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Ethiopian Orthodox Tewahedo Church
Development and Inter-Church Aid Commission

Fixed Assets, Fleet and Warehouse Management Policies and Procedures

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I. Introduction

The Ethiopian Orthodox Church Development and Inter-Church Aid Commission (EOC-DICAC) is the development wing of the church, which was established by a legal notice No. 415 of 1972. It is the oldest Faith Based Organization in the country.

EOC-DICAC's mission is to assist the disadvantaged communities in Ethiopia to attain self-reliance by tackling the root causes of poverty, drought, conflict, gender inequality and fighting HIV/AIDS pandemic by promoting sustainable development programs and community empowerment.

1 Fixed Assets Management Policy and Procedures

1.1 Definitions

“Acquisition cost” of a fixed asset consists of its purchasing price and all directly attributable costs of bringing the fixed asset to working condition. These may include the cost of site preparation; initial delivery and handling costs including freight and insurance fees; installation costs; professional fees such as for architects and engineers.

“Asset focal point” shall mean the individual to whom authority for the maintenance of complete and accurate records of assets received and/or held under the control of EOC-DICAC has been delegated.

“Asset Management Module” is an Enterprise resource planning (ERP) module used by EOC-DICAC to record all asset management function transactions.

“Attractive item” is an item, with a value of less than ETB 30,000 that can easily be removed from its location and converted into cash. Each office is responsible for identifying any attractive items that may exist within the office. Attractive items may include laptop/tablet computers, scanners, printers, CD burners, external hard drives, or other portable electronic equipment.

“Control” exists when EOC-DICAC can use or otherwise benefit from the fixed asset in pursuit of its objectives and can exclude or otherwise regulate access of others to that benefit. Fixed assets acquired for and transferred to an implementing partner are not controlled by EOC-DICAC and therefore must not be recorded in the Enterprise resource planning (ERP) Module.

“Field office” shall mean coordination and project offices.

“Fixed asset” (also known as property, plant, and equipment) shall mean any property, leasehold improvement or equipment purchased or donated to EOC-DICAC and which is under the control



of EOC-DICAC. Intangible assets such as software are not considered fixed assets under this policy. Fixed assets must meet the following criteria:

- Acquisition cost is greater than or equal to ETB 30,000 per unit.
- A service lifetime of at least more than one year which is categorized to Motor vehicle, building & warehouse, Office furniture & Equipment, Machineries, Tools, and Computer, copiers and other office equipment

“Head of unit” shall mean representative, division head, area coordination head, and project coordinator.

“Heritage asset” is an asset which has been received by EOC-DICAC as a gift and has cultural, environmental or historical significance

“In-kind” shall mean non-cash assistance received by EOC-DICAC from third parties. This is regulated by the EOC-DICAC In-kind Goods and Services Contribution Policy.

“Leasehold improvement” shall mean an improvement to leased or rented premises with a value of ETB 40,000 or more made by EOC-DICAC. A leasehold improvement is a physical asset that becomes a permanent part of an existing leased building, such as walls, rooms, electrical, plumbing, etc. and will be used for more than one financial reporting period (12 months)

“EOC-DICAC staff” shall mean holders of EOC-DICAC letters of appointment serving on permanent, continuing, fixed-term or temporary appointment contracts

For the purposes of the policies and procedures contained herein, unless specifically noted, ‘assets’ will refer to fixed assets, attractive items and heritage assets as defined above.

1.2 Scope

The policies contained herein apply to the recording, use, security, control, maintenance, disposal, and theft of all EOC-DICAC-owned and -controlled assets, at headquarters, liaison, and field offices, whether purchased by EOC-DICAC or obtained through a donation in kind.

1.3 Delegation of Asset Management Authority

The Executive Director/commissioner shall be responsible for the administration of this policy.

The Executive Director may delegate authority for the asset management function to proper department for Management Services.

The Human Resource Department for Management Services may delegate his/her authority to heads of unit, as well as to the Chief, Facilities and Administrative Services Branch.



Heads of unit and the HR Department may further delegate asset management authority to a member of their staff.

1.4 General Principles

1.4.1 How to ensure the proper record keeping of assets

Enter asset information correctly - Staff/personnel who purchase assets are responsible for ensuring that asset information is correctly entered in the ‘asset information’ tab in the requisition or purchase order that is created in ERP.

Capitalization of assets using the ‘basic add’ feature must be kept to a minimum to maintain the linkage of assets to their original purchase order/receipt and prevent errors associated with manual entry of information into ERP

1.4.2 How to perform the annual physical verification of assets

An annual physical count of all fixed assets must be conducted by EOC-DICAC staff, ensuring there is a segregation of duties. The physical count must be finalized at the earliest before year end in the last quarter. Assets in the custody of implementing partners but under legal title of EOC-DICAC must be included in the physical count.

A physical count generally consists:

Perform a physical count of fixed assets and compare with the ‘in-service assets report’/fixed Assets register.

If a fixed asset that has been physically counted is not found in the ‘in-service assets report’ it must be added in the Asset Management Module as of the date it became available for use Likewise, if a fixed asset is in the ‘in-service assets report’ but is not physically verified, it must be removed from the ERP

Ensure that each fixed asset is in useable condition and required for the conduct of EOC-DICAC’s business. Assets which are no longer useable or otherwise required for the conduct of EOC-DICAC’s business must be physically disposed of and retired from the ERP.

For all remaining fixed assets, the office is responsible to check if there are any indicators of impairment / impairment reversal. If such indicators are present, this must be communicated to the HR Department.

At the end of the count, the ‘in-service assets report’ must reconcile with the physical count. A reconciliation sheet, showing the differences between the physical count and the Asset Management Module, as well as corrective actions taken to reconcile differences must be kept on file and sent to headquarters if requested.



Evidence of the physical count and the subsequent reconciliation must be dated, signed by the EOC-DICAC staff members who conducted the count, and initialled on every page. Documentation related to the count must be retained on file for two years for review by internal and/or external auditors, if requested.

1.4.3 Certify Assets

At headquarters, general service section must submit an ‘asset certification letter’ to the HR, management verifying that the physical count for headquarters has taken place, that assets exist, are in operation and tagged as per EOC-DICAC policies and procedures. The letter must confirm that the ERP ‘fixed asset report’ for fixed assets is accurate and complete as per reconciliation with the results of the physical count. The letter must be submitted by 15 January certifying fixed assets as of 31 December of the preceding year.

1.4.4 How to ensure the proper maintenance and repair of assets

Most equipment requires routine preventive maintenance to ensure maximum performance and efficiency. Scheduled maintenance may be covered under the warranty or guarantee for newly-acquired items. The general service section (in field offices generally the operations manager or administrative assistant) is responsible for ensuring that all scheduled maintenance for items under warranty is carried out as required. He/she must arrange to have assets inspected periodically, and to have routine cleaning and preventive maintenance performed as appropriate.

Despite the preventive measures provided by routine maintenance, assets will occasionally break down or be damaged. The general service section is responsible for arranging necessary repairs as quickly and economically as possible.

1.4.4.1 Arrange for Maintenance and Repairs

Every effort must be made to ensure that all maintenance contracts are entered into with reputable suppliers in order to maximize the quality and efficiency of maintenance contracts. Records of trustworthy companies performing these services must be maintained, including details regarding the degree of satisfaction with overall quality and economy of their services by the general service section. Appropriate market research must be conducted to obtain estimates of the probable cost of the required service.

1.4.5 HOW TO ENSURE THE SECURITY AND CARE OF ASSETS

Every effort must be made to ensure that assets are stored securely and cared for properly. Wherever possible, assets must be secured so that they are not easily removed or easily visible. Small attractive items and fixed assets (such as laptops, cameras and video equipment) must be stored in locked desks or cupboards which are in safe areas.



Any staff assigned to a designated location must ensure that assets within that location are treated with care. Any incidence of malfunction, loss, theft, disappearance, movement, new purchases or damage must promptly be reported to the asset focal point

Assign a Location to Assets

For tracking purposes each fixed asset must be assigned a specific location within office premises designated.

Headquarters – Staff must not move or relocate any assets assigned to a specific location including furniture and equipment. Only HR Department head is authorized to move EOC-DICAC assets. Requests to move assets may be done through the Integrated Service Desk.

Field and liaison Offices – Staff are not to move or relocate any EOC-DICAC assets (furniture and equipment) without prior written authorization from the head of unit or his/her designated official, usually the HR department head.

Once an asset is moved, the asset focal point is responsible for updating

Seek Approval before Temporarily Removing Assets from Offices

Headquarters - Permission must be granted to staff to remove assets from the office by the HR or delegated person. The ‘asset request form’ must be completed in order to effect this request. .

Field offices - Permission to temporarily move assets must be granted by the head of unit or by the asset focal point if authority has been delegated, using the ‘asset request’ form

1.4.6 Affix Asset Tags to All Assets

All assets must be tagged according to the tagging fixed asset categories. If a tag falls off from an asset it must be replaced. The replacement tag must contain the same information as the original tag.

1.4.7 Write-off of Loss or Theft of Assets

Each unit is required to conduct its own review of any assets which are lost or stolen using the ‘Request for Asset Disposal or Theft Investigation’ form. The staff to which the equipment was assigned must also provide a written report of the review which must be signed by the head of unit.

Any loss of an asset with a net-book value of ETB 5,000 or less at the time when loss is discovered is reviewed by HR and such amounts can be written off without further approval subject to the findings of the review.



Any loss of an asset with a net-book value above ETB 5,000, at the time when loss is discovered, is reviewed by HR and a formal request for write-off is required through the Office of the HR Department to the Executive Director.

Regardless of the amount of the loss, the request must always be brought to the attention of the Director, Audit service if there is any allegation of misconduct.

The HR Department is responsible for any follow up issues regarding the loss or theft and for ensuring the necessary corrections are made in the Asset register book to reflect the loss or theft.

HR Department provides a list to the commissioner each year on any assets lost or stolen and/or proposed for write-off.

1.4.8 Review Process for disposal of assets as required

HR Department will conduct a review of incidents of lost or stolen assets and conduct interviews with the department(s) concerned as required.

After a review is completed, the 'Request for Asset Disposal or Theft Investigation form' and review report will be submitted by HR within the organizational unit where the loss took place.

1.4.9 Disciplinary Action

In the review report, HR Department must indicate if a staff member is found accountable according to the EOC-DICAC Policy on Accountability, Disciplinary Measures and Procedures in EOC-DICAC

Regardless of asset value, if a staff member is found to be accountable, disciplinary action will be taken in accordance with the Staff Regulations and Rules, and may require the responsible official to reimburse the loss fully or partially.

1.4.10. HOW TO ASSESS FIXED ASSETS FOR IMPAIRMENT

Impairment is defined as the loss of value of an asset due to exceptional circumstances that limit its use and service potential. A fixed asset is impaired when its value is reduced beyond levels of reduction recorded through normal depreciation.

The most common indicators of impairment

All organizational units must assess fixed assets for impairment. The most common indicators of impairment include:

Physical damage, Legal changes that negatively affect the ability of EOC-DICAC to use or dispose of a fixed asset, Evidence that the service performance of a fixed asset is or will be significantly worse than expected, Technological obsolescence, Internal decisions which negatively affect the use and/or useful life of a fixed asset, and Decline in usage.



All cases where indicators of impairment are present must be reported to the HR through submission of the 'Request for Asset Disposal or Theft Investigation' form. Other documents may also be requested such as:

- Damage or inspection report from external authority (e.g. police report in the case of vehicle accident or a report from the fire department in case of fire);
- Valuation report from an external party showing the fair market value of the fixed asset;
- External quotes for repair works needed to bring the fixed asset to pre-impaired condition;
- Copy of new legislation affecting use or disposal of fixed asset.

Upon receipt of supporting documentation, the HR tests for impairment and determines the fixed asset's recoverable service amount. If a fixed asset's net book value is greater than its recoverable service amount an impairment loss is recorded.

1.4.11HOW TO TRANSFER ASSETS

When transferring assets between EOC-DICAC offices, the following procedures must be followed:

Step 1: Before the transfer, the asset tag must be removed from the asset by the office transferring the asset.

Step 2: The transferring office must accompany the transferred assets with an 'asset transfer' memo which includes a detailed description of the assets transferred, and the quantity, date, and serial number(s) (where appropriate). The title, printed name in block capitals, and legible signature of the staff/personnel who receives the goods should be recorded to verify the transfer.

Step 3: The signed 'asset transfer memo' must be returned to the asset focal point of the office that transferred the asset (s).

Step 4: When the asset focal point has received confirmation that a fixed asset has been moved and, where appropriate, title has been transferred, he/she must reflect the changes

2. Motor vehicle management policy and procedures

2.1 General

2.1.1 Purpose

The purpose of this Manual is to establish a motor vehicle management program that consists of uniform procedures for the utilization, maintenance, pursuing, replacement, and disposal of motor vehicles.



2.1.2 Policy

It is EOC-DICAC's policy to maintain management controls for the systematic accountability, receiving, tracking, managing, and disposing of motor vehicle assets. EOC-DICAC employees have a personal obligation for the proper operation and care of the motor vehicles entrusted to them or under their control or direct supervision. No EOC-DICAC employee will use, or permit the use of, Commission motor vehicles for other than official purposes except as permitted by law.

2.1.3 Procedures

The Motor Vehicle Management contains the procedures for the acquisition, operation, management, control, and disposal of motor vehicles. To aid compliance with the requirements, a copy of this manual should be made available to employees operating a Commission-owned/leased vehicle. These procedures shall be followed by all EOC-DICAC employees having the responsibility for assignment and operation of Commission-owned or leased motor vehicles.

2.2 Operating EOC-DICAC Motor Vehicles

EOC-DICAC Headquarters, Region/area coordination, and Field/project offices operating motor vehicles should:

- a. Maintain custody and accountability for all vehicles assigned to their personnel, including the establishment of recordkeeping and reporting systems relating to motor vehicle acquisition, use, operation, maintenance, and disposition.
- b. Comply with the Commission regulations, Department of the Interior manuals, EOC-DICAC procedures, and guidelines that apply to the administration of EOC-DICAC's motor vehicle management program.
- c. Determine and report current and future needs for motor vehicles, related facilities, and accessory equipment.
- d. Provide funds and facilities for maintaining, storing, parking, and operating EOC-DICAC motor vehicles and obtaining related supplies, services, and accessories.
- e. As required, formulate maintenance, repair, and storage procedures for EOC-DICAC-owned motor vehicles and related equipment.
- f. Implement instructions in this manual, EOC-DICAC issuances, and recommendations from EOC-DICAC's Fleet Manager concerning motor vehicle operations.
- g. Comply with established standards for driver qualifications, training, and indoctrinating motor vehicle drivers, and issuing and caring for motor vehicles.
- h. Prepare and submit motor vehicles operations reports to the EOC-DICAC's Fleet Manager, as required.
- i. Enter all information regarding vehicles into the Enterprise Resource Planning (ERP) within 72 hours of being acquired, transferred, when disposal procedures are initiated, and at final disposition.



- j. Develop, perform, and/or direct feasibility studies of motor vehicle use in their functions to ensure that EOC-DICAC provides effective mission transportation for the best value to the Commission.
- k. Comply with the motor vehicle safety program and EOC-DICAC's accident reporting requirements.
- l. Coordinate with Local Fleet Managers on problems involving use of their vehicles and motor vehicle management in general.
- m. Designate an employee to act as the Local Fleet Manager, who will keep track of scheduled and preventive maintenance on EOC-DICAC vehicles, including warranty maintenance

2.3 EOC-DICAC's Fleet Manager's Responsibilities

- 1. The EOC-DICAC's Fleet Manager is responsible for developing, implementing, and updating EOC-DICAC's fleet management plan on an annual basis. The plan defines the EOC-DICAC's strategy for implementing its initiatives and achieving both the Department's and EOC-DICAC's mission goals. The EOC-DICAC fleet management plan includes processes to develop investment strategies, effectively manage and maintain accountability for fleet, ensure the safety of vehicles, and demonstrate improved performance.
- 2. The EOC-DICAC's Fleet Manager has a number of responsibilities including, but not limited to, the following:
 - a. Establish, implement, and enforce EOC-DICAC motor vehicle policies and procedures and serve as a resource for Local Fleet Managers to develop specific internal procedures to fulfill the requirements of all applicable laws, rules, and executive orders.
 - b. Analyze fleet size, operating costs, and utilization relative to EOC-DICAC's missions; recommend appropriate parameters to manage EOC-DICAC's motor vehicles; and provide Local Fleet Managers with the tools to allow them to manage their fleets efficiently and cost effectively.
 - c. Maintain the ERP fleet module and collect and analyze essential fleet data as provided by Local Fleet Managers.
 - d. Maintain a cost-effective vehicle replacement program to include mileage/age criteria for each type of vehicle. Identify vehicles that have accumulated less than the minimum required mileage for possible rotation and develop a vehicle repair/replacement model to assist managers in managing their fleet vehicles in an efficient and cost-effective manner.
 - e. Provide fleet management support through conference calls, publications, websites, meetings, and training, as needed or requested.
 - f. Monitor fleet charge card purchases to ensure that restricted items are not purchased.



2.4 Local Fleet Manager Responsibilities

Local Fleet Managers of EOC-DICAC Commission-owned motor vehicles shall:

- a. Ensure the proper care, servicing, and inspection of equipment to keep it in a good, safe operating condition, to detect and correct mechanical defects, and to anticipate and prevent major repairs.
- b. Use ERP to document receipts, inventory, disposal, sales, rotations, transfers, maintenance, and mileage for all vehicles, as well as fuel type consumption of Alternative Fuel Vehicles.
- c. Establish and maintain ERP Equipment Master Records for utilization of all assigned motor vehicles and for costs of maintenance in EOC-DICAC motor vehicle operations.
- d. Ensure annual inspections are performed at authorized agreements or qualified independent garages and/or in the commission garage.
- e. Never permit the operation of EOC-DICAC motor vehicles with faulty, unsafe, or defective brakes, lights, steering apparatus, tires, exhaust, seat belts, door, hood, or window systems.
- f. Approve emergency repairs over ETB 10,000.
- g. Not authorize repairs resulting from vehicular accidents until all accident-reporting requirements have been met.

2.5 Motor Vehicle Driver Responsibilities

These are the guidelines for maintaining an effective vehicle control system. These guidelines assist in determining the qualifications of those employees who are authorized to operate Commission motor vehicles and for ensuring the safe and efficient operation of these vehicles. EOC-DICAC drivers are required to:

1. Possess a valid driver's license for the class of vehicle being operated. (He/She must notify his/her supervisor if his/her driver's license is suspended, revoked, canceled, or he/she has been otherwise disqualified from holding a driver's license.);
2. Meet the defensive driver training requirements as established by EOC-DICAC and operate the motor vehicle in a safe and prudent manner at all times;
3. Use the motor vehicle's complete occupant restraint system at all times and ensure that each passenger fasten his or her safety belt;
4. Report motor vehicles that are unsafe to the Local Fleet Manager;
5. Report motor vehicle use and cost data to the Local Fleet Manager;
6. Report all accidents to the supervisor and Local Fleet Manager;
7. Take responsibility for all parking and traffic violation fines levied against them;
8. Ensure assigned motor vehicle is properly secured when unattended;
9. Ensure the motor vehicle is properly serviced and inspected during the course of operation or notify the Local Fleet Manager of needed servicing;



10. Use the fleet charge card for Local Fleet Manager authorized emergency repairs; incur an emergency repair expense personally (not to exceed ETB 10,000) only when the Local Fleet Manager's approval cannot be obtained. A Claim for Reimbursement along with a "paid" invoice must be submitted to Local Fleet Manager for approval;
11. Wash motor vehicles, as needed and dependent upon road and weather conditions.
12. Ensure that the underside of the vehicle is cleaned regularly to prevent the adverse effects of mud and dust on the 4-wheel-drive function, when applicable. Accumulation of trash or refuse is not permitted inside vehicle.
13. Use self-service pumps where available. Premium gasoline must not be used unless required by the vehicle. If the vehicle is capable of using alternative fuels such fuel must be used when it is available.

2.6 Official Use of Motor Vehicles

1. Use of a Commission-owned or -leased motor vehicle is defined as "for official purpose." Official use of motor vehicles is to carry out authorized programs, including program work under cooperative agreement, grants, or other contractual arrangements made pursuant to authority assigned in the Commission. This may include the transportation of non-Federal passengers when determined as appropriate by the supervisor and Local Fleet Manager.
2. EOC-DICAC may render assistance in major disasters or emergency situations.
3. An employee may travel between his/her residence and place of employment when such use is authorized as provided in accordance with the procedures set forth.
4. The use of a Commission-owned or -leased motor vehicle for other than official purposes is prohibited or employee who intentionally uses or authorizes the use of such vehicles will be suspended, without pay, by the head of the bureau for at least

2.7 Motor Vehicle Identification

1. All EOC-DICAC Commission-owned or -leased motor vehicles must display an Ethiopian Commission license plate.
2. Local Fleet Managers will request all license plates from the EOC-DICAC's Fleet Manager. All license plates must be entered in the ERP inventory.
3. The assigned license plate must remain with the assigned vehicle as long as the vehicle is controlled by EOC-DICAC.
4. If a vehicle is transferred to another organization, categorized as excess, or disposed of, the license tag is to be removed and sent to the Local Fleet Manager for final disposition.
5. The Local Fleet Manager will notify via e-mail the EOC-DICAC's Fleet Manager of these actions.



6. New license plates will be issued for each new vehicle received. The Local Fleet Manager at the receiving location will enter required data on the new vehicle into the ERP.
7. The Local Fleet Manager will notify the EOC-DICAC's Fleet Manager when a license plate is lost, mutilated, or stolen. Notification will include a statement of events surrounding the loss. The Local Fleet Manager will notify local law enforcement if criminal activity is suspected.
8. When replacement license plates are received, the Local Fleet Manager will enter the appropriate fleet record change into ERP.

2.8 Motor Vehicle Safety

1. Motor vehicles must be operated safely at all times.
2. All EOC-DICAC employees, when operating or riding in a motor vehicle while on official Commission business, are to use safety belt systems at all times.
3. Drivers are to instruct passengers to fasten their seat and shoulder belt before the vehicle is in motion.
4. Supervisors should ensure that employees using Commission-owned, leased, or personal vehicles on official Commission business are informed of and comply with this policy.
5. Failure to use available safety belt systems may result in disciplinary and/or adverse action.
6. Accident Forms and Instruction Packet, First Aid Kit, Flare/Fuse, Fire Extinguisher, and Tire gauge.
7. Unsafe motor vehicles will not be operated.
8. Motor vehicles must be examined prior to use and upon return.
9. Potential defects/conditions that may adversely affect the safety of the vehicle (brakes, tires, lights, steering, wipers, horn, etc.) will be given special attention, and, if found, immediately reported to the respective Local Fleet Manager for correction.
10. Security of the vehicle, and its equipment, must be practiced at all times. This is assured through establishing the following operating habits:
 - a. Unattended vehicles will be left with all windows secured and all doors locked.
 - b. Unattended vehicles are not to idle nor have keys left in their ignition switches.
 - c. Materials of a sensitive nature should never be left in an unattended vehicle.
 - d. Articles, equipment, or items of an attractive nature should never be exposed to view in an unattended vehicle.
 - e. Vehicles garaged in open, unsecured lots must be equipped with inside hood latches to help prevent parts/battery theft.
11. Travelers and other unauthorized persons not directly connected to official business will not be transported.



12. The use of cell phones and/or smoking while operating a Commission motor vehicle is prohibited.

2.9 Motor Vehicle Maintenance and Inspections

1. Drivers of EOC-DICAC motor vehicles must comply with the maintenance programs designed for use, care, safety, and efficiency. Local Fleet managers shall be responsible for the maintenance of vehicles in their fleet.
 - a) Preventive maintenance is the routine scheduled maintenance of motor vehicles and includes the inspection of motor vehicles, tune-ups, oil changes, filter changes, verification and replenishment of fluids, lubrication, mechanical inspections, alignments, tire wear, and pressure checks. Good preventive maintenance will detect many problems before they become serious. This will reduce the amount of unscheduled maintenance and repair, as well as the costs and inconvenience associated with vehicle downtime.
 - b) Unscheduled maintenance is a repair to a vehicle caused by mechanical breakdown or damage. To the extent possible, Local Fleet Managers will work to ensure maximum vehicle availability for its drivers with minimum interruptions due to unscheduled repairs and breakdowns.
 - c) Safety and preventive maintenance inspections are performed at regularly scheduled intervals, as required by the manufacturer's schedule, in order to minimize uninterrupted operation of motor vehicles.
 - d) Drivers are to check and add gas to vehicles when needed, and check and inflate the air pressure in the tires on a routine basis.
2. Local Fleet Managers will maintain a separate vehicle folder and log sheet for each Commission vehicle that includes all applicable records and forms, invoices for all repairs, and warranty and recall information as appropriate.

2.10 Motor Vehicle Accidents

1. Motor vehicle accidents can often be avoided through careful habits and defensive driving. However, all motor vehicle accidents, no matter how slight or injury-free, must be fully reported to the EOC-DICAC's Fleet Manager.
2. Accident Forms and Instruction Packet will be in each motor vehicle's glove compartment.
3. In the event of an accident, the driver must follow the instructions printed on the front and back of the packet.
4. Motor Vehicle Repairs. Estimates of repair costs for damages by qualified repair shops are required for each vehicular accident.
5. Record of Frequent or High-Cost Accidents. If an employee sustains a record of frequent or high-cost accidents or fails to make a proper and/or timely report of accidents,



administrative disciplinary action may be considered as well as the suspension/revocation of his/her right to operate Commission vehicles.

6. **Fraud, Waste and Abuse.** In cases where accidents or damages resulted from misconduct, improper operation, abuse, or driving under the influence of alcohol or drugs, drivers can be required to pay for damages incurred that were judged to be his/her fault and/or subject to administrative disciplinary action.
7. **Commission-provided Legal Counsel and Protection.** An employee is entitled to Commission/insurance-provided legal counsel and protection against suits arising from motor vehicle accidents if they occur while performing official duties and within the scope of employment.
8. **Accident Fault of Other Party.** When the accident is determined to be the fault of the other party, the Local Fleet Manager or EOC-DICAC's Fleet Manager should attempt to ensure repairs to Commission property with the other party or their Insurance Representative. Arrange for the other party (or their representative) to settle repair costs directly with the repair facility.
9. **Minor Claim Value.** A minor claim against an uninsured party may contain more than value and a negative settlement may be justified. When it appears a settlement is due the Commission but it is unlikely that it will occur, the applicable office should forward a memorandum to the EOC-DICAC EOC-DICAC's Fleet Manager providing the full particulars of the accident.
10. **Accident or Act of Nature.** When an accident or act of nature, such as flood, fire, hailstorm, and similar cause results in the loss of a vehicle from inventory, the established committee will judge questions of cause and responsibility and make recommendations as to disposition.
1. The procedures for the committee's survey are the same as will be covered by EOC-DICAC's Fixed Management Manual. A Report of Survey will be completed for all Commission-owned motor vehicle damages or losses.

2.11 Disposal of Motor Vehicles

1. The primary methods of disposal are: (1) redistribution within EOC-DICAC; (2) transfer to another body; and (3) sale.
2. When a vehicle is excess to the needs of an assigned office, the Local Fleet Manager must notify the EOC-DICAC's Fleet Manager.
3. If the vehicle is designated for transfer to another EOC-DICAC office, the EOC-DICAC's Fleet Manager will coordinate the transfer.
 - a. The EOC-DICAC's Fleet Manager will finalize transfer arrangements and ensure the completion of Form Transfer of Property.
 - b. The vehicle file folder will be transferred with the vehicle that includes a copy of the request for record purposes.



- c. The gaining Local Fleet Manager will update the ERP and notify the EOC-DICAC's Fleet Manager that the transfer has been completed
4. Within 30 calendar days after a new replacement motor vehicle is received, the Local Fleet Manager will begin the sale process for the older motor vehicle.
5. Motor vehicles being replaced because of damage should not incur any further EOC-DICAC costs beyond being cleaned up or made presentable
6. After full payment from the sale has been received. The Local Fleet Manager will forward copies of the task completion form and the Certificate of Origin to the EOC-DICAC's Fleet Manager for deletion of the vehicle from ERP.
7. If no transfer is arranged outside of EOC-DICAC, a vehicle task completion report will be available for sale or donation as approved by the Local Fleet Manager.

3 Warehouse Management Policy

3.1 General

3.1.1 Introduction

Given the use of benefiter's funds, EOC-DICAC should ensure that there are proper stock control systems and adequate measures to prevent abuse or malpractice such as falsification of stores records, unauthorized disposal of serviceable stores for personal gain, misappropriation of the assets and theft, etc. This Best Practice module aims to provide EOC-DICAC with a checklist of good practices in stores management.

3.1.2 Policy and Guidelines

To ensure consistency and accountability in stock control, EOC-DICAC should lay down clear policies and procedural guidelines. These include: Procedural guidelines on stores management and well-defined levels of staff for authorization of different functions such as approving: replenishment of worn-out items; acceptance of goods upon delivery; disposal of unserviceable or surplus items; ethical guidelines such as Code of Conduct for staff; and other matters such as declaration of conflict of interest and acceptance of advantages

3.1.2 General Parameters in Stock Control

To facilitate stock control, it is good practice for EOC-DICAC to lay down parameters, such as the following:

The types of items to be subject to stock control, e.g. fixed assets, consumables, and goods for sale or distribution.

The desirable stock holding levels for individual stores/materials including:



- a. Re-order level – the level at which a new order is normally placed to replenish stock to allow ample time for normal procurement procedures to be followed.
- b. Maximum level – the maximum stock level for individual items to prevent the procurement of an unnecessarily excessive amount of goods.

In the case of goods produced by workshops for sale, the stock level should take into consideration the rate of production/turnover. The mode of stock controls i.e. a manual or computerized system. Where resources allow, a computer-based stock control system is preferred because it provides on-line access to stores information and facilitates maintenance of data such as stores movements.

3.1.3 Segregation of Duties

The duties of staff involved in the stock control process should be appropriately segregated to provide adequate checks and balances. Where practicable, different officers should be assigned to handle various stores-related functions including:

- Raising purchase requisition.
 - Receipt, inspection and counting of stores items delivered by suppliers, the duties of which should better be discharged by at least two staff.
 - Storage of received stores and processing transactions (e.g. issue of stores to users).
 - Stocktaking exercises or audit checks. In EOC-DICAC with service units outside the head office, separate sets of stores records for the head office should be maintained. Copies of these records should be updated and reconciled regularly or after each stocktaking exercise to see if there are any discrepancies.
- Stores Records
- Accurate and up-to-date stores records are keys to effective stores management. The following are some basic procedures on record maintenance:
 - Stores should be counted and recorded promptly after receipt or production (as for goods for sale) and whenever there is a store transaction (e.g. upon issue, return and transfer of a store item).
- For the issue of stores, each entry of store record should:
 - be supported by a properly authorized voucher or a job order (for the issue of raw materials), and
 - Show the necessary details such as the code number identifying the store item, quantity of the transaction and the voucher reference.
 - Vouchers should be serially numbered to facilitate checking.
 - In the case of a manual record system, a wrong entry should not simply be erased but it should be crossed out with the correct one entered by its side. Alternatively, a new entry



should be made, cross-referencing the wrong entry. All corrections to a record, be it a re-written or a new entry, should be signed off by the authorizing officer and subject to supervisory or audit checks, as for any additions or deletions of the stores records.

- In the case of a computerized system, corrections to stores records should only be made by the authorized officers. Audit trail reports on updated or amended stores records should be produced for supervisory checks.

3.2 Fixed Assets

Each fixed asset item should be affixed with a serial number and recorded in a register showing: the serial number, a description of the item, the date and file reference of acquisition, the cost of the item and the source of funding, appropriate status (i.e. whether the item is held in stock or have been issued for immediate use) and the location.

- Subsequent movements of the item
- Date, reason and authorization for disposal of any item classified as surplus or unserviceable

3.3 Stores, Materials and Goods for Sale/distribution

For stores, raw materials and goods for sale/distribution, the stores records should cover:

- the description and code number of each category of stores, materials or goods
- the quantity and location of the item
- the date and quantity of each transaction (including receipt, issue, return or transfer of stores, materials and goods)
- the unit price of goods for sale
- the stock balance after each transaction
- the expiry or validity date of the item (if any)

3.4 Computer Records

EOC-DICAC using computerized stock control systems should put in place safeguards against unauthorized access or tampering of the computer data. The following are the general areas of concern in using computer-based information systems:

- Physical security – to prevent unauthorized access to computer terminals and equipment.
- System security – to protect the accuracy, integrity and completeness of information and the computer software from being tampered with.
- Data security -to protect the confidentiality and integrity of data against unauthorized access or alteration by restricting access and functions to designated officers (e.g. by password control)



3.5 Receipt of Stores

In receiving stores items (including stores, materials, fixed assets or goods for sale/distribution) delivered by suppliers or workshops, the following control measures is to be taken:

- Where possible, stores items should be received and inspected by two officers against the order specifications (including the timing of delivery and quantity etc.)
- Payment should only be made upon certification that the delivered items or goods have met the order specifications.
- Serially numbered vouchers should be prepared for issue to the supplier or workshop as receipt of all items received, with a copy to the accounting department for record.
- Any damaged or sub-standard items and occasions of short- or over-delivery should be properly documented with a record to the accounting department. If the user is responsible for the receipt of goods, the supplies office should also be notified.
- The approving authority for writing-off any stores should be clearly defined and the quantity of stores involved and reasons should be recorded.

3.6 Issue of Stores

For the issue of stores, raw materials or goods for sale to users, the following measures are to be performed:

- Stores should only be issued upon production of serially numbered vouchers or job orders approved and signed by authorized staff.
- The stores staff should maintain a list of specimen signatures of the authorized officers and the signatures on the vouchers or job orders should be checked against the list.
- Recipients of stores should acknowledge receipt on the voucher, a copy of which should be sent to the accounting department for record.
- Stores should be issued on a “first-in-first-out” basis, particularly for those items which have a specified shelf life.
- Stock balance records should be updated promptly upon each issue with details such as the date, reason of issue, voucher/job order reference and the recipient.

3.7 Handover of Stores arising from Staff Transfers

Stores staff are accountable for the safekeeping of the stock in hand. Hence, they should be required to conduct stocktaking exercises at specified intervals. If there is a change of staff, both the incoming and outgoing stores officers are recommended to take the following steps:

- All items held in stock should be checked to ensure they tally with the records.
- If it is not practicable to check all items during the handover, the incoming officer should select randomly a number of items for checking, particularly those of high value.



- Any surpluses or shortfalls of items identified should be documented and reported to senior officers

The outgoing and incoming officers should sign a handover report for record purposes.

3.8 Independent Stock Checks

Stocktaking should be conducted on a regular basis by officers not in direct control of the stock (e.g. the staff of the administration/accounting departments). Supervisors should also undertake surprise stock checks from time to time. The following measures are recommended during the checks:

- Results of stock checks should be reconciled with the records held in the storeroom and by the accounting department and recorded.
- Any discrepancy should be documented, investigated and reported to the management including the findings of the investigation.
- The approving authority for amending stores records, especially involving writing off any loss or shortfall of stores items, should be clearly defined.
- The check should cover the compliance with the security measures.

3.9 Disposal of Stores

Stores items may be disposed of under the following circumstances:

- Unserviceable or beyond economical repair, • the validity has already expired
- damaged or broken, • surplus items Authority for Disposal,

3.9.1 Authority for Disposal

EOC-DICAC should specify the authorities to approve disposal of stores items and the method of disposal. Where necessary, procedures should be drawn up for the handling of scrap materials arising from the production of goods for sale to prevent materials with resale value from being disposed of for personal gain without proper authorization

3.9.2 Methods of Disposal

Common methods of disposal of unwanted stores include reallocating surplus items to other service units of the EOC-DICAC, trading-in for new/replacement items, donation to charitable organizations, auction or tender, or dumping.

Disposal of stores should best be carried out by a team comprising at least two officers, properly documented and supervised by an officer preferably not directly involved in stock control.

