

# MASILONYANA LOCAL MUNICIPALITY



## ASSET MANAGEMENT POLICY 2018/2019

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## 1. INTRODUCTION

1.1 The utilization and management of property, plant and equipment is the prime mechanism by which a municipality can fulfil its constitutional mandates for :

- 1.1.1 Delivery of sustainable services,
- 1.1.2 Social and economic development,
- 1.1.3 Promoting safe and healthy environments; and
- 1.1.4 Providing the basic needs to the community.

1.2 As trustees on behalf of the local community, the municipality has a legislative and moral obligation to ensure it implements policies to safeguard the monetary value and future service provision invested in property, plant and equipment.

1.3 The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate custodianship of property, plant and equipment.

1.4 This policy shall be approved by the council and shall be implemented immediately.

1.5 The review of the policy shall be done annually.

## 2. DEFINITIONS

*In this Policy, unless the context indicates otherwise*

- **“Accounting Standards Board”** was established by the Public Finance Management Act to set standards of Generally Recognized Accounting Practice (GRAP) as required by the Constitution of the Republic of South Africa.
- **“Assets”** are resources controlled by an entity as the result of past events and from which future economic benefits or potential service provision are expected to flow to the entity.
- **“Asset Manager”** is the “senior manager” who has the functional accountability for and control of the physical management of a particular set of assets in order to achieve the municipality’s strategic objectives relevant to his/her directorate. The execution of this responsibility will require the asset manager to control the acquisition, utilization, management and disposal of this set of assets to optimize the achievement of these objectives.
- **“Asset categories”** are the five main asset categories defined by GRAP 17. These are:
- **“Infrastructure assets”** – are defined as any asset that is part of a network of similar assets. It is specialized in nature and do not have an alternative use. It is immovable and may be subject to constraints on disposal. Examples are roads, water reticulation schemes, sewerage purification and trunk main, transport terminals and car parks.

- **“Investment property”** - land or a building (or part of a building); held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for: use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of operations.
- **“Community assets”** – are defined as any asset that contributes to the community’s wellbeing. Examples are parks, libraries and fire stations.
- **“Cash-generating assets”** are assets held with the **primary objective** of generating a commercial return.
- **“Heritage assets”** – are defined as culturally significant resources. Examples are works of art, historical buildings and statues.
- An **“intangible asset”** is an identifiable non-monetary asset without physical substance.
- **“Land and buildings”** – are defined as owner-occupied property held by the owner, or by the lessee under a finance lease, for use in the production or supply of goods and services or for administration purposes.
- **“Other assets”** – are defined as asset utilized in normal operations. Examples are plant and equipment, motor vehicles and furniture and fittings.
- **“Asset Champion”** is a senior official appointed by the Asset Manager in his/her Department or Section to assist the Asset Manager in performing his/her functions and duties.
- **“Capitalization”** is the recognition of expenditure as an Asset.
- **“Carrying amount”** is the amount at which an asset included in the Statement of Financial Position after deducting any accumulated depreciation thereon.
- **“Cost”** is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction plus costs incidental to the acquisition or acquirement. Also known as historical cost/value.
- **“Cost of acquisition”** is all the costs incurred in bring an item of plant, property and equipment to the required condition and location for its intended use.
- **“Deferred maintenance”** is the extent of preventative maintenance that has not been performed
- **“Depreciation”** is the systematic allocation of the depreciable amount of asset over its useful life.
- **“Depreciable amount”** is the cost of an asset, or other amount of an asset, or other amount substituted for cost in the financial statements, less its residual value.

- **“Fair value”** is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm’s length transaction.
- **“Financial asset register”** is the controlled register recording the financial and other key details for all municipal assets recognized in accordance with this policy (FAR).
- **“GRAP”** stands for “generally recognized accounting practice”.
- **“Non-cash generating assets”** are **primarily** held for service delivery purposes
- **“Impairment”** is when the recoverable amount of an asset is less than the carrying value of such an asset.

**“Inventories” are assets:**

- ✓ in the form of materials or supplies to be consumed in the production process;
- ✓ in the form of materials or supplies to be consumed or distributed in the rendering of services;
- ✓ held for sale or distribution in the ordinary course of operations; or
- ✓ in the process of production for sale or distribution.

- **“Preventative maintenance”** is the maintenance which is required on a systematic basis to ensure that the originally assessed future economic benefits or potential service position of the relevant asset is realized hence that the fixed asset reaches its estimated useful life.
- **“Property, plant and equipment”** are tangible assets that:
  - a) Are held by a municipality for use in the production of goods or supply of goods or services, for rental to others, for administrative purposes; and*
  - b) Are expected to be used during more than one period.*
- **“Recoverable amount”** is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal.
- **“Recognition”** is the process by which expenditure is included in the Financial Asset Register as an asset.
- **“Replacement Value”** is the amount which is needed in current terms to replace an asset.
- **“Residual Value”** is the net amount that the municipality expects to obtain for an asset at the end of its useful life after deducting the expected costs for disposal.
- **“Senior manager”** is a manager referred to in Section 56 of the Municipal Systems Act being someone reporting directly to the Municipal Manager.

- **“Custodian-ship”** is the act of taking care of and managing property, plant or equipment on behalf of another.
- **“Useful Life”** is the estimated period of time over which the future economic benefits or future service potential embodied in an asset is expected to be utilized by the municipality.

### 3. ACRONYMS

<b>PPE</b>	Property, plant and equipment
<b>AT Form</b>	Asset transfer form
<b>MFMA</b>	Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
<b>DoRA</b>	Division of Revenue Act (enacted annually)
<b>MSA</b>	Municipal Systems Act 32 of 2000
<b>GRAP</b>	General Recognized Accounting Practices
<b>ASB</b>	Accounting standards board
<b>DIR</b>	Departmental Inventory Register
<b>SCM</b>	Supply Chain Management
<b>FAR</b>	Fixed Asset Register

#### **4. STATUTORY AND REGULATORY FRAMEWORK**

This policy must comply with all relevant legislative requirements including:

- a. The Constitution of the Republic of South Africa, 1996
- b. Municipal Structures Act 117 of 1998
- c. Municipal Systems Act 32 of 2000
- d. Division of Revenue Act (enacted annually)
- e. Municipal Finance Management Act, Act 56 of 2003

Also, this policy must comply with the standards specified by the Accounting Standards Board.

This policy does not over rule the requirement to comply with other policies like Supply Chain Management, tendering or budget policies.

#### **5. OBJECTIVE**

- a. To ensure the effective and efficient control, utilization, safeguarding and management of a municipality's property, plant and equipment.
- b. To ensure asset managers are aware of their responsibilities with regard to property, plant and equipment.
- c. To set out the standards of physical management, recording and internal controls to ensure property, plant and equipment are safeguarded against inappropriate loss or utilization.
- d. To specify the process required before expenditure on property, plant and equipment occurs.
- e. To emphasize a culture of accountability over assets.
- f. To ensure compliance with all legal and accounting prescriptions and requirements.

#### **6. STATEMENT**

Masilonyana Local Municipality believes that an asset management policy is essential to ensure effective and efficient utilization of public monies and accountability thereof is heavily dependent on accurate recoding and accounting.

## 7. DELEGATION OF POWERS

- This policy should be applied with due observance of the Municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Municipal Manager and other responsible officials as well as between the Council and the Mayor and the Council and the Municipal Manager. All delegations in terms of this policy must be recorded in writing.
- In accordance with the Municipal Finance Management Act, the Municipal Manager is the accounting officer of the Municipality and therefore all designated officials are accountable to him/ her. The Municipal Manager is therefore accountable for all transactions entered into by his/ her designates.
- The overall responsibility of asset management lies with the Municipal Manager. However, the day to day handling of PPE should be the responsibility of all officials in terms of delegated authority reduced in writing.

## 8. PURPOSE OF THE POLICY

The purpose of this policy is to ensure that proper management of PPE forms part of the financial management procedures of Masilonyana Local Municipality and to ensure that prudent PPE management procedures are applied consistently.

## 9. RESPONSIBILITIES AND ACCOUNTABILITIES

9.1. The **Mayor** shall:

- Approve the temporary and/or permanent transfer of all moveable assets exceeding approved limits, as stipulated in the "Powers of Delegation" of the municipality.
- Approve the writing off, disposal of obsolete or redundant assets.

9.2. The **Municipal Manager** is responsible for the management of assets of the municipality, including the safeguarding and the maintenance of those assets. The municipal manager shall ensure that:

- The municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- The municipality's assets are valued in accordance with standards of generally recognized accounting practice and generally accepted municipal accounting practice;



- The municipality has and maintains a system of internal control of assets, including an asset register; and
- The senior managers and their teams comply with this policy.
- Approve temporary and/or permanent transfers of a movable asset between departments as determined in the “Powers of Delegation” of the municipality.

9.3. The **Chief Financial Officer** is responsible to the Municipal Manager to ensure that the financial investment in the municipality’s’ assets is safeguarded and maintained.

*The chief financial officer shall ensure that:*

- Appropriate systems of financial management and internal control are established and carried out diligently;
- The financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;
- Any unauthorized, irregular or fruitless and wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- The systems, processes and registers required to substantiate the financial values of the municipality’s assets are maintained at standards sufficient to satisfy the requirements of the Auditor-General.
- Financial processes are established and maintained to ensure that the municipality’s financial resources are optimally utilized through an appropriate asset plan, budgeting, purchasing, maintenance and disposal decisions.
- The senior managers and asset champions are appropriately advised on their powers and duties pertaining to the financial administration of assets.
- The senior managers and asset champions are appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets.
- The chief financial officer may delegate or otherwise assign responsibility for performing these functions but they will remain accountable for ensuring these activities are performed.
- The policy and supporting procedures or guidelines are established, maintained and effectively communicated.
- Approve the temporary or permanent transfers of movable assets between departments as determined in the “Powers of Delegation” of the municipality.

9.4. The **Asset Manager** shall ensure that:

- Update Fixed assets register monthly and depreciation
- Ensure that the correct vote allocation is used to procure Assets
- Ensure that assets are tagged when procured
- Conduct periodic impairment; residual value and useful life reviews for all classes of assets.
- Conduct periodic physical inventory counts of fixed assets.
- Advise and recommend to management whether fixed assets should be disposed of also removed from the FAR
- Conduct analyses related to fixed assets as requested by management.
- Reconcile fixed asset sub accounts to the GL monthly.
- Ensure that all inventory transfers to and from departments are appropriately accounted.
- Recommend ways of improving the existing system and processes.
- Record fixed asset acquisitions and dispositions in the accounting system.
- Ensure strict compliance with GRAP and Assets Management policy.
  
- Report in writing to the Chief Financial Officer the full facts in the event of an asset or attractive item being demolished, destroyed, and damaged or occurrence of any other event materially affecting its value.
  
- Approve the temporary or permanent transfers of a movable asset between departments as determined in the “Powers of Delegation” of the municipality.
  
- *develop strategic asset management plans that cover :*
  - ✓ Alignment with the Integrated Development Plan
  - ✓ Operation guidelines;
  - ✓ Performance monitoring;
  - ✓ Maintenance programs;
  - ✓ Renewal, refurbishment and replacement plans;
  - ✓ Disposal and Rehabilitation plans;
  - ✓ Operational, financial and capital support requirements; and

- ✓ Risk mitigation plans including insurance strategies
- ✓ The operational budgets are the short to medium term plan for implementing this strategic asset management plan.

9.5. The **Asset Champion** shall:

- Assist the Asset Manager in performing his/her functions and duties in terms of asset management.
- Ensure asset control lists are verified and kept current in collaboration with the Finance Department.
- Identify obsolete and redundant assets and attractive items every second quarter per financial year, compile a report and obtain the necessary approval for the disposal thereof.
- Once identified such assets, list should be sent to the Assets Manager

9.6. The **supply chain department** shall:

*With regard to acquisitions and disposals of assets:*

- Ensure that all assets are acquired in terms of the SCM Policy;
- Ensure that prior to disposing assets a comprehensive list of obsolete/damaged items is obtained from asset management unit.
- Ensure that all obsolete or damaged assets are disposed of as per the requirements of the SCM Policy.

9.7. The **Human resource department** shall:

- Ensure that no monies are paid out to staff on termination of their service prior to receiving the relevant asset resignation form signed off by the relevant directorate.
- Shall ensure that every asset return form is counter signed by the Asset Management Division before processing the termination of service.

9.8. The **Directorates** of all other departments must:

- Ensure that employees in their departments adhere to the approved Asset Management Policy;
- Ensure that all assets are procured in terms of the SCM Policy;
- Ensure that each custodian report any assets without barcodes under their custodianship to asset management unit;
- Ensure that all interdepartmental transfers are supported with fully completed asset transfer form authorized by the relevant directorate;
- Ensure that all damaged/ obsolete/ stolen assets are reported immediately to asset management unit;

### 9.9. Users/Custodians of Assets

- Each user is responsible for the assets under their control, allocated to/used by them in the performance of their duties.
- Each user must sign the room inventory list containing the bar-coded assets allocated to them. These lists must be visibly displayed for audit purposes, preferable at the back of the doors. The Asset Controllers and the Asset Management Division must keep copies of the movable assets lists.
- Asset users are prohibited to move/transfer assets from the location recorded in the asset register without proper authorization.
- Each user must take all reasonable precautions to protect their assets against losses and/or damage.
- Each user must maintain or take steps to maintain their assets for their useful life. Users must check and verify their physical assets against their assets lists regularly and ensure that changes in physical assets in their possession are updated in their assets lists.
- Any damage to the asset items must be immediately reported to superiors as well as to their responsible Asset Controllers who will recommend appropriate steps to be taken in relevant incidents.
- The assets users must avail assets under their control at any time, at the request of the Asset Management Division or External Audit or Internal Audit Section for verification purposes.
- In the event of such assets being missing stolen or lost, the responsible user shall accordingly report the incident to the SAPS. The reported case information will be the source document used to report missing/stolen/lost assets to their superiors, as well as to their responsible Asset Controllers who will take further appropriate action in the relevant incidents.
- Should it be found that users were not properly utilizing/maintaining/securing assets under their control/stewardship leading to asset/s damages/losses such users' Head of Department must recover the replacement costs of such assets from relevant users
- Privately owned assets may only be used on council premises with the written authorisation of the HOD. The authorization must contain a detailed description of the asset (serial number, make model, etc.) to clearly identify the asset and should be presented to representatives of the Asset Management Division or External Audit or Internal Audit Section for verification purposes.

## **10. FINANCIAL MANAGEMENT**

### **10.1. Pre-Acquisition Planning**

10.1.1 Before a capital project is included in the draft municipal budget for approval, the **Director Technical services** must prove that they have considered:

- The projected acquisition and implementation cost over all the financial years until the project is operational;
- The financial sustainability of the project over its life including revenue generation and subsidization requirements;
- The physical and financial stewardship of the asset through all stages in its life including acquisition, installation, maintenance, operations, disposal and rehabilitation;
- The inclusion of the capital project in the Integrated Development Plans and future budgets; and

### **10.2. APPROVAL TO ACQUIRE PROPERTY PLANT & EQUIPMENT**

10.2.1 Money can only be spent on a capital project if :

- The money has been approved in the capital budget;
- The project, including the total cost, has been approved by Council;
- The Chief Financial Officer confirms that funding is available for that specific project; and
- Any contract that will impose financial obligations more than two years after the budget year is appropriately disclosed.

### **10.3. FUNDING OF CAPITAL PROJECT**

10.3.1 Within the municipality's ongoing financial, legislative or administrative capacity, the Chief Financial Officer will establish and maintain the funding strategies that will optimize the municipality's ability to achieve its strategic objectives as stated in the Integrated Development Plan.

## **11. CUSTODY & SECURITY**

**11.1.** Physical verification shall be done every bi-annually.

**11.2.** Each custodian shall sign an asset acknowledgement form to acknowledge all assets under their custodian-ship and the form shall be handed over to the asset management unit.

**11.3.** Any interdepartmental transfers shall be reported to the asset management unit and an asset transfer form shall be completed.

## **12. DONATION**

**12.1. Donation received:** the authority to endorse and approve the acceptance of assets contributed to the municipality vests with the council.

**12.2.** A report including the fair value/cost price of the contributed asset as well as the financial implications of acceptance of the contributed asset must be submitted to Council, so that acceptance of the asset can be confirmed.

**12.3.** If the asset donated is a second hand asset the depreciation amount, accumulated depreciation up to the date of donation, useful life and residual value of that asset should also be included in the report.

## **13. RECOGNITION AND CLASSIFICATION OF ASSETS**

### **13.1. RECOGNITION**

*13.1.1. An item shall be recognised as an asset if:*

- it is probable that future economic benefits or service potential associated with the item will flow to the entity, and
- the cost or fair value of the item can be measured reliably.

**13.1.2.** PPE assets are recorded at cost which shall include the purchase price and other acquisition costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating, such as:

- ✓ Purchase costs (less any discount given)
- ✓ Cost of site preparation
- ✓ Delivery costs
- ✓ Installation costs
- ✓ Professional fees for architects and engineers
- ✓ Import duties
- ✓ Non-refundable taxes

- ✓ Site development costs
- ✓ Contractor fees

13.1.3. For a contributed capital asset, cost is deemed to be the fair value at the date the asset is contributed.

13.1.4. Subsequent expenditure relating to PPE is capitalized if it is probable that future economic benefits or potential service delivery of the asset is enhanced in excess of the originally assessed standard of performance.

13.1.5. Assets held under finance leases are capitalized and will be reflected in the Fixed Asset Register.

13.1.6. Major spare parts / standby equipment (strategic stock) qualify as PPE when it is a significant cost in relation to the total cost of the item, and it is expected to use them during more than one year.

## **13.2. DIFFERENT CATEGORIES WITHIN FAR**

The Fixed Asset Register (FAR) for the Municipality will contain the following types of assets categorized as tangible assets (movable and immovable) and intangible assets.

### **Tangible Assets**

#### *(a) Immovable Assets:*

- Infrastructure assets:
  - Electricity assets
  - Water networks and related assets
  - Waste water networks and related assets
  - Roads, bridges and Storm water
- Land and Buildings
- Investment properties
- Community assets
- Heritage assets
- Other assets

#### *(b) Movable Assets:*

- Office Equipment
- Furniture and Fittings
- Bins and Containers
- Emergency Equipment
- Motor Vehicles

- Plant and Equipment

(c) **Intangible Assets**

- Computer programs
- Licensing rights

### 13.3. INFRASTRUCTURE ASSETS

13.3.1. Some assets are commonly described as “infrastructure assets”. While there is no universally accepted definition of infrastructure assets, these assets usually display some or all of the following characteristics:

- ✓ they are part of a system or network;
- ✓ they are specialised in nature and do not have alternative uses;
- ✓ they are immovable; and
- ✓ they may be subject to constraints on disposal.

13.3.2. The major components of the infrastructure asset shall be depreciated separately provided they:

- ✓ Have a significantly different useful life or usage pattern to the main asset;
- ✓ The benefits justify the costs of separate identification;

### 13.4. MEASUREMENT AT RECOGNITION

13.4.1. An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost less accumulated depreciation and impairment losses. Cost shall be defined as the invoice amount as reflected in the supplier invoices.

13.4.2. Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition. *This however will not constitute a revaluation.*

13.4.3. Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

13.4.4. When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

13.4.5. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or



service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

13.4.6. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

13.4.7. Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

### **13.5. DATE OF ACQUISITION**

13.5.1. **Movable assets:** The date of acquisition of property, plant and equipment is deemed to be the time when legal title and control passes to the municipality. The item of PPE shall however be recorded in the FAR at invoice date.

13.5.2. **Infrastructure assets:** The date of acquisition shall be upon completion of the project and a completion certificate signed by all relevant parties is received in the asset management department confirming such completion.

### **13.6. CLASSIFICATION**

13.6.1. Acquisitions of items that do not meet the definition of an asset must be recorded in the inventory register.

13.6.2. Examples of items that do not qualify as assets are:

- a) Stationery
- b) Consumables
- c) Minor spare parts
- d) Water and purification chemicals

13.6.3. Acquisitions of items that meet the definition of an asset will be bar-coded and recorded in the Fixed Asset Register.

13.6.4. *The Asset Register will include the following information pertaining to individual assets:*

- The measurement based used
- The depreciation methods used
- The useful life
- Depreciation charges (current year)
- The carrying amount
- The accumulated depreciation

- Date of acquisition
- Date and price of disposal (if relevant)
- Increase or the decrease resulting from re-valuations (if relevant)
- Physical location
- The responsible Asset user
- Cost Centre of user department
- Function code
- Brief but meaningful description
- Barcode/Identification number where applicable
- Valuation
- Impairment losses
- Source of finance

#### **14. RESIDUAL VALUE, USEFUL LIFE & DEPRECIATION METHOD**

- 14.1.1. The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date if the expectations differ from previous estimates; the change is accounted for as a change in accounting estimate.
- 14.1.2. Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.
- 14.1.3. Item of PPE shall be depreciated on a straight-line method.
- 14.1.4. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

#### **15. IMPAIRMENT**

- 15.1.1. GRAP 21 requires an entity to assess, at each reporting date, whether there are any indications that an asset may be impaired. Only if an indication(s) exists is an entity required to estimate the recoverable service amount of the asset and compare it to the asset's carrying amount.
- 15.1.2. To test for impairment, the municipality needs to compare the carrying amount of the asset to its recoverable service amount. If either the fair value less costs to sell or value in use is higher than the carrying amount, the asset is not impaired.
- 15.1.3. An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.
- 15.1.4. Recoverable service amount is the higher of a non-cash-generating asset's fair value less cost to sell and its value in use.

- 15.1.5. An impairment loss is recognised immediately in surplus or deficit, except where an asset is carried at a revalue amount in accordance with another Standard of GRAP.
- 15.1.6. If there are indications that an individual asset previously impaired is no longer impaired, the reversal of the impairment loss is recognised in surplus or deficit, unless the asset is carried at revalued amount in accordance with another standard of GRAP.

## 16. DISPOSAL OF ASSETS

**16.1.** The municipality may dispose of its PPE in terms of the SCM policy.

### 16.2. PROCEDURES

- 16.2.1. All **classes of movable assets:** It is the responsibility of each custodian to report any obsolete/ damaged or stolen asset under their custodian-ship to the asset management unit.
- 16.2.2. **Vehicles:** Fleet coordinator with the assistance of a mechanic (Service provider) shall assess the working condition of all vehicles and identify all vehicles which are no longer working and can no longer be rehabilitated. A list of such vehicles shall be provided to the asset management unit.
- 16.2.3. **IT equipment:** The working condition of all IT related equipment shall be assessed by the IT team and a written recommendation on whether to dispose or rehabilitate shall be provided to asset management unit by the IT manager.
- 16.2.4. **Infrastructure assets:** a service provider specializing in the assessment of the working condition of the infrastructure assets and based on the recommendations the infrastructure asset shall either be rehabilitated or refurbished. If disposal as a separate component is possible that shall be exercised as the last alternative.

## 17. DERECOGNITION

- 17.1.1. Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.
- 17.1.2. The gain or losses arising from de-recognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

## 18. INVESTMENT PROPERTY

- 18.1.1. An asset held for capital appreciation as well as to earn rentals shall be classified as investment property.
- 18.1.2. Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.
- 18.1.3. Investment property shall initially be recognised at cost and transaction cost shall be included in initial measurement. Where an asset is obtained at no cost or nominal cost, its cost should be measured at fair value on the date of acquisition.
- 18.1.4. Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.
- 18.1.5. Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.
- 18.1.6. Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.
- 18.1.7. Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.
- 18.1.8. Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:
- land held for long-term capital appreciation rather than for short-term sale in the ordinary course of operations;
  - land held for a currently undetermined future use;
  - a building owned by the entity (or held by the entity under a finance lease) and leased out under one or more operating leases on a commercial basis and a building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

## **19. INTANGIBLE ASSETS**

- 19.1.1. An intangible asset is separable, i.e. is capable of being separated or divided from the entity and then sold, transferred or used on its own or together with other assets

19.1.2. It arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

19.1.3. Where software is an integral part of the related hardware, i.e. the hardware cannot operate without the software, the software will be treated as property, plant and equipment together with the related hardware already recognised, which will normally be computer equipment.

19.1.4. Where the software is not an integral part of the related hardware, i.e. the hardware can operate without the software, the municipality shall determine whether the cost meets the definition and recognition criteria of an intangible asset and if met, capitalise the cost as an intangible asset.

19.1.5. An intangible asset shall be recognising when it meets all the recognition criteria as outlined in GRAP 31.

## **20. Recognition of inventory shall be:**

- ✓ When it's probable that future economic benefits will flow into the entity; and
- ✓ Cost of the inventory can be reliably measured.

### **20.1. Initial Measurement**

Inventories shall initially be recognized at **cost** which includes all costs of purchases, cost of conversion and any other costs incurred to bringing the inventories to its present location and condition.

### **20.2. Subsequent measurement**

Inventory shall subsequently be measured at the lower of cost and net realizable value.

### **20.3. Cost Formula**

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

### **20.4. Types of Inventory**

*Masilonyana Local Municipality has the following types of inventory:*

- Consumables
- Water
- Vacant stands

### **20.5. Requisition of Inventory**

- An internal requisition form for inventory to be ordered is issued out to the main store in Theunissen.
- The inventory requisition form must be signed for authorisation.

- On a daily basis the inventory module must be updated accordingly with inventory issued.
- Monthly reconciliations must be performed between the inventory module and general ledger to ensure accuracy.

## **20.6. Inventory Count**

- The inventory count is performed once a month to identify obsolete and slow moving stock and to prevent stock theft.

*The inventory stock sheet is printed out and following count process is followed for consumables:*

- Stock count is performed on a systematic basis from one point of the store room to the other ensuring that all stock is counted. All stock that is counted should be clearly marked (with stickers or some other method) to ensure that all stock was counted and to avoid double counting.
- All items where deviations between theoretical and actual stock are identified should be recounted and the stock clerk should be notified to investigate possible reasons for deviations.
- When the amount of stock found by physical examination fails to agree with the balance of stock records, a discrepancy exists.
- If the stock found exceeds the recorded figure there is a surplus and, conversely, if the physical stock is less than the book figure, there is a deficit.
- After the stock controller has agreed that a discrepancy exists, the procedure depends upon the nature and the value of the discrepancy. Large amount will have to be investigated. The degree of the investigation is a matter of judgement in circumstances of each case.

*The following list of steps to be taken should be considered:*

- Examine the transactions since the date of the last check to make sure that there are no errors or obvious omission or duplication in recording.
- See that there has been no confusion over units of issue.
- Check the basic documents (e.g. receipts).
- Report with the details of the discrepancies is given to the HOD of the department for the final decision of discrepancies.
  - A journal is processed for any obsolete or damaged stock written off after approval is obtained from the council.

## **21. LAND INVENTORY**

- 21.1.** Any land or buildings owned or acquired by the Municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the Municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted or as

inventory, and not included in either property, plant and equipment or investment property in the Municipality's statement of financial position.

**21.2.** Such inventories shall, however, be recorded in the assets register in the same manner as other assets, but a separate section of the assets register shall be maintained for this purpose.

## **22. INSURENCE CLAIM**

**22.1.** All the theft/damaged to the municipal PPE shall be reported by the responsible custodian to the ASSET management department within 48hours after such incident has taken place. The following information shall be submitted to asset management unit for the purposes of insurance claim:

- Detailed report by the custodian of the asset
- In cases of theft a report from SAPS
- Photos as evidence of the incident
- Two quotations *(to be obtained from SCM)*
- IT equipment: in cases of damage *(a report from IT assessing the extent of damage)*

**PS:** *In cases of damage the onus is with the custodian of the asset to proof that the damage was not due to negligence. Should the internal investigation reveal that the damage was due to negligence; the custodian shall be held liable for all the costs associated with repairing or replacing that asset.*

## 23. ASSET MAINTENANCE PLAN

### 23.1. VEHICLES

All the vehicles shall be taken for service under the following conditions:

- Petrol vehicles: Every 15 000 kilometres
- Diesel truck: Every 10 000 kilometres
- Tractors: Every 360 hours

**PS. All the maintenance and repairs of the vehicles that are leased from the government garage are done by them.**

NO	VEHICLE MODEL	REGISTRATION NO:	TOWN	DEPARTMENT	Kilometres to date
1.	Hino truck	CLG 581 FS	Theunissen	Social & Community	
2.	Dyna refuse tipper	BNB 138 FS	Theunissen	Social & Community	
3.	Dyna refuse tipper	BNB 139 FS	Theunissen	Social & Community	
4.	Ford tractor - refuse	CBY 910 FS	Theunissen	Social & Community	
5.	Ford tractor - Parks	CBY 898 FS	Theunissen	Social & Community	
6.	Mercedes Benz Tipper	CBX 621 FS	Theunissen	Social & Community	
7.	JCB	CGK 218 FS	Theunissen	Social & Community	
8.	Ford tractor	CLG 644 FS	Theunissen	Social & Community	
9.	Nissan hard body	FBM 003 FS	Theunissen	Social & Community	
10.	Refuse trailer	CBX 623 FS	Theunissen	Social & Community	
11.	Wagon trailer	CBY 904 FS	Theunissen	Social & Community	
12.	Atlas Copco compressor	CBY 906 FS	Theunissen	Social & Community	
13.	Blue refuse wagon	No registration number	Theunissen	Social & Community	
14.	Ford tractor	CLL 868 FS	Brandfort	Social & Community	
15.	Ford tractor	CLL 862 FS	Brandfort	Social & Community	



16.	JCB	CGK 219 FS	Brandfort	Social & Community	
17.	Nissan hard body	FBM 024 FS	Brandfort	Social & Community	
18.	Refuse wagon	CNM 614 FS	Brandfort	Social & Community	
19.	Refuse wagon	CNM 611 FS	Brandfort	Social & Community	
20.	Refuse Trailer	CGC 542 FS	Brandfort	Social & Community	
21.	Massey Ferguson Tractor	BGM 172 FS	Winburg	Social & Community	
22.	Nissan hard body	FBM 022 FS	Winburg	Social & Community	
23.	Refuse wagon	BJW 687 FS	Winburg	Social & Community	
24.	Fiat tractor	CSG 818 FS	Soutpan	Social & Community	
25.	Refuse tipper trailer	No registration number	Soutpan	Social & Community	
25.	Fiat tractor	CSG 818 FS	Verkeerdevlei	Social & Community	
26.	Refuse trailer	CSG 542 FS	Verkeerdevlei	Social & Community	
<b>Government garage vehicles</b>					
27.	Toyata Hino 500 1324 Tipper	GPC 750 FS	Government garage		
28.	Toyata Hino 500 1324 Tipper	GPC 746 FS	Government garage		
29.	Toyata Hino 500 1324 Tipper	GPC 747 FS	Government garage		
30.	Toyata Hino 500 1324 Tipper	GPC 748 FS	Government garage		
31.	Toyata Hino 500 1324 Tipper	GPC 749 FS	Government garage		
32.	Toyata Etios	GBJ 840 FS	Government garage		
33.	Toyata Etios	GBJ 839 FS	Government garage		
34.	Toyata Etios	GBJ 837 FS	Government garage		
35.	Audi A4 2.0 TDI	GBJ 736 FS	Government garage		
36.	BMW X5	GBJ 047 FS	Government garage		
	Dyna Flat buck truck	BFJ 628 FS	Theunissen	Technical	
	Ford tractor	CBY 909 FS	Brandfort	Technical	

	Toyota tipper truck	CBX 620 FS	Theunissen	Technical	
	Cherry picker truck	CJX 653 FS	Theunissen	Technical	
	Septic tank truck	CJX 654 FS	Theunissen	Technical	
	Nissan LDV	DYX 481 FS	Theunissen	Technical	
	Nissan LDV	FBM 006 FS	Theunissen	Technical	
	Nissan LDV	FBM 016 FS	Theunissen	Technical	
	Toyata 1600 LDV	BPB 162 FS	Theunissen	Technical	
	Toyota Quantum	DMG 451 FS	Theunissen	Technical	
	Toyota Quantum	DLT 638 FS	Theunissen	Technical	
	Gallion Grader	FVW 672 FS	Theunissen	Technical	
	Cherry picker	FVJ 826 FS	Theunissen	Technical	
	Trailer - Water	FBP 119 FS	Theunissen	Technical	
	Trailer - Water	FBP 120 FS	Theunissen	Technical	
	Night soil trailer	CLZ 772 FS	Theunissen	Technical	
	Septic tank trailer	CBX 631 FS	Theunissen	Technical	
	Tipper Tractor trailer	CBY 908 FS	Theunissen	Technical	

## 23.2. BUILDINGS

NO	ERF NO	DESCRIPTION	TOWN	TYPE OF MAINTENANCE MINOR OR MAJOR <i>(Give a brief description of what needs to be done)</i>	DATE OF MAINTENANCE	RESPONSIBLE PERSON
<b>MUNICIPAL OFFICES</b>						
1	REM OF SMALDEEL 262	MAIN BUILDING	THEUNISSEN			
2	REM OF SMALDEEL 262	MM OFFICE	THEUNISSEN			
3	MASILO 4361	SPEAKERS OFFICE	MASILO			
4	MASILO 9/6422, 10/6422, 11/6422, 12/6422	INFORMATION CENTRE	MASILO			
5	ERF 708	MUN OFFICE	WINBURG			
6	3/615	MUN OFFICE	BRANDFORT			
7	REM OF VERKEERDEVLEI TOWNLANDS 1038	MUN OFFICE	VERKEERDEVLEI			
8	SITE 24	MUN OFFICE	TSHEPONG			
<b>TOWN HALLS</b>						
9	REM OF SMALDEEL 262	Town hall	THEUNISSEN			
10	SITE 675	Community hall	MASILO			
11	ERF 497	Town hall	WINBURG			
12	SITE 729	Community hall	MAKELEKETLA			
13	SITE 615	Town hall	BRANDFORT			
14	SITE 1080	Community hall	MAJWEMASWEU			
15	erf 316	Town hall	VERKEERDEVLEI			
16	115 and 116	Community hall	TSHEPONG			
<b>HOUSING</b>						

17	23 & 48 BRANDFORT	10 FLATS	BRANDFORT			
18	607	RESIDENTIAL	Majwemasweu			
19	900	RESIDENTIAL	Makeleketla			
20	827	RESIDENTIAL	Makeleketla			
21	345	RESIDENTIAL	Makeleketla			
22	1745	RESIDENTIAL	Makeleketla			
23	1264	RESIDENTIAL	Masilo			
24	1265	RESIDENTIAL	Masilo			
25	1270	RESIDENTIAL	Masilo			
26	1271	RESIDENTIAL	Masilo			
27	1294	RESIDENTIAL	Masilo			
28	4290 & 4291	RESIDENTIAL	Masilo			
<b>SPORTS GROUND</b>						
29	REM OF THE FARM SMALDEEL 262	<i>sportgronde squash courts</i>	THEUNISSEN			
30	REM OF THE FARM SMALDEEL 262	<i>golf club</i>	THEUNISSEN			
31	85	<i>bowls club</i>	THEUNISSEN			
32	696	<i>tennis club</i>	THEUNISSEN			
33	SITE 1187	<i>soccer field</i>	MASILO			
34	4358	<i>masilo sport stadium</i>	MASILO			
35	REM OF THE FARM WINBURG DORPS GRONDEN 681	<i>bowls club</i>	WINBURG			
36	10	<i>tennis club</i>	WINBURG			
37	372	<i>sport ground</i>	WINBURG			
38	REM OF THE FARM WINBURG DORPS GRONDEN 681	<i>golf club</i>	WINBURG			
39		<i>sport grounds</i>	MAKELEKETLA			
40	Por. of erf 581 and rem of the farm brandfort dorps gronde 720	<i>sport grounds</i>	BRANDFORT			
41	REM OF THE FARM BRANDFORT DORPSGRONDE 720	<i>tennis and squash courts</i>	BRANDFORT			
42	581	<i>landbou grond</i>	BRANDFORT			

43	REM OF THE FARM BRANDFORT DORPSGRONDE 720	<i>New sport grounds</i>	Majwemasweu			
44	Site 750 & 793	<i>Tennis courts</i>	Majwemasweu			
45	579	<i>Old soccer</i>	Majwemasweu			
46	REM OF THE FARM VERKEERDEVLEI TOWNLANDS 1038	<i>tennis club</i>	verkeerdevlei			
47	REM OF THE FARM VERKEERDEVLEI TOWNLANDS 1038	<i>rugby veld</i>	Tshepong			
<b>CEMETRIES</b>						
48	SITE 3938		Masilo			
49	REM OF THE FARM MASILO 597	PHAMENG	MASILO			
50	1148		masilo			
51	3560		MASILO			
52	REM OF THE FARM MASILO 597	porposed graveyard				
53	SITE 1916		MASWEMASWEU			
54	SITE 2579		MASWEMASWEU			
55	REM OF BRANDFORT TOWNLANDS 720		MASWEMASWEU			
56	SITE 1917					
57	REM OF SMALDEEL 262	NEW GRAVEYARD	THEUNISSEN			
58	REM OF SMALDEEL 262	OLD GRAVE YARD	THEUNISSEN			
59	REM OF BRANDFORT TOWNLANDS 720		BRANDFORT			
60	REM OF WINBURG DORPSGRONDEN 681		WINBURG			
61	REM OF WINBURG DORPSGRONDEN 681	<i>boere oorlog</i>				
62	REM OF VERKEERDEVLEI TOWNLANDS 1038		VERKEERDEVLEI			
63	REM OF VERKEERDEVLEI TOWNLANDS 1038		TSHEPONG			
64	4		TSHEPONG			

65	SITE 508 MAKELEKETLA	OLD ONE	makeleketla			
66	REM OF WINBURG DORPSGRONDEN 681	NEW ONE TO BOSHRAND				
67	REM OF WINBURG DORPSGRONDEN 681	OLD ONE				
68	REM OF WINBURG DORPSGRONDEN 681	AT SEWERAGE F ARM				
<b>CHURCHES</b>						
70	REM OF SMALDEEL 262 (KESTELL STRAAT)		THEUNISSEN			
71	MASILO 721		MASILO			
72	4794		MASILO			
73	ON PARK SITE 1395		MAKELEKETLA			
74	SITE 851		MAKELEKETLA			
75	Portion of site 579		MAJWEMASWEU			
76	Site 110		TSHEPONG			
<b>LANDFILL SITE</b>						
77	REM SMALDEEL 262		THEUNISSEN			
78	REM OF WINBURG DORPSGRONDEN 681		WINBURG			
79	REM OF BRANDFORT TOWNLANDS 720		BRANDFORT			
80	REM OF VERKEERDEVLEI 1038		VERKEERDEVLEI			
<b>WATER WORKS</b>						
82	SUB 4 & 9 PAARDEVLEI 443		THEUNISSEN			
83	Rem of paardevlei 443	accommodation to revamp 11 units	THEUNISSEN			
84	REM OF WINBURG DORPSGRONDEN 681	bore hole 1	WINBURG			
85	REM OF WINBURG DORPSGRONDEN 681	bore hole 2	WINBURG			

<b>86</b>	REM OF WINBURG DORPSGRONDEN 681	<i>bore hole 3</i>	WINBURG			
<b>87</b>	REM OF WINBURG DORPSGRONDEN 681	<i>bore hole 4</i>	WINBURG			
<b>88</b>	Portion 1 of the farm lekkerleven 281 Thn RD		BRANDFORT			
<b>89</b>	Rem of Brndfort townlands 720	<i>bore hole 1</i>	BRANDFORT			
<b>90</b>	Rem of Brndfort townlands 720	<i>bore hole 2</i>	BRANDFORT			
<b>91</b>	Rem of Brndfort townlands 720	<i>bore hole 3</i>	BRANDFORT			
<b>92</b>	Rem of Brndfort townlands 720	<i>bore hole 4</i>	BRANDFORT			
<b>93</b>	Rem of Brndfort townlands 720	<i>bore hole 5</i>	BRANDFORT			
<b>94</b>	153	<i>bore hole 1</i>	TSHEPONG			
<b>95</b>	Rem of verkeerdevelei townlands 1038	<i>bore hole 2</i>	VERKEERDEVLEI			
<b>96</b>	Rem of verkeerdevelei townlands 1038	<i>bore hole 3</i>	VERKEERDEVLEI			
<b>97</b>	Rem of verkeerdevelei townlands 1038	<i>bore hole 4</i>	VERKEERDEVLEI			
<b>98</b>	Rem of verkeerdevelei townlands 1038	<i>bore hole 5</i>	VERKEERDEVLEI			
<b>99</b>	Rem of verkeerdevelei townlands 1038	<i>borehole 6</i>	VERKEERDEVLEI			
<b>WATER PURIFICATION BUILDING</b>						
<b>100</b>	SUB 4 & 9 PAARDEVLEI 433		THEUNISSEN			
<b>101</b>	rem of brandfort townlands 720		BRANDFORT			
<b>102</b>	rem of brandfort townlands 720		BRANDFORT			
<b>RESEVOIRS</b>						
<b>103</b>	REM OF SMALDEEL 262		THEUNISSEN			
<b>104</b>	REM OF WINBURG DORPSGRONDEN 681		WINBURG			
<b>105</b>	REM OF BRANDFORT TOWNLANDS 720		BRANDFORT			

106	REMAINDER OF THE FARM VERKEERDEVLEI 1038		VERKEERDEVLEI			
107	REMAINDER OF PORTION 1 OF THE FARM VERKEERDEVLEI 1038		Tshepong			
108	SITE 1188 MASILO		MASILO			
<b>SEWERAGE PLANT</b>						
109	REM of the farm Spesbona 270		THEUNISSEN			
110	REM OF WINBURG DORPS GRONDEN 681		WINBURG			
111	REM OF BRANDFORT TOWNLANDS 720		BRANDFORT			
112	REM OF VERKEERDEVLEI TOWNLANDS 1038		VERKEERDEVLEI			
<b>ELECTRICIAL ( POWERSTATIONS)</b>						
113	REM OF SMALDEEL 262		THEUNISSEN			
114	REM OF WINBURG DORPSGRONDEN 681		WINBURG			
115	REM OF BRANDFORT TOWNLANDS 720		BRANDFORT			
116	Stores					
117	SITE 2 OF 6422 MASILO (WOLTEMADE STRAAT)	Municipal purposes	THEUNISSEN			
118	REM OF THE FARM WINBURG DORPSGRONDEDN 681	Municipal purposes	WINBURG			
119	ERF 582	Municipal purposes	BRANDFORT			
120	Site 89 & 90 verkeerdevlei	Municipal purposes	VERKEERDEVLEI			
<b>OTHER BUILDINGS</b>						
121	1/723	<i>used by work on fire</i>	WINBURG			
122	ERF 1/729 WINBURG NOT REGISTERED	<i>OLD POWER STATION</i>	WINBURG			



<b>123</b>	REM OF THE FARM WINBURG DORPS GRONDEN 681	<i>VOORTREKKER MONUMENT</i>	WINBURG			
<b>124</b>	161	<i>OLD CLINIC delapidated</i>	WINBURG			
<b>125</b>	SITE 740		BRANDFORT			
<b>126</b>	583		BRANDFORT			
<b>127</b>	571	<i>old age home</i>	MASILO			
<b>128</b>	1154	<i>parking</i>	MASILO			
<b>129</b>	1247	<i>library</i>	MASILO			
<b>130</b>	1248	<i>SAP</i>	MASILO			
<b>131</b>	1246	<i>Masilo clinic</i>	MASILO			
<b>132</b>	3229	<i>Lusaka clinic</i>	MASILO			
<b>133</b>	1063	<i>OLD MARANTHA CLINIC</i>	Majwemasweu			
<b>134</b>	POR OF SUB 26 OF BRANDFORT TOWNLANDS 720	<i>NEW CLINIC</i>	Majwemasweu			
<b>135</b>	1558	<i>CLINIC</i>	Majwemasweu			
<b>136</b>	2286	<i>CLINIC</i>	Makeleketla			
<b>137</b>	1614	<i>CLINIC</i>	Makeleketla			
<b>138</b>	1614	<i>OLD POLICE BUILDING</i>	Makeleketla			
<b>139</b>	929	<i>OLD CRECHE</i>	Makeleketla			
<b>140</b>	499	<i>OLD BUILDING</i>	Makeleketla			
<b>141</b>	2	<i>training centre</i>	TSHEPONG			
<b>OLD SWIMMING POOL</b>						
<b>142</b>	Rem of smaldeel 262	not in use	THEUNISSEN			
<b>143</b>	rem of winburg dorps gronden 681	not in use	WINBURG			

### 23.3. WATER TREATMENT PLANT & WASTE WATER TREATMENT PLANT

Item description (Maintenance)	Maintenance dates for the year 2016/17											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Water Maintenance</b>												
Cleaning reservoirs (annually)						30						
<b>Waste Water Maintenance</b>												
Raw water pump and motor 1 greasing (wolwasdam)	5&19	12&26	11&25	18&22	13&27	10&24	8&22	12&26	9&23	7&21	11&25	9&23
Raw water pump and motor greasing (Rietfontein dam)	5&19	12&26	11&25	18&22	13&27	10&24	8&22	12&26	9&23	7&21	11&25	9&23
clear water pump and motor 1 greasing	5&19	12&26	11&25	18&22	13&27	10&24	8&22	12&26	9&23	7&21	11&25	9&23
clear water pump and motor 2 greasing	5&19	12&26	11&25	18&22	13&27	10&24	8&22	12&26	9&23	7&21	11&25	9&23
sedimentation tank greasing	5&19	12&26	11&25	18&22	13&27	10&24	8&22	12&26	9&23	7&21	11&25	9&23
waste water treatment works												
settling tank 1 - wheel greasing	8&22	5&19	4&18	1&15	6&20	3&17	1&15	5&19	2&16	1&21	4&18	2&16

settling tank 2 - wheel greasing	8&22	5&19	4&18	1&15	6&20	3&17	1&15	5&19	2&16	1&21	4&18	2&16
settling tank 3 - wheel greasing	8&22	5&19	4&18	1&15	6&20	3&17	1&15	5&19	2&16	1&21	4&18	2&16
settling tank 4 - wheel greasing	8&22	5&19	4&18	1&15	6&20	3&17	1&15	5&19	2&16	1&21	4&18	2&16
Aerator 1 - pump and motor greasing	8&22	5&19	4&18	1&15	6&20	3&17	1&15	5&19	2&16	1&21	4&18	2&16
Aerator 2 - pump and motor greasing	8&22	5&19	4&18	1&15	6&20	3&17	1&15	5&19	2&16	1&21	4&18	2&16
Aerator 3 - pump and motor greasing	8&22	5&19	4&18	1&15	6&20	3&17	1&15	5&19	2&16	1&21	4&18	2&16
Aerator 4 - pump and motor greasing	8&22	5&19	4&18	1&15	6&20	3&17	1&15	5&19	2&16	1&21	4&18	2&16
Pump station 1 - pump and motor greasing	8&22	5&19	4&18	1&15	6&20	3&17	1&15	5&19	2&16	1&21	4&18	2&16
pump station 2 - pump and motor greasing	8&22	5&19	4&18	1&15	6&20	3&17	1&15	5&19	2&16	1&21	4&18	2&16
pump station 3 - pump and motor greasing	8&22	5&19	4&18	1&15	6&20	3&17	1&15	5&19	2&16	1&21	4&18	2&16

**ANNEXURE A: AVERAGE USEFUL LIFE OF ALL CLASSES OF ASSETS**

The following is a list of infrastructure assets, with the assigned or estimated useful lives in years in brackets:-

<b>ITEM</b>	<b>DEPRECIATION METHOD</b>	<b>AVERAGE USEFUL LIFE</b>
Buildings	Straight-line	30 - 100 Years
Furniture and fixtures	Straight-line	6 - 7 Years
Motor vehicles	Straight-line	4 - 15 Years
Office equipment	Straight-line	3 - 10 Years
IT equipment	Straight-line	3 Years
Infrastructure	Straight-line	10 - 100 Years
Community	Straight-line	3 - 100 Years
Other property, plant and equipment	Straight-line	1 - 40 Years
Roads and Paving Infrastructure	Straight-line	15 - 100 Years
Refuse Infrastructure	Straight-line	15 Years
Electricity Infrastructure	Straight-line	40 - 75 Years
Water Infrastructure	Straight-line	10 - 100 Years
Sewerage Infrastructure	Straight-line	45 - 60 Years
Housing Infrastructure	Straight-line	30 Years
Watercraft	Straight-line	15 Years
Bins and containers	Straight-line	5 Years
Specialised plant and equipment	Straight-line	1 - 40 Years
Landfill sites	Straight-line	10 - 100 Years
Quarries	Straight-line	5 - 25 Years
Emergency equipment	Straight-line	5 - 7 Years
Water/Electricity meters	Straight-line	20 Years
Solar lights	Straight-line	50 Years
High mast lights	Straight-line	40 Years
Street lights	Straight-line	40 Years
Finance lease assets	Straight-line	3 - 5 Years
Specialised vehicles	Straight-line	3 - 60 Years

**ANNEXURE B: INTERNAL ASSET TRAFER FORM**

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**Masilonyana Local Municipality**



Name: ..... Department: ..... Date: .....

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**A. ASSET DETAIL:**

Item Description	Barcode/Serial no	Registration no (If it's a vehicle)	Room no

**B. TRANSFER DETAILS:**

**Current Department:** ..... **Current Location:** ..... **Current Custodian:** .....

**New Department:** ..... **New Location:** ..... **New Custodian:** .....

**Date Transferred:** *Month*..... *Day* ..... *Year 20*.....

**Briefly explain why the asset is being transferred:**

.....  
.....  
.....  
.....

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**C. AUTHORISATION:**

**Recommended by** (*Manager Assets*): ..... **Date:** (*DDMMYYYY*) ..... **Signature:** .....

**Approved by** (*HOD of transferring department*): **Date:** (*DDMMYYYY*) ..... **Signature:** .....

**Received by** (*HOD of the receiving department*): **Date:** (*DDMMYYYY*) ..... **Signature:** .....

**ANNEXURE C: ASSET ACKNOWLEDGEMENT FORMS**

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**SECTION A**

<b>PERSONAL DETAILS</b>	
<b>Surname:</b>	
<b>First name:</b>	
<b>Employee no:</b>	
<b>Physical address:</b>	
	<b>Postal code:</b>
<b>Cell no:</b>	
<b>Alternative no:</b>	
<b>Email address:</b>	

**SECTION B**

<b>DETAILS OF ASSETS</b>			
<b>ASSET DESCRIPTION</b>	<b>BARCODE/SERIAL NUMBER</b>	<b>LOCATION (e.g. Theunissen)</b>	<b>Room number</b>

**SECTION C**

<p>I..... (Initial &amp; Surname) hereby declared that the information and particulars furnished above are true and correct to the best of my knowledge and belief that nothing has been concealed. I further acknowledge that I have received all the assets listed above and take full responsibility of the assets in my position and will therefore be held accountable should these assets get lost in my position.</p> <p>Signature: ..... Date: .....</p>
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Initial & Surname (*Supervisor*)..... Signature: .....