



Enquiries : Mrs S Grobbelaar
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Reference : T6/17/P

**TO: ALL HEADS OF DEPARTMENT
ALL DEPARTMENTAL TRANSPORT OFFICERS
MEMBERS OF THE MOTOR TRANSPORT ADVISORY COMMITTEE**

MTS CIRCULAR NO 61 OF 2004: WRITING OFF LOSSES INCURRED IN RESPECT OF OFFICIAL VEHICLES

1. As you are aware, until the implementation of MTS Circular 18 of 2004, official vehicles that have been identified for Board of Survey (BOS) were towed to the respective Fleet Services, prior to the auction thereof. These vehicles are parked at the Fleet Services premises for indefinite periods of time awaiting the date of auction.
2. The vehicles, whilst parked at the Fleet Services premises are exposed to risk of theft, vandalism, stripping of vehicle parts and the elements. The condition of the vehicles in turn, adversely affects returns on the sale of vehicles on Board of Survey (BOS). It must be mentioned that once a vehicle is in the possession of the Department of Transport (DOT), the risk is transferred to DOT. Once the vehicles are sold on BOS, the losses incurred, due to the decreased value of the vehicles are written off as losses to the Department of Transport.
3. The matter has been discussed at the Motor Transport Advisory Committee meeting held on 14 July 2004 whereby it was stressed that in terms of the Public Financial Management Act, 1999, each Department should write off its losses at the end of each financial year. Up to this point, DOT has been writing off losses for all Departments in the Province in respect of official vehicles. In view hereof, DOT will no longer continue with writing off losses for other departments in respect of official vehicles, with effect from this financial year.
4. Kindly treat this matter as urgent and inform the relevant Loss Control section within your Department hereof.
5. Submitted for your further attention.

For Head: Transport

h: policies/circ/circ 2004/writing off losses

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