

ITEM: IRREGULAR EXPENDITURE FOR THE MONTH OF APRIL 2024/2025 FINANCIAL YEAR

1. PURPOSE OF THE REPORT

The purpose of the item is to inform Section 80 on Irregular Expenditure for the month of April 2024/2025 financial year, which may constitute Irregular Expenditure and to take appropriate steps to address this.

2. STRATEGIC OBJECTIVE

The strategic objective of this matter is under-sound financial management and viability.

3. RISK IMPLICATIONS

Non-compliance to Section 32 of the Municipal Finance Management Act, 2003 (MFMA)

4. POLICY IMPLICATIONS

Ensure compliance in terms of section 32 of the MFMA

5. LEGAL IMPLICATIONS

None

6. FINANCIAL IMPLICATIONS

The financial implication is stated as further detailed below.

DISCUSSION:

Section 32 of the MFMA determines the following:

- 1) Without limiting the liability in terms of the common law or other legislation-***

Irregular Expenditure

- a) Any political office-bearer or official of a municipality who deliberately or negligently committed, made or authorized a fruitless and wasteful expenditure, is liable for that expenditure.***
- 2) A municipality must recover unauthorized, irregular and fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure –***
- a) In the case of unauthorized expenditure, is-***
- i. Authorized in an adjustments budget; or***
- ii. Certified by the Municipal Council, after investigation that by a council committee, as irrecoverable and written off by the council; and***
- b) In the case of irregular or fruitless and wasteful expenditure, is after investigation by a council committee, certified as irrecoverable and written off by Council.***

Irregular Expenditure

Irregular Expenditure means.

- ***Expenditure not in accordance with the requirement of the MFMA, MSA, the Public Office Bearers Act, the Supply Chain Management policy of the municipality or any By-Law giving effect to such policy***
- ***Council take note that there was Irregular expenditure discovered for the month of April 2025.***
- ***Irregular Expenditure for the month of April 2024/2025 amounts to R 6 362 470.48 which is caused by tenders identified as Irregular Expenditure in the 2023/2024 Financial Year.***

Section 32 of the MFMA provides that the accounting officer of the Municipality must inform the Mayor, the MEC and the Auditor General in writing of any irregular and Fruitless and Wasteful expenditure incurred by the municipality. The accounting officer must also inform them if any person is responsible or under investigation for such expenditure and the steps that have been taken to rectify such expenditure.

RECOMMENDATIONS:

- a) That Section 80 note of identified Irregular Expenditure incurred in the month of April 2024/2025 financial period.
- b) That Section 80 take note of Irregular Expenditure reported on the month April 2024/2025 financial period amounting **R 6 362 470.48** submitted.
- c) That Section 80 refers to the identified Irregular Expenditure for the Financial Year 2024/2025 for the month of April amounting **R 6 362 470.48** to Council and MPAC for consideration and analysis in terms of Section 32 of the MFMA. **See attached table below - Annexure "A"**

ANNEXURE A																	
Register of Irregular Expenditure for April 2024/2025 Financial Year																	
Name of Municipality: Merafong City Local Municipality																	
No		Date of discovery	Date Reported to Accounting Officer		Transaction details			Person Liable (Official or Political Office Bearer)	Type of Prohibited Expenditure	Status							
					Date of Payment	Payment Number	Total Amount April 2025			Description of Incident	UI	D	CC	TR	P	WO	General comments
				Vendor name													
1		01/05/2025	01/05/2025	Dikgabo Consulting Engineers	04/04/2025		R619 689.44	Irregular Award - AG	PMU Section	Irregular	None	None	None	None	None	None	Matter to be Referred to Council and MPAC for Consideration
2		01/05/2025	01/05/2025	Pro-Plan Consulting	07/04/2025		R74 689.40	Irregular Award - AG	PMU Section	Irregular	None	None	None	None	None	None	Matter to be Referred to Council and MPAC for Consideration
3		01/05/2025	01/05/2028	SRSQS Quantity Surveyors	07/04/2025		R4 852 720.20	Irregular Award - AG	PMU Section	Irregular	None	None	None	None	None	None	Matter to be Referred to Council and MPAC for consideration

[illegible]

