

## ADDENDUM 23

### STANDARD OPERATING PROCEDURE (SOP)

**The undertaking of an annual stock take to verify all movable assets of the Department,  
(excluding library material and mobile units)**

| Process Name                  | 1. The undertaking of an annual stock take to verify all movable assets of the WCED, excluding library material and mobile units                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| Process Scope                 | To undertake an annual stock take at all the offices and locations of the WCED.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Applicable legislation/policy | <ul style="list-style-type: none"><li>• The Constitution of the Republic of South Africa, Act 108 of 1996, section 217;</li><li>• Public Finance Management Act (PFMA), 1999 (Act 1 of 1999);</li><li>• Preferential Procurement Policy Framework Act (PPFA), (Act 5 of 2000);</li><li>• Preferential Procurement Policy Framework Act Regulations, 2022;</li><li>• National Treasury Regulations issued in terms of the PFMA dated March 2005;</li><li>• Accounting Officer's System of the Department;</li><li>• Institutional Instructions; and</li><li>• Standard Operating Procedures</li><li>• As per the Western Cape Provincial Treasury Instructions, 2019 Chapter 8 &amp; 9</li></ul> |
| Process Beneficiary           | Responsibility Managers (RM)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Task no.     | Task                                                     | Sub-Task                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Responsibility       |
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| Process Name | <b>2. Planning and preparation for annual stock take</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                      |
| 2.1          | Draft a Stocktake Plan                                   | <ul style="list-style-type: none"> <li>- Identify teams and allocate certain cost centres to certain teams, according to the number of items per cost centre</li> <li>- indicating resources available,</li> <li>- sites to be visited,</li> <li>- timeframes for visits,</li> <li>- logistical needs and,</li> <li>- budgetary requirements</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Stock take Committee |
| 2.2          | Obtain approval for the execution of the stock take      | <ul style="list-style-type: none"> <li>- Obtain approval for stock take by drafting a submission to DPM</li> <li>- Letters to various cost centre managers signed by CFO</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Stock take Committee |
| 2.3          | Inform Cost Centres of the stock take                    | <ul style="list-style-type: none"> <li>- Communicate stock take timeframes and requirements to Cost Centre Managers and Asset Controllers per letter after receipt of approval</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Stock take teams     |
| 2.4          | The letter must address the following:                   | <ul style="list-style-type: none"> <li>- Notification of the envisaged timeframes of the visits</li> <li>- Importance of the Asset Controller in assisting with the stock take – must remain present during the execution of the stock take</li> <li>- Request assurance that all locations/rooms will be accessible</li> <li>- Request assurance that assets will not be moved around</li> <li>- Request that all portable equipment e.g. laptops, data projectors, cameras, portable printers, etc. be brought to the office</li> <li>- Request that access be granted to all locked cupboards, safes etc. where assets are stored for safekeeping</li> <li>- Provision of complete copy of asset records of Cost Centre, indicating inventories, inventory control sheet, disposals, movements and additions, loan items</li> </ul> | Stock take teams     |

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| 2.5                 | Prepare the barcode scanners                                                                                       | <ul style="list-style-type: none"> <li>- The system administrator prepares the barcode scanners for the stock take to correlate with the asset register</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | System Administrator |
| 2.6                 | Acquire consumables                                                                                                | <ul style="list-style-type: none"> <li>- Acquire consumables required for stock take for the full period, such as markers, highlighters, permanent markers, sleeves, barcodes, torches, batteries, acetone, lever arch files etc. by completing a log 1 (requisition) form</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Assistant Director   |
| 2.7                 | Each team leader must ensure that they have the following before they leave the office to go and do the stock take | <ul style="list-style-type: none"> <li>- Copies of previous year's inventories</li> <li>- Control list of all locations under the Responsibility Manager</li> <li>- Records of disposals, additions, movements, transfers-in, transfers-out</li> <li>- Fully charged scanner with cables and charger</li> <li>- A fully stocked utility case with sufficient barcodes, acetone, paint brush for application, sheets for recording asset information e.g. items identified for disposal, un-barcoded items and double barcoded items</li> <li>- GG transport must be pre-arranged by completing an Application to Travel(Trip Authority) form</li> <li>- Confirm visit with the Responsibility Manager logistical arrangements for the stock take, including the availability of a room and telephone</li> </ul> | Stock take teams     |
| <b>Process Name</b> | <b>3. Execution and Reporting of the Stock take</b>                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |
| 3.                  | Execution of the stock take                                                                                        | <ul style="list-style-type: none"> <li>- On arrival at the cost centre, follow the necessary protocol in terms of introduction, explaining the modus operandi of the stock take, what is expected during the stock take</li> <li>- Team leader to decide on logical course to follow throughout centre so as not to miss out on any locations. This is determined by a walk through</li> <li>- At first location locate the correct door barcode and location number on scanner. Also keep a written control list of locations for the duration of the stocktake</li> <li>- Select cost centre from scanner</li> <li>- Select / create custodian on scanner</li> </ul>                                                                                                                                          | Stock take teams     |

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|  |  | <ul style="list-style-type: none"> <li>- Commence scanning items in a logical order</li> <li>- On scanning an item, the barcode must be called out by person scanning to person in possession of hardcopy/inventory so that item can be clearly highlighted/marked (green=scanned, blue=moved, red=disposed)</li> <li>- Ask for pool items, e.g. cameras, projectors, laptops. Also ask for the register kept for the issue of pool assets and verify entries into the register (C1 &amp; C2)</li> <li>- Additional items found in a location and not on the inventory lists must be scanned and written down on the inventory sheet</li> <li>- When an item scanned is not recognized by the scanner it must be noted. Items not recognized by scanner must not be created except after getting approval from the system administrators</li> <li>- Verify number of items on inventory by counting items in location (physical count and items highlighted must be the same)</li> <li>- Indicate broken, redundant and obsolete assets on a separate sheet and request a Log 1 form</li> <li>- The aforementioned procedure must be followed in all locations until the scanning of the cost centre is completed</li> <li>- At the end of each day the scanner must be placed on charge to prevent the loss of information</li> <li>- A day is identified for the scanner to be downloaded at Head Office by the system administrators</li> <li>- Do a reconciliation between the assets scanned and assets identified on the hard copy</li> <li>- Obtain a scanner download report from the system administration team and compare it with the inventory</li> <li>- Rectify error messages</li> <li>- Request a new inventory from the system administration team and check whether corrections have taken place</li> <li>- Discuss findings with other teams to identify correlating issues, like transfers, etc.</li> <li>- Compile a report per cost centre and submit to the Assistant Director</li> </ul> |  |
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|  |  | <ul style="list-style-type: none"> <li>- Confirm arrangements with the next Responsibility Manager</li> <li>- File all documents on the working file</li> <li>- After the stock take at a Cost Centre has been done, a reconciliation process is carried out.</li> <li>- Identify and investigate any discrepancies and communicate your findings to the Responsibility Manager</li> <li>- If an item is stolen, the loss control procedure must be initiated by the custodian by reporting such item to SAPS as stolen. The WCED 028 and WCED 030 must be duly completed and submitted to the Departmental Loss Control Officer as well as a copy to Asset Management at Head Office.</li> <li>- If an item was sent for repairs, documentary proof must be obtained from the custodian/responsibility manager as well as a copy of the removal form signed by the security at the entrance.</li> <li>- Upon return of the item, the Asset Management component must be informed in order to capture it on the asset register.</li> <li>- Irreparable items must be returned to the custodian.</li> <li>- If an item cannot be returned the loss control procedure must be followed.</li> <li>- Extra items found in the location may be due to transfers-in, donations and additions</li> <li>- After the stock take report has been approved, inventories per location can be printed</li> <li>- The stock take report is drafted and submitted to the HOD for approval and signing of the Stocktaking Certificate</li> <li>- The stock take report will contain: <ul style="list-style-type: none"> <li>List of all tangible capital asset additions;</li> <li>List of all minor asset additions;</li> <li>List of all disposals;</li> <li>List of all transfers out;</li> <li>List of assets reported as shortages;</li> <li>List of donations received</li> </ul> </li> <li>- Verify the content of the inventory for correctness</li> </ul> |  |
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|                     |                                                                      | <ul style="list-style-type: none"> <li>- Request Responsible Manager/custodian to sign off inventories</li> <li>- Place the original of the inventory behind the door and a copy on file.</li> <li>- Request Responsibility Manager to sign off certificate to acknowledge that the stock take has been conducted within the Cost Centre (Signed certificate acknowledges the fact that the stock take has been finalised in the department)</li> </ul> <p>After receipt of the signed certificate, the report is filed on file.</p>                                              |  |
| <b>Process Name</b> | <b>4. Handing Over Process</b>                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |
| 4.                  | Handing over process of cost centres from one team leader to another | <ul style="list-style-type: none"> <li>- The re-allocation of all cost centres among team leaders will take place, as approved by management</li> <li>- This will take place before the annual stock take commences.</li> <li>- The previous team leader for the cost centre hands over the official file to the newly appointed team leader for the relevant cost centre</li> <li>- The previous team leader informs the newly appointed team leader of assets sent away for repairs, additional assets or offices to be barcoded and disposals still to be affected.</li> </ul> |  |