

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
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"> • The Constitution of the Republic of South Africa, Act 108 of 1996, section 217; • Public Finance Management Act (PFMA), 1999 (Act 1 of 1999); • Provincial Treasury Circular No. 1/2023: Western Cape Government interim arrangements to give effect to the Preferential Procurement Regulations, 2022; • National Treasury Regulations issued in terms of the PFMA dated March 2005; • Accounting Officer's System of the Department; • Institutional Instructions; and • Standard Operating Procedures • As per the Western Cape Provincial Treasury Instructions, 2019 Chapter 8 & 9
Process Beneficiary	Responsibility Managers (RM)

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

2.5	Prepare the barcode scanners	<ul style="list-style-type: none"> - The system administrator prepares the barcode scanners for the stock take to correlate with the asset register 	System Administrator
2.6	Acquire consumables	<ul style="list-style-type: none"> - 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 	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"> - Copies of previous year's inventories - Control list of all locations under the Responsibility Manager - Records of disposals, additions, movements, transfers-in, transfers-out - Fully charged scanner with cables and charger - 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 - GG transport must be pre-arranged by completing an Application to Travel(Trip Authority) form - Confirm visit with the Responsibility Manager logistical arrangements for the stock take, including the availability of a room and telephone 	Stock take teams
Process Name	3. Execution and Reporting of the Stock take		
3.	Execution of the stock take	<ul style="list-style-type: none"> - 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 - 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 - 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 - Select cost centre from scanner - Select / create custodian on scanner 	Stock take teams

		<ul style="list-style-type: none"> - Commence scanning items in a logical order - 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) - 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 & C2) - Additional items found in a location and not on the inventory lists must be scanned and written down on the inventory sheet - 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 - Verify number of items on inventory by counting items in location (physical count and items highlighted must be the same) - Indicate broken, redundant and obsolete assets on a separate sheet and request a Log 1 form - The aforementioned procedure must be followed in all locations until the scanning of the cost centre is completed - At the end of each day the scanner must be placed on charge to prevent the loss of information - A day is identified for the scanner to be downloaded at Head Office by the system administrators - Do a reconciliation between the assets scanned and assets identified on the hard copy - Obtain a scanner download report from the system administration team and compare it with the inventory - Rectify error messages - Request a new inventory from the system administration team and check whether corrections have taken place - Discuss findings with other teams to identify correlating issues, like transfers, etc. - Compile a report per cost centre and submit to the Assistant Director 	
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Process Name	4. Handing Over Process		
4.	Handing over process of cost centres from one team leader to another	<ul style="list-style-type: none"> - The re-allocation of all cost centres among team leaders will take place, as approved by management - This will take place before the annual stock take commences. - The previous team leader for the cost centre hands over the official file to the newly appointed team leader for the relevant cost centre - 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. 	