



VIREMENT POLICY

2023 - 2024

DOCUMENT REF:	Budget.2023/2024
VERSION NO:	004.2023-24
PREPARED BY:	Wiso P M
DATE COMPILED:	March 2023
REVIEWED BY:	ZULU K
DATE REVIEWED:	March 2023
APPROVED BY:	Council
DATE APPROVED:	30 May 2023
EFFECTIVE DATE:	01 July 2023

INDEX

PART1: OBJECTIVE

PART2: VIREMENT PRINCIPLES

PART3: GUIDELINES

PART4: AUTHORISATION

PART5: VIREMENT APPROVAL FORM

DOCUMENT REFERENCE	003/2023 & 2024	OWNER	MOLEMOLE MUNICIPALITY
VERSION No	004	PAGE NUMBER	1 of 5

1. OBJECTIVE

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

2. PRINCIPLES

- 2.1. Virements should not be permitted in relation to the revenue side of the budget;
- 2.2. Virements between votes should be permitted where the proposed shifts in funding facilitate sound risk and financial management(e.g. the management of central insurance funds and insurance claims from separate votes);
- 2.3. Virements from capital budget to the operating budget should not be permitted;
- 2.4. Virements towards personnel expenditure should not be permitted;
- 2.5. Virements to or from the following items should not be permitted : bulk purchases, debt impairment, interest charges, depreciation, grants to individuals, revenue foregone, insurance and VAT;
- 2.6. Virements should not result in adding new projects to the capital budget;
- 2.7. Virements of conditional grant funds to purposes outside of that specified in the relevant conditional grant framework must not be permitted;

3. GUIDELINES

- 3.1. Virement of any budgeted expenditure between the line items can only be approved by the Municipal manager with the recommendation from the Chief Financial Officer.
 - 3.1.1 for projects 20%
 - 3.1.2 Others 15%

3.2. Virement of any budgeted expenditure between votes (Departments) can only be approved by the Council of Molemole Municipality, upon consideration of a report from Municipal manager to support the necessity thereof, which also extends to the authorization of unforeseeable or unavoidable expenditure not provided for in the budget.

4. AUTHORIZATION

All changes to be authorized in the adjustment budget or by council committee subsequent thereto.

5. INTERNAL MEMORANDUM

FROM : NAME OF DEPARTMENT

TO : OFFICE OF THE MUNICIPAL MANAGER

1. Purpose

2. Background

3. Discussion

4. Virement Approval Form

DOCUMENT REFERENCE	003/2023 & 2024	OWNER	MOLEMOLE MUNICIPALITY
VERSION No	004	PAGE NUMBER	3 of 5



DEBIT

Vote number	Description	Amount

CREDIT

Vote number	Description	Amount

REQUESTED BY

SIGNATURE

Date

RECOMMENDED BY CFO

SIGNATURE

Date

APPROVAL: MUNICIPAL MANAGER

SIGNATURE :

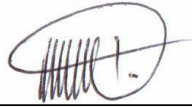
APPROVED APPROVED	NOT
------------------------------------	------------

Delete not applicable

DATE :

5. Policy review

The Virement policy must be reviewed annually and be tabled to the municipal council for approval.

Signature:	
Initial & Surname:	M E Paya
Designation:	Mayor
Council Resolution Number:	OC/7.2.1/30/05/2023
Council Date:	26 May 2023