



NAMA KHOI MUNISIPALITEIT

BUDGET AND TREASURY OFFICE

NAAM/NAME: Financing costs: UNAUTHORISED EXPENDITURE

DOEL/GOAL: To report to Council on Section 32 of the MFMA (Municipal Finance Management Act), Unauthorised Expenditure for Council Approval.

“Unauthorised Expenditure (MFMA)” “in relation to a Municipality, means any expenditure incurred by a Municipality otherwise than in accordance with section 15 or 11(3), and includes:-

- (a) overspending of the total amount appropriated in the Municipality's approved budget;
- (b) overspending of the total amount appropriated for a vote in 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 that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the Municipality otherwise than in accordance with this Act;”

“Virement” means the process of transferring an approved budgetary provision from one operating cost element or capital project to another within a vote during a municipal financial year and which results from changed circumstances from that which prevailed at the time of the previous budget adoption.

The municipality did not have unauthorised expenditure in terms of votes, however there was expenditure on RDP housing which was not budgeted. The necessary process was followed in terms of Section 29 and the information was referred to the Mayor for approval.

The salaries which so overspending needs to be corrected on the financial system as it was budgeted.

Overspent Items at 30 September 2014

ACCOUNT NO	DESCRIPTION	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	Overspent
					-
DIRECTORATE: 10	EXECUTIVE MAYOR & COUNC				-
DEPARTMENT: 204	COUNCIL GENERAL ADMINIS				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
102040210162	CONTR. MEDICAL FD - (46 874		-46 874
CLASSIFICATION:	GENERAL EXPENSES - OTH				-
102042811525	MEMBERSHIP & SUBSCRIPT	141 630	716 784	650 000	-66 784
					-
DIRECTORATE: 11	MUNICIPAL MANAGER				-
DEPARTMENT: 220	OFFICE OFTHE MUNICIPAL				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
112200210065	ALLOWANCE - HOUSING SU		3 386		-3 386
112200210117	ALLOWANCE - TRANSPORT		10 358		-10 358
112200210141	BONUSES	18 879	111 493	86 639	-24 854
112200210161	CONTRIBUTIONS - MEDICA		47 156		-47 156
112200210203	INSURANCE : UIF	228	8 277	1 040	-7 237
112200210223	LEVY - BARGAINING COUN	33	427	152	-275
CLASSIFICATION:	REPAIRS & MAINTENANCE				-
112201810505	FURNITURE, EQUIPMENT &		19		-19
CLASSIFICATION:	GENERAL EXPENSES - OTH				-
112202811582	RDP HOUSING EXPENDITUR		358 741		-358 741
112202811584	RDP HOUSING EXPENDITUR		49 229		-49 229
112202811587	RDP HOUSING EXPENDITUR		380 000		-380 000
					-
DIRECTORATE: 11	MUNICIPAL MANAGER				-
DEPARTMENT: 221	INTERNAL AUDITING				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
112210210173	CONTRIBUTIONS - PENSIO		37 761		-37 761
112210210203	INSURANCE : UIF	207	1 325	945	-380
DIRECTORATE: 11	MUNICIPAL MANAGER				-
DEPARTMENT: 229	MUSEUM				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
112290210065	ALLOWANCE - HOUSING SU		375		-375
112290210173	CONTRIBUTIONS - PENSIO		7 268		-7 268
112290210203	INSURANCE : UIF		275		-275
112290210223	LEVY - BARGAINING COUN		20		-20
112290210281	SALARIES		27 151		-27 151
					-

ACCOUNT NO	DESCRIPTION	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	Overspent
DIRECTORATE: 13	CORPORATE SERVICES				-
DEPARTMENT: 261	MANAGER: CORPORATE SERV				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
132610210065	ALLOWANCE - HOUSING SU		2 644		-2 644
132610210109	ALLOWANCE - STANDBY		8 346		-8 346
132610210113	ALLOWANCE - TRAVELLING	21 189	144 312	97 248	-47 064
132610210117	ALLOWANCE - TRANSPORT		2 400		-2 400
132610210141	BONUSES	10 842	103 734	49 760	-53 974
132610210161	CONTRIBUTIONS - MEDICA	8 178	60 584	37 534	-23 050
132610210173	CONTRIBUTIONS - PENSIO	22 305	140 525	102 363	-38 162
132610210203	INSURANCE : UIF	129	8 963	597	-8 366
132610210223	LEVY - BARGAINING COUN	18	481	76	-405
132610210243	OVERTIME		45 986		-45 986
132610210281	SALARIES	130 107	1 147 425	597 119	-550 306
CLASSIFICATION:	GENERAL EXPENSES - OTH				-
132612811461	LEVY - SETA TRAINING		112 190		-112 190
132612811735	TELEPHONES - CELLPHONE	9 150	45 219	42 000	-3 219
					-
DIRECTORATE: 13	CORPORATE SERVICES				-
DEPARTMENT: 266	MUNICIPAL PROPERTY MANA				-
CLASSIFICATION:	GENERAL EXPENSES - OTH				-
132662811671	SERV CHGE MUN - ELECT		8 633		-8 633
132662811679	SERV CHGE MUN - REFUS		1 134		-1 134
132662811693	SERV CHGE MUN - SEPTI		1 321		-1 321
132662811701	SERV CHGE MUN - WATER		12 807		-12 807
					-
DIRECTORATE: 13	CORPORATE SERVICES				-
DEPARTMENT: 267	CLEANING SERVICE MUN OF				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
132670210065	ALLOWANCE - HOUSING SU		1 768		-1 768
132670210113	ALLOWANCE - TRAVELLING		5 500		-5 500
132670210141	BONUSES		34 371		-34 371
132670210161	CONTRIBUTIONS - MEDICA		13 115		-13 115
132670210173	CONTRIBUTIONS - PENSIO		62 511		-62 511
132670210203	INSURANCE : UIF		4 436		-4 436
132670210223	LEVY - BARGAINING COUN		380		-380
132670210243	OVERTIME		6 683		-6 683
132670210281	SALARIES		408 315		-408 315
CLASSIFICATION:	GENERAL EXPENSES - OTH				-
132672811121	CLEANING MATERIALS				-
132672811671	SERV CHGE MUN - ELECT		28 513		-28 513
132672811679	SERV CHGE MUN - REFUS		265		-265
132672811695	SERV CHGE MUN - SEWER		576		-576
132672811701	SERV CHGE MUN - WATER		79 900		-79 900
					-

ACCOUNT NO	DESCRIPTION	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	Overspent
DIRECTORATE: 15	FINANCIAL SERVICES				-
DEPARTMENT: 301	MANAGER: FINANCIAL SERV				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
153010210065	ALLOWANCE - HOUSING SU	654	17 281	3 000	-14 281
153010210109	ALLOWANCE - STANDBY		36 024		-36 024
153010210117	ALLOWANCE - TRANSPORT		10 440		-10 440
153010210141	BONUSES	19 434	336 210	89 197	-247 013
153010210161	CONTRIBUTIONS - MEDICA	10 437	150 347	47 894	-102 453
153010210173	CONTRIBUTIONS - PENSIO	13 764	324 018	63 164	-260 854
153010210203	INSURANCE : UIF	234	20 716	1 070	-19 646
153010210223	LEVY - BARGAINING COUN	51	1 091	229	-862
153010210243	OVERTIME		36 064		-36 064
153010210281	SALARIES	233 223	2 233 032	1 070 370	-1 162 662
CLASSIFICATION:	GENERAL EXPENSES - OTH				-
153012811415	INSURANCE - GENERAL		30 123		-30 123
153012811758	REVENUE FORGONE		1 692 393		-1 692 393
					-
DIRECTORATE: 15	INANCIAL SERVICES				-
DEPARTMENT: 302	CCOUNTING, BUDGET & FI				-
					-
					-
DIRECTORATE: 15	FINANCIAL SERVICES				-
DEPARTMENT: 304	EXPENDITURE & SUPPLY CH				-
CLASSIFICATION:	GENERAL EXPENSES - OTH				-
153042811416	INTEREST PAID - CREDIT		2 589 483		-2 589 483
					-
DIRECTORATE: 15	FINANCIAL SERVICES				-
DEPARTMENT: 305	PROP RATES & VALUATION				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
CLASSIFICATION:	PROPERTY RATES				-
153055612016	ASSESSMENT RATES- GOVT		1 985 703		-1 985 703
					-
					-
DIRECTORATE: 16	COMMUNITY SERVICES: COM				-
DEPARTMENT: 318	MANAGER: COMMUNITY DEVE				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
163180210065	ALLOWANCE - HOUSING SU		154		-154
163180210113	ALLOWANCE - TRAVELLING		16 500		-16 500
163180210141	BONUSES		26 309		-26 309
163180210161	CONTRIBUTIONS - MEDICA		4 718		-4 718
163180210173	CONTRIBUTIONS - PENSIO		19 976		-19 976
163180210203	INSURANCE : UIF		889		-889
163180210223	LEVY - BARGAINING COUN		41		-41
163180210243	OVERTIME		1 101		-1 101
163180210281	SALARIES		124 321		-124 321
					-

ACCOUNT NO	DESCRIPTION	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	Overspent
DIRECTORATE: 16	COMMUNITY SERVICES: COM				-
DEPARTMENT: 323	LIBRARIES & INFORMATION				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
163230210203	INSURANCE : UIF	195	4 320	895	-3 425
CLASSIFICATION:	GENERAL EXPENSES - OTH				-
163232811671	SERV CHGE MUN - ELECT		19 567		-19 567
163232811679	SERV CHGE MUN - REFUS		76		-76
163232811695	SERV CHGE MUN - SEWER		34		-34
163232811701	SERV CHGE MUN - WATER		16 480		-16 480
DIRECTORATE: 16	COMMUNITY SERVICES: COM				-
DEPARTMENT: 326	PARKS & OPEN AREAS				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
163260210109	ALLOWANCE - STANDBY		2 904		-2 904
163260210203	INSURANCE : UIF	477	4 894	2 186	-2 708
163260210243	OVERTIME		27 122		-27 122
163260210273	RELIEF STAFF		17 520		-17 520
CLASSIFICATION:	GENERAL EXPENSES - OTH				-
163262811671	SERV CHGE MUN - ELECT		5 177		-5 177
163262811701	SERV CHGE MUN - WATER		8 249		-8 249
DIRECTORATE: 16	COMMUNITY SERVICES: COM				-
DEPARTMENT: 327	SPORTS FACILITIES				-
CLASSIFICATION:	GENERAL EXPENSES - OTH				-
163272811671	SERV CHGE MUN - ELECT		278		-278
163272811679	SERV CHGE MUN - REFUS		227		-227
163272811693	SERV CHGE MUN - SEPTI		508		-508
163272811695	SERV CHGE MUN - SEWER		68		-68
DIRECTORATE: 16	COMMUNITY SERVICES: COM				-
DEPARTMENT: 328	REFUSE REM & WASTE MANA				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
163280210109	ALLOWANCE - STANDBY		5 066		-5 066
163280210203	INSURANCE : UIF	1 047	13 289	4 800	-8 489
163280210243	OVERTIME		28 705		-28 705
DIRECTORATE: 16	COMMUNITY SERVICES: COM				-
DEPARTMENT: 335	MUNICIPAL AIRPORT				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
163350210141	BONUSES		1 662		-1 662
163350210173	CONTRIBUTIONS - PENSIO		2 394		-2 394
163350210203	INSURANCE : UIF		215		-215
163350210223	LEVY - BARGAINING COUN		14		-14
163350210281	SALARIES		14 149		-14 149
CLASSIFICATION:	GENERAL EXPENSES - OTH				-
163352811701	SERV CHGE MUN - WATER		2 776		-2 776
					-

ACCOUNT NO	DESCRIPTION	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	Overspent
DIRECTORATE: 17	COMMUNITY SERVICES: PUB				-
DEPARTMENT: 341	EMERGENCY, FIRE & DISAS				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
173410210065	ALLOWANCE - HOUSING SU		1 984		-1 984
173410210109	ALLOWANCE - STANDBY		15 712		-15 712
173410210113	ALLOWANCE - TRAVELLING		16 500		-16 500
173410210141	BONUSES		22 805		-22 805
173410210173	CONTRIBUTIONS - PENSIO		17 039		-17 039
173410210203	INSURANCE : UIF		1 542		-1 542
173410210223	LEVY - BARGAINING COUN		102		-102
173410210243	OVERTIME		2 508		-2 508
173410210273	RELIEF STAFF		1 500		-1 500
173410210281	SALARIES		118 506		-118 506
DIRECTORATE: 17	COMMUNITY SERVICES: PUB				-
DEPARTMENT: 342	LAW ENFORCEMENT SERVICE				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
173420210109	ALLOWANCE - STANDBY		9 053		-9 053
173420210203	INSURANCE : UIF	312	3 359	1 432	-1 927
173420210243	OVERTIME		64 856		-64 856
DEPARTMENT: 344	TRAFFIC SERVICES				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
173440210109	ALLOWANCE - STANDBY		8 528		-8 528
173440210203	INSURANCE : UIF	588	6 491	2 693	-3 798
173440210243	OVERTIME		10 102		-10 102
DIRECTORATE: 18	INFRASTRUCTURE,ENG & TE				-
DEPARTMENT: 361	MANAGER:INFRASTRUCT,ENG				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
183610210065	ALLOWANCE - HOUSING SU		1 550		-1 550
183610210173	CONTRIBUTIONS - PENSIO		25 689		-25 689
183610210203	INSURANCE : UIF	96	799	441	-358
					-
DIRECTORATE: 18	INFRASTRUCTURE,ENG & TE				-
DEPARTMENT: 362	PROJECT MANAGEMT UNIT:				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
183620210113	ALLOWANCE - TRAVELLING		51 300		-51 300
183620210141	BONUSES		10 434		-10 434
183620210161	CONTRIBUTIONS - MEDICA		9 047		-9 047
183620210173	CONTRIBUTIONS - PENSIO		19 841		-19 841
183620210203	INSURANCE : UIF		804		-804
183620210223	LEVY - BARGAINING COUN		41		-41
183620210281	SALARIES		110 229		-110 229
					-
DIRECTORATE: 18	INFRASTRUCTURE,ENG & TE				-
DEPARTMENT: 363	ELECTRICAL ENGINEERING				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
183630210109	ALLOWANCE - STANDBY		33 082		-33 082
183630210203	INSURANCE : UIF	561	6 673	2 574	-4 099
183630210243	OVERTIME		241 715		-241 715
CLASSIFICATION:	GENERAL EXPENSES - OTH				-
183632811697	SERV CHGE MUN - STREE		73 741		-73 741
					-

ACCOUNT NO	DESCRIPTION	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	Overspent
DIRECTORATE: 18	INFRASTRUCTURE,ENG & TE				-
DEPARTMENT: 365	MECHANICAL ENG SERV: WO				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
183650210203	INSURANCE : UIF	507	5 547	2 327	-3 220
183650210243	OVERTIME		5 886		-5 886
CLASSIFICATION:	GENERAL EXPENSES - OTH				-
183652811671	SERV CHGE MUN - ELECT		3 803		-3 803
183652811679	SERV CHGE MUN - REFUS		113		-113
183652811701	SERV CHGE MUN - WATER		904		-904
CLASSIFICATION:	INTERNAL CHARGES				-
183654011927	INTERNAL VEH & PLANT H		324		-324
DIRECTORATE: 18	INFRASTRUCTURE,ENG & TE				-
DEPARTMENT: 366	ROADS				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
183660210109	ALLOWANCE - STANDBY		23 919		-23 919
183660210117	ALLOWANCE - TRANSPORT		750		-750
183660210203	INSURANCE : UIF	420	6 440	1 932	-4 508
183660210243	OVERTIME		50 414		-50 414
DIRECTORATE: 18	INFRASTRUCTURE,ENG & TE				-
DEPARTMENT: 368	WATER SERVICE				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
183680210109	ALLOWANCE - STANDBY		66 948		-66 948
183680210203	INSURANCE : UIF	510	7 777	2 345	-5 432
183680210243	OVERTIME		83 664		-83 664
183680210273	RELIEF STAFF		18 600		-18 600
DIRECTORATE: 18	INFRASTRUCTURE,ENG & TE				-
DEPARTMENT: 369	SEWERAGE & SANITATION S				-
CLASSIFICATION:	EMPLOYEE RELATED COSTS				-
183690210105	ALLOWANCE - SHIFT ALLO		8 149		-8 149
183690210109	ALLOWANCE - STANDBY		44 981		-44 981
183690210203	INSURANCE : UIF	678	11 015	3 107	-7 908
183690210243	OVERTIME		95 666		-95 666
183690210273	RELIEF STAFF		35 080		-35 080
183690210285	SUNDAY PREMIUM		18 547		-18 547
CLASSIFICATION:	GENERAL EXPENSES - OTH				-
183692811671	SERV CHGE MUN - ELECT		19 749		-19 749
183692811701	SERV CHGE MUN - WATER		1 782		-1 782
	TOTAL				-12 563 045

Catagories overspent items

The salary schedule must be align to the budget, there is a difference between the budget (salaries are categories per division) and the salary schedule (salaries are categories per department head)

Overspent Items at 30 September 2014						
ACCOUNT NO		DESCRIPTION	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	Overspent
						-
153010210281	1	SALARIES	233 223	2 233 032	1 070 370	-1 162 662
132610210281	1	SALARIES	130 107	1 147 425	597 119	-550 306
132670210281	1	SALARIES		408 315		-408 315
153010210173	1	CONTRIBUTIONS - PENSIO	13 764	324 018	63 164	-260 854
153010210141	1	BONUSES	19 434	336 210	89 197	-247 013
183630210243	1	OVERTIME		241 715		-241 715
163180210281	1	SALARIES		124 321		-124 321
173410210281	1	SALARIES		118 506		-118 506
183620210281	1	SALARIES		110 229		-110 229
153010210161	1	CONTRIBUTIONS - MEDICA	10 437	150 347	47 894	-102 453
183690210243	1	OVERTIME		95 666		-95 666
183680210243	1	OVERTIME		83 664		-83 664
183680210109	1	ALLOWANCE - STANDBY		66 948		-66 948
173420210243	1	OVERTIME		64 856		-64 856
132670210173	1	CONTRIBUTIONS - PENSIO		62 511		-62 511
132610210141	1	BONUSES	10 842	103 734	49 760	-53 974
183620210113	1	ALLOWANCE - TRAVELLING		51 300		-51 300
183660210243	1	OVERTIME		50 414		-50 414
112200210161	1	CONTRIBUTIONS - MEDICA		47 156		-47 156
132610210113	1	ALLOWANCE - TRAVELLING	21 189	144 312	97 248	-47 064
102040210162	1	CONTR. MEDICAL FD - (46 874		-46 874
132610210243	1	OVERTIME		45 986		-45 986
183690210109	1	ALLOWANCE - STANDBY		44 981		-44 981
132610210173	1	CONTRIBUTIONS - PENSIO	22 305	140 525	102 363	-38 162
112210210173	1	CONTRIBUTIONS - PENSIO		37 761		-37 761
153010210243	1	OVERTIME		36 064		-36 064
153010210109	1	ALLOWANCE - STANDBY		36 024		-36 024
183690210273	1	RELIEF STAFF		35 080		-35 080
132670210141	1	BONUSES		34 371		-34 371
183630210109	1	ALLOWANCE - STANDBY		33 082		-33 082
163280210243	1	OVERTIME		28 705		-28 705
112290210281	1	SALARIES		27 151		-27 151
163260210243	1	OVERTIME		27 122		-27 122
163180210141	1	BONUSES		26 309		-26 309
183610210173	1	CONTRIBUTIONS - PENSIO		25 689		-25 689
112200210141	1	BONUSES	18 879	111 493	86 639	-24 854
183660210109	1	ALLOWANCE - STANDBY		23 919		-23 919
132610210161	1	CONTRIBUTIONS - MEDICA	8 178	60 584	37 534	-23 050
173410210141	1	BONUSES		22 805		-22 805
163180210173	1	CONTRIBUTIONS - PENSIO		19 976		-19 976
183620210173	1	CONTRIBUTIONS - PENSIO		19 841		-19 841
153010210203	1	INSURANCE : UIF	234	20 716	1 070	-19 646
183680210273	1	RELIEF STAFF		18 600		-18 600

183690210285	1	SUNDAY PREMIUM		18 547		-18 547
163260210273	1	RELIEF STAFF		17 520		-17 520
173410210173	1	CONTRIBUTIONS - PENSIO		17 039		-17 039
163180210113	1	ALLOWANCE - TRAVELLING		16 500		-16 500
173410210113	1	ALLOWANCE - TRAVELLING		16 500		-16 500
173410210109	1	ALLOWANCE - STANDBY		15 712		-15 712
153010210065	1	ALLOWANCE - HOUSING SU	654	17 281	3 000	-14 281
163350210281	1	SALARIES		14 149		-14 149
132670210161	1	CONTRIBUTIONS - MEDICA		13 115		-13 115
153010210117	1	ALLOWANCE - TRANSPORT		10 440		-10 440
183620210141	1	BONUSES		10 434		-10 434
112200210117	1	ALLOWANCE - TRANSPORT		10 358		-10 358
173440210243	1	OVERTIME		10 102		-10 102
173420210109	1	ALLOWANCE - STANDBY		9 053		-9 053
183620210161	1	CONTRIBUTIONS - MEDICA		9 047		-9 047
173440210109	1	ALLOWANCE - STANDBY		8 528		-8 528
163280210203	1	INSURANCE : UIF	1 047	13 289	4 800	-8 489
132610210203	1	INSURANCE : UIF	129	8 963	597	-8 366
132610210109	1	ALLOWANCE - STANDBY		8 346		-8 346
183690210105	1	ALLOWANCE - SHIFT ALLO		8 149		-8 149
183690210203	1	INSURANCE : UIF	678	11 015	3 107	-7 908
112290210173	1	CONTRIBUTIONS - PENSIO		7 268		-7 268
112200210203	1	INSURANCE : UIF	228	8 277	1 040	-7 237
132670210243	1	OVERTIME		6 683		-6 683
183650210243	1	OVERTIME		5 886		-5 886
132670210113	1	ALLOWANCE - TRAVELLING		5 500		-5 500
183680210203	1	INSURANCE : UIF	510	7 777	2 345	-5 432
163280210109	1	ALLOWANCE - STANDBY		5 066		-5 066
163180210161	1	CONTRIBUTIONS - MEDICA		4 718		-4 718
183660210203	1	INSURANCE : UIF	420	6 440	1 932	-4 508
132670210203	1	INSURANCE : UIF		4 436		-4 436
183630210203	1	INSURANCE : UIF	561	6 673	2 574	-4 099
173440210203	1	INSURANCE : UIF	588	6 491	2 693	-3 798
163230210203	1	INSURANCE : UIF	195	4 320	895	-3 425
112200210065	1	ALLOWANCE - HOUSING SU		3 386		-3 386
183650210203	1	INSURANCE : UIF	507	5 547	2 327	-3 220
163260210109	1	ALLOWANCE - STANDBY		2 904		-2 904
163260210203	1	INSURANCE : UIF	477	4 894	2 186	-2 708
132610210065	1	ALLOWANCE - HOUSING SU		2 644		-2 644
173410210243	1	OVERTIME		2 508		-2 508
132610210117	1	ALLOWANCE - TRANSPORT		2 400		-2 400
163350210173	1	CONTRIBUTIONS - PENSIO		2 394		-2 394
173410210065	1	ALLOWANCE - HOUSING SU		1 984		-1 984
173420210203	1	INSURANCE : UIF	312	3 359	1 432	-1 927
132670210065	1	ALLOWANCE - HOUSING SU		1 768		-1 768
163350210141	1	BONUSES		1 662		-1 662
183610210065	1	ALLOWANCE - HOUSING SU		1 550		-1 550
173410210203	1	INSURANCE : UIF		1 542		-1 542
173410210273	1	RELIEF STAFF		1 500		-1 500
163180210243	1	OVERTIME		1 101		-1 101
163180210203	1	INSURANCE : UIF		889		-889
153010210223	1	LEVY - BARGAINING COUN	51	1 091	229	-862
183620210203	1	INSURANCE : UIF		804		-804
183660210117	1	ALLOWANCE - TRANSPORT		750		-750
132610210223	1	LEVY - BARGAINING COUN	18	481	76	-405
112210210203	1	INSURANCE : UIF	207	1 325	945	-380
132670210223	1	LEVY - BARGAINING COUN		380		-380
112290210065	1	ALLOWANCE - HOUSING SU		375		-375
183610210203	1	INSURANCE : UIF	96	799	441	-358
112200210223	1	LEVY - BARGAINING COUN	33	427	152	-275
112290210203	1	INSURANCE : UIF		275		-275
163350210203	1	INSURANCE : UIF		215		-215
163180210065	1	ALLOWANCE - HOUSING SU		154		-154
173410210223	1	LEVY - BARGAINING COUN		102		-102
163180210223	1	LEVY - BARGAINING COUN		41		-41
183620210223	1	LEVY - BARGAINING COUN		41		-41
112290210223	1	LEVY - BARGAINING COUN		20		-20
163350210223	1	LEVY - BARGAINING COUN		14		-14
		TOTAL				-5 008 156

ACCOUNT NO		DESCRIPTION	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	Overspent
132612811461	2	LEVY - SETA TRAINING		112 190		-112 190
132672811701	2	SERV CHGE MUN - WATER		79 900		-79 900
183632811697	2	SERV CHGE MUN - STREE		73 741		-73 741
102042811525	2	MEMBERSHIP & SUBSCRIPT	141 630	716 784	650 000	-66 784
153012811415	2	INSURANCE - GENERAL		30 123		-30 123
132672811671	2	SERV CHGE MUN - ELECT		28 513		-28 513
183692811671	2	SERV CHGE MUN - ELECT		19 749		-19 749
163232811671	2	SERV CHGE MUN - ELECT		19 567		-19 567
163232811701	2	SERV CHGE MUN - WATER		16 480		-16 480
132662811701	2	SERV CHGE MUN - WATER		12 807		-12 807
132662811671	2	SERV CHGE MUN - ELECT		8 633		-8 633
163262811701	2	SERV CHGE MUN - WATER		8 249		-8 249
163262811671	2	SERV CHGE MUN - ELECT		5 177		-5 177
183652811671	2	SERV CHGE MUN - ELECT		3 803		-3 803
132612811735	2	TELEPHONES - CELLPHONE	9 150	45 219	42 000	-3 219
163352811701	2	SERV CHGE MUN - WATER		2 776		-2 776
183692811701	2	SERV CHGE MUN - WATER		1 782		-1 782
132662811693	2	SERV CHGE MUN - SEPTI		1 321		-1 321
132662811679	2	SERV CHGE MUN - REFUS		1 134		-1 134
183652811701	2	SERV CHGE MUN - WATER		904		-904
132672811695	2	SERV CHGE MUN - SEWER		576		-576
163272811693	2	SERV CHGE MUN - SEPTI		508		-508
183654011927	2	INTERNAL VEH & PLANT H		324		-324
163272811671	2	SERV CHGE MUN - ELECT		278		-278
132672811679	2	SERV CHGE MUN - REFUS		265		-265
163272811679	2	SERV CHGE MUN - REFUS		227		-227
183652811679	2	SERV CHGE MUN - REFUS		113		-113
163232811679	2	SERV CHGE MUN - REFUS		76		-76
163272811695	2	SERV CHGE MUN - SEWER		68		-68
163232811695	2	SERV CHGE MUN - SEWER		34		-34
112201810505	2	FURNITURE, EQUIPMENT &		19		-19
		Total				-499 340

The above overspent items refer to expenditure that was not correctly budgeted.

ACCOUNT NO		DESCRIPTION	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	Overspent
112202811582	3	RDP HOUSING EXPENDITUR		358 741		-358 741
112202811584	3	RDP HOUSING EXPENDITUR		49 229		-49 229
112202811587	3	RDP HOUSING EXPENDITUR		380 000		-380 000
153012811758	3	REVENUE FORGONE (free basic		1 692 393		-1 692 393
153042811416	3	INTEREST PAID - CREDIT		2 589 483		-2 589 483
153055612016	3	ASSESSMENT RATES- GOVT (rebates on properties)		1 985 703		-1 985 703
						-7 055 549

The above overspent items refer to RDP Housing which was not in the original budget , revenue foregone which are the free basic services the municipality provides for the community and the rebates the municipality gives on property rates. The free basic services and rebates are incorrectly captured by the Income department and should be corrected.

FINANSËLE IMPLIKASIES/FINANCIAL IMPLICATION :

WETLIKE IMPLIKASIES/LEGAL IMPLICATION: Section 32 of the MFMA

32. (1) Without limiting liability in terms of the common law or other legislation—
(a) a political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure;

(d) any political office-bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure.

(2) (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.

(3) If the accounting officer becomes aware that the council, the mayor or the executive committee of the municipality, as the case may be, has taken a decision which, if implemented, is likely to result in unauthorised, irregular or fruitless and wasteful expenditure, the accounting officer is not liable for any ensuing unauthorised, irregular or fruitless and wasteful expenditure provided that the accounting officer has informed the council, the mayor or the executive committee, in writing, that the expenditure is likely to be unauthorised, irregular or fruitless and wasteful expenditure.

(4) The accounting officer must promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of—
(a) any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;

(b) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and

(c) the steps that have been taken—
(i) to recover or rectify such expenditure; and
(ii) to prevent a recurrence of such expenditure.

(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.

(8) The Minister, acting with the concurrence of the Cabinet member responsible for local government, may regulate the application of this section by regulation in terms of section 168.

AANBEVELINGS/RECOMMENDATION:

Council to take note of the report.

That the Council should follow Section 32 of the MFMA (Municipal Finance Management Act) in dealing with this issue.

Acting Chief Financial Officer

W Bowers