

## **PART 30 – LOSSES, DEFICIENCIES, OBSOLETE AND UNSERVICEABLE STORES**

### **DIVISION 1 - GENERAL**

1. This part sets out the procedure for dealing with losses, deficiencies and condemned, unserviceable or obsolete stores.

2. **Definitions**

**"Competent Authority"** means the person holding the appropriate authority under **Section 108 of the Act** to write off the value of lost, deficient, condemned, unserviceable or obsolete stores' - (see Appendix I).

"Stores" has the same definition as in Part 11 of this Manual.

"Value" means the original cost charged to an expenditure account, or if such is not available, an assessed original cost.

### **DIVISION 2 - LOSS OF OR DAMAGE TO STORES**

#### **(Other than losses found at stocktakes)**

3. A loss of or damage to stores or property attributable to their, misappropriation, fraud or other criminal act shall be made good by the person responsible and Departments should make every effort to effect recovery in full by cash payments and/or withholding moneys due as soon as the loss or damage is known.
4. The following paragraphs of Part 25 of this Manual apply to stores as well as to public moneys.

Paragraph 4 - Liability in respect of Losses or Deficiencies

5 - Prosecution

6 - Surcharge or Court Order to make good

11 - Recovery from Refunds of Superannuation or Benefit Funds

12 - Losses or Deficiencies - Applications for relief by employees

13 - Reporting and Writing Off

14 - Register of Losses

5. In relation to stores the term "misappropriation" shall include:
  - Unauthorised loan

- Possession of Government property by an officer without lawful authority.
- Unauthorised use of Government property, such as for illegitimate purposes or personal benefit.

## **6. LOSSES BY FIRE**

In addition to reports required under paragraph 13 of Part 28 of the Manual, Departments shall report the occurrence of fires on Government property to the Chief Inspector, Department of Treasury with a copy to the Auditor General. The report shall include:

- (a) Date and time of fire
- (b) Location of property
- (c) Description of property
  - (i) Owner
  - (ii) Occupying Department
  - (iii) Construction
  - (iv) Contents
  - (v) Usage
- (d) Cause of fire
- (e) Where there is suspicion of arson, and whether the police investigation has commenced
- (f) Details of fire protection and fire fighting equipment installed
- (g) Comments including advice on the effectiveness of items under (f)

In all cases of loss of life by fire, the coroner shall be asked whether he wishes to hold a coroner's inquest.

- 7. All losses or deficiencies of stores are to be adjusted without delay. If investigations will delay a recommendation beyond three months from the date of the loss or deficiency becoming known, the Competent Authority shall be advised by an interim report.

## **DIVISION 3 - BOARD OF SURVEY**

- 8. Stores with value of not less than K500 shall not be condemned, declared unserviceable or obsolete until they have been inspected by Board of Survey. Departmental officers-in-charge must satisfy themselves for stores up to K500 that the items are no longer fit for use. (Special attention must be given to attractive items, irrespective of value).

9. In centres where the Department of Finance is represented, Boards of Survey shall be constituted by the Department of Finance and will normally consist of three members as follows:
- (a) The Controller or his Deputy from the Division of Supply who shall act as Chairperson.
  - (b) A representative of the National Government Department, Provincial or Local level Government requesting the Board of Survey. In any case, the Assistant Secretary (Administration) or the Administrative Officer in the case of a National Government Department and a representative from the Office of the Provincial or District Administrator in the case of Provincial Government and Local level Government respectively.
  - (c) The third member of the Board shall be the First Assistant Secretary (Expenditure and Cash Management Division) Department of Finance or the Provincial/District Treasurer in the case of the province.

In the case where the Department of Finance or the Provincial Treasury is requesting the Board of Survey, the third member of the Board shall be the Assistant Secretary (Provincial and District Financial Management Division) or the Divisional Clerk and Accountant Expenditure in the case of Provincial or District Treasury.

Generally there should not be two members of a Board representing the department requesting the Board of Survey. In the case of the survey of Division of Supply stores, the appointing authority will select two officers from outside the Supply Division.

10. Where circumstances are such that it is impracticable to appoint three officers, a Board of Survey may be composed of less than three members, such instances being determined by the convening authority taking into consideration the nature and value of the articles to be surveyed. At isolated establishments it may be necessary for the departmental representative as sole member of the Board to conduct the survey on minor items.
11. The Boards shall inspect, report and make recommendations in respect of stores listed as condemned, obsolete or unserviceable. Such a report shall be consecutively numbered. The Board should report all cases where it is considered the condition of stores is not due to fair wear and tear. The reports shall be made to the authority (set out in Appendix I) who has delegated powers to write-off.
12. Care should be taken to ensure that stores held pending examination should, wherever possible, not be returned to store but held on location and all necessary action taken to speed submission of recommendations to the delegate.

13. Having considered the Report, the delegate shall take the decision to write off the stores or approve the sale as scrap of stores having a scrap value or take such other action as the circumstances warrant.

**Note:** It is important to eliminate delays in the processing of Board of Survey reports, especially when the items surveyed are to be submitted for sale by auction or public tender.

14. Perishable or tinned stores likely to damage the quality or destroy other stores or to be a danger to health may be destroyed in anticipation the delegate's approval, once a Board of Survey recommend that they be destroyed. Other stores should not be destroyed without the delegate's prior approval unless in the interest of safety or where time is an essential factor to preserve any valuable component.