



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Asset Verification

LOCAL GOVERNMENT ASSET MANAGEMENT IMPROVEMENT PROGRAMME - 2022

Making progress possible. **Together.**

Disclaimer

The views and opinions expressed in this presentation are those of the individual.

Official positions of the City of Cape Town on accounting matters are determined only after extensive due process and deliberation.

AGENDA

- Asset Verification overview
- Practical applications and issues
- Asset reconciliation between the assets verified and the asset register
- Questions?

ASSET VERIVICATION OVERVIEW

LEGISLATION

- **S.63 - MFMA**

- (1) - The accounting officer of a municipality is responsible for the **management of ...assets...** of the municipality
- (2) - The accounting officer must ...take all reasonable steps to ensure that the municipality has and maintains a management, accounting and information **system that accounts for the assets**, and that the municipality has and maintains a **system of internal control of assets...**, including an **asset ... register**

IDP ALIGNMENT

- Corporate Objective
- Key Operational Indicator

Alignment to IDP		CSC Indicator No. Program No	Measuring Directorate	Corporate Objective	Indicator (to include unit of measure)
No.	Pillar & Corporate Objective				
16	SFA 5: Well-Run City	-	Finance	5.1 Operational sustainability	Percentage of assets verified

- Corporate vs Individual ED's

TARGET

- City of Cape Town – Per individual Directorate (13)
- ED Scorecards
- 100% target?

PRACTICAL APPLICATIONS AND ISSUES



ANNUAL VERIFICATION

- Movable assets
- Start date
- Base amount
- End date (year end)
- Own system vs external

BARCODES



SCANNER



RS30 touch mobile computer



Protective boot



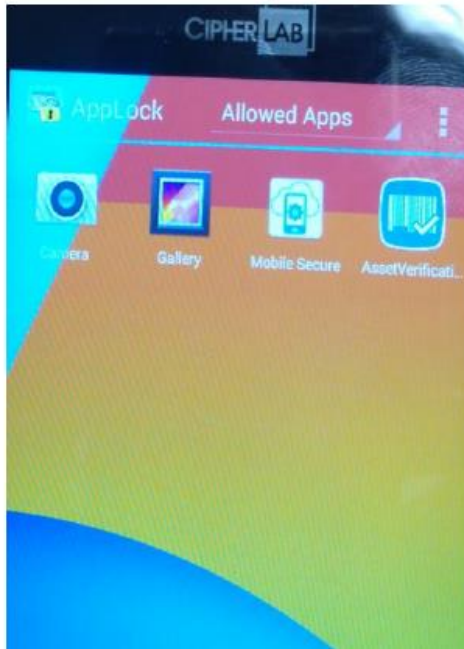
Simcard



USB snap-on cable



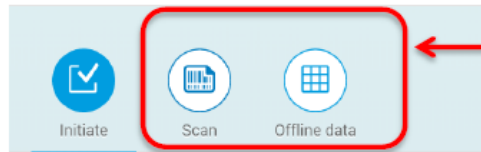
Home Screen - Asset Verification Application Icon



Select the Asset Verification app

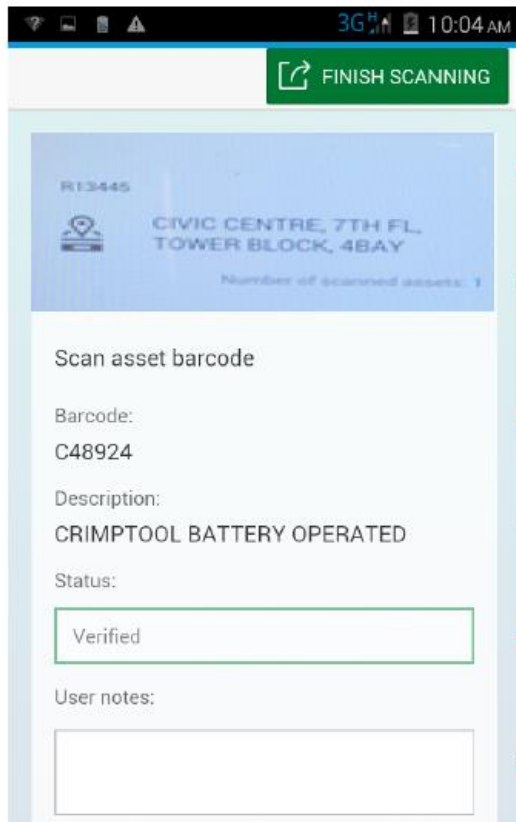
AssetVerification





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- **Log out** option displayed
- **Username** displayed
- **Scan & Offline** Menu icons immediately enabled
- Select **Test Barcode scanner** to test the barcode reader (test first before actual scanning)
- Select **Retrieve data** only from day two or when you want to scan newly created assets, or
- For ad-hoc scanning during the year, this should enable any new acquisitions to be loaded onto the device



- Display **location** information
- Display **tally** of scanned assets
- Display **Asset Barcode**
- Display **Asset Description**
- Display **Status**
- Insert Notes where required

NOTES

- Movable vs Immovable
- Non bar-codable assets
- Scanning vs manual verification
- New Assets
- Transfers and write-offs strictly controlled
- Movement of assets during the year
- Reports during the verification
- Weekly status reports for management
- Retention of records – audit trail etc.

RECONCILIATION BETWEEN THE ASSETS VERIFIED AND THE ASSET REGISTER



REPORTING

- Non-compliance of S122 (1) and S63 may have a negative impact on the audit opinion.
- Report at end of verification – per Directorate
- Unverified assets to be investigated
- Collated for approval by CFO
- Write off request
- Asset written off for AFS
- Section 14 read with section 90 of the MFMA to be complied with

RECONCILIATION

- Asset register should be contained in the Accounting system
- Asset Register should thus automatically be reconciled with the general ledger
- Verification – Results in asset written off
- Verification – Does not result in “new” assets added
- Process for “new assets” identified
- Materiality

QUESTIONS?



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Thank You

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