



Department of Public Works, Roads and Transport
MPUMALANGA PROVINCIAL GOVERNMENT

LOSS CONTROL POLICY

Issue:.....2.0
Responsible Section.....Risk Management
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ABBREVIATIONS

SAPS South African Police Service

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DEFINITIONS

Accounting Officer	Means	a person mentioned in section 36 of the Public Finance Management Act, 1999 (Act No.1 of 1999) and includes any person acting as the Accounting Officer;
Department	Means	the Mpumalanga Department of Public Works, Roads and Transport;
Official / Employee	Means	a person who – (a) has been appointed permanently, notwithstanding that such appointment may be on probation, to a post contemplated in section 8(1)(a) of the Public Service Act; or (b) has been appointed on contract in terms of section (8)(c)(ii) of the Public Service Act;
State Cover	Means	the liability that the Accounting Officer will assume on behalf of an official of the Department where no reasons exist for its forfeiture; and
Loss	Means	expenditure incurred without the benefit to the Department whereby the Department suffers/ negatively by the dispossession of an asset/property of the Department.
Vis Major	Means	Superior force that is caused by natural damage or disruptions and it is not preventable by humans.

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1. INTRODUCTION

The Department of Public Works, Roads and Transport strives to provide a framework within which the Department must prevent, limit or reduce unnecessary losses. Treasury Regulations states that the Department must accept liability for any loss or damage suffered by another person that arose from an act or omission of an official, as a claim against the Department and does not recover compensation from an official, provided that the official has not forfeited cover. The policy further attempts to establish a procedure pertaining to the management of losses. This policy shall be read in conjunction with other existing legislations and policies.

2. OBJECTIVES

The objective are to:

- 2.1 Provide guidelines on how to manage report and recover material and financial losses incurred by the Department.

3. REGULATORY FRAMEWORK

- 3.1 Public Finance Management Act, 1999 (Act No. 1 of 1999);
- 3.2 Prescription Act, 1969 (Act No.68 of 1969);
- 3.3 Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000);
- 3.4 Public Service Act, 1994 (Act No.103 of 1994); and
- 3.5 Treasury Regulations.
- 3.6 All Relevant Departmental Policies;



4. SCOPE OF APPLICATION

This policy shall be applicable to all employees of the Department and private bodies/persons who may have a claim against the Department.

5. POLICY STATEMENT

The Department will consider losses and claims in line with Treasury Regulations.

5.1. ASSETS LOST THROUGH DAMAGE OR THEFT

5.1.1. The loss of any government asset/equipment must be reported to loss Control Officer as per the process flow attached.

5.2. MANAGEMENT OF CLAIMS AGAINST THE DEPARTMENT

5.2.1 Section 76(1) of PFMA outlines how the acts or omissions by employees shall be managed by the Department in line with Treasury Regulation issued by National Treasury:

- a) The Department shall generally accept liability for any loss or damage suffered by another person, which arose from an act or omission of an official as a claim against the Department, provided that the official shall forfeit the state cover if he or she after an investigation, finds that, the official is liable in law, and-
 - b) Intentionally exceeded his or her powers;
 - c) Made use of alcohol or drugs;
 - d) Did not act in the course and scope of his or her employment;
 - e) Acted recklessly or intentionally;

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- f) Without consulting the Legal Unit/state attorney, made an admission that was detrimental to the state;
- g) Failed to comply with or ignored standing instructions of which he or she was aware of or could reasonably have been aware of, which led to the loss, damage or reason for the claim, excluding damage arising from the use of a state vehicle; and
- h) In the case of a loss, damage or claim arising from the use of a state vehicle, the official:-
 - i. Used the vehicle without authorization;
 - ii. Did not possess a valid driver's license or other appropriate license;
 - iii. Did not use the vehicle in the interest of the state;
 - iv. Allowed unauthorized person to handle the vehicle; or
 - v. Deviated materially from the official journey or route without prior authorization.
 - vi. Where an official has forfeited the state cover as contemplated in this Policy, the amount paid by the Department for the loss, damage or claim arising from an act or omission shall be recovered from the official concerned;

5.3. MANAGEMENT OF CLAIM BY THE DEPARTMENT AGAINST OTHER PERSONS

5.3.1 Where the Department suffers a loss or damage and needs to make a claim:

- a) First an attempt shall be made to recover the loss through the Department's Legal section;

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- b) Where the other person fails to pay, the Accounting Officer shall, if deemed economical, refer the matter to the relevant section for recovery and legal processes; and
- c) If it is uneconomical to recover the loss the debt may be written-off by the Accounting Officer.

5.4 MANAGEMENT OF LOSSES OR DAMAGES THROUGH CRIMINAL ACTS OR OMISSIONS

- 5.4.1 When it appears that the Department has suffered losses or damages through criminal act or possible omissions, the matter shall be reported, in writing, to the Accounting Officer and the South African Police Service. If liability can be determined, the Accounting Officer shall recover the value of the loss or damage or request replacement from the official/person responsible;
- 5.4.2. The Accounting Officer may write off losses or damages arising from criminal acts or omissions if, after a thorough investigation, it is found that the loss or damage is irrecoverable;
- 5.4.3. When movable assets are written off, this shall be recorded in the asset register; and
- 5.4.4. Where such criminal acts or omissions have been committed by an official in the Department, the above processes shall also be coupled with an internal disciplinary action.

5.5 MANAGEMENT OF LOSSES AND DAMAGES THROUGH VIS MAJOR AND OTHER UNAVOIDABLE CAUSES

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5.5.1. The Accounting Officer may write off losses and damages that result from vis major and other unavoidable causes.

5.6 MANAGEMENT OF LOSS OR DAMAGE THROUGH UNLAWFUL ACTS COMMITTED OR OMISSION BY OFFICIALS

5.6.1 Losses or damages suffered by the Department as a result of an unlawful act or omission by an official shall be recovered from such an official through legal processes.

5.7 LOSS PREVENTION MEASURES

5.7.1 All state property shall be safeguarded against any theft, loss or damage;

5.7.2 Tools, equipment, machines, etc. shall be clearly marked to indicate Departmental ownership;

5.7.3 Any official who becomes aware of any irregularities which may result in any theft, losses or damages of the property of the State shall be required to report to the Loss Control Officer and/or the head of the section; and

5.7.4 Any theft, loss or damage of the property of the state shall be reported to the SAPS within forty eight (48) hours.

6. ROLES AND RESPONSIBILITIES

6.1 Accounting Officer

The Accounting Officer shall ensure the efficient and effective implementation of this policy as part of internal controls within the Department.

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6.2 Loss Control Committee shall be responsible to:

- 6.2.1 Coordinate the administration of losses;
- 6.2.2 Consider reports on losses;
- 6.2.3 Consider liability; and
- 6.2.4 Recommend to the Accounting Officer on action to be taken.

6.3 Departmental officials

- 6.3.1 All officials in the Department shall be aware of this policy and properly execute their duties in line with the policy;

7. MONITORING AND EVALUATION

The Risk Management Section shall monitor and evaluate the implementation of this policy.

8. POLICY REVIEW

The policy shall be reviewed every three years or as and when there are changes in legal frameworks, organizational developments, political and economic trends.

9. DEVIATION

Any deviation from this policy shall be subject to the approval of the Accounting Officer.

10. IMPLEMENTATION DATE

This policy shall be come into effect from the date of approval by the Accounting Officer.

11. APPROVAL

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MC MOROLO
HEAD: PUBLIC WORKS, ROADS AND TRANSPORT
DATE 30/10/2024



ANNEXURE

PROCESS FLOW OF THEFT, LOSSES AND DAMAGE

STEP 1



STEP 2

Report within 48 Hrs to
Who?
What?
When?
Where?
Why?
How?
Use Asset / Loss Report form



• Nearest Police Station



- H/O 013 766 6701or 6718/0609872725/089225642
- GS 013 701 4000/0726935249
- EH 013 762 5600/0829410186
- NKG 013 947 9004/0760793597
- BOH 013 773 8394/0609891398



H/O 013 766 6259
GS 013 701 4000
EH 013 762 5600
NKG 013 947 9004
BOH 013 773 8394



STEP 3

Investigations



- Internal investigation - Report findings to HOD/CFO with recommendations
- External Investigation Follow-up progress with SAPS

Update asset register

- Prosecute perpetrator or withdraw case

STEP 4



Security manager compiles report

STEP 5

**Security Manager
presents report to
Loss Control
Committee**



STEP 6

**Loss Control Committee makes
recommendation to Head of
Department**

STEP 7

**Risk and Security Management
will implement recommendation**