

MATATIELE LOCAL MUNICIPALITY



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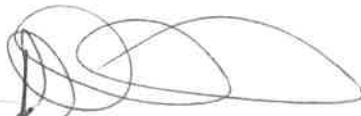
VIREMENT POLICY

POLICY INFORMATION	
DATE OF COUNCIL ADOPTION:	27 MAY 2021
COUNCIL RESOLUTION NUMBER:	<u>1257/27/05/2021</u>
POLICY NUMBER:	MLM/BTO/P30



MR L MATIWANE
MUNICIPAL MANAGER

10/08/21
DATE



CLLR. M.M. MBEDLA
MAYOR

20/08/19
DATE



CLLR N MSHUQWANA
SPEAKER COUNCIL

30/08/2021
DATE

Authority	Date
HOD Approval	
MM Approval	
Council Approval	
Date of next Review	

Approval of Policy

Please note that the implementation of the policy contained in this document is subject to approval and signing off by all relevant Heads and/or Committees, including but not limited to:

- Municipal Manager; and
- Municipal Council.

INDEX

	<u>Page</u>
<u>PART 1</u> : OBJECTIVE	2
<u>PART 2</u> : PRINCIPLES	2
<u>PART 3</u> : GUIDELINES	2
<u>PART 4</u> : AUTHORISATION	2
<u>PART 5</u> : VIREMENT APPROVAL FORM	3

1. OBJECTIVE

The objective of the policy is to provide the guidelines to be followed, to effect virements of approved budgeted expenditure during the course of a financial year.

2. PRINCIPLES

Changing circumstances during a financial year can require amendments to the original budget approved by Council to authorise expenditure, known as Virement. Amendments to line items within a vote can be approved at a management level, but changes to votes require approval from the Mayor.

3. GUIDELINES

3.1. Virement of line items within a vote can be approved as follows:

- 3.1.1. Strategic managers to recommend Virement to line items within a vote under their responsibilities.
- 3.1.2. The Chief Financial Officer to recommend Virement of line items within all departments, within any vote/department.
- 3.1.3. The Municipal Manager to approve all Virements in respect of line items within all votes and departments
- 3.1.4. The Mayor to approve Virements in respect of line items within a vote exceeding R 200 000.

3.2. Virement of any budgeted expenditure between votes can only be approved by the Mayor, upon consideration of a report from the Municipal Manager to support the necessity thereof, which also extends to the authorisation of unforeseeable or unavoidable expenditure not provided for in the budget.

3.3. No Virement is permitted within the first quarter of the new financial year.

3.4. Virement is not permitted in relation to the revenue side of the budget.

Revenue provisions amendments are to be adopted via an adjustments budget.

3.5. Only Virements which relate to projects approved as part of the municipal integrated development plan, the service delivery and budget

implementation plan and the annual or adjustments budget will be permitted.

- 3.6. Virements should not result in adding new projects to the capital budget.
- 3.7. Virements must be between projects of the same source of funding (e.g. MIG, own revenue).
- 3.8. Virements between operation and capital budget is not permitted.
- 3.9. No Virements to and from grants and subsidies paid is permitted, except if supported by Council decision for such a transfer.
- 3.10. Virements pertaining to employee related costs and remuneration of Councillors' is not permitted.
- 3.11. Motivations for virements between projects should clearly state the reason saving within the "giving" project as well as for the additional amount required.
- 3.12. The Council may authorise the utilisation of savings in one vote/ line item to cover over expenditure in other vote/line items at the end of the financial period.

4. PROCESS ,ACCOUNTABILITY AND AUTHORISATION

The completed and signed Virement form to be effected only by the Budget Office.

All virements to be authorised in the Adjustment budget or by a Council committee subsequent thereto.

Accountability to ensure that the Virement application forms are completed in accordance with the Council's Virement policy and not in conflict with the strategic objectives vests with the head of the relevant department.

[illegible]

DEPARTMENT															CURRENT BUDGET R			AMOUNT OF VIREMENT R			RESULTING BUDGET R		
VOTE NAME (TO)																							
VOTE BUDGET TO BE TRANSFERRED TO																							
VOTE NAME (FROM)																							
VOTE BUDGET TO BE TRANSFERRED FROM																							
REASONS FOR VIREMENT :																							
REQUESTED BY :																		DATE :					
MANAGER :																							
COMMENTS :																							
RECOMMENDED BY :																		DATE :					
GENERAL MANAGER :																		DATE :					
COMMENTS :																							
VERIFIED BY :																		DATE :					
BUDGET MANAGER/ACCOUNTANT/OFFICER																		DATE :					
COMMENTS :																							
RECOMMENDED/NOT RECOMMENDED																							
CHIEF FINANCIAL OFFICER :																		DATE :					
COMMENTS :																							
APPROVED/NOT APPROVED																							
ACCOUNTING OFFICER																		DATE :					
COMMENTS :																							
APPROVED/NOT APPROVED																							
MAYOR(EXCEEDING R 200 000)																		DATE :					
COMMENTS :																							
BUDGET AMENDED BY:																							
BUDGET MANAGER/ACCOUNTANT/OFFICER																		DATE :					

4. 10