



Asset Management Strategy


Version control

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Responsible Manager: Chief Financial Officer

Recommended :  _____  _____

Mr. T Holele **Date**

Approved by the Head of Department:

 _____  _____

Mr. MP Dichaba **Date**

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1. Introduction

The purpose of the asset management strategy is to guide the Department with respect to the management of its assets across all phases of the life-cycle in order to attain strategic and service delivery objectives in a cost-effective manner.

Movable assets are acquired to attain the Department's strategic objectives. Service delivery requirements inform the acquisition of movable assets and asset management practices and decisions.

Department's movable assets mainly include office furniture, office- and information technology equipment, as well as its fleet.

Northern Cape Provincial Government leases its motor vehicle fleet from the Northern Cape Fleet Management Entity (NCFMTE).

The Department's asset management strategy should be read together with its supply chain management and asset management policies.

2. Acquisition Plan

Departmental movable assets are acquired and exist for the sole purpose of enhancing service delivery to vulnerable individuals, groups and communities in the Northern Cape Province.

2.1. Office Furniture and Information Technology (IT) Equipment

The acquisition of office furniture and information technology (IT) equipment is planned by service delivery and corporate programmes prior to the beginning of each financial year. Each programme and sub-programme's acquisition plan for the coming financial year is prioritised and aligned with allocated financial resources.

Movable assets, such as office furniture and IT equipment are purchased from local, suppliers in the open market. Suppliers of IT equipment are SITA accredited.

The departmental Information Technology Unit (ITU) shall spearhead the following procedures and process regarding the acquisition of IT equipment as of 01 April 2018

2.1.1. Internal requisitions for notebooks, personal computers and printers are submitted to Asset Management Unit and ICT Unit on the standard IT requisition form.

- 2.1.2. ICT assesses the condition of individual users' existing IT equipment. The life-span of IT equipment is three (3) years. However, if equipment is still in working condition the life-span could be up to five (5) years.
- 2.1.3. Requisitions and ICTMs recommendation per internal requisition are tabled to the Departmental Committee on Information Technology (DITC) for consideration. DITC approves applications for IT equipment aligned with districts' and programme's IT procurement plan over the Medium Term Expenditure Framework (MTEF).
- 2.1.4. ITU furnish specifications for approved IT equipment to supply chain management that acquires the assets through regular supply chain management procedures from SITA accredited suppliers.
- 2.1.5. Suppliers deliver IT equipment to ITU that check for quality and compliance with specifications.
- 2.1.6. Asset Management issue and affix unique asset numbers / bar-codes to IT equipment.
- 2.1.7. ITU prepare the equipment, issue and install the assets to the relevant asset holders based on the requisition received as per sub-paragraph 2.1.1.
- 2.1.8. ITU is responsible for maintenance of IT equipment. IT equipment that can be repaired is send for repairs to suppliers.

2.2. Labour Saving Devices

Photocopy cum facsimile machines are leased in terms of National Treasury's transversal contract 03 for the supply, delivery, installation and maintenance of labour saving devices.

Only when none of the machines on the RT contract meets the requirements of a particular end-user shall the department deviate from the RT contract. Such deviations shall be subject to the Accounting Officers approval.

Since all multi-purpose machines shall be leased maintenance and toner cartridges are included in the lease agreements.

2.3. Office Accommodation

The Department, under the auspices of the Provincial Department of Roads and Public Works, acquired office accommodation in 2014.

3. Maintenance Plan

Maintenance management refers to work needed to maintain an asset in a condition that enables it to reach its service potential over its useful life.

The Department observes the Batho Pele principles that guide service delivery to the public. Service delivery is therefore decentralized to the five (5) Provincial Districts of the Northern Cape Provincial Government, as well as certain towns e.g. Colesberg and Richmond for management of high traffic volumes on the N1.

3.1. Leased Buildings

In instances where office buildings are leased, the lease agreements stipulate the role and duties of the lessor versus the role and duties of the lessee regarding maintenance of the property.


3.2. Government Owned Buildings

The Northern Cape Provincial Government holds the title deeds of all government owned buildings in the Province, whilst the Department of Roads and Public Works (DRPW) is the custodian of the Province's government owned buildings.

The maintenance and/or refurbishment of government owned buildings utilised by the Department. The primary focus of the Sub-Directorate: Facilities Management is the identification of maintenance needs to government owned buildings, aligned with the medium term expenditure framework (MTEF).

The Department of Roads and Public Works (DRPW) is responsible for the invitation of bids and price quotations in respect of maintenance and renovations to government owned buildings. DRPW is also responsible for quality assurance of technical, electrical and construction works. Upon written confirmation from DRPW that technical requirements were met by contractors, the Department of Transport, Safety and Liaison effects payment to the relevant contractor – based on an original invoice.

The service level agreement between the Department and the implementing agent, DRPW is subject to review as and when circumstances change.



3.3. Maintenance of Moveable Assets

The majority of the Departments' office furniture and information technology (IT) equipment carry a current value i.e. <R5 000 per asset. This is particularly applicable to office furniture and IT printers.

3.3.1. Office Furniture

By its very nature, office furniture is regarded as low maintenance assets.

The manufacturer's warranty on office furniture varies between three (3) and five (5) years. It is thus deemed sufficient to monitor the physical condition, functionality and utilisation during quarterly asset verification exercises in lieu of a qualified preventative maintenance plan.

3.3.2. Information Technology (IT) Equipment

All information technology equipment has a 12 month manufacturer's warranty of twelve (12) months. There after the onus is on the departmental IT Unit to assess such equipment for economical repair versus disposal and replacement of IT equipment – aligned with the IT procurement plan over the MTEF period.

4. Disposal Plan

The following procedures apply when the Department relinquishes control over moveable, redundant or obsolete assets:

4.1. Redundant Movable Assets

Redundant assets are still functional with retained service potential and thus donated to non-government/profit organisations.

4.2. Obsolete Movable Assets

Obsolete assets that cannot be recycled are sold by an auctioneer to the highest bidder at a public auction.

4.3. Immovable Assets

Immovable assets are maintained and optimally utilised and will not become redundant in the foreseeable future.

However, in the event that the Department would cease utilising a government owned building, the Department of Roads and Public Works will be notified in its capacity as custodian of such buildings e.g Calvinia

5. Review and Distribution

5.1. The Chief Financial Officer is responsible for this Strategy and for ensuring that it is reviewed and updated.

5.2. This Strategy will be reviewed after 18 months but no later than 3 years of the last publication date. If necessary an updated version will be issued, if not a formal cover letter will be issued to supplement the cover of this Strategy (identifying a revised publication date).

5.3. The senior manager for Policy & Planning will distribute updated versions to:

- Member of the Executive Council
- Head of Department
- All senior managers who will in turn distribute to their staff as appropriate

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