



dr.jsmlm

Dr JS Moroka Local Municipality

REVIEWED FOR THE 2026/2027 FINANCIAL YEAR

LOSS CONTROL POLICY

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Chapter A

1. INTRODUCTION

The Municipality will bear its own damages and accident risks and be responsible for all claims and losses of municipal owned property where these arise from council activities by an official who is liable in law and who is or was employed by council. Section 78(1)(b-e) of the Municipal Finance Management Act places the responsibility on each official within their Department to take responsibility for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility. In particular, the official must take effective and appropriate steps to prevent, within that official's area of responsibility, any unauthorised, irregular, fruitless and wasteful expenditure and any under-collection of revenue due.

For the effective management of losses and potential losses, loss control, can be divided to the following main functions:

- a) Reporting all claims, losses, and damage
- b) Ensuring the correct format and content of reports with regard to which claims, losses, and damage are registered
- c) Following up and investigating any claims, losses and damage
- d) Keeping a losses register in which particulars of all losses are recorded
- e) Recovery of money and checking of cases to be finalised

The identification of actions or instances of neglect, which may result in potential claims against or losses for Council, is very important for instituting preventative control measures.

The accounting officer or his/her assignee must delegate the responsibilities attached to loss control as set out in the Municipal Finance Management Act in terms of section 79. This official can, where necessary, obtain the support of nominated officials on a decentralised basis.

2. DEFINITIONS

For the purposes of this policy the following definitions apply:

2.1 "Losses" - any material loss or damages or prejudice to Council or a said person and, without derogating from or limiting the concept, also shortages, damages, fruitless or wasteful expenditure and compensations.

2.2 "Claim" - a lawsuit, action, interdict, arbitration, inquest or dispute and also includes an intended lawsuit, action, interdict, arbitration, inquest or dispute.

3. OBJECTIVE

LOSS CONTROL POLICY

This document t informs departmental officials of the policy on loss control within the Department. This policy applies to all departments of Dr JS Moroka Municipality.

4. RESPONSIBILITY FOR LOSSES

The Accounting Officer has in terms of departmental financial delegation delegated the acceptance of liability for any loss or damage suffered by another person, as for a claim against council, which arose from an act or omission of an official, to the Head of Department concerned

4.1 In terms of CALM Assets Management Policy:

Part 10 – Safekeeping of Assets: Every head of department shall be directly responsible for the physical safekeeping of any asset controlled or used by the department in question. In exercising this responsibility, every head of department shall adhere to any written directives issued by the Chief Financial Officer to the department in question, or generally to all departments, in regard to the control of or safekeeping of the municipality's assets.

Part 18 – General Maintenance of Assets:

Every head of department shall be directly responsible for ensuring that all assets are properly maintained and in a manner, which will ensure that such assets attain their useful operating lives.

Chapter B

REPORTING POTENTIAL CLAIMS, LOSSES AND DAMAGE 1. LOSS CONTROL OFFICERS AND THEIR DUTIES

- a) On account of the organizational composition of the assets & control, a loss control officer must be appointed in each directorate so that loss control can be applied in a regulated and effective manner.
- b) The loss control officer in each directorate (hereafter called the Departmental loss Control Officer (DLCO)); will be responsible for loss control in the relevant directorate and in all offices or institutions under the directorate.
- c) The Asset Accountant will then be the central loss control officer.

1.1 Appointment of departmental loss control officer

1.1.1 The duties attached to loss control are delegated by the accounting officer to an officer in terms of delegation. These powers have been delegated to the Chief Financial Officer (CFO).

1.1.2 The HOD's can arrange that the DLCOs, when necessary, be appointed in writing to take over the duties in connection with loss control in that directorate and the offices and institutions under its management.

1.1.3 The letter of appointment or resolution of a DLCO, including particulars regarding his or her office address and telephone number, is attached. A copy of the letter of appointment must be sent to the CFO. This also applies when appointed DLCOs are replaced.

1.1.4 The DLCO must maintain the details of the appointed loss control officers. These details must be filed when received.

1.2 The duties of departmental loss control officers

1.2.1 The following duties must be delegated to the DLCOs in writing:

- a) Obtaining all details, statements, etc. in connection with claims and losses in a loss register - The timely reporting of all claims and losses to Directorate. Copies of the Departmental Loss must be submitted to the DLCO as soon as all documents are attached.
- b) Liaising with the Legal Office via the Asset Accountant (central loss control officer)
- c) Monitoring claims to prevent prescription
- d) Reminding all employees periodically, by means of departmental directives, instructions, etc. that everything possible must be done on a continuous basis to prevent claims against Council from arising, or to shield the Council against losses.

LOSS CONTROL POLICY

- e) If there were no losses for the period, Asset Accountant(CLCO) must be informed quarterly either by e-mail or in writing that there were no losses.

1.2.2 The Asset Accountant (CLCO) has the following additional duties:

- Co-coordinating the duties of DLCOs regarding loss control
- Following up with Municipal Insurance broker and settling of such cases
- Regular checking of losses registers and cases recorded therein
- Checking all cases for authorization by SCM Manager, the accounting officer or directors
- The reconciliation of written-off items with the respective lost items in the budgeting of expenditures in cases where book entries have been made for the accounting of the written-off items
- Reporting all cases to the office of Risk Management
- Introducing preventative measures to avoid the recurrence of any losses

2. PROCEDURES FOR REPORTING ALL CLAIMS, LOSSES AND DAMAGE

2.1 Reporting cases to the DLCO

2.1.1 The DLCO of a directorate must see to it that all cases (of the kind mentioned above), which arise in the relevant directorate and offices or institutions under its management, are reported to him/her.

2.1.2 Cases must be reported to the DLCO through the submission of a properly completed loss report (form DL01)

2.1.3 Upon receipt of the report, the DLCO must enter the case forthwith in the departmental losses register and assign a unique departmental loss register number to it. A case file must also be opened for each case.

2.2 Reporting cases to Asset Accountant (CLCO)

2.2.1 The DLCO informs the CLCO of all cases that have arisen in a particular directorate and in the offices/institutions under its management. The loss report together with any others supporting documentation relevant to the case must be sent to the CLCO, to be placed on the CLCO's case file

2.2.2 The loss report consists of the following sections:

(a) ABCD Sections

- The department/section where the losses took place completes these sections as soon as possible after the incident.
- The information concerning the incident as requested in this section is self-explanatory.
- As soon as the forms are received by the DLCO, the DLCO must allocate a departmental losses register serial number to the case.
- After it has been completed and signed, the DLCO sends the notification report to the CLCO.

(b) E Section

- The head of the relevant department/section must see to it that all the required declarations are attached. (Memorandum format)

LOSS CONTROL POLICY

- The asset Accountant is responsible for the completion of this section and must see to it that a claim from the insurance is made and followed-up until paid, where necessary.

2.3 General

2.3.1 The DLCO must ensure that cases as set out above are noted and reported to the CLCO and the departmental losses register serial numbers are allocated numerically to cases in the register

2.3.2 No recording of any losses, claims or damage will be dealt with by the DLCO. Rejection will be dealt with centrally by the CLCO.

2.3.3 As soon as it has been received from CLCO, the central losses register serial number and the insurance number will be entered in the losses register opposite the relevant case.

2.3.4 Cases involving more than one item may be reported and entered in the losses register as one case. The number of items and their value must however, be specified separately. The following are a few examples of possible cases:

- Various items, which went missing or were damaged during the same theft or other incident.
- Different items found, damaged or in deficit during the same stocktaking.
- Where more than one debit account (amounts of R100, 00 and less) are considered for writing –off.

2.3.6 After the cases are recorded by means of the above-mentioned process on both the Departmental and the Central Loss Control registers, each DLCO must see to it that the cases are followed up and finalized as soon as possible.

3. REPORTING TO THE OFFICE OF THE RISK MANAGEMENT

The CLCO will report to the office of the Risk Management all items written off and all cases of financial crimes committed during the year by officials of the departments. The report should be submitted on quarterly basis.

Reporting to the Internal Audit

A report should be submitted by the risk management to the Internal Auditors on the losses and crimes committed during the year by officials of the municipality.

Chapter c

FOLLOWING UP AND INVESTIGATING ANY POTENTIAL CLAIMS, LOSSES AND DAMAGE

1. CASE FILES

1.1 The DLCO keeps a case file for each case entered in the Departmental Loss Control register. The correspondence concerning the case and final authorisation to write off the loss, deficit or payment is kept on the case file.

1.2 The CLCO will keep similar case files updated. DLCOs must therefore as soon as a case has been finalized, provide the CLCO with the relevant authorisation or decision leading to closure of the case. All addenda to the authorisation and/or decision by the Legal Service, if any, must be attached to the authorisation.

1.3 The case file kept by the DLCO is filed according to the serial number in the Departmental Loss Control register.

2. SAFE-KEEPING AND DISPOSAL OF CASE FILES

2.1 In terms of Section 13(4) of the National Archives of South Africa (Act No 43 of 1996), read with paragraph 1.4 of the Archives Instructions, loss control officers must ensure the safe keeping of all case files, registers and records in their care.

2.2 Disposal of the above-mentioned case files, registers and records will be disposed in terms of paragraph 2 of the Archives Instructions.

3. FOLLOWING UP AND DEALING WITH CASES

3.1 The DCLO must ensure that all cases are followed up regularly and, where applicable, handed over to the South African Police Service.

3.2 If a legal opinion must be obtained for a particular case, it should happen via the CLCO. The DLCO must also ensure that the following information is given:

- Full particulars concerning the case and the circumstances that led to it,
- Statements containing all relevant information by all persons involved,
- All other documentation related to the case

3.3 The latest progress made with a case must be indicated in the —Follow – up column of the Departmental Loss Control register. The most recent documentation must be filed and a copy sent to the CLCO.

3.4 The CLCO will regularly check departmental losses in order to ensure regular follow-up and full reporting to the Risk Management.

4. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

4.1 According to Chapter 1 of the MFMA:

“Fruitless and wasteful expenditure” means expenditure, which was made in vain and which would have been avoided had reasonable care been exercised.

“Irregular expenditure” means expenditure, other than unauthorized expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

- (a) This Act; or
- (b) The Municipal Systems Act (Act 20 of 1998)
- (c) The Public Office-Bearer Act, 1998
- (d) Any provincial legislation providing for procurement procedures in that provincial government:

“Unauthorized expenditure,” means any expenditure incurred by a municipality other than in accordance with section 15 or 11 (3) and includes-

- (a) Overspending of the total amount appropriate in the municipality’s approved budget
- (b) Overspending of the total amount appropriated for a vote of the approved budget
- (c) Expenditure from a vote unrelated to the department or functional area covered by the vote
- (d) Expenditure of money appropriated for a specific purpose, otherwise than for the specific purpose

4.2 The above-mentioned expenditure must be dealt with according to the guidelines for the preparation of annual reports for national and provincial departments, issued by the National Treasury. These guidelines are updated annually and are available on the National Treasury website of the Office of the Accountant General (OAG) under the public link.

5 GENERAL

5.1 CLAIMS AGAINST THE MUNICIPALITY THROUGH ACTS OR OMISSIONS

Council shall accept liability for any loss or damage suffered by another person (Third Party), as for a claim against the municipality, arising from an act or omission of an official. Due cognisance must take place to ensure that claim exist its falls within stated regulations

5.2 CLAIMS BY THE MUNICIPALITY AGAINST OTHER PERSONS

The Accounting Officer has delegated the institution of legal action, where the municipality suffers a loss or damage and the other person denies liability, to the Director: Corporate Services. Should it be deemed economical, the matter may be referred to the Manager Legal

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services, by the Director: Corporate Services, for legal opinion.

5.3 CLAIMS BY OFFICIALS AGAINST THE MUNICIPALITY

The Accounting Officer has delegated the compensation of an official, who has suffered a loss or damage in the execution of official duties, to the Chief Financial Officer, who may make good the loss or damage provided that the official can prove such loss or damage.

5.4 LOSSES OR DAMAGES THROUGH CRIMINAL ACTS OR OMISSIONS

The Accounting Officer has delegate the recovery of losses or damages, through criminal acts or possible criminal acts, to the Manager: Corporate Services. The matter shall be reported, in writing, to the Accounting Officer and the South African Police Service. In the case of omission, the matter shall be reported, in writing, to the Accounting Officer. Whether or not the person is still in the employ of the Municipality, the Department shall recover the value of the loss or damage from the person responsible.

5.5 RECOVERY OF LOSSES AND DAMAGES

Losses and damages suffered by the municipality, because of an act committed or omitted by an official, shall be recovered from such an official if that official is liable in law. **Note:** The Accounting Officer has delegated the recovery of losses or damages to the Manager: Corporate Services.

5.6 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

The recovery of losses or damages resulting from unauthorised, irregular or fruitless and wasteful expenditure must be dealt with in accordance with the MFMA Section (5).

The writing off in terms of subsection (2) of any unauthorised, irregular or fruitless and wasteful expenditure as irrecoverable is no excuse in criminal or disciplinary proceedings against a person charged with the commission of an offence or a breach of this Act relating to such unauthorised, irregular or fruitless and wasteful expenditure.

Section 32 (2) (MFMA) A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure

- (a) In the case of unauthorised expenditure, is
 - (ii) Certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council;
 - and
- (b) In the case of irregular or fruitless and wasteful expenditure, is, after, investigation by a council committee, certified by the council as irrecoverable and written off by the council.

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6. MANAGEMENT REPORTING

Each department shall report on all losses and the status of losses to the Departmental Portfolio Committee when the committee sits.

The Chief Financial Officer shall include the following particulars with the annual report and audited financial statements:

- A. Any material losses through criminal conduct, and any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, that occurred during the financial year;

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- B. Any criminal or disciplinary steps taken as a result of such losses, unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure;
- C. Any material losses recovered or written off; and
- D. Any other matters that may be prescribed.

Chapter D

KEEPING AN UPDATED STANDARDISED LOSSES REGISTER IN WHICH ALL PARTICULARS CAN BE ENTERED

1. The CLCO keeps a central register in which all claims, losses, etc. which arise in the Department are entered. This register is known as the Central Loss Control register.
2. Each DLCO keeps a register in which all claims, losses, etc. arising in that directorate and offices/institutions under its management are entered. These registers are known as Departmental Loss Control register.
3. The losses registers must indicate the following particulars for each case:

3.1	Date received	The date on which the case was received by the DLCO
3.2	Central losses register serial number	The serial number allocated to the case by the CLCO
3.3	Departmental losses register serial number	The serial number allocated by the DLCO to a case. numbers must be allocated numerically
3.4	File number	The file number of the directorate/office where the case arose
3.5	Date of the loss	The date on which the claim, loss, etc. arose or was discovered (N.B. This is not the date on which the loss was reported to the DLCO.)
3.6	Particulars of losses	A factual description of the claim losses. If known, the place where it happened and the person responsible must also be mentioned
3.7	Amount	The amount of the claim, losses.
3.8	Amount written off	The amount authorized to be written off.
3.9	Amount recoverable	The amount to be recovered from a person or an Institution
3.10	Authorised by	The rank of the person who, in terms of the delegated powers, gave authorization to write off a loss or to payout a claim
3.11	Authorisation number	The number allocated to the delegated authority by which it was authorised

LOSS CONTROL POLICY

3.12	Remarks/follow up	The latest progress made must be indicated briefly. Full details of the progress made with a case must be entered in the relevant case file
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Chapter E

FINALISING OF CASES

1. FINALISING OF LOSSES

When it has been determined after regular follow-ups that certain losses must be written off or where expenditure needs to be condoned, the directorate concerned (DLCO) must draw up the relevant submission (see paragraph 3& 4 of this chapter).

1.1 Writing off losses against the Council and other cases involving monetary transactions

When authorisation has been obtained in accordance with the delegated powers for writing off a loss or deficit, the following procedure is followed:

1.1.1 When authorisation has been obtained, the DLCO provides the CLCO (who must bring items written off to account) with a copy of the authorisation to make the required journal entry.

1.1.2 The CLCO, who is doing the journal entry, attaches the copy of the authorization to the original journal and enters the authorization number and the date in the journal.

1.1.3 A copy of the numbered journal must be filed in the files of the DLCO and the CLCO.

1.2 Partial writing off of losses against the Council and other cases involving monetary transactions

When responsibility for the specific loss, damage or deficit has been determined, the following procedure must be followed:

1.2.1 The amount of the loss, damage or deficit, as determined by the foregoing investigation, must be recovered from a particular person or institution. The DLCO enters this amount in the "amount recoverable" column of the losses register.

1.2.2 As soon as the recoverable amount has been recovered in full, it must be noted as such in the "Follow –up" column of the losses register. Proof of full settlement of the amount, such as copy of the receipt, must be kept in the relevant case file and sent to the CLCO for closure of the case.

1.2.3 If the debt is to be repaid in the monthly instalments, a copy of this decision with particulars regarding the deductions must be kept in the case file and sent to the CLCO. For recording purposes, the date on which the last instalment is payable must be entered in the "follow- up" column of the loss register. As soon as the final instalment has been received, all substantiating documents must be sent to the CLCO for closure of that case.

1.2.4 If the amount cannot for some reason be recovered, the writing off of the outstanding amount must be considered.

1.3 Writing off losses or damage to Council property

LOSS CONTROL POLICY

1.3.1 Authorisation with full particulars, for something must be available in the case file and sent to the CLCO.

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1.3.2 As soon as the appropriate columns in the Departmental Loss Control register dealing with authorisation have been completed, the CLCO has been supplied with a copy of the authorization, and the CLCO has checked the submission, the case is regarded as settled.

1.3.3 "Council property" includes, inter alia:

- All stock and equipment issued or held to be issued;
- All livestock;
- All buildings or structures, etc. that are property of the Council
- All vehicles or machinery that belongs to the Council

1.4 Claims against the Council and ex gratia payments

1.4.1 The payment of a claim or an amount in terms of a settlement by the Municipal Attorney, if the Accounting Officer or CFO agrees, can be made against the appropriate provision in the vote item if, at the time of the payment, it had already been established that the municipality alone was responsible and that the person in question has not forfeited his or her protection.

1.4.2 Full authorisation (together with addenda referred to in submission, if any) must be attached to the payment form used to apply for payment, to serve as documentary evidence.

1.4.3 If finality concerning the liability of an intended person has not been reached by the time of the payment, the payment is made provisionally from an appropriate suspense account.

1.4.4 Should it be found that the municipality is solely accountable; the amount will be settled by journal entry to the appropriate provision on the budget vote concerned. Full particulars concerning the finding and authorization are attached to the journal and must be referred to in the journal.

1.4.5 If it is found that the intended person is solely accountable, or jointly accountable with the municipality, that the part of the claim for which the intended person is responsible plus the legal costs will be covered from that person and credited to the appropriate suspense account. That part of the claim for which the Council is responsible must be dealt with as described in paragraph 1.4.4 above.

2. AUTHORISATIONS NO AUTHORISATIONS FOR WRITING OFF LOSSES, DEFICITS ECT. OR EX-GRATIA PAYMENTS GIVEN, WILL BE VALID UNLESS THE CENTRAL LOSS REGISTER SERIAL NUMBER THAT WAS ALLOCATED TO THE CASE HAS BEEN ENTERED IN THE SUBMISSION BY THE ASSET ACCOUNTANT (CENTRAL LOSS CONTROL OFFICER) CFO OFFICE.

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2.1 Make sure that the above-mentioned serial number is stated in the title of the submission.

2.2 DLCOs and CLCOs must ensure that the authorisations given by incumbents of posts in directorates are appropriate and correct in accordance with delegated powers. If not, the case must be referred back to be corrected by the relevant office/institution which made the submission

LOSS CONTROL POLICY

2.3 Authorisations granted by CFO and Accounting Officer will be sent via the CLCO to the DLCOs for distribution among the offices/institutions concerned.

2.4 Authorisations granted by incumbents of posts in directorates and offices resorting under them must be dealt with by the appropriate DLCO. The latter must provide a copy of the authorisation to the CLCO.

3 FINANCIAL DELEGATIONS CONCERNING THEFTS, LOSSES, DEFICITS, CLAIMS AGAINST THE MUNICIPALITY AND EX GRATIA PAYMENTS

3.1 The powers delegated by the Accounting Officer of the Council in terms of Section 44(1)(a) and (b) of the Public Financial Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999), have been attached

3.2 It is absolutely essential that the delegated powers concerned be read together with the appropriate treasury instructions when a case is considered for payment, for being written off or for condonement.

3.3 Alterations to delegated powers made from time to time by accounting officer must be taken into account.

Chapter F

LOSS CONTROL TEAM

A team that should work together/ in partnership to protect the municipal assets

- a) Public safety (Security section)
- b) SAPS justice
- c) Departments
- d) Employees
- e) Residence /community
- f) Councilors

8. OPERATIONAL IMPLEMENTATION OF THE LOSS CONTROL POLICY

The following actions are recommended for implementation in order to assist with the immediate operational activation of the Loss Control Policy:-

8.1 Heads of departments must identify or appoint a DLCO within their respective department to take responsibility for their Loss Control function.

LOSS CONTROL POLICY

8.2 Head of Departments must determine what crucial steps are being applied, if any at all, to protect municipal assets and the cost of implementing such measures where they are lacking.

8.3 Assistance by Councillors to explain the strategy behind asset protection to the community in order to enhance public awareness of the seriousness of the municipal loss problem.

LOSS CONTROL POLICY

8.4 Immediate asset management at departmental level. This entails overall supervision and administration of the asset protection policy with constant feedback on losses (their costs and where they are occurring), preventative measures taken and recommendations for action (including cost details and opportunity cost warnings).

8.5 Protection of municipal assets at all levels of all departments.

8.6 The fast and effective investigation of losses.

8.7 Fast and effective disciplinary enquiries following negligent and / or deliberate acts or omissions by municipal employees.

8.8 Employment practices, with the emphasis on pre-employment screening and background checks, in order to eliminate the dishonest candidate. Pre-placement forensic interviewing and SAPS clearance to be considered where necessary.

8.9 Stringent inventory control, including an Asset Register, asset tagging and exit control.

8.10 Secure perimeters and effective Security Officer Patrols.

8.11 Maintaining municipal and public awareness of the seriousness of the municipal loss problem.

8.12 Prudent key control.

8.13 Locking of offices, cupboards, cabinets and drawers by staff.

8.14 Adequate training of security personnel to deal with the challenges of a Loss Control Policy, proper investigation of criminal incidents and to maintain a high security standard, linked to advanced technological security systems.

8.15 Disciplined access control linked to a high degree of supervision thereof.

8.16 Stringent motor vehicle logbook control and strict enforcement of rules governing the taking home overnight of municipal vehicles.

8.17 Installation of integrated security systems where the Municipality is at high and medium risk. Systems such as CCTV at localities where high volumes of visitors have unrestricted access, e.g. reception, all entrances, public safety and cashiers pay point area. The Risk Manager, IT department and public safety should assist in this.

8.18 Visitor verification passes and escort systems.

ANNEXURANNEXURE "A"

ANALYSIS OF CRIMINAL AND OTHER INCIDENTS, WHICH IMPACT ON COUNCIL LOSSES

LOSS CONTROL POLICY

THEFT ANALYSIS

INTERNAL

COMPUTERS
STATIONARY
PERSONAL EFFECTS
UNIFORMS
OFFICE EQUIPMENT
CELLPHONES
FUEL / LUBRICANTS
STOCK & EQUIPMENT

OFFICES
STOREROOMS
BUILDINGS
DEPOTS
SPORTSFIELDS
CEMETERIES
PARKS /
OPENSACES

EXTERNAL

GATES / FENCES
BRIDGE RAILINGS
BRASS TAPS
COPPER PIPING
ELECTRIC CABLES
VEHICLES
RAILWAY SLEEPERS
DRAIN COVERS
PLANTS / TREES

INCORRECTLY SECURED.
UNLOCKED CUPBOARDS / DRAWERS.
VALUABLE ITEMS – UNSECURED.
EASY ACCESS TO KEYS.
POOR KEY CONTROL.
UNSECURED OFFICE DOORS /
WINDOWS.
POOR INVENTORY CONTROL.
LACK OF CONTROL OVER :-
DELIVERIES, STOCK, EQUIPMENT.
FAILURE TO KEEP PROPER RECORDS.
LACK OF ACCESS CONTROL.
LACK OF BASIC SECURITY AWARENESS

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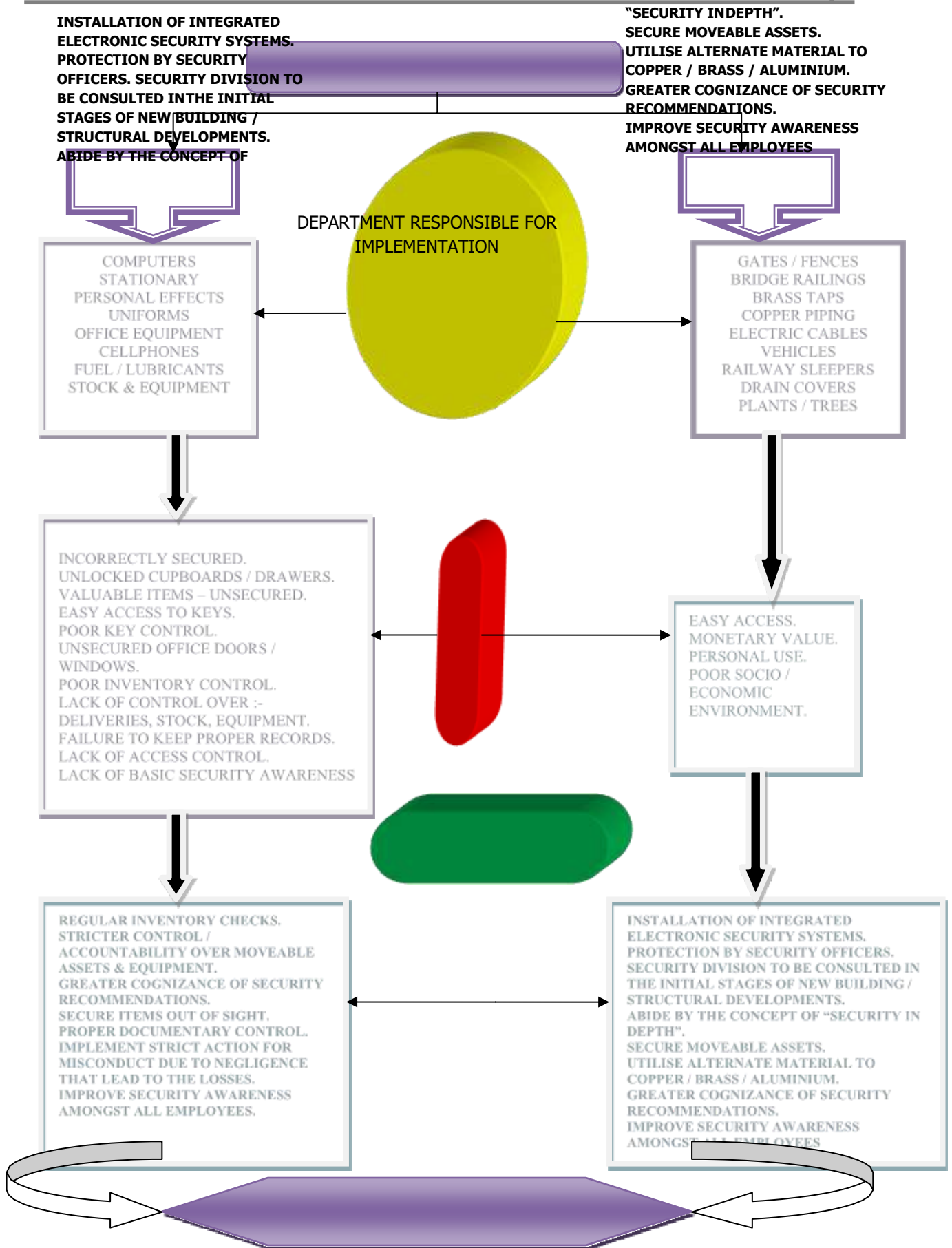
EASY ACCESS.
MONETARY VALUE.
PERSONAL USE.
POOR SOCIO /
ECONOMIC
ENVIRONMENT.

PREVENTATIVE MEASURES

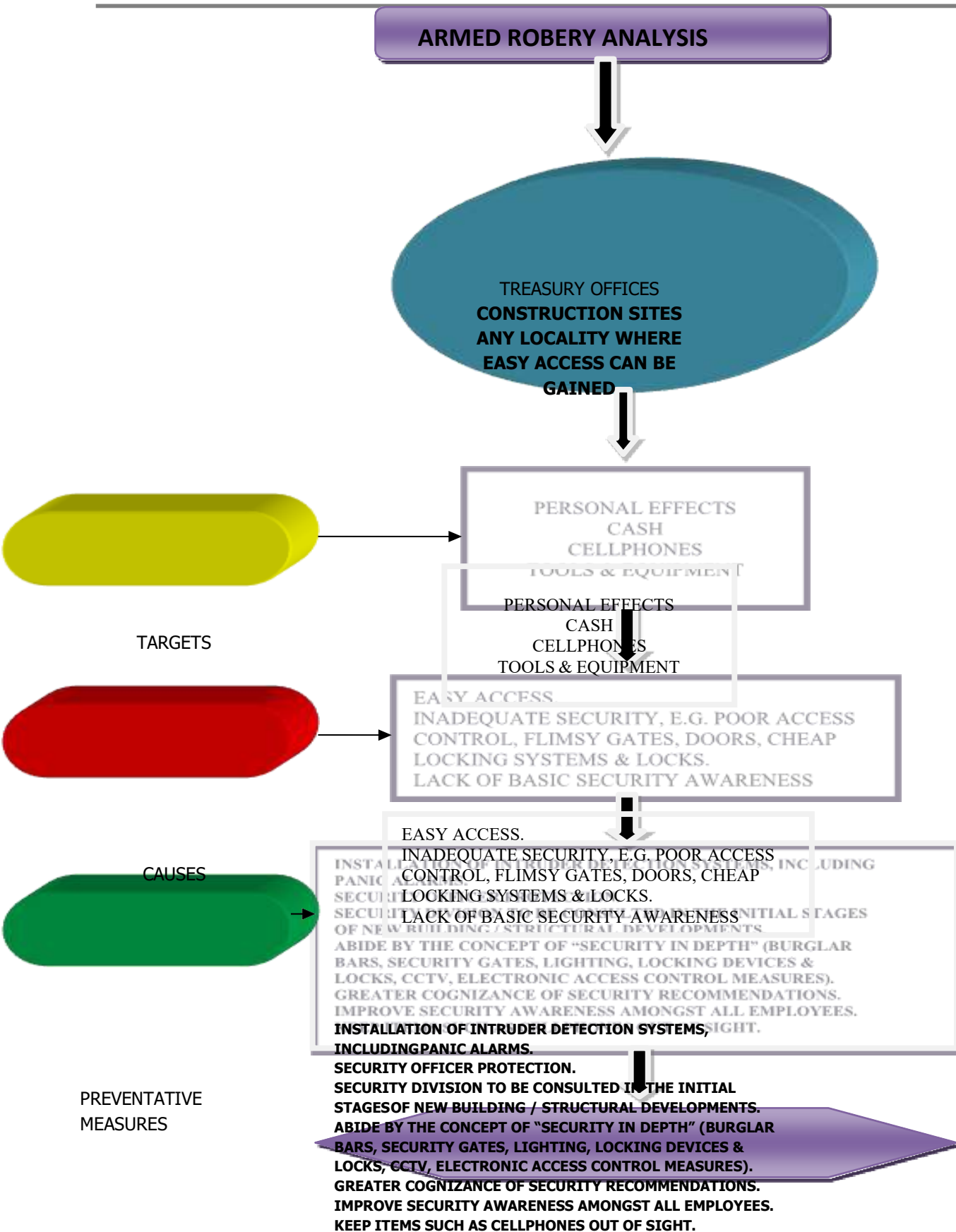
REGULAR INVENTORY CHECKS.
STRICTER CONTROL /
ACCOUNTABILITY OVER MOVEABLE
ASSETS & EQUIPMENT.
GREATER COGNIZANCE OF SECURITY
RECOMMENDATIONS.
SECURE ITEMS OUT OF SIGHT.

PROPER DOCUMENTARY CONTROL.
IMPLEMENT STRICT ACTION FOR
MISCONDUCT DUE TO NEGLIGENCE THAT
LEAD TO THE LOSSES. IMPROVE
SECURITY AWARENESS AMONGST ALL
EMPLOYEES.

LOSS CONTROL POLICY



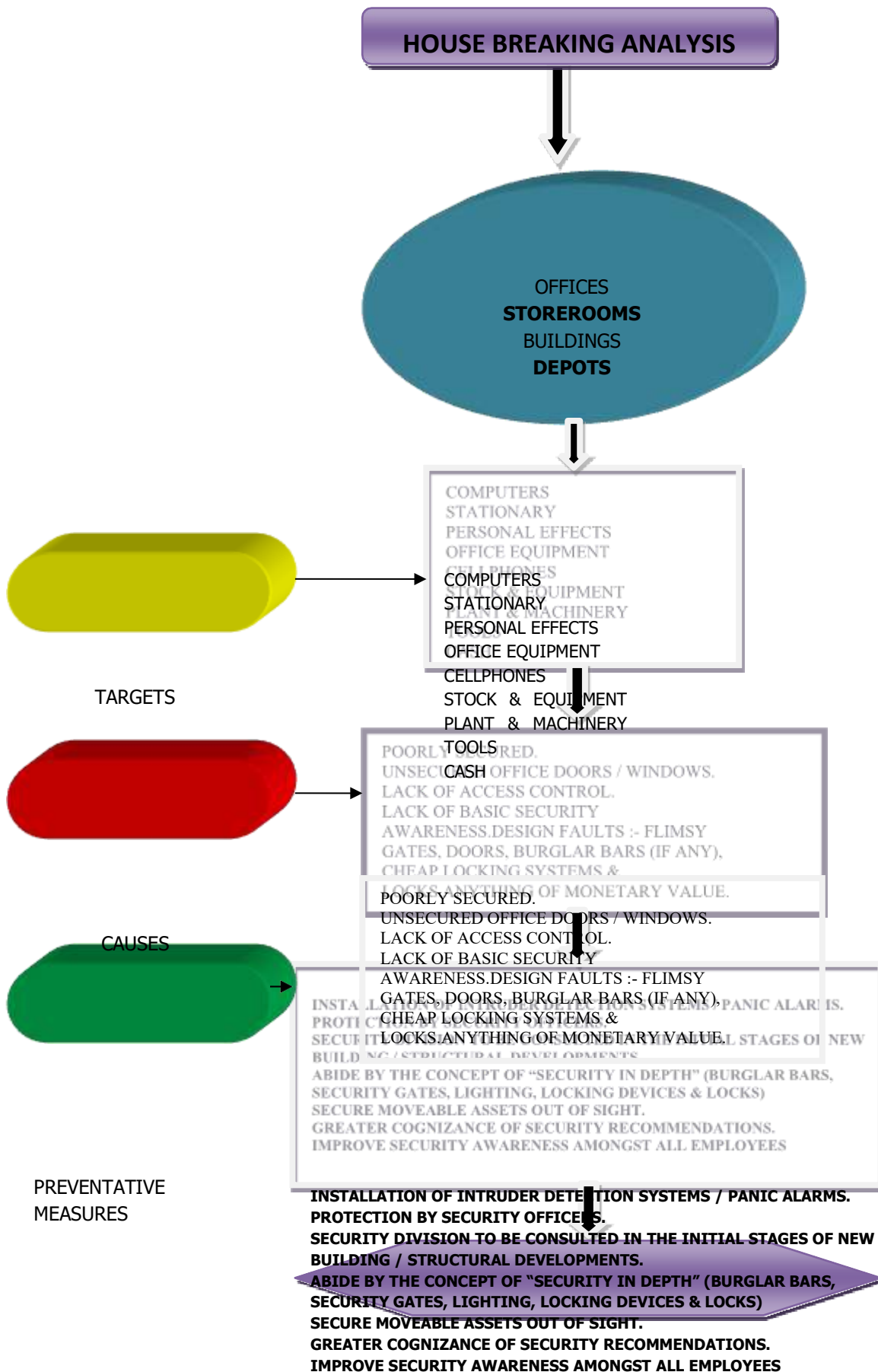
LOSS CONTROL POLICY



LOSS CONTROL POLICY

DEPARTMENT RESPONSIBLE FOR
IMPLEMENTATION

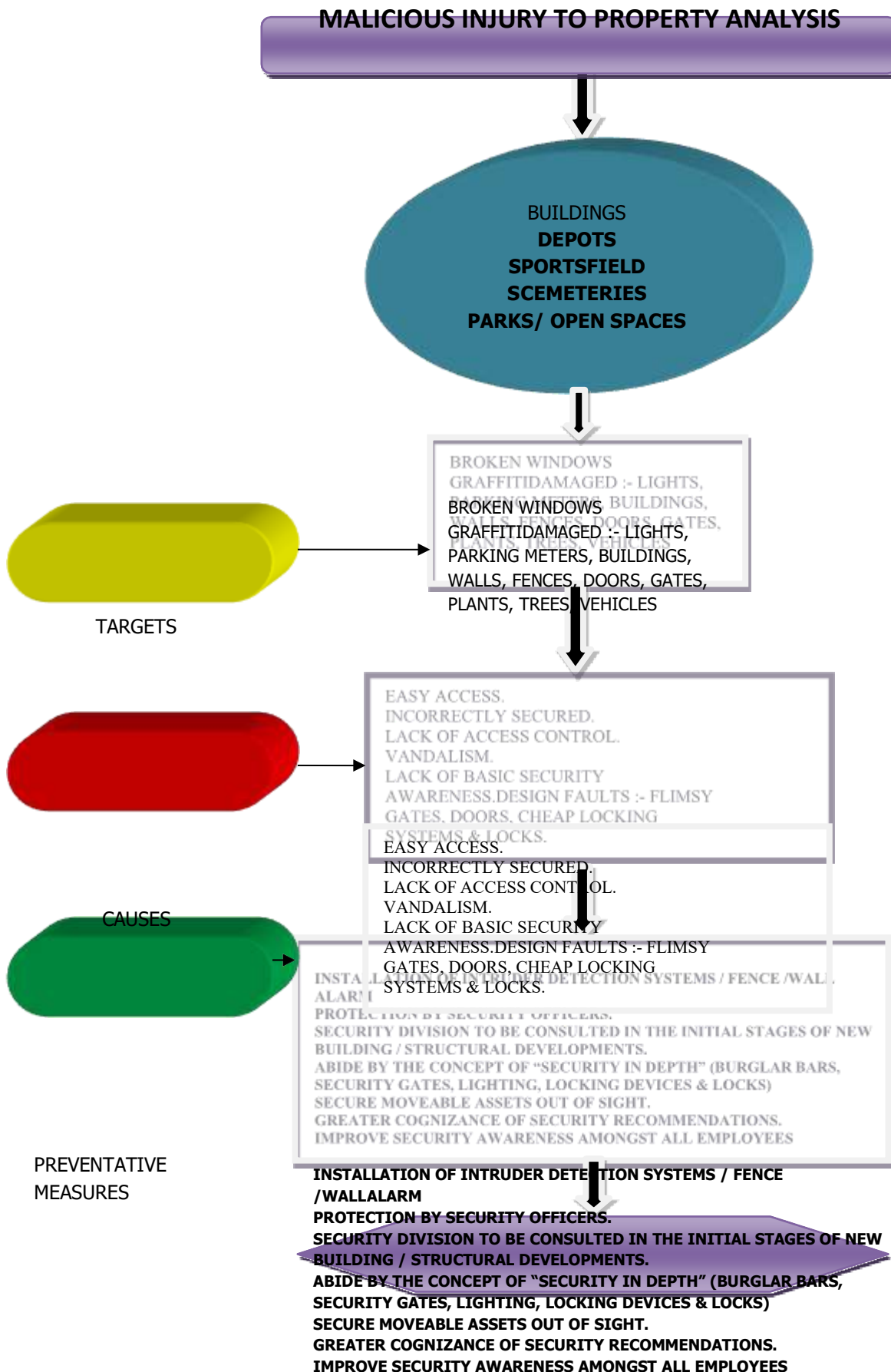
LOSS CONTROL POLICY



LOSS CONTROL POLICY

DEPARTMENT RESPONSIBLE FOR
IMPLEMENTATION

LOSS CONTROL POLICY



LOSS CONTROL POLICY

DEPARTMENT RESPONSIBLE FOR
IMPLEMENTATION

ANNEXURE "B"

SPECIFIC GUIDELINES TO ASSIST WITH THE REDUCTION OF LOSSES IF HI-JACKED OR CONFRONTED

THINGS TO REMEMBER

1. Drive with all doors, including the driver's door, locked and windows closed, and don't pick up hitch-hikers.
2. If threatened with a firearm in a hijack or theft situation, DO EXACTLY AS TOLD BY THE HIJACKERS.
3. Do not lose your temper, threaten or challenge the hijacker.
4. Do not resist, especially if the hijacker has a weapon. Surrender your vehicle and move away. Try to put as much distance between yourself and the hijacker(s).
5. Do not reach for your purse or valuables. Leave everything in the vehicle.
6. Do not make eye contact with the hijacker. He may perceive this behaviour as a threat and retaliate aggressively.
7. Keep your hands still and visible to the hijacker, so as to give him assurance of your passive content.
8. Do not speak too fast and do not make sudden movements.
9. Immediately afterwards, dial the Flying Squad number – 10111 – as they are in radio contact with patrol cars which might spot your car. Don't waste time trying to get through to the local police station.
10. Try to remember details of the hijackers, their car registration, and any other details which might help to make an identification.
11. As soon as possible, write down everything you can remember.
12. Assist the police by giving accurate information about your vehicle, and make sure they know where to contact you.
13. Be alert when you drive – notice what's going on around you, especially at

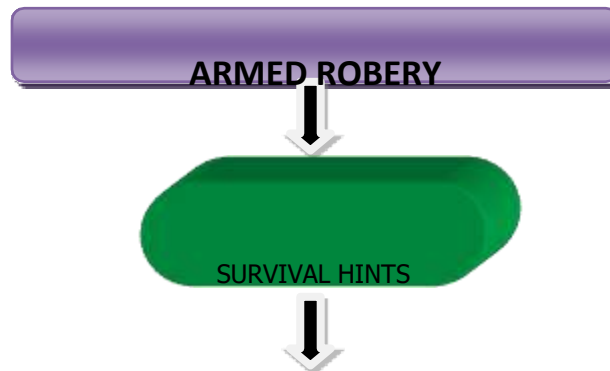
LOSS CONTROL POLICY

stop streets and traffic lights,

14. If you are being headed or tailed by two cars, be aware of the danger of being boxed in.

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15. Never leave handbags or briefcases inside your car – lock them in your boot; thieves may hope to find a gun or cellular phone in them.



REMEMBER - A LIVE WITNESS IS WORTH MORE THAN A DEAD HERO.

- NO AMOUNT OF MONEY CAN REPLACE THE LOSS OF A LIFE.
- ALWAYS BE DEFENSIVE AND CO-OPERATE WITH THE ATTACKERS, NO RESISTANCE CREATES CALMNESS IN THE MINDS OF THE ATTACKERS.
- ALLOW THE ATTACKERS TO TOUCH AS MANY SURFACES AS POSSIBLE (NOT YOU), WHICH IMPROVES THE CHANCE OF FINGERPRINTS BEING LEFT BEHIND. IF THE ATTACKERS LEAVE ITEMS BEHIND, DO NOT TOUCH IT.
- CO-OPERATE FULLY, BUT MOVE SLOWLY (HELPLESS), WHICH WILL CAUSE THE ATTACKER TO DO THINGS HIMSELF (OPEN THE SAFE, RIPOUT THE TELEPHONE).
- LISTEN TO WHAT THE ATTACKERS SAY.
- CONTROL THE SITUATION BY CONTROLLING YOURSELF.
- CONCENTRATE ON ONE OFFENDER (QUALITY ABOVE QUANTITY) FOR IDENTIFICATION PURPOSES LATER ON, I.E. HAIR, FACE, SCARS, HANDS, HEIGHT, BUILD, CLOTHING.
- SPEAK ONLY IF YOU ARE SPOKEN TO, WHINING / CRYING WILLCREATE NERVOUSNESS AMONGST THE ATTACKERS.
- DISTINGUISH BETWEEN "OLD HAND & FIRST TIMERS" OLD HANDSARE CALM AND PROFESSIONAL, FIRST TIMERS ARE NERVOUS, VIOLENT, DISORGANISED.

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- **PUSH A PANIC BUTTON, IF POSSIBLE, DEPENDING ON THE SITUATION.**
- **AFTER THE INCIDENT, PROTECT THE SCENE, AS IT IS THE MOSTIMPORTANT CLUE.**

ARMED ROBBERY

STEPS TO FOLLOW DIRECTLY AFTER A ROBBERY

1. Close off all entrances and exits to the business in order to prevent inquisitive onlookers from entering the scene and destroying clues.
2. Take all the witnesses to a section of the premises where the attackers have not been during the incident so as to avoid fingerprints and other clues from being destroyed.
3. Leave everything exactly as it is when the offenders handled it, e.g. if the safe door or money drawers are open, leave them open, and don't replace the telephone mouthpiece.
4. Take down all particulars of clients that may need to leave the premises in order that the SAPS can trace them.
5. Cease all normal business activity immediately.
6. Let one person take control of the situation and instruct persons what to do. remember they are in shock and will touch exhibits without thinking. be firm and sympathetic (use the parent – child approach).
7. Hand out identikit forms to witnesses as soon as they are calm and allow them to complete the form on their own.
8. The person who contacts the SAPS (10111) must stay on the phone to the operator until you are told to disengage. give your full business particulars. Be concise and not long winded.
9. Assist witnesses in shock or injured ASAP.
10. If firearms or any other items are left on the scene by the offenders, leave it exactly where they are and do not touch it at all. there is a good chance that fingerprints could be found on the items.

THEFT

A simplified answer to the question of why employees steal is the theft triangle. According to this concept, theft, much like fire, occurs when 3

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elements are present.

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OFFICE SECURITY

10 POINTS TO REMEMBER

1	Never leave handbags on desk or wallets in coats in your absence	Take them with you or lock it away
2	Always keep money in a safe place	Even if it is only the tea money, never leave it in an unlocked drawer during the day. At night lock it in a safe or remove it away from the building altogether
3	Be careful with keys	Always keep keys in a safe place and don't leave spare keys in a desk drawer. Deposit keys in a proper lockable key cabinet
4	Fasten vulnerable windows in your absence	It is easy to forget, particularly in the summer and a thief can come and go within a couple of minutes
5	Never assume a stranger wandering in the building is a member of staff	Challenge them. Even "can I help you" will often deter the dishonest
6	Don't just accept that a stranger is authorized to be in the building just because he / she says so	Check with someone in authority. If the stranger is from the Post Office or the Aircon. Company, someone in the firm will know. Never allow anyone to remove office equipment without checking the credentials
7	Don't be overawed by callers	Even if he / she does want to see the most senior official, make sure they are known and expected
8	Never leave callers alone in your office	Use the telephone to enquire whether someone can see the person.

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9	Don't disclose confidential information to a stranger	No matter how important they may seem. Always report such request to your superior
10	Don't assume all staff are as honest as you	Take care of all property

ANNEXURE "C"

COUNCIL POLICIES TO ADDRESS SPECIFIC AREAS OF LOSS REDUCTION

POLICY FOR SAFE-KEEPING OF MUNICIPAL VEHICLES AT PRIVATE RESIDENCES

1. Circumstances under which the safe-keeping of municipal vehicles on private premises shall be permitted:

1.1 When it is required from such official to be on stand-by in order to provide an essential service after normal working hours and it is not necessary for him / her to first have to report to his / her base station / office in order to obtain required equipment to be able to perform such function.

1.2 Where it is required from a supervisor to inspect / monitor operations after normal working hours, and it is expected that, first reporting to the base station / office to obtain the municipal vehicle for the purpose, would result in unnecessary delays and increase in cost.

1.3 When specifically required by the Municipal Manager or Business Unit Manager for a specific purpose, being official business of the Municipality.

1.4 When it is expected of an official not officially on stand-by, but due to the nature of his / her duties to be ready and able to act immediately after normal working hours in cases of an emergency and / or disaster (reference is mainly made to Traffic and Fire Services).

1.5 Only employees residing within the municipal boundaries of the Albert Luthuli municipality shall be allowed to take an official vehicle home after normal working hours.

2. The municipal vehicles taken home by officials who are required to do so will be safeguarded in the following way:

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2.1 Vehicles shall be parked on the premises of the official, preferably in a lockable garage, but in the event of it being impossible, the vehicle be kept out of sight of other road users and / or passers-by and behind a locked gate / fence.

2.2 All such vehicles shall be equipped with an insurance-approved anti-theft device (e.g. gear-lock) or immobilizer. Such device should be in operation at all times for the duration of the vehicle's stay on the said premises.

3. It shall be delegated to the Business Unit Manager to grant permission of the safekeeping of municipal vehicles at private residences, subject to the provisions of the Policy on the Safe-keeping of Municipal Vehicles at Private Residences.

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4. The Business Unit Manager shall satisfy himself / herself that the employee concerned meets all the requirements as set out in the policy and to thereafter issue an appropriate certificate of compliance before a person be allowed to safeguard any municipal vehicle at a private residence.

5. The fleet and registration number, as well as a full description of the vehicle safeguarded, must be recorded by the person authorized to permit the safekeeping of a municipal vehicle at a private residence.

6. A survey shall be conducted by the various Business Units whose officials are required to take vehicles home, to determine the number of vehicles that cannot be safeguarded on the premises in terms of the policy and would therefore be required to be parked in the street. The results of the survey shall be reported to the Safety and Security Committee for information.

7. Damage, losses and thefts, other than those arising from accidents, shall be dealt with as follows:

7.1 An employee who takes over a municipal vehicle must ensure that any damage or loss is immediately brought to the notice of his / her supervisor in writing. Unless he / she complies with this instruction, he / she will be deemed to have received the vehicle in good order.

7.2 Any person found unlawfully removing fuel from a municipal vehicle or engaged in the unauthorized removal or exchange of any component on a municipal vehicle, will be subjected to the strictest discipline as prescribed in the prevailing Conditions of Service.

7.3 When damage, losses or thefts occur, the employee operating the municipal vehicle shall immediately report the matter to his / her supervisor, who shall, in turn, advise the SAPS as appropriate. The incident is to be reported without delay to the Transport Supervisor of the Automotive Division, who will assist the driver with the completion of the necessary loss report. Loss reports must indicate the date, time and place of the SAPS report as well as the relevant case number.

7.4 Any municipal vehicle may be subjected to a search by municipal Security staff, or by any official at supervisory level upwards, at points of restricted entry or any other locality.

8. Safe custody of municipal motor transport and other municipal property.

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8.1 Employees in charge of municipal motor vehicles must ensure that vehicles are safely garaged or parked and must at all times take responsible steps to safeguard vehicles, **including accessories and tools**, against theft, irregular use, damage and fire.

8.2 Personal belongings and other articles left in an unattended vehicle encourage theft. The driver / employee must take all possible and practical precautions for the safeguarding of municipal property in municipal vehicles where he / she temporarily

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absents himself / herself from the vehicle. The non-observance of this directive will render the driver / employee liable for any loss to the Municipality.

8.3 The driver is responsible for any tools and equipment left on or in the vehicle when taken home. The driver will be held liable should these be stolen from a vehicle not kept in a locked garage. Where vehicles are not kept in a locked garage, loose equipment must be securely locked away in the house, flat or garage.

8.4 To eliminate the possibility of the theft or loss of personal belongings, tools, equipment and radio microphones whilst motor vehicles are in for service or repair, all such items must be removed BEFORE the vehicle is taken to the service provider.

UNAUTHORISED USE OF MUNICIPAL TRANSPORT

"Act

123. Unauthorized acts in relation to vehicle

(1) No person shall, without reasonable cause or without the consent of the owner, operator or person in lawful charge of a vehicle:

- (a) set the machinery thereof in motion;*
- (b) place such vehicle in gear;*
- (c) in any way tamper with the machinery, accessories or parts of such vehicle; or*
- (d) enter or climb upon such vehicle.*

(2) No person shall ride in or drive a vehicle without the consent of the owner, operator or person in lawful charge thereof.

(3) No person shall without lawful excuse tamper with a vehicle or with any part of the equipment or the accessories of any vehicle or willfully damage it, or any object at such vehicle.

(4) No person shall without the written consent of a registering authority alter, obliterate or mutilate the engine number or chassis number of a motor vehicle or allow it to be altered, obliterated or mutilated.

The maximum penalty the Courts can impose for any of the above offences being a fine of R 12 000 or three years imprisonment or both."

POLICY REVIEW AND APPROVAL

In terms of the MFMA all policies must be reviewed and approved by the Accounting officer and the council on annual basis.

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REFERENCE NUMBER	APPROVAL DATE

NAME OF APPROVER	RESOLUTION NUMBER	SIGNATURE OF THE MUNICIPAL MANAGER