



social development

Department:
Social Development
PROVINCE OF KWAZULU-NATAL

STANDARD OPERATING PROCEDURE ON LOSS CONTROL

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1. INTRODUCTION

The Standard Operating Procedure (SOP) on Loss Control outlines the processes of administering the management of claims and losses and this SOP must be read in conjunction with the Policy on Loss Control, Policy on Fleet Management and Policy on Asset Management and their relevant SOPs.

2. SCOPE OF APPLICABILITY

This SOP is applicable to all employees in this Department.

3. PROCEDURES AND PROCESSES

3.1 REPORTING OF THE INCIDENT, ACCIDENT OR LOSS

- 3.1.1 When an accident, damage or loss occurs, the responsible official must report the loss, damage or accident to the nearest police station within 24 hours of the occurrence or detection. He/ She must get a CASE/ OB/ AR/ IR or CAS number.
- 3.1.2 Immediately after reporting the incidence to the nearest police station the responsible official must report to his or her supervisor within 24 hours.
- 3.1.3 The supervisor must ensure that the responsible official report the incidence to the relevant Unit within a specified period as indicated in the relevant policy i.e. Policy on Asset Management, Policy on Fleet Management.

3.2 REPORTING LOSS TO TRANSPORT UNIT: (VEHICLES)

- 3.2.1 The responsible official shall report the loss/damage or theft to the Transport officer within 24 hours.
- 3.2.2 Once the responsible official has reported the accident or incident to the Fleet Management Units, she or he will receive the accident report form (i.e. Annexures 1,2 and 3) which must be completed and submitted together with additional supporting documentation i.e. Trip authority, garaging authority, weekend authority, statements, sketch plan and photos of the accident where possible, by the responsible official to Fleet Management Units within Seven (7) working days of the occurrence.
- 3.2.3 Upon receipt of the documents from the responsible official, Fleet Management Units must review the documents for completeness.

3.2.4 Fleet Management Unit determine the value of the loss by obtaining the tax invoice, addendum or determine the market value in the event of a damage beyond repairs, which must be attached to the accident report.

3.2.5 Fleet Management Unit must forward the complete Accident Report file to the Loss Control Agent/Sub Agent within 5 working days of receiving documents.

3.3 REPORTING LOSS TO ASSET MANAGEMENT UNIT: (GENERAL ASSETS)

3.3.1 An official shall report the loss to Asset administrative officer within 24 hours of detection.

3.3.2 The Responsible official must submit a detailed statement/affidavit that indicate where, when and how the loss occurred within (7) working days of occurrence or detection.

3.3.3 If a group of assets is lost, the incident is treated as one case but costs must be allocated individually.

3.3.4 Upon receipt of the documents from the responsible official, Asset Administrative officer must review the documents for completeness and accuracy.

3.3.5 Asset Management unit must attach the value of the asset in the report and submit to Loss Control unit within 5 working days of receiving the documents from the responsible official.

3.4 LOSS REGISTRATION PROCESS

3.4.1 Upon receipt of a file from the Asset/Fleet Management Unit, the Agent/Sub-Agent inspect the file to ensure that it is complete and supporting documents are fully completed. No case will be registered on loss register without monetary value.

3.4.2 The Agent/Sub-agent records each case in a Manual Register and allocate a case number for that case which is then appended on the outside cover of the file. The case numbers are allocated in sequence as they appear on the register.

3.4.3 The Loss Control Agent must enter the case into Loss Control System (LOCO SYSTEM) which must interface into BAS.

3.4.4 The Loss Control Agent must request the BAS report to verify that the recording was correctly posted into Disallowance Damages & Losses Account on monthly bases.

3.5 INVESTIGATION OF LOSS, ACCIDENT OR DAMAGE

- 3.5.1. The Agent/Sub-Agent must verify the correctness of the completed reports, including the value of loss,
- 3.5.2 If the case involves the third party, the Agent shall submit the accident report to Legal Services.
- 3.5.3 The Agent/Sub-Agent must pursue investigation within 14(fourteen) working days after the receipt of all relevant documents from the relevant unit(s), after which a report is compiled with recommendations to the committee within 30(thirty) days.
- 3.5.4 The loss control committee must ensure that loss control cases are finalised within (3) (three) months.

3.6 DISTRICT/HEAD OFFICE LOSS CONTROL COMMITTEE

- 3.6.1 The District/Head Office Loss Control committee shall conduct their meetings in accordance with procedure set out in the terms of reference.

3.7. COLLATION OF CASES BY LOSS CONTROL UNIT

- 3.7.1 Upon receipt of files from the District/Head office Loss Control committee, the Loss Control Unit must quality check all files to verify the correctness and completeness of information provided.
- 3.7.2 The Loss Control Agent must prepare all received cases (files) for the Departmental Loss Control Committee. (Files in respect of which the requested information was not received will not be deliberated by Departmental Committee).

3.8 CASES RECOMMENDED FOR WRITE – OFF

- 3.8.1 The Loss Control Agent must prepare a submission within 14(fourteen) days after the Departmental Loss Control Committee Meeting, for all cases that were recommended for write-off by the Departmental Loss Control Committee for CFO's concurrence and HOD's approval.
- 3.8.2 The Loss Control Agent files the original submission on the manual file and send a copy to Sub Agents instructing them to close the case/s, once the submission has been approved.
- 3.8.3 The Loss Control Agent shall update LOCO System by recalling the case number and complete the finalised field.
- 3.8.4 The Loss Control Agent must request the BAS report to check whether the adjustment journal interfaced successfully.

3.8.5 The Loss Control Agent must close the manual file and put the applicable date of approval across the front cover.

3.9 CASES RECOMMENDED FOR RECOVERY

3.9.1 Upon receiving the minutes and the files from Loss Control Agent on which recovery was recommended by the Departmental Loss Control Committee, the Sub-Agent must prepare a notification letter and an acknowledgement of debt to notify the responsible official about loss recovery (The notification letter must specify that an official is afforded seven 7(seven) days to acknowledge a debt).

3.9.2 Upon receipt of acknowledgement of debt form from a responsible official, the Sub-Agent must submit a notification letter and debt acknowledgement form to Debt Management Unit for further processing as stipulated in the departmental SOP and Debt Management Policy.

4. CLAIMS AGAINST OR BY THE STATE THROUGH ACT OR OMISSION.

4.1. CLAIMS FROM THIRD PARTY

4.1.1 The Loss Control Unit at Head Office must ensure that all received claims are recorded in the relevant register before they are submitted to Legal Services.

4.1.2 The Loss Control Agent must attach one or more/ a combination of the following forms or letter, depending on the type of claim which must form part of documents submitted to Legal Services: -

4.1.2.1 affidavit form/letter setting out the reasons for the claim; correspondence from a third party/institution, e.g. letter from an insurance company/attorney;

4.1.2.2 summons or notice of motion;

4.1.2.3 an accident report form and relevant annexure where applicable (Annexure A) in respect of a vehicle collision;

4.1.2.4 South African Police Services case or reference number, including the prefix, e.g. AR, CR, CASE, 1B, OB, etc;

4.1.2.5 a copy of the approved trip authority;

4.1.2.6 a copy of a valid driver's license; and

4.1.2.7 costing document, i.e. tax invoice/order or other documentation substantiating the loss to the Department

4.1.3 The Loss Control Agent must submit all Third Party Claims against the Department to directorate: Legal Services.

4.2. CLAIMS BY THE STATE

- 4.2.1 The Loss Control Agent must submit all Claims by the State to Legal Services.
- 4.2.2 Prior to the Department instituting a claim, the Loss Control Unit must ensure that it is in possession of one or more of the following forms, (depending upon the type of claim which is being administered): -
- 4.2.2.1 an accident report in respect of a vehicle collision and relevant annexures where applicable (**Annexure 2**);
 - 4.2.2.2 costing document, i.e. tax invoice/order or other documentation substantiating the loss to the Department;
 - 4.2.2.3 other documentation clearly setting out the reasons for the claim, (e.g. a submission or memorandum setting out the need to institute a claim)
 - 4.2.2.4 physical and postal addresses;
 - 4.2.2.5 contact telephone/fax number or other means of communication;
 - 4.2.2.6 the vehicle registration number;
 - 4.2.2.7 South African Police Services case or reference number, including the prefix, e.g. AR, CR, CASE, IB, OB; and
 - 4.2.2.8 a copy of the approved trip authority and a copy of a valid driver's license in a vehicle related case.

4.3 CLAIMS BY OFFICIALS AGAINST THE STATE.

- 4.3.1 In order to effectively administer all claims, the Loss Control Unit at Head office must ensure that all claims which are received are recorded in the relevant register.
- 4.3.2 Loss Control Unit must keep a file in respect of each claim in which all particulars of the claim are recorded.
- 4.3.3 Prior to the Department effecting the payment of a claim, the Loss Control Unit must ensure that it is in possession of one or more of the following forms: -
- 4.3.3.1 statement form setting out the reasons for the claim (**Annexure 1**);
 - 4.3.3.2 completed Determination of Liability form (**Annexure 3**); including a signed recommendation from the Head of the relevant Directorate;
 - 4.3.3.3 proof of original purchase or, proof of purchase of the replacement item;
 - 4.3.3.4 South African Police Services case or reference number, including the prefix, e.g. AR, CR, CASE, 1B, OB;
 - 4.3.3.5 a copy of the approved trip authority and a copy of a valid driver's license in respect of a vehicle related case and a motivated submission or other correspondence

clearly setting out the reasons for the payment of the claim, and;

4.3.3.6 costing documents/tax invoice/order or other documentation substantiating the loss.

4.4. DETERMINATION OF VALUE

4.4.1 Stolen or Damaged Motor Vehicle

4.4.1.1 Departmental Transport Officer determines the value of loss as follows: -

4.4.1.1.1 **If the vehicle is damaged**, the Departmental Transport Officer provides repair costs i.e. tax invoice or addendum.

4.4.1.1.2 The Departmental Transport Officer determines the market value by obtaining Auto and Commercial Dealer Guide and calculate average between trade in and retail value if the vehicle: -

(a) is stolen;

(b) is stolen and recovered but cannot be positively identified and is crushed by the SAPS.

4.4.1.1.3 In addition to market value determined in 4.4.1.1.2 above, an assessor's quotation is required in the following cases: -

(a) is stolen and recovered but viewed as uneconomical to repair; and

(b) is damaged and viewed as uneconomical to repair.

4.4.1.1.4 **If the distance traveled is unauthorised**, the Departmental Transport Officer determines the value by taking the number of kilometers traveled and multiplying it by the applicable tariff "private on official" for the relevant month as determined by the National Department of Transport.

4.4.2 Stolen or damaged equipment

4.4.2.1 If the equipment is stolen or damaged, the Asset Control Officer determines the replacement value of the stolen or damaged item/s by multiplying the value of the item by the relevant percentage as stipulated in the Departmental Policy on Loss Control, par 13(d).

4.4.3. Damaged or lost cellphone

4.4.3.1 If a cellphone is damaged or lost, the replacement value is determined by the service provider.

5. MONITORING, EVALUATION AND REVIEW

5.1 This Standard Operating Procedure will be monitored, evaluated and reviewed every three years or when the need arises on annual basis.

6. EFFECTIVE DATE

This Standard Operating Procedure will be effective on the date of approval.

7. TITLE OF THE SOP

This Standard Operating Procedure shall be called SOP on Loss Control.

8. SOP APPROVAL

This Standard Operating Procedure is approved on the 15 day of April in the year 2019.



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HEAD OF DEPARTMENT
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