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**GREATER LETABA MUNICIPALITY**

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**PROCEDURE MANUAL - VIREMENTS**

**1. MUNICIPAL MANAGER**

- 1.1 On monthly basis obtain the report from the Director: Finance whereby actual expenditure is compared to budgeted totals.
- 1.2 Review the report mentioned above and discuss reasons for over expenditure during Executive Committee meetings.
- 1.3 Scrutinise the monthly veriment reports together with supporting documents for transfers between departments and in the Treasury Department and approve or disapprove such transfers.
- 1.4 Generate a detailed monthly veriment report and submit such report to the Budget Committee for discussion purposes.
- 1.5 Generate and detailed quarterly veriment report and submit such report Council for discussion purposes.

**2. DIRECTOR: FINANCE (CFO)**

- 2.1 Perform detailed and strict monthly budgetary control procedures and report to the Municipal Manager timeously on over expenditures identified.
- 2.2 Generate a monthly budgetary control report between actual and budgeted expenditure and revenue and submit to and discuss with the Municipal Manager over expenditure and possible instances of veriment and transfers.
- 2.3 Obtain the monthly veriment reports from departmental directors in respect of transfers within departments. Review and if satisfied approve such transfers.
- 2.4 Generate a report on the above and submit to the Municipal Manager for approval.
- 2.5 Generate a monthly report regarding required transfers within the Finance Department and submit to the Municipal Manager for approval.

### **3. DIRECTORS OF DEPARTMENT**

- 3.1 Perform detailed and strict credit control procedures before approving each expenditure transaction and also follow up on actual revenue that is below the budgeted total.
- 3.2 Obtain a detailed departmental report from the Director: Finance regarding actual versus budgeted totals and discuss reasons for variances and possible transfers during Executive Meetings.
- 3.3 Where transfers are required within a department accounting structure (monthly basis), complete the required veriment form in detail, sign and submit to the Director: Finance or Municipal Manager for approval.
- 3.3 Where transfers are required between department accounting structures (monthly basis), complete the required veriment forms in detail, have the forms signed by the both the Directors of the departments involved and submit to the Director: Finance or Municipal Manager for approval.

**4. ASSISTANT DIRECTOR: EXPENDITURE, BUDGET AND REPORTING**

- 4.1 Maintain a detailed virement register and review the register to ensure that virement is done in accordance with the policy stipulations and sign the register as proof of review.
- 4.2 On a weekly basis refer the virement register to the Director: Finance for review and reporting purposes.

## **5. ACCOUNTANT: BUDGET AND REPORTING**

- 5.1 Receive a veriment request for from the relevant requesting department and perform the following functions:
  - 5.1.1 The directors of departments affected have fully completed and signed the virement forms.
  - 5.1.2 The transfer is not in contravention of the limitation as per the virement policy.
  - 5.1.3 The transfer amount is available in the vote from which the virement will be done.
  - 5.1.4 Sign the virement form as a proof that the review functions performed and submit the form to the Director: Finance for approval.
  - 5.1.5 Once the veriment form is approved by the Director: Finance or Municipal Manager in the case of a Finance Department request capture the transfer on the Municipality's financial system.
  - 5.1.6 File the approved veriment forms and supporting documentation in date order.
  - 5.1.7 Update the virement register every time a transfer is done.
  - 5.1.8 On a weekly basis refer the virement register to the Assistant Director: Expenditure, Budget and Reporting for review and reporting purposes.