**KAREEBERG MUNICIPALITY**

**FRUITLESS AND WASTEFUL EXPENDITURE POLICY**

1. The Council has developed and approved the above policy outlining the steps to be taken in case there is unauthorized, irregular, fruitless and wasteful expenditure to be implemented as from the 1st July 2014.
2. In terms of the policy the treatment of such will be:

“*where unautohorized, irregular or fruitless and wasteful expenditure is identified and discovered it must be recorded in the appropriate register (audit file) and the Municipal Manager or his delegate must immediately report in writing to the Mayor, Municipal Council, MEC for Cooperative Governance and Traditional Affairs, the Provincial Treasury and the Auditor-General as follows:*

1. *Any unauathorized, irregular or fruitless and wasteful expenditure incurred by the municipality;*
2. *Whether any person is resposible or under investigation for such unauthorized, irregular or fruitless and wasteful expenditure; and*
3. *The steps that have been taken to recover or rectify such expenditure; and prevent a recurrence of such expenditure.*
* The Municipal Manager must take appropriate steps in terms of section 32(2) of Municipal Finance Management Act to recover the amount.
* If the amount is irrecoverable, the Council may write-off the debt in terms of Treasury regulations,
* The amount written off in terms of treasury regulations must be disclosed in the Annual Financial Statements of the municipality (refer to circular 68/2013)
* The register must be updated according to the various outcomes of the above processes”

**Date approved: 24 February 2015**