



**BCMDA**  
**BUFFALO CITY METROPOLITAN**  
DEVELOPMENT AGENCY

**ANNEXURE A2: ASSET MANAGEMENT REPORT**

**PERIOD 01 JULY 2022 TO 31 DECEMBER 2022**

## 1. **PURPOSE**

To report on the management of the Agency's assets as well as asset register maintenance for the quarter ended 31 December 2022.

## 2. **LEGISLATIVE FRAMEWORK**

The Municipal Finance Management Act No. 56 of 2003 (MFMA).

## 3. **BACKGROUND**

3.1. Municipal Finance Management Act 56 of 2003 section 96 states that the Accounting Officer of a municipal entity is responsible for the management of the assets of the entity, including the safeguarding and maintenance of those assets and must take all reasonable steps to ensure that the entity has and maintains:

- a) a management, accounting and information system that accounts for proper assets and liabilities of the management systems of the municipal entity; and
- b) a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

3.2. The Municipal Finance Management Act further states that the Accounting Officer is responsible for managing the financial administration of the municipal entity and must for this purpose take all reasonable steps to ensure that the resources of the municipal entity are used effectively, efficiently and economically.

## 4. **EXPOSITION OF FACTS**

### 4.1. **Asset Management Reconciliations and Fixed Assets Register**

- Reconciliations between the general ledger and the fixed assets register are performed on a monthly basis.
- At month end, the fixed assets register is updated with movements for the month, i.e., mainly monthly depreciation and asset additions, after which the depreciation journals are processed from the fixed assets register to the general ledger.
- A reconciliation is then performed to ensure that the asset register agrees with the general ledger.
- During the period of this report, the monthly reconciliations were performed. In each instance, the general ledger reconciled with the asset register and thus as at the date of compiling this report the reconciliation as at 31 December 2022 was already performed and the GL agreed with the FAR.

#### 4.2. Physical asset verification

Physical asset verifications are performed quarterly. During the quarter under review, the physical verification for the quarter ended 30 September 2022 was performed and fixed assets register updated. The physical verification for the quarter ending 31 December 2022 was performed and the fixed assets register was updated. No discrepancies were identified during the verification with the exception of 5 outstanding tablets from the following previous board members, as at the date of compiling this report the details thereof were:

- Mr. Thembinkosi Bonakele (awaiting Mr. Bonakele to confirm exact location of the 2 tablets in his possession despite attempts by relevant officials);
- Mr. Chuma Sangqu (delay due to failed attempts by courier services);
- Mrs. Thandiwe Godongwana (delay due to failed initial attempt by courier services);
- Ms. Mankomo Pango (delay due to long absence from her residence. Ms. Pango has committed to deliver the tablet once she has returned to her residence).

#### 4.3. Asset Additions

The following are asset additions from 01 July 2022 to 31 December 2022:

Month	Item Description	Category	Amount (Excl. VAT)
July 2022	Caseware Working Papers	Intangible	R 19 162.50
August 2022	Bar Fridge Metallic 92 litres	Office Equipment	R 3 666.66
August 2022	Bar Fridge Metallic 92 litres	Office Equipment	R 3 666.66
August 2022	Bar Fridge Metallic 92 litres	Office Equipment	R 3 666.66
November 2022	LED External Monitor	Computer Equipment	R 2 299.00
November 2022	HP Probook 450	Computer Equipment	R 21 606.00
November 2022	HP Probook 650	Computer Equipment	R 30 737.45
November 2022	HP Probook 455	Computer Equipment	R 24 039.29
November 2022	HP OfficeJet Pro 9013 Printer/Copier/Scan		R 3 406.09
December 2022	Refrigerator 268Lt Metallic Grey	Office Equipment	R 6 500.00
December 2022	UPS	Computer Equipment	R 9 630.00
<b>Total asset additions for the quarter ended 31 December 2022</b>			<b>R 128 380.31</b>

#### **4.4. Asset and Disposal Management Policy**

The Asset and Disposal Management Policy was revised and approved by the Board on 30 August 2021.

#### **5. FINANCIAL/OTHER IMPLICATIONS**

None.

#### **6. RECOMMENDATION**

It is hereby recommended that this report is noted and accepted.

**PREPARED BY:**



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**V. NTSODO-BOYCE**

**CHIEF FINANCIAL OFFICER**

**DATE:** 19/01/2023

**APPROVED BY:**



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**N. VAN WYK**

**INTERIM CEO**

**DATE:** 19/01/2023