure authorised in terms of section 26(4) of the MFMA; To defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1) of the MFMA; In the case of a bank account opened for Relief, Charitable, Trust or other funds, in terms of section 12 of the MFMA, to make payments from the account in accordance with subsection (4) of that section; 														



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> To pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including— money collected by the municipality on behalf of that person or organ of state by agreement; or any insurance or other payments received by the municipality for that person or organ of state; To refund money incorrectly paid into a bank account; 														

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> To refund guarantees, sureties and security deposits; For cash management and investment purposes in accordance with section 13 of the MFMA; to defray increased expenditure in terms of section 31 of the MFMA (shifting of funds for multi-year appropriations); or For such other purposes, as may be prescribed. 														

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	The Municipal Manager may not authorise any official other than the Chief Financial Officer to withdraw money or to authorise the withdrawal of money from the municipality's primary bank account. In the instance of the municipality's primary bank account being separate from its other bank accounts.			VM	PM		VM	RM	RM		MFMA S 11	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
19	<p>In determining the number of accounts to be maintained, the Municipal Manager, in consultation with the Chief Financial Officer, shall consider the following:</p> <ul style="list-style-type: none"> • The likely number of transactions affecting each of the accounts referred to; • The cost of maintaining more than one bank account; • The capacity of the Chief Financial Officer to perform the accounting functions relevant to bank accounts. 														



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> The capacity of the Chief Financial Officer to perform the accounting functions relevant to bank accounts. 							VA	PA	RA		GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
20	<p>RELIEF, CHARITABLE, TRUST AND OTHER FUNDS</p> <ul style="list-style-type: none"> Only the Municipal Manager may be the accounting officer of any such fund; The bank account of the fund must be in the name of the municipality; 														

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> • Money received by the municipality for the purpose of a relief, charitable, trust or other fund must be paid into a bank account of the municipality, or if a separate bank account has been opened, into that account. • Money may only be withdrawn from the account by or on the written authority of the Municipal Manager acting in accordance with decisions of the municipal council; and 														



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Money may only be withdrawn from the account for the purposes for which, and subject to any conditions on which, the fund was established or the money in the fund was donated. 							VA	PA	RA	MFMA S 12	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
21	Prepare a consolidated report of all withdrawals made in terms of section 11 (1) (b) to (j) of the MFMA.				PQ			RQ	VQ		MFMA S 11	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
22	<p>Submit within 30 days after the end of each quarter:</p> <ul style="list-style-type: none"> The consolidated report to Council of all withdrawals made in terms subsection (1) (b) to (j) of section 11 of the MFMA, which must be tabled. A copy of the report to the relevant Provincial Treasury and the Auditor-General. 							VQ	PQ	RQ	MFMA S 11	GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	Quarterly Report of Withdrawals

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Municipal Bank Accounts accepted by:

	Employee	Signature	Date
DC			
HC			
ABTO			
HAE			
HI			
HBTO			
CFO			
MM			

Procedures for Municipal Bank Accounts approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.8.2 Procedures for Cash Investments

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	<p>Develop a Cash Management and Investment Policy, containing procedures for at least the following sections:</p> <p><u>CASH MANAGEMENT</u></p> <ul style="list-style-type: none"> • Debtor Collections • Payment to Creditors • Receipt of Payments • Debt <p><u>BANKING</u></p> <ul style="list-style-type: none"> • Primary Bank Account • Administration • Withdrawal of Funds • Relief, Charitable and Trust Funds • Banking Arrangements 													

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Collection and Banking of Revenue Permissible Methods of Payment Receipts Security of cash at pay points Unclaimed Deposits <u>INVESTMENTS</u> <ul style="list-style-type: none"> Legislative Requirements Cash Flow Estimates Investment Ethics Investment Principles General Investment Practice 						PA	VA	RA	Cash Management and Investment Policy	GRAP 2	Investments	Investments	Cash Management and Investment Policy
2	Workshop the draft Cash Management and Investment Policy with all Stakeholders.						PA	VA	RA		GRAP 2	Investments	Investments	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
3	Submit the final Cash Management and Investment Policy to the Council for approval.						PA	VA	RA		GRAP 2	Investments	Investments	
4	Implement the Cash Management and Investment Policy.						VA	PA	RA		GRAP 2	Investments	Investments	
5	Invest any surplus funds with deposit taking institutions registered in terms of the Banks Act 94 of 1990, for terms not exceeding one year in anticipation of cash flow expectations.						VA	PA	RA	MFMA S 7	GRAP 2	Investments	Investments	
6	Invest any surplus funds, with prior Council approval, at other institutions/instruments approved in the National Treasury regulations for periods exceeding one year.						VA	PA	RA		GRAP 2	Investments	Investments	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
7	Invest any surplus funds (short-term or long-term) with approved institutions which have an A rating.						VA	PA	RA		GRAP 2	Investments	Investments	
8	Use the following ethical principles when dealing with financial institutions: <ul style="list-style-type: none"> Under no circumstances may inducements to invest be accepted; Interest rates quoted by one institution must not be disclosed to another institution; and 													

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> The business ethics of any controlling body of which the relevant financial institution is a member must be observed by such institution or body at all times. 						VA	PA	RA	Cash Management and Investment Policy	GRAP 2	Investments	Investments	Ethic Principles
9	<p>Use the following guiding principles to facilitate the administration of the Municipality's investment portfolio.</p> <ul style="list-style-type: none"> Limit Exposure to a single institution; The greater the return, the greater the risk; 													



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Refrain from borrowing monies for the purpose of re-investment, as this is tantamount to speculation with public funds; and All moneys shall be invested directly with the relevant institutions. On no account may moneys be placed in a nominee account. 						VA	PA	RA	Cash Management and Investment Policy	GRAP 2	Investments	Investments	
10	Prepare cash flow estimates monthly for the following 12 months, taking into account the Procurement Plan for both the operational and the capital budgets and estimate receipts.					PM	RM	VM			GRAP 2	Investments	Investments	Monthly Cash Flow Estimates

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
11	Determine if any surplus funds are available, as well as the period for which they are available. Parameters, as set out in the Investment Policy, must also be taken into account.					PM	RM	VM		Cash Management and Investment Policy	GRAP 12	Investments	Investments	
12	Consider whether the surplus funds may be utilised at an equivalent rate to substitute external borrowing. Establish a margin between the rate at which the Municipality may borrow funds and the rate at which investments may be made over similar periods.					PM	RM	VM		Cash Management and Investment Policy	GRAP 2	Investments	Investments	



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
13	Follow the SCM processes, as set out in section 7.3, to obtain at least three written quotations from financial institutions for various forms of investment, investment terms and rates of interest.					PM	RM	VM		Cash Management and Investment Policy	GRAP 2	Investments	Investments	
14	Advise financial institutions that in submitting quotations, they must offer their best rates of interest and that no further negotiation or discussion will be entered into with them after they have submitted their quotation.					PM	RM	VM		Cash Management and Investment Policy	GRAP 2	Investments	Investments	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
15	Prioritise quotations from financial institutions in the following order: <ul style="list-style-type: none"> • Preservation and safety of principal; • Liquidity; • Yield; • Where appropriate, match dates for repayment of maturing loans. 					PM	RM	VM		Cash Management and Investment Policy	GRAP 2	Investments	Investments	
16	Evaluate the previous track record and credit-worthiness of financial institutions and if the Municipality will not be over-exposed if any funds are invested.					PM	RM	VM		Cash Management and Investment Policy	GRAP 2	Investments	Investments	
17	Appoint financial institution to invest surplus funds.					VM	VM	PM			GRAP 2	Investments	Investments	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
18	Request the financial institution to issue a certificate for each investment made indicating that no payment of any commission or payment in kind will be made to any party in respect of the investment.					PM	RM	VM		Cash Management and Investment Policy	GRAP 2	Investments	Investments	
19	Obtain certificate from the financial institution.					PM	RM	VM			GRAP 2	Investments	Investments	Commission Certificate from Financial Institution
20	File certificate for future reference.					PM	RM	VM			GRAP 2	Investments	Investments	
21	Prepare an Investment Register, containing the following minimum information: <ul style="list-style-type: none"> Name of institution where investment is held; 													

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> Account number or identification number of investment; Purpose of investment; Starting date of investment; Maturing date of investment; Interest rate of investment; Opening balance of investment; Investment top-ups; Interest received; Withdrawals; Closing balance of investment. 			PM	VM	RM					GRAP 2	Investments	Investments	Investment Register



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
22	Transfer funds to financial institution by following the EFT procedures as set out in standard operating procedures on payments. (Refer to Expenditure Cycle)					PM	RM	VM			GRAP 2	Investments	Investments	
23	Record investment made in the Investment Register.			PM	VM	RM					GRAP 2	Investments	Investments	Investment Register
24	Obtain investment bank account statements.			PM	VM	RM					GRAP 2	Investments	Investments	
25	Prepare interest received journal, if interest was not directly deposited into primary bank account.			PM	VM	RM					GRAP 2	Investments	Investments	
26	Recognise interest received on conditional grants as "own revenue".			PM	VM	RM					GRAP 2	Investments	Investments	
27	Capture interest received journal, by using all segments of mSCOA.	PM		VM	VM	RM					GRAP 2	Investments	Investments	Return on investment

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
28	Obtain the General Ledger accounts for Cash Investments.			PM	VM	RM					GRAP 2	Investments	Investments	
29	Reconcile the Investment Register with the General Ledger.			PM	VM	RM					GRAP 2	Investments	Investments	
30	Investigate any differences.			PM	VM	RM					GRAP 2	Investments	Investments	
31	Correct differences.			PM	VM	RM					GRAP 2	Investments	Investments	
32	Review reconciliation and sign as proof of review.			PM	VM	RM					GRAP 2	Investments	Investments	Investment Register Reconciliation
33	File reconciliation for audit purposes/future reference.					PM	RM				GRAP 2	Investments	Investments	
34	Prepare a report, in prescribed format of the National Treasury, of the municipality's investment portfolio.					PM	RM	VM			GRAP 2	Investments	Investments	Investment Report to Council

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Head Cashier	Accountant: Budget and Treasury Office	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
35	Submit investment report to Council for consideration.					VM	PM	VM	RM		GRAP 2	Investments	Investments	Investment Report to Council
36	Follow normal receipting procedures when any funds are withdrawn from investments or when any investment mature.		PM	VM	RM						GRAP 2	Investments	Investments	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Cash Investments accepted by:

	Employee	Signature	Date
DC			
HC			
ABTO			
HI			
HBTO			
CFO			
MM			

Procedures for Cash Investments approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.8.3 Procedures for Bank Reconciliations

No	Procedure	Accountant: Expenditure	Accountant: Income	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Receive bank statements from the financial institution.			PW	VW	VW	RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	Bank Statements
2	Obtain cash book (receipts) from the Accountant: Income.	VW		PW		VW	RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	Cash Book (Receipts)
3	Reconcile outstanding deposits, on previous month's bank reconciliation, with bank statements.			PW		VW	RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Accountant: Expenditure	Accountant: Income	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
4	Report any previous month deposits not shown on bank statements immediately to the Head: Income, Head: Budget and Treasury and the Chief Financial Officer for investigation.			PW		VW	VW	RW			GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
5	Investigate immediately any previous month outstanding deposits.			VW		PW	PW	RW			GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
6	Report any non- compliance with to the Municipal Manager. If applicable, the Municipal Manager, must take further action as set out in the MFMA and Council Policies.					VM	VM	PM	PM		GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Accountant: Expenditure	Accountant: Income	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
7	Reconcile cash book (receipts) with bank statements.			PW		VW	RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
8	Investigate any differences.			PW		VW	RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
9	Prepare a list of all differences found.			PW		VW	RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
10	Request the Accountant: Income to correct any differences found.			PW		VW	RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
11	Correct any differences within 2 working days.		PW	VW		RW					GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Accountant: Expenditure	Accountant: Income	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
12	Prepare a list of all outstanding deposits, indicating the following: <ul style="list-style-type: none"> • Receipt number; • Date of receipt; • Name of consumer, organisation, etc. for which receipt was issued; • Batch number of transactions; and • Segments of mSCOA to which receipt was allocated. 			PM		VM	RM				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	List of Outstanding Deposits
13	Obtain cash book (payments) from the Accountant: Expenditure.	VW		PW	VW		RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
14	Reconcile the outstanding payments, on previous month bank reconciliation, with bank statements.			PW	VW		RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Accountant: Expenditure	Accountant: Income	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
15	Report any outstanding payments from previous month to the Accountant: Expenditure and the Head: Assets and Expenditure for investigation.	VW		PW		VW	RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
16	Investigate outstanding payments from previous month and correct payments if needed.	PW		VW		PW	RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
17	Reconcile the cash book (Payments) with bank statements.			PW	VW		RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
18	Investigate any differences.			PW	VW		RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
19	Prepare a list of all differences found.			PW	VW		RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Accountant: Expenditure	Accountant: Income	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
20	Request the Accountant: Expenditure to correct any differences found.	VW		PW	VW		RW				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
21	Correct any differences within 2 working days.	PW		VW	RW						GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
22	Reverse payments older than 6 months.	PW		VW	RW						GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	
23	Prepare a list of outstanding payments, indicating the following: <ul style="list-style-type: none"> • Date of Payment; • Beneficiary of Payment; • Amount of Payment; and • Segments of mSCOA to which payment was allocated. 			PM	VM		RM				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	List of outstanding payments

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Accountant: Expenditure	Accountant: Income	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
24	Prepare a bank reconciliation, for each bank account of the municipality, within 8 working days after the end of the month. Bank Reconciliations must indicate the following: <ul style="list-style-type: none"> • Opening cash book balance at the start of the month; • Total Receipts for the month; • Total Payments for the month; • Outstanding Deposits; • Outstanding Payments; and • Balance of bank account at the end of the month. 			PM			RM				GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	Bank Reconciliation
25	Submit the monthly bank reconciliation with supporting documentation to the Head: Budget and Treasury for review.			PM			RM	VM			GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Accountant: Expenditure	Accountant: Income	Accountant: Budget and Treasury Office	Head: Assets and Expenditure	Head: Income	Head: Budget and Treasury Office	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
26	Review the bank reconciliation and sign as proof of the review.			VM			PM	RM			GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	Reviewed bank reconciliation
27	File the bank reconciliation for future reference.			VM			PM	RM			GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	Reviewed bank reconciliation
28	Prepare monthly reports to be submitted to the Council.			VM			PM	RM			GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	Monthly Reports
29	Submit reports to the Council.						VM	PM	RM		GRAP 2	Cash and Cash Equivalents	Cash and Cash Equivalents	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Bank Reconciliations accepted by:

	Employee	Signature	Date
DC			
HC			
ABTO			
HI			
HBTO			
CFO			
MM			

Procedures for Bank Reconciliations approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.8.4 Procedures for Monthly Meetings (Cash Management)

No	Procedure	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	CFO holds monthly meeting with the Accountant Assets and the Head: Assets and Expenditure to discuss exceptions identified during the month.	PM	PM	PM	RM		GRAP 1	Cash and Cash Equivalents; and Investments	Cash and Cash Equivalents; and Investments	Number of meetings per year
2	Determine corrective action to be taken to prevent or reduce similar exceptions.	PM	PM	PM	RM		GRAP 1	Cash and Cash Equivalents; and Investments	Cash and Cash Equivalents; and Investments	Number of outstanding findings and findings solved during year.
3	Submit pre-audit checklist to the CFO as proof that tasks have been performed and work performed was verified as correct by relevant officials.		PM	RM			GRAP 1	Cash and Cash Equivalents; and Investments	Cash and Cash Equivalents; and Investments	Number of pre-audit checklists per year.

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Monthly Meetings (Cash Management) accepted by:

	Employee	Signature	Date
AA			
HAE			
CFO			
MM			

Procedures for Monthly Meetings (Cash Management) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

8.9 INSURANCE CLAIMS

The accounting officer of a municipality must take all reasonable steps, in terms of section 63(2) of the Municipal Finance Management Act (Act 56 of 2003), to ensure that:

- a) The municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- b) The municipality's assets are valued in accordance with standards of generally recognised accounting practice; and
- c) The municipality has and maintains a system of internal control of assets, including an asset register, as may be prescribed.

This section deals with insurance claims.

Staff members involved in procedures

DC	Data Capturer
CA	Clerk: Assets
CCA	Chief Clerk: Assets
AA	Accountant: Assets
HAE	Head: Assets and Expenditure
HOD	Heads of other Departments within Municipality
CFO	Chief Financial Officer
MM	Municipal Manager
FC	Finance Committee (can also be Executive Committee)
C	Council

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.9.1 Procedures for Insurance Claims

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Prepare an event report.		VD			PD		RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	Event Report
2	Send event report to manager.		VD			PD		RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
3	Document comments on the event report.		VD			PD		RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
4	Send the event report to the Head of Department.		VD			PD		RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	Event Report
5	Document suggestions/actions and send event report to the Clerk: Assets.		VD				PD	RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
6	Agree details of asset with the Asset Register and insurance schedule.		PD		VD			RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
7	Complete the Insurance Claim.		PD		VD			VM	RM			GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	Insurance Claim
8	Review the Insurance Claim and confirm that it agrees with supporting documentation.				PD			VM	RM			GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
9	Sign the Insurance Claim.		PD		VD			VM	RM			GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	Insurance Claim
10	Send the signed Insurance Claim, with supporting documentation (quotes, etc.) to the Insurance Brokers.		PD		VD			VM	RM			GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
11	Write-off asset to R1 in the Asset Register, by using all segments of mSCOA.		PD	VD		RM						GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
12	Submit list of write-offs to the Accountant: Assets.		PD	VD		RM						GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	List of write-offs

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
13	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	VM			RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
14	Investigate any differences.			PM	VM			RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
15	Correct any differences.			PM	VM			RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
16	File list of write-offs with audit trail of write-offs, for future reference.				PM			VM	RM			GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	List of write-offs
17	Submit a list of items written-off to the Finance Committee.							PM	VM	RM		GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
18	File Insurance Claim on file at the Asset Management Department.		PD		VD			RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	Insurance Claim



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
19	Send copy of the Insurance Claim to archives.		PD		VD			RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
20	Obtain approval/rejection from the Insurance Brokers.		VD		VD			RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
21	Forward the outcome to the Head of Department.		PD		VD			RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
22	Receive proof of payment of the Insurance Claim.		PD		VD			RM				GRAP 1	OTHER INCOME	OTHER INCOME	Proof of Payment
23	Send proof of payment to the Head: Cashier.		PD		VD			RM				GRAP 1	OTHER INCOME	OTHER INCOME	
24	Write-off asset to R0 in the Asset Register, by using all segments of mSCOA.			PD	VD			RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
25	Submit list of write-offs to the Accountant: Assets.			PD	VD			RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	List of write-offs

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No	Procedure	Data Capturer	Clerk: Assets	Chief Clerk: Assets	Accountant: Assets	Other Departments	Head of Department	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
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.			PM	VM			RM			MFMA S 63	GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
27	Investigate any differences.			PM	VM			RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
28	Correct any differences.			PM	VM			RM				GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	
29	File list of write-offs with audit trail of write-offs, for future reference.				PM			VM	RM			GRAP 16, 17, 27, 31 & 103	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	List of write-offs

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Insurance Claims accepted by:

	Employee	Signature	Date
DC			
CA			
CCA			
AA			
HAE			
CFO			
MM			

Procedures for Insurance Claims approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

8.9.2 Procedures for Monthly Meetings (Insurance Claims)

No	Procedure	Accountant: Assets	Head: Assets and Expenditure	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	CFO holds monthly meeting with the Accountant Assets and the Head: Assets and Expenditure to discuss exceptions identified during the month.	PM	PM	PM	RM		GRAP 1	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	Number of meetings per year
2	Determine corrective action to be taken to prevent or reduce similar exceptions.	PM	PM	PM	RM		GRAP 1	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	Number of outstanding findings and findings solved during year.
3	Submit pre-audit checklist to the CFO as proof that tasks have been performed and work performed was verified as correct by relevant officials.		PM	RM			GRAP 1	PPE, IP, INTA, HA, AA	PPE, IP, INTA, HA, AA	Number of pre-audit checklists per year.

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Monthly Meetings (Miscellaneous issues) accepted by:

	Employee	Signature	Date
AA			
HAE			
CFO			
MM			

Procedures for Monthly Meetings (Miscellaneous Issues) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		