

Mangaung Metropolitan Municipality
Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
61. Unauthorised expenditure		
Opening balance as previously reported	4,324,935,858	3,472,619,805
Opening balance as restated	4,324,935,858	3,472,619,805
Add: Unauthorised expenditure - prior period	-	108,279,588
Add: Unauthorised expenditure - current period	1,363,962,321	852,316,053
Less: Amount written off by Council on 31 August 2018	-	(108,279,588)
Less: Amount written off by Council on 4 December 2018	(3,420,116,584)	-
Closing balance	2,268,781,595	4,324,935,858

Unauthorised expenditure were written off by Council on 4 December 2018.

Incidents identified 2018/19

	Disciplinary steps taken / criminal proceedings	Balance reported	Written off / Recovered	Balance remaining
Overspending by Corporate services	None	80,473,293	-	80,473,293
Overspending by Engineering services	None	356,585,726	-	356,585,726
Overspending by Executive Mayor	None	2,007,003	-	2,007,003
Overspending by Miscellaneous Services	None	164,186,060	-	164,186,060
Overspending by Naledi infrastructure	None	2,614,199	-	2,614,199
Overspending by Strategic Projects and Service Delivery Regulations	None	10,200,111	-	10,200,111
Overspending by Water services	None	663,908,445	-	663,908,445
Overspending by Waste & Fleet management	None	45,165,711	-	45,165,711
Overspending by Social Services	None	38,821,773	-	38,821,773
		1,363,962,321	-	1,363,962,321

Incidents identified 2017/18

	Disciplinary steps taken / criminal proceedings	Balance reported	Written off / Recovered	Balance remaining
Unauthorised expenditure related to the prior year	Written off*	108,279,588	(108,279,588)	-
Overspending by Executive Mayor	None	7,893,535	-	7,893,535
Overspending by Corporate services	None	75,409,774	-	75,409,774
Overspending by Social services	None	35,105,144	-	35,105,144
Overspending by Engineering services	None	206,441,966	-	206,441,966
Overspending by Water services	None	381,138,360	-	381,138,360
Overspending by Waste and fleet management services	None	38,697,148	-	38,697,148
Overspending by Human settlement and housing	None	43,855,269	-	43,855,269
Overspending by Economic and rural development	None	3,774,857	-	3,774,857
		900,595,641	(108,279,588)	792,316,053

* Written off by Council on 31 August 2018.

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Figures in Rand 2019 2018

61. Unauthorised expenditure (continued)

Incidents identified 2016/17

	Disciplinary steps taken / criminal proceedings	Balance reported	Written off / Recovered	Balance remaining
Overspending by Engineering services	*	326,486,669	(326,486,669)	-
Overspending by Water services	*	171,274,442	(171,274,442)	-
Overspending by Miscellaneous Services	*	231,892,412	(231,892,412)	-
Overspending by Corporate services	*	3,543,745	(3,543,745)	-
Overspending by Fleet and Waste Management Services	*	10,826,857	(10,826,857)	-
		744,024,125	(744,024,125)	-

* Written off by Council on 4 December 2018.

Incidents identified 2015/16

	Disciplinary steps taken / criminal proceedings	Balance reported	Written off / Recovered	Balance remaining
Overspending by the Office of the City Manager	*	58,351,818	(58,351,818)	-
Overspending by Engineering services	*	376,693,435	(376,693,435)	-
Overspending by Water services	*	68,623,507	(68,623,507)	-
Overspending by Waste & Fleet Management services	None**	8,718,871	-	8,718,871
Overspending by Miscellaneous services	*	122,261,302	(122,261,302)	-
Overspending by Finance - (Capital budget)	*	428,285	(428,285)	-
Overspending by Human Settlements (Capital budget)	*	24,220,513	(24,220,513)	-
Overspending by Strategic Projects and Service Delivery Regulations (Capital budget)	*	1,535,723	(1,535,723)	-
		660,833,454	(652,114,583)	8,718,871

* Written off by Council on 4 December 2018.

** These items relates to overtime which Council has referred for further investigation.

Incidents identified 2014/15

	Disciplinary steps taken / criminal proceedings	Balance reported	Written off / Recovered	Balance remaining
Overspending by Infrastructure services	*	476,310,085	(476,310,085)	-
Overspending by Water services	*	16,073,144	(16,073,144)	-
Overspending by Miscellaneous services	*	494,749,304	(494,749,304)	-
		987,132,533	(987,132,533)	-

* Written off by Council on 4 December 2018.

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Figures in Rand 2019 2018

61. Unauthorised expenditure (continued)

Incidents identified 2013/14

	Disciplinary steps taken / criminal proceedings	Balance reported	Written off / Recovered	Balance remaining
Overspending by Infrastructure services	*	335,548,820	(335,548,820)	-
Overspending by Water services	*	6,503,968	(6,503,968)	-
Overspending by Miscellaneous services	*	324,571,205	(324,571,205)	-
Overspending by Property rates	*	6,472,972	(6,472,972)	-
		673,096,965	(673,096,965)	-

* Written off by Council on 4 December 2018.

Incidents identified 2012/13

	Disciplinary steps taken / criminal proceedings	Balance reported	Written off / Recovered	Balance remaining
Overspending by Infrastructure services	None*	19,535,661	-	19,535,661

* These items relates to overtime which Council has referred for further investigation.

Incidents identified 2011/12

	Disciplinary steps taken / criminal proceedings	Balance reported	Written off / Recovered	Balance remaining
Overspending by Finance directorate	*	35,020,886	(35,020,886)	-
Overspending by Infrastructure services	*	29,551,033	(29,551,033)	-
Overspending by Regional operations	*	159,247,863	(159,247,863)	-
Overspending by Miscellaneous services	*	44,318,396	(44,318,396)	-
Overspending by Corporate services	*	37,317,682	(37,317,682)	-
Overspending by Fresh Produce Market	*	177,295	(177,295)	-
Overspending by Water services	*	1,623,331	(1,623,331)	-
		307,256,486	(307,256,486)	-

* Written off by Council on 4 December 2018.

Incidents identified 2010/11

	Disciplinary steps taken / criminal proceedings	Balance reported	Written off / Recovered	Balance remaining
Overspending by Fresh Produce Market	*	417,912	(417,912)	-
Overspending by Miscellaneous services	*	29,774,764	(29,774,764)	-
Overspending by Water services - Operating	*	23,353,983	(23,353,983)	-
Overspending by Water services - Capital	**	14,165,233	(2,945,233)	11,220,000
		67,711,892	(56,491,892)	11,220,000

* Written off by Council on 4 December 2018.

**Partially written off by Council on 4 December 2018. The balance has been referred for further investigation.