

ADDENDUM 22

RISK MANAGEMENT PLAN IN TERMS OF THE STRATEGIC ASSET PLAN

RISK DESCRIPTION	RISK AREAS	CAUSES	MITIGATION	PRIORITY
1. Asset are required which were not planned for	The absence of the asset can hamper service delivery.	1.1 Assets may become obsolete before the estimated lifespan (a chair might break or a computer might crash)	1.1 Furniture might break, but this seldom happens. As a rule office furniture is used way beyond the anticipated lifespan. In the eventuality of a breakage, another asset can be utilized in the meantime until the obsolete item is replaced. 1.2 IT equipment is procured with a 3 year warrantee. Furthermore, IT equipment is refreshed in terms of a 4 year refresh cycle	Low (The risk has sufficiently been addressed but the situation is monitored to ensure compliance.)
2. Assets acquired are not recorded in the asset register	Assets recorded in the asset register do not represent a true reflection of all the assets controlled by the department.	2.1 When assets are received, the Asset Management Component is not informed accordingly. 2.2 Assets are received at cost centres that are not in close proximity to the Metropole area.	2.1 BAS, LOGIS and HARDCAT are reconciled on a monthly basis to determine what was received against what was ordered. 2.2 Cost centres located far from Head Office are visited annually in terms of the annual stock take. Further visits are also planned as the need arises.	Low (The risk has sufficiently been addressed but the situation is monitored to ensure compliance.)
3. The asset register does not accurately reflect assets on hand	The asset register does not provide a true reflection of the asset base of the department. This could represent an over or under statement	3.1 Assets moved from one location to another are not rectified accordingly on the asset register.	3.1 An asset movement form is in existence and the usage of such has been explained to Supply Chain Champions during training interventions. 3.2 All disposals during the financial year are recorded against an authority number.	Low (corrective measures have been put in place but require constant monitoring)

	in the financial disclosure of assets.	<p>3.2 Assets disposed of are not removed from the asset register.</p> <p>3.3 Assets stolen are not removed from the asset register.</p> <p>3.4 Assets removed from the premises of the department as a result of repairs, are not indicated accordingly.</p>	<p>3.3 Copies of loss control documentation are kept on file.</p> <p>3.4 Asset Controllers are informed of their duties in terms of a written job description.</p>	
4. Obsolete/redundant assets are not disposed of within the financial year.	Disposal process may start too late to allow enough time to conclude process before end of financial year.	<p>4.1 The Disposal Committee to meet at least quarterly and record the meeting decisions. The Assistant Director: Asset Management to ensure that disposals where applicable are done by 15 March of the relevant financial year.</p> <p>4.2 Disposal process to include advertising of redundant items, well in advance.</p>	4.1 The Disposal Committee must submit a report in respect of disposals to the Deputy Director: Asset Management to confirm that disposals were done.	Low (The risk has sufficiently been addressed but the situation is monitored to ensure compliance.)
5. Assets are stolen, lost or vandalized	Assets that have not reached end of life need to be replaced prematurely	5.1 Assets are left unsecured or are not safeguarded	<p>5.1 In the case of assets lost or stolen the loss control procedure needs to be followed.</p> <p>5.2 The matter is reported to SAPS and copies of the documents completed in terms of the loss control procedure are placed on record.</p> <p>5.3 The loss will be investigated and if deemed necessary the matter will be reported to the State Attorney to determine if the loss is recoverable from the responsible official.</p>	Medium (Corrective measures already implemented but cases need to be monitored to determine rising trends)

6. Pool assets are not managed properly	Pool assets may be regarded as lost and subsequently written off.	6.1 The applicable registers are not completed when assets are removed from the holding area.	6.1 Registers are in place to manage the usage of pool assets. 6.2 Responsibility Managers are annually informed, prior to the commencement of the stock take to manage the usage of pool assets.	Low (Corrective measures implemented)
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