

## **1. PURPOSE**

The purpose of this item is to report to Council about the irregular incurred in the second quarter ended 31 September 2022

## **2. BACKGROUND AND DISCUSSION**

The accounting officer must promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality; whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and the steps that have been taken to recover or rectify such expenditure; and to prevent a recurrence of such expenditure.

### **IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998), or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorized expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

## **3. LEGAL IMPLICATIONS**

In terms of S32(2) of the MFMA a municipality must recover unauthorized, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure in the case of unauthorised expenditure, is authorised in an adjustments budget; or certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council; and 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.

## **4. HR IMPLICATION**

None

## **5. FINANCIAL IMPLICATIONS**

The expenditure incurred in vain be recovered from the person liable after an investigation by Council Committee or the expenditure written off by council.

## **6. RECOMMENDED**

### **THAT**

1. Council takes note that no irregular expenditure and deviations were incurred during the second quarter ended 31 September 2022.