

**OVERSTRAND
MUNICIPALITY**



VIREMENT POLICY

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OVERSTRAND MUNICIPALITY – VIREMENT POLICY

1 DEFINITIONS

“Accounting officer”	The municipal manager of a municipality is the accounting officer of the municipality in terms of section 60 of the MFMA
“Approved budget”	means an annual budget approved by a municipal council.
“Budget-related policy”	means a policy of a municipality affecting or affected by the annual budget of the municipality
“Chief financial officer”	means a person designated in terms of the MFMA who performs such budgeting, and other duties as may in terms of section 79 of the MFMA be delegated by the accounting officer to the chief financial officer.
“Capital Budget”	This is the estimated amount for capital items in a given fiscal period. Capital items are fixed assets such as facilities and equipment, the cost of which is normally written off over a number of fiscal periods
“Council”	means the council of a municipality referred to in section 18 of the Municipal Structures Act.
“Financial year”	means a 12-month year ending on 30 June.
“Line Item”	an appropriation that is itemized on a separate line in the internal budget document for the purpose of greater control over expenditure [See annexure “B1” for Item structure]
“Operating Budget”	the Municipality’s financial plan, which outlines proposed expenditures for the coming financial year and estimates the revenues used to finance them.
“Ring Fenced”	an exclusive combination of line items grouped for specific purposes for instance salaries and wages.
“Service delivery and budget implementation plan”	means a detailed plan approved by the mayor of a municipality in terms of section 53(1) (c) (ii) for implementing the municipality’s delivery of municipal services and its annual budget.
“Virement”	is the process of transferring an approved budget allocation from one operating line item or capital project to another, with the approval of the relevant Manager. To enable budget managers to amend budgets in the light of experience or to reflect anticipated changes.
“Vote”	means one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different Directorates or GFS classifications of the municipality; and which specifies the total amount that is appropriated for the purposes of the Directorates or GFS classifications concerned. [See annexure “A1” for Vote structure]

2 ABBREVIATIONS

“CFO”	Chief Financial Officer
“GFS”	Government Financial Statistics
“IDP”	Integrated Development Plan
“MFMA”	Municipal Finance Management Act No. 56 of 2003
“SDBIP”	Service delivery and budget implementation plan

OVERSTRAND MUNICIPALITY – VIREMENT POLICY**3 OBJECTIVE**

To allow limited flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

4 VIREMENT CLARIFICATION

Virement is the process of transferring budgeted funds from one line item number to another, with the approval of the relevant Director and CFO, in certain instances, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA)

5 FINANCIAL RESPONSIBILITIES

Strict budgetary control must be maintained throughout the financial year in order that potential overspends and / or income under-recovery within individual vote departments are identified at the earliest possible opportunity. (Chapter 4 of the MFMA) The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls. (Section 27(4) MFMA)

It is the responsibility of each manager or head of a directorate or activity to which funds are appropriated, to plan and conduct assigned operations so as not to expend more funds than budgeted. In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA sections 78 and 32.

6 VIREMENT RESTRICTIONS

- (a) A virement of funds between votes (Directorates) will not be allowed without approval in an adjustments budget.
- (b) Cumulative virements may not exceed a maximum of 10% of the total approved operating budget per Directorate.
- (c) A virement may not create new policy, significantly vary from current policy or alter the approved outcomes / outputs as approved in the IDP for the current or subsequent years. (section 19 and 21 MFMA)
- (d) Virements resulting in adjustments to the approved SDBIP need to be submitted to the Municipal Manager after an adjustments budget, with altered outputs and measurements for approval. (MFMA Circular 13 page 3 paragraph 3)
- (e) No virement request may be effected in the current year which will increase the approved budget in future financial years without the prior approval of the Municipal Manager and the Mayor. This refers to expenditure such as entering into lease- or rental agreements for vehicles, photo copier's or fax machines, operational contracts.
- (f) No virement may be made where it would result in unauthorised expenditure. (section 32 MFMA)
- (g) No virement shall add to the staff establishment of the Municipality without the approval of the Municipal Manager.
- (h) Budget may only be transferred from Salaries if approved by the Municipal Manager and the Director: Finance.

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- (i) If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.
- (j) Virements may not be made in respect of ring-fenced allocations.
- (k) No virements are permitted from Capital financing, Depreciation, Provisions, Contributions and Income Foregone.
- (l) Virements in capital budget allocations are only permitted within specified action plans and not across funding sources and must in addition have comparable asset lifespan classifications.
- (m) No virements are permitted in the first three months or the final month of the financial year without the express approval of the CFO.
- (n) No virement proposal shall affect amounts to be paid by another Department without the agreement of the Manager of that Department, as recorded on the signed virement form. (Section 15 MFMA)
- (o) Virement amounts may not be rolled over to subsequent years, or create expectations on following budgets. (Section 30 MFMA)
- (p) An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the procurement / supply chain management policy of Council as periodically reviewed.
- (q) Virements may not be made between Expenditure and Income.
- (r) Virements may not be made between capital and operational budgets, except as indicated in paragraph 7.
- (s) Virements from services such as electricity, water, sewage and refuse may only be considered after the submission of full details of the impact of the reduced expenditure for that service, and the impact has been duly considered, and approved by the Director: Finance.

7 VIREMENT PROCEDURE

- (a) All virement proposals must be completed on the appropriate documentation and forwarded to the Budget Office for checking and implementation. All virements must be subjected to scrutiny across all seven segments of the SCOA classification framework.
- (b) All virements must be approved by the Vote holder and/or relevant Manager (Section 79 MFMA) in the case of a departmental budget transfer, and also by the relevant Director in the case of a transfer within a Directorate relating to the operational budget.
- (c) Capital Budget Virement within a GFS Classification must be approved by the relevant manager and Director, the Municipal Manager and Director: Finance and, in cases where the amount exceeds R100 000, by the Executive Mayor. Virements across GFS classification will only be considered if it qualifies as an Adjustment Budget request and will then be done as part of the official Adjustment Budget.
- (d) A virement form must be completed for all Operational Budget Transfers and in the case of a Capital Budget transfer an official memo approved by the relevant director, MM & CFO must be submitted. The prescribed documentation must be completed.
- (e) Virements in excess of R 50,000 with a maximum as determined under section 6b. requires the approval of the relevant Director for Inter-departmental transfers, as well as the express approval of the Chief Financial Officer. (Section 79 MFMA).
- (f) Virement transfers must be taken into consideration by the respective managers with regards to the SDBIP.

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- (g) Virements in respect of Ward specific projects must be approved by the Chief Financial Officer, Municipal Manager and the Mayor.
- (h) Virements between Capital and Operational in respect of Ward Specific Projects and grant allocations, will only be allowed if it qualifies as an Adjustment Budget request and will then be done as part of the official Adjustment Budget
- (i) All virement documentation must be in order and approved before any expenditure may be committed or incurred. (Section 79 MFMA).
- (j) After all virement documentation has been duly completed, including all authorizations, the budget transfers must be effected within three working days.
- (k) The Director: Finance must report to the Municipal Manager and the Mayor on a monthly basis in respect of virements in excess of R50 000 per item.

8. IMPLEMENTATION AND REVIEW OF THIS POLICY

This policy shall be implemented on 1 July 2015 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	SENIOR MANAGER: FINANCIAL SERVICES
CURRENT UPDATE:	28 MAY 2015
PREVIOUS REVIEW	28 MAY 2014
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW:	30 MAY 2012
PREVIOUS REVIEW:	4 MAY 2011
APPROVAL BY COUNCIL:	26 MAY 2010

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ANNEXURE A

SCOA FUNCTION/SUB FUNCTION

FUNCTION/SUB-FUNCTION	FUNCTION/SUB-FUNCTION
Community and Social Services	Finance and Administration
Aged Care, Home Assistance and Transport Facilities	Administrative and Corporate Support
Animal Care and Diseases	Asset Management
Cemeteries, Funeral Parlours and Crematoriums	Budget and Treasury Office
Child Care Facilities	Finance
Community Halls and Facilities	Fleet Management
Libraries and Archives	Human Resources
Literacy Programmes	Information Technology
Museums and Art Galleries	Legal Services
Theatres	Marketing, Customer Relations, Publicity and Media Co-ordination
Zoo's	Property Services
	Risk Management
	Security Services
	Supply Chain Management
	Valuation Service
Electricity and Gas	Health
Electricity and Gas Distribution	Health Services
Street Lighting	Laboratory Services
Electricity Generation	
	Housing
Environmental Protection	Housing
Biodiversity and Landscape	Informal Settlements
Coastal Protection	
Pollution Control	Internal Audit
	Governance Function
Executive and Council	
Mayor and Council	
Municipal Manager, Town Secretary and Chief Executive	
	Road Transport
Other	Parking Garages
Abattoirs	Pounds
Air Transport	Public Transport
Forestry	Roads
Licensing and Regulation	Taxi Ranks
Markets	
Tourism	

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FUNCTION/SUB-FUNCTION	FUNCTION/SUB-FUNCTION
<p>Planning and Development</p> <p>Billboards Corporate Wide Strategic Planning (IDPs, LEDs) Central Improvement District Development Facilitation Economic Development/Planning Town Planning, Building Regulations and Enforcement, and City Engineer Project Management Unit Support to Local Municipalities</p>	<p>Sport and Recreation</p> <p>Beaches and Jetties Community Parks (including Nurseries) Recreational Facilities Sports Grounds and Stadiums</p>
<p>Public Safety</p> <p>Civil Defence (Municipal Commando's) Cleansing Control of Public Nuisances Fencing and Fences Fire Fighting and Protection Licensing and Control of Animals Police Forces, Traffic and Street Parking Control</p>	<p>Waste Management</p> <p>Recycling Solid Waste Disposal (Landfill Sites) Solid Waste Removal Street Cleansing</p>
	<p>Waste Water Management</p> <p>Public Toilets Sewerage Storm Water Management Treatment</p>
	<p>Water</p> <p>Treatment Water Distribution Water Storage</p>

Note: The function/sub- function segment consist of core and non-core functions

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DEPT	DIRECTORATE	CODE	DEPT	DIRECTORATE	CODE
	Community Services	8			
0500	DIRECTOR:COMMUNITY SERVICES		1920	OFFICE BUILDINGS ST	
0510	DEPUTY DIR:OPERATIONAL SERVICE		1930	OFFICE BUILDINGS GB	
0530	AREA MANAGER: KLEINMOND		1940	CORPORATE BUILDING (HM)	
0540	AREA MANAGER: HERMANUS		1990	SWIMMING POOL: HAWSTON	
0550	AREA MANAGER: STANFORD		2100	SPORTSGROUNDS: KLEINMOND	
0560	AREA MANAGER: GANSBAAI		2110	SPORTGROUNDS: HERMANUS	
0610	CONTROL ROOM		2120	SPORTGROUNDS: STANFORD	
0620	FLEET MANAGEMENT		2130	SPORTGROUNDS: GANSBAAI	
0630	SPORTS & RECREATION		2140	SWIMMING POOL: HERMANUS	
0640	MANAGER: CORPORATE PROJECTS		2150	SLIPWAY (KLEINBAAI)	
0950	LIBRARY: BETTY'S BAY		2160	STONY POINT (BETTY'S BAY)	
0960	LIBRARY: KLEINMOND		2500	CEMETERIES: KLEINMOND	
0970	LIBRARY: HAWSTON		2510	CEMETERIES: HERMANUS	
0980	LIBRARY: MOUNT PLEASANT		2520	CEMETERIES: STANFORD	
0990	LIBRARY: ZWELIHLE		2530	CEMETERIES: GANSBAAI	
1000	LIBRARY: HERMANUS		2600	CARAVAN PARK: PALMIETCAMP	
1010	LIBRARY: STANFORD		2610	CARAVANPARK: KLEINMOND	
1020	LIBRARY: GANSBAAI		2620	CAMPING SITE: HAWSTON	
1100	POST OFFICE AGENCY: STANFORD		2630	CARAVAN PARK: ONRUS	
1300	OPERATIONAL MANAGER: KLEINMOND		2660	CARAVAN PARK: GANSBAAI	
1310	OPERATIONAL MANAGER: HERMANUS		2900	HOUSING & SOCIAL UPLIFTMENT	
1320	OPERATIONAL MANAGER: STANFORD		2910	HOUSING ALL SCHEMES	
1330	OPERATIONAL MANAGER: GANSBAAI		4560	WATER (TREAT): KLEINMOND	
1600	BEACHES: KLEINMOND		4590	WATER (TREAT): DE BOS/PREEKSTO	
1610	BEACHES: HERMANUS		4600	WATER (TREATMENT) STANFORD	
1620	BEACHES: GANSBAAI		4620	WATER (TREAT): GANSBAAI/FRANSK	
1360	STREETS: PROVINCIAL MAIN ROAD		4800	WATER (DISTRIBUTION): KLEINMON	
1400	STREETS: KLEINMOND		4810	WATER (DISTRIBUTION): HERMANUS	
1410	STREETS: HERMANUS		4820	WATER (DISTRIBUTION): STANFORD	
1430	STREETS: STANFORD		4830	WATER (DISTRIBUTION): GANSBAAI	
1440	STREETS: GANSBAAI		4850	OVERSTRAND: WATER	
1450	OVERSTRAND: ROADS		4890	WATER INCOME	
1640	PARKS & TOWNLANDS (KLEINMOND)		4900	WATER (SERV & CON): KLEINMOND	
1650	PARKS & TOWNLANDS (HERMANUS)		4910	WATER (SERV & CON): HERMANUS	
1660	PARKS & TOWNLANDS (STANFORD)		4920	WATER (SERV & CON): STANFORD	
1670	PARKS & TOWNLANDS (GANSBAAI)		4930	WATER (SERV & CON): GANSBAAI	
1750	MULTI-PURPOSE CENTRE (HAWSTON)		4970	WATER (RAW WAT DAMS): GANSBAAI	
1800	COMMUNITY BUILDINGS KM		1500	STORMWATER: KLEINMOND	
1810	COMMUNITY BUILDINGS HM		1510	STORMWATER: HERMANUS	
1820	COMMUNITY BUILDINGS ST		1530	STORMWATER: STANFORD	
1830	COMMUNITY BUILDINGS GB		1540	STORMWATER: GANSBAAI	
1840	AUDITORIUM & BANQUETING HALL		3200	PUBLIC TOILETS (HERMANUS)	
1900	OFFICE BUILDINGS KM		3750	SEWERAGE (DISTRIBU): KLEINMOND	
1910	OFFICE BUILDINGS HM		3760	SEWERAGE (DISTRIBU): HERMANUS	

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DEPT	DIRECTORATE	CODE
3770	SEWERAGE (DISTRIBU): STANFORD	
3780	SEWERAGE (DISTRIBU): GANSBAAI	
3860	SEWERAGE (SERV/CON): HERMANUS	
3950	SEWERAGE (TANKERS): KLEINMOND	
3960	SEWERAGE (TANKERS): HERMANUS	
3970	SEWERAGE (TANKERS): STANFORD	
3980	SEWERAGE (TANKERS): GANSBAAI	
4050	SEWERAGE (TREATMENT) KLEINMOND	
4060	SEWERAGE (TREATMENT): HAWSTON	
4070	SEWERAGE (TREATMENT) HERMANUS	
4080	SEWERAGE (TREATMENT) STANFORD	
4090	SEWERAGE (TREATMENT) GANSBAAI	
4100	SEWERAGE INCOME	
3300	REFUSE REMOVAL: KLEINMOND	
3310	REFUSE REMOVAL: HERMANUS	
3320	REFUSE REMOVAL: STANFORD	
3330	REFUSE REMOVAL: GANSBAAI	
3400	SOLID WASTE DISPOSAL: B/BAY	
3410	SOLID WASTE DISPOSAL: HAWSTON	
3420	SOLID WASTE DISPOSAL: VOELKLIP	
3430	SOLID WASTE DISPOSAL: STANFORD	
3440	REFUSE DISPOSAL: P/BEACH (TRFST)	
3500	SOLID WASTE DISPOSAL: KLEINMON	
3510	SOLID WASTE DISPOSAL: HERMANUS	
3620	WASTE DISPOSAL SITE: GANSBAAI	
3650	REFUSE INCOME	

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LIST OF SCOA OPERATIONAL ITEMS

Bulk Purchases - Electricity: ESKOM	This account should record the cost of all electricity purchased for resale.
Contracted Services - Outsourced Services	The municipality should have the capacity and expertise to carry out certain services, but for some reasons not utilising their own staff. The reasons might include temporary incapacity or the outsourcing of services to save costs, for example cleaning, security and recruitment. In evaluating the classification of agency/outsourced services it should be established whether the services being procured could have been provided by the municipality itself. It could also be that the municipality ordinarily has the expertise to provide the service but temporarily could not do so or to save costs.
Alien Vegetation Control	External service providers used by the municipality for the control of alien vegetation being 1) declared noxious weeds (toxic to humans or cattle and which can infest agricultural crops 2) declared invasive weeds (usually less dangerous than the former but are non the less invasive and thus threaten the survival of other species and 3) plants perceived as "weeds" which are not classified within the two former groups and are not "declared" as such. [Conservation of Agricultural Resources Act No 43 of 1983]
Animal Care	Making use of external service providers to assist with animal care, such as the SBCA, Wet Noise or Volunteers.
Clearing and Grass Cutting Services	If the municipality make use of external service providers for assisting in the clearing and cleaning of bushes, ervin, fire belt, alien, invasive trees and tree/grass cutting the cost need to be recorded to this item. This would include the hiring of unemployed for assisting in these tasks.
Fire Services	If the municipality make use of external service providers for assisting in providing a fire service the cost need to be recorded to this item.
Hygiene Services	External service providers used by the municipality in providing hygiene services such as public toilets, toilet facilities in municipal buildings, waste and rain water causing hygiene concerns and problems, sewerage spills resulting from blocked drains, etc.
Illegal Dumping	If the municipality make use of external service providers to remove and clean-up "illegal dumping" of waste and refuse.
Litter Picking and Street Cleaning	External service providers or making use of contract workers to assist in litter picking in cleaning the municipal area.
Medical Waste Removal	Hospitals, clinics, medical practioners and laboratories generate various forms of medical waste to be disposed of in terms of Waste Legislation. In order to ensure the appropriate removal of waste the service is outsourced to specialist external services providers by the municipality.
Meter Management	The municipality make use of external service providers for the management of water and electricity meters including checking for tampering, calibration, replacing meters, reading meters and securing meters if instructed to disconnect and reconnect on instruction.
Reconnect-, Disconnect-, New Connections: Electricity	The cost of services rendered by external bodies i.r.o the disconnection and/or reconnection of meters and new installations of meters. specifically for electricity.
Reconnect-, Disconnect-, New Connections: Water	The cost of services rendered by external bodies i.r.o the disconnection and/or reconnection of meters and new installations of meters specifically for water.
Removal of Structures and Illegal Signs	Cost incurred in the use of contractors to remove illegal structures, signage, posters, advertisements, etc. This item exclude Informal Settlement Management.
Security Services	Cost incurred for the rendering of security services including safe guarding of cash in transit, personal bodyguards, guard services for public events and functions, monitoring of alarms, crime prevention, access control to buildings and public places, rapid and armed response.
Swimming Supervision	Cost incurred for making use of contractors for swimming supervision at municipal swimming pools.

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Translators and Interpreters	External translator and interpreting service used by the municipality to assist at public participation meetings, newsletters, public hearings and addresses, communications, letters, newsletters, etc.
Traffic Fines Management	This account provides for the outsourcing of traffic management for example camera fine management and collection thereof.
Veterinary Services	Costs incurred for services rendered by persons caring for sick, hurt or injured animals. Included are consultation fees, medication and hospitalisation of animals.
Contracted Services-Consultants/Professional Services	This group of accounts provides for Business and Advisory Services provided by Consultants and Professional Service Providers.
Business and Advisory - Accountants and Auditors	Consultancy services provided by registered accountants and auditors.
Business and Advisory - Air Pollution	Consultancy services provided to assist the municipality in curbing air pollution resulting from the introduction of chemicals, particular matter or biological materials that cause harm or discomfort to humans or other living organisms, or cause damage to the natural environment or built environment into the atmosphere.
Business and Advisory - Audit Committee	Compensation paid to external audit committee members for attending meeting.
Business and Advisory - Board Member	Consultation fees incurred for external board members attendance at Board Meetings.
Business and Advisory - Business and Fin. Management	Provision of specialised professional services regarding Financial Management and Procurement Management that cannot be maintained in-house. The legal status can be an individual, partnership or corporation.
Business and Advisory - Commissions and Committees	Professional services for special commissions of enquiry and members of committees other than the audit committee, performance committee, etc.
Business and Advisory - Communications	Professional advice to the municipality on its external and internal communication strategies.
Business and Advisory - Human Resources	Specialised professional services of a technical or specialised nature related to Human Resources Management that cannot be maintained in-house.
Business and Advisory - Medical Examinations	Referring employees for medical examinations at the expense of the municipality, for example if more than the acceptable sick leave are taken within a cycle, etc.
Business and Advisory - Occupational Health and Safety	Occupational health, safety and risk assessment consultants which is a cross-disciplinary area concerned with protecting the safety, health and welfare of people engaged in the work- or employment environment. As a secondary effect, it may also protect co-workers, family members, employers, customers, suppliers, nearby communities, and other members of the public who are impacted by the workplace environment. Risk assessment is the determination of quantitative or qualitative value of risk related to a concrete situation and a recognised threat which involve the calculations of risk, magnitudes of loss and the probability that the loss will occur.
Business and Advisory - Organisational	Professional advice to the municipality on the organisational structure, including advice on transformation, streamlining and stabilisation of the municipality and its service delivery activities.
Business and Advisory - Project Management	Professional fees for persons (individuals) or companies contracted to manage specific large projects on behalf of the municipality.
Business and Advisory - Research and Advisory	Specialist research and advisory services related to the development, refinement or evaluation of policies to the municipality (Usually these kinds of specialist research and advisory services would be done by recognised specialists in the relevant field, who very often are working as individuals, universities or research institutes. Also Environment studies done for land under claim to determine the impact a change of business will have on the land and surrounding environment and needs assessments are done whilst settling the claims to assess what the community's requirements are and if it will be met by the way the claim is settled.
Business and Advisory - Qualification Verification	Professional services for qualification verification of employees and candidates for positions.

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Business and Advisory - Quality Control	Specialised professional services of a technical or specialised nature related to quality control that cannot be maintained in-house. The legal status can be an individual, partnership or corporation, including electricity, water and air.
Business and Advisory - Valuer	Professional services of a valuer for valuing property, plant and equipment or providing assistance with compilation of the municipal valuation roll.
Infrastructure and Planning - Architectural	Architectural services being the art and science of designing buildings and structure including the design of the total built environment: from the macro level of town planning, urban design and landscape architecture to the micro level of construction details and, sometimes, furniture, etc.
Infrastructure and Planning - Ecological	This item includes services relating to ecology, such as studies in the science of the relationship between organisms and their environment, or studying the relationships between human groups and their physical and social environment and the study of the detrimental effects of modern civilisation on the environment, with a view toward prevention or reversal through conservation.
Infrastructure and Planning - Engineering: Civil	Civil engineering is a professional engineering discipline that deals with the design, construction and maintenance of the physical and naturally built environment, including works such as bridges, roads, canals, dams and buildings.
Infrastructure and Planning - Engineering: Electrical	Electrical engineering, sometimes referred to as electrical and electronic engineering, is a field of engineering that deals with the study and application of electricity, electronics and electromagnetism. It covers a range of subtopics including power, electronics, control systems, signal processing and telecommunications.
Infrastructure and Planning - Engineering: Industrial	Industrial engineering is a branch of engineering that concerns the development, improvement, implementation and evaluation of integrated systems of people, money, knowledge, information, equipment, energy, material and process. Industrial engineering draws upon the principles and methods of engineering analysis and synthesis, as well as mathematical, physical and social sciences together with the principles and methods of engineering analysis and design to specify, predict and evaluate the results to be obtained from such systems. Industrial engineers work to eliminate waste of time, money, materials, energy, and other resources. Industrial engineering is also known as operations management, systems engineering, production engineering, manufacturing engineering or manufacturing systems engineering. Where as most engineering disciplines apply skills to very specific areas, industrial engineering is applied in virtually every industry. Examples of where industrial engineering might be used include shortening lines (or queues) at a theme park or streamlining an operating room.
Infrastructure and Planning - Engineering: Mechanical	Mechanical engineering is an engineering discipline that involves the application of principles of physics for analysis, design, manufacturing, and maintenance of mechanical systems. Mechanical engineers design and build engines and power plants, structures and vehicles of all sizes. Mechanical engineers also design and analyze motor vehicles, aircraft, heating and cooling systems, watercraft, manufacturing plants, industrial equipment and machinery, robotics, medical devices and more.
Infrastructure and Planning - Engineering: Structural	Structural engineering is a field of engineering dealing with the design of structures that support or resist loads. Structural engineering is usually considered a specialty within civil engineering. Structural engineers are most commonly involved in the design of buildings and large non-building structures but they can also be involved in the design of machinery, medical equipment, vehicles or any items where the structural integrity of the design item affects its function or safety.
Infrastructure and Planning - Geodetic Surveys	Geotechnical engineer is an expert who evaluates and stabilises foundations for buildings, roads and other structures. Geotechnical engineering deals with geology, soil and rock mechanics, foundation engineering, ground improvement, land reclamation, deep excavation, underground construction and related work.

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Infrastructure and Planning - Geoinformatic Services	Creation of geographic information from manipulating geographic data in a computerised system. Typical applications are land registration, hydrology, cadastral, land evaluation, planning or environmental observation. Service may come in many different forms, such as maps or images taken from the air or from space, e.g. remote sensing data. Geodata is stored in a database, having special extensions for storing, handling and manipulation. Geoinformation is the useful output, produced by analysing data with a computer program called a "geographic information system".
Infrastructure and Planning - Geologist	Cost incurred in making use of a professional service provider relating to the science of geology, such as studying the physical structure and processes of the earth and planets of the solar system.
Infrastructure and Planning - Land/ Quantity Surveyors	Control of the cost on construction projects. The methods employed, cover a range of activities which may include cost planning, value engineering, feasibility studies, cost benefit analysis, lifecycle costing, valuation and cost estimation.
Infrastructure and Planning - Landscape Designer	Services provided by a landscape designer, being the planning, design and sometimes oversight of an exterior landscape or space.
Infrastructure and Planning - Town Planner	Services provided in the field of urban planning for public health and safety. Services may relate to the formulation of plans for short- and long-term growth and renewal of urban and suburban communities; the study of land use compatibility, economic, environmental and social trends and problems to determine the best use of land and resources. Town planners consider environmental matters such as sustainable development, air pollution, traffic congestions, crime, land values, legislation and zoning codes. They are usually hired by developers, private property owners, private planning firms, and local governments to assist in the large-scale planning of master planned communities, private/public housing, commercial development, community redevelopment, environmental expertise, public facilities, and public transportation systems.
Laboratory Services - Agriculture	This item includes the cost associated with making use of consultants or professionals for laboratory services such as scientific experiments, research, manufacturing of drugs or chemicals, observation and testing specifically relating to agriculture.
Laboratory Services - Medical	This item includes the cost associated with making use of consultants or professionals for laboratory services (including the National Health Laboratory Services and "other services providers") such as scientific experiments, research, manufacturing of drugs or chemicals, observation and testing specifically relating to human health (medical).
Laboratory Services - Roads	This item includes the cost associated with making use of consultants or professionals for laboratory services provided for testing of road surfaces and any other tests relating to roads.
Laboratory Services - Water	This item includes the cost associated with making use of consultants or professionals for laboratory services provided for testing of water samples, water quality and water related laboratory services.
Legal Cost - Legal Advice and Litigation	Services rendered by an attorney duly admitted to practice as an attorney in any part of the Republic of South Africa. Legal advice includes services such as: arbitration, business law, litigation (civil), commercial, company law, human rights, conveyance, employment law, environmental law, family law, insolvency, intellectual property, labour law, liquidation, mediation, property law, taxation, litigation (general), litigation (commercial), litigation (corporate), MVA claims, company registrations, mining, corporate, insurance law, commercial drafting, sequestrations, financial markets, high court practice, constitutional, liquor Law, town planning, litigation (high court), litigation (magistrates court), industrial relations, water law, international transactions and litigation (tax).
Legal Cost - Issue of Summons	Messenger of the court fees are incurred only on civil cases. A civil case refers to a matter where there is money involved (non payment of fees), for example, the department has not been paying its electricity or water bill. Money to pay for messenger of the court fees.
Legal Cost - Collection	Cost incurred for issuing warning to customers, collection cost of outstanding debt, fines and penalties.

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Contracted Services - Contractors	Contractors are required to provide services that are not the core business of the municipality. It is normally not cost effective to maintain these skills within the department. Contractors include costs associated with the use of contracted individuals or businesses on projects or tasks. This does not include amounts payable to contractors in respect of provision of services such as cleaning and security even if a staff element can be identified. Note also that it is common practice that the said contractor provides all the materials required for the project - he/she tenders for the whole project, materials included.
Aerial Photography	Aerial photography is the process of taking photographs from a camera mounted in an aircraft or balloon. Aerial photographs are used extensively in cartography to provide detailed geographical information in the production of maps.
Aerial Surveillance	Costs incurred by the municipality for utilising aerial surveillance service being the gathering of surveillance, usually visual imagery or video, from an airborne vehicle, such as helicopters or military aircrafts for reasons such as crime prevention, emergency and disaster management, high way patrols, helicopter Services, etc
Artists and Performers	The hiring of artists and/or performers for festivals organised by the municipality.
Auctioneers	Costs incurred for services rendered by an auctioneer who conducts a public sale in which goods and capital assets are sold to the highest bidder. This payment usually equals a fixed percentage of the selling price obtained.
Audio-visual Services	Cost incurred for the services provided by a person, not employed by the department relating to the recording and reproduction of sound and sight. "Consultants used in the creation, development and production of videos, films, DVD or other audio visual materials".
Bore Waterhole Drilling	Bore waterhole drilling contractors used for the rendering of service not qualifying for capitalisation.
Building Contractors	Building contractors providing services not recognised as capital but rather repairs and maintenance.
Chipping	Cost incurred for "chipping" of solid waster for recycling such as tires, metal, glass, wood, etc.
Electrical	Cost incurred in the use of electrical contractors (electricians) for installing new cabling, meters, transformers and transmitters, cable replacement and maintenance of electrical infrastructure and equipment.
Employee Wellness	Cost incurred for service providers for internal seminars and awareness programs in assisting employees in addressing specific needs and problems either in their workplace or private affairs. This includes programs relating to psychological, physical, financial, etc. Examples of such programs will include HIV awareness, financial awareness or self defence classes by contractors who come to the workplace to instruct etc. It is important to note that this item excludes medical wellness programs which include physical tests such as cholesterol, blood pressure, diabetes or advisory services by dieticians or any other medical related issue. The latter should be classified under the specific item for medical services and also does not include training programmes as defined in the training definitions, neither should the cost for any materials, or venues and facilities for those wellness contractors be classified under this item, but to the specific items as available for those items on the chart.
Event Promoters	Promoters develop marketing strategies for events ranging from concerts to sporting tournaments. Event promoters work with television, radio, special-events coordinators, ticket sellers, reviewers, bulk mailers, and local merchants to market a product/service. They are also involved in locating and booking the venues, artists, performers, stage and sound crew as well as the marketing strategies. It will also include market related cost payable to motivational speakers at public events, team building sessions etc.
First Aid	Costs incurred with regards to first aid facilities required for government occupied buildings. This facilities are fixed to the walls in the building. All costs incurred should be allocated to this item even if procured from an external service provider.

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Fire Protection	Cost incurred for the purpose of fire prevention and fire fighting affairs and services operation of regular and auxiliary fire brigades and of other fire fighting training programs. Includes: civil protection services such as mountain rescue, beach surveillance, evacuation of flooded areas, and provision, service and inspection of fire extinguishers and sprinkler systems. All costs incurred should be allocated to this item even if procured from an external service provider.
Fire Services	Cost incurred for contractors and other authorities i.r.o the prevention of fires and for fire brigade charges
Gardening Services	Cost incurred for domestic gardening services provided by service organisations. All costs incurred should be allocated to this item even if procured from an external service provider. Contracted out to a company, outsourcing of gardening service or acquiring of plants and flowers for own use.
Graphic Designers	Design or create graphics to meet specific commercial or promotional needs, such as packaging, displays, or logos. May use a variety of mediums to achieve artistic or decorative effects.
Grading of Sport Fields	Contractors used for grading (1-5% slope allowed from the centre of the field to outer corners) and drainage of sports fields according to generally accepted norms and standards. Essential process in constructing sports fields.
Haulage	Transport of waste between sites and from sites for recycling. Service provided by a contractor.
Interior Decorator	This item provides for the expertise of an interior decorator to provide advice in the art of decorating a room so that it is attractive, easy to use, and functions well with the existing architecture .
Inspection Fees	Contractors used for water and electricity meter inspections to detect tampering and confirm accuracy of metering use.
Maintenance of Buildings and Facilities	Costs incurred for making use of contractors for maintaining and repairing of buildings and facilities. Transactions allocated to this item is applicable only if the maintenance and repair does not extend the useful life of the asset and result in future cash inflows into the organisation. Examples would be painting, waterproofing, replacing carpets, fix broken windows, etc. Detail of Buildings and Facilities to be selected from the Project Segment.
Maintenance of Equipment	Costs incurred for making use of contractors for maintaining and repairing of equipment. Transactions allocated to this item is applicable only if the maintenance and repair does not extend the useful life of the asset and result in future cash inflows. Examples would be replacing filters or gas in an air conditioner, servicing of machinery and equipment and ordinary service of a motor vehicle. Detail of Plant and Equipment to be selected from the Project Segment.
Maintenance of Unspecified Assets	Costs incurred for making use of contractors for maintaining and repairing of buildings and facilities. Transactions allocated to this item is applicable only if the maintenance and repair does not extend the useful life of the asset and result in future cash inflows into the organization. Included in this item are maintenance of all other assets, not included under the categories for machinery and equipment e.g. biological assets, software and intangible assets, heritage assets. Examples would be maintenance of other assets such as roads, harbours and other infrastructure assets (all other assets not included in property maintenance or machinery and equipment). Detail of "other assets" to be selected from the Project Segment.
Management of Informal Settlements	Contractors used for removal of illegal settlements, structures and occupants.
Medical Services	Clinics might from time to time require the services of private medical practioners to render services when staff shortages occur. This is a short term arrangement for a specific requirement or need. Includes payment to private medical practitioners for services to employees as a result of injury on duty. Costs incurred by private medical centres for examination of sick patients of which the cost is carried by the municipality. Municipalities acquire the services of medical staff to render medical services to employees at the workplace to enhance employment wellness.
Mint of Decorations	Draft/mint of decorations/medals for the Mayor and Deputy Mayor not subjected to capitalisation.

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Pest Control and Fumigation	Cost incurred for contracting in Pest Control services for managing pests in the municipal area, such as rats, cockroaches, termites including fumigation cost using chemicals to prevent pests.
Photographer	Costs incurred for services rendered by photographer for official photo's.
Plants, Flowers and Other Decorations	Costs incurred for plants, flowers, wreaths used at memorial services and other decorations used for special events.
Prepaid Electricity Vendors	Contractors for vending of "prepaid electricity".
Preservation/Restoration/Dismantling/Cleaning Services	Costs incurred of services relating to restoration and preservation of items that should be stored for a long period of time whilst not in use and the restoration of art items. Excluded from this item are normal maintenance and repairs. Also included are the cost for dismantling and cleaning of assets to be stored for a unspecified period of time as well as the cost associated with the demolition of assets.
Tracing Agents and Debt Collectors	The expenditure incurred i.r.o services rendered by collecting firms with regard to outstanding accounts, including legal fees in this regard.
Traffic and Street Lights	Contractors appointed for the management of traffic and street lights such as replacing light bulbs, poles and traffic lights damaged in accidents, etc.
Transportation Contractor	Contractor for furniture removal, removal of abandoned vehicles, pounding of vehicles and "tow-in" of municipal vehicles and motors parked restricting entrance/exit gates.
Safeguard and Security	Cost incurred relating to safeguarding of property, for example armed response provided by ADT, Chubb or other(s) and security services for example reception or motor entrances access control outsourced.
Sewerage Services	Contractors used for sewerage and sanitation services, including suction pump vehicle (honey suckers) and removal of sludge from drying beds.
Inventory	The amount of inventories recognised as an expense during the period. GRAP 12.45(d) The amount of inventories recognised as an expense during the period, which is often referred to as cost of sales, consists of those costs previously included in the measurement of inventory that has now been sold, exchanged or distributed, and unallocated production overheads and abnormal amounts of production cost of inventories. GRAP 12.47
Inventory - Consumable Stores	Inventories are assets in the form of materials or supplies to be consumed in the production process; in the form of materials or supplies to be consumed or distributed in the rendering of services; held for sale or distribution in the ordinary course of operations or in the process of production for sale or distribution. (GRAP 12 .07). This category includes all other inventory consumables that are not catered for in the major inventory categories, like linen, seeds and seedlings, workplace decorations, cell phone accessories, etc.
Inventory - Consumable Stores - Standard Rated	Consumable stores procured subjected to the standard vat rate.
Inventory - Consumable Stores - Zero Rated	Certain basic food stuff subjected to zero-rated vat and fuel levy goods and farming goods such animal feed, animal remedies, fertilizer, pesticide and plants and seeds in a form used for cultivation.
Inventory - Finished Goods	Finished goods are goods that have completed required manufacturing process and are awaiting to be fitted/mixed/processed with final product or final product or final product itself could also be called as finished goods.

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Inventory - Goods held for Resale	Other goods held by the municipality for sale to third parties and would for example include agricultural produce.
Inventory - Materials and Supplies	Inventories are assets in the form of materials or supplies to be consumed in the production process; in the form of materials or supplies to be consumed or distributed in the rendering of services; held for sale or distribution in the ordinary course of operations or in the process of production for sale or distribution. (GRAP 12 .07). Materials and supplies will include items like building materials, hardware, painting materials and workshop accessories, etc.
Inventory - Raw Materials	Something bought as raw material and used to manufacture a product.
Inventory - Reversal of Write-down	The amount of any reversal of any write-down that is recognised as a reduction in the amount of inventories recognised as an expense in the period. [GRAP 12.45(f)]. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.
Operating Leases	An operating lease is a lease other than a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Land use portion of a building finance lease must be recorded under Rental of Land.
Operating Leases - Buildings	Classification of payments made for operational leases pertaining to buildings.
Operating Leases - Computer Equipment	Classification of payments made for operational leases pertaining to computer equipment.
Operating Leases - Furniture and Office Equipment	Classification of payments made for operational leases pertaining to furniture and office equipment.
Operating Leases - Intangible Assets	Classification of payments made for operational leases pertaining to infrastructure - Intangible Assets.
Operating Leases - Machinery and Equipment	Classification of payments made for operational leases pertaining to infrastructure - Machinery and Equipment.
Operational Cost	An operating expense is a day-to-day expense such as sales and administration, or research & development, accounting expenses, license fees, advertising, office expenses, utilities such as telephone, insurance, property management, travel and vehicle expenses.
Achievements and Awards	Cost incurred in giving awards in reconnection of achievements.
Advertising: Auctions	Cost incurred in publishing advertisements for auctions to dispose of obsolete assets in compliance with procurement and asset management policies.
Advertising: Corporate and Municipal Activities	Costs incurred relating to the promotion and selling of products or services related to the activities of the municipality by any media, e.g. TV, radio and newspapers. Include in this account would be draft and final budget adverts, council meeting and public participation, notice and town planning on sub-divisions, rezoning town development etc.
Advertising: Customer/Client Information	Advertising to encourage payment of municipal accounts, client and customer payment and service centres or special discounts for settlement of accounts in arrear.
Publicity and Marketing: Gifts and Promotional Items	Costs incurred in providing gifts without charge to the recipient (an individual or entity) or for the promotion of an event carrying the municipality, the states' or projects slogan. Gifts must be of a gratuitous nature and be a token of appreciation. Promotional items should serve the purpose of promoting the image of the municipality, project or state. This item include tracksuits, T-shirts and other promotional items.
Advertising: Mun. Newsletters	Cost incurred for printing and distribution of municipal newsletters.
Advertising, Publicity and Marketing: Signs	Cost incurred in placing poster, signs and boards for municipal activities.
Advertising, Publicity and Marketing: Staff Recruitment	Cost incurred in the publishing of notices in a local or national newspaper for recruiting potential candidates to apply for vacancies on the establishment. Also included in this item are advertisements to recruit interns.

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Advertising, Publicity and Marketing: Tenders	Cost incurred in publishing tender requests for the attention and information of potential providers of goods and service in compliance with procurement policies made to newspapers and other agencies for the placement and design of advertisements for tenders.
Assets less than the Capitalisation Threshold	Plant and equipment procured at less than the asset threshold to be expensed under this item. Capitalisation Threshold is the value above which assets are treated as capital assets and entered into an asset register from which reporting in the financial statements (specifically the Statement of Financial Position) is extracted.
Audit Cost: External	The Constitution of South Africa Section 188 determines that the Auditor-General must audit and report on the accounts, financial statements and financial management of all national and provincial departments and administrations, as well as all municipalities.
Bank Charges, Facility and Card Fees - Bank Accounts	Bank charges and card fees payable to Commercial Banks. Commercial banks are institutions that inter alia, provide basic banking services. Basic banking services entails the opening, maintenance and operation of accounts for money transmission by means of cheque, other payment instrument or savings account, such as FNB, Nedbank, Standard Bank, etc.
Bank Charges, Facility and Card Fees - Third Parties	Bank charges incurred by third party service providers by whom financial transactions are managed on behalf of municipalities, for example third party vending of pre-paid electricity includes both cash handling and debit/credit card bank charges. These costs need to be recorded separately in the municipalities records so as to manage and report accordingly.
Bank Charges, Facility and Card Fees - Fleet Cards	Bank charges and services charged on credit/debit/fleet/charged cards.
Bank Charges, Facility and Card Fees - Investments	Charges levied for the administration of investments held by institutions administrated under the Bank Act, e.g. First National Bank, ABSA, Nedbank, etc. All charges levied are allocated to this account, except for interest paid on bank overdrafts.
Bank Charges, Facility and Card Fees - Lease Payments	Bank charges and services fees charged on finance agreements with banks, etc.
Bank Charges, Facility, Card Fees - L/S Term Borrowings	Bank Fees and other administrative levies charged by financial institutions on providing long and short term loans, borrowings and bonds on property to the municipality.
Bargaining Council	Agency shop fees payable to the South African Local Government Bargaining Council determined by the Collective Agreement as a % of the employee's monthly salary up to a maximum of RX.
Bursaries (Employees)	Bursaries include payments made to provide direct support to employees for studying at universities or other tertiary institutions, where all the conditions and terms have been complied with in terms of the contract with the bursary holder.
Catering Municipal Activities	Expenditure incurred on individuals employed or contracted to the municipality or individuals outside the employee of the municipality, in connection with the activities of the municipality or department within a municipality, that directly relates to the achievement of its objectives. Such expenditure includes but is not limited to catering for Lekgotla, conferences, bosberade, workshops, indabas, courses, forums, hearings and meetings held with the intention to discuss the municipality's activities, launches and public addresses, interviews and training sessions, diner and drinks supplied at function for employees, catering and eatery provided for committee meetings and forums. The reason for the distinction between entertainment and catering is derived from section 17(2)(a)(i) being that municipalities are able to deduct input tax in regard to creating or maintaining those recreational facilities, but where entertainment goods or services are acquired for the purpose of hosting an event at sporting or recreational facilities or public amenities must be considered under section 17(2)(a)(i).
Cleaning Services: Laundry Services	Dry cleaning and laundry services for items other than those that forms part of the building which will be allocated to owned and leasehold expenditure.
Commission: Third Party Vendors	The commission payable to external bodies for the collection of income via for example "easy pay" or other pre-paid systems.

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Commission: Prepaid Electricity	Commission paid to Vendors for selling "Prepaid Electricity" to consumers.
Cost relating to the Sale of Houses	Cost incurred relating to the selling of municipal property such as houses, Ervin and buildings.
Courier and Delivery Services	Costs incurred in the use of courier services for transporting documents/parcels from one to a specified destination. Examples - Docex, XPS, DHL, etc.
Communication: Cell Contract (Subscription and Calls)	Monthly service provider subscription fees, call costs, itemised billing, CLI, 3G and other operating expenses for cellular phones should be allocated to this item.
Communication: Licences (Radio and Television)	Annual payment made to the SABC and other licensing authorities (SAMRO) for a permit to view television programs and to listen to the radio or "music license's". Annual payment made to obtain a television and radio licence including ICASA Radio licences, alarm systems, etc
Communication: Postage/Stamps/Frinking Machines	Postage is the amount payable for the carrying of the article by post, including any special charge or additional fee payable for special services supplied in relation to the carrying of the article. Stamp is the officially issued postage label, often adhesive, attesting that payment has been rendered for mail delivery. Frinking Machine is the machine which prints a franked impression on an envelope to record the amount of postage paid. Advance payment is made to the Post Office based on the average usage of the franking machine. Excluded are courier services for delivering of documents and articles, e.g. by DHL Speed Services and XPS.
Communication: Rent Private Bag and Postal Box	Costs incurred in the renting of post boxes and private bags from the Post Office or Post Net usually on an annual basis. This is usually an annual payment.
Communication: Satellite Signals	Cost include monthly subscription for Mnet and DSTV.
Communication: SMS Bulk Message Service	Subscriptions fees or bundle charges for sending bulk or customised SMS messages.
Communication: Telephone, Fax, Telegraph and Telex	Payments for the usages of telephones, faxes, telegraphs and telex for communication purposes, including costs for teleconferences. Communication by telephones and faxes includes the sending of messages electronically i.e. the sending of a message, image or document via a fax machine or a telephone or cell phone. Included in this item are the monthly charges for routers on the current Telkom PABX systems. Telex is a communications system using teleprinters that communicate via telephone lines. Teleconference is a meeting via telecommunications equipment: a meeting held among people in different places by means of telecommunications equipment. Payments include all costs for the usage of telecommunication equipment, including rentals. Telecommunication equipment includes phones, faxes, telegraphs and telex excluding cellular phones.
Communication: Telemetric Systems	Telephone bills for the systems - related to alarm systems used at reservoirs and water lines
Communication: Telephone Installation	Expenditure incurred for the installation of telephone systems excluding any capital outlays. This is usually of a once off nature.
Deeds	Fees payable to the Registrar of Deeds for extraction of information on ownership of property.
Dumping Fees (District Council)	District fees for dumping including the dumping fees and fixed cost.
Eskom Connection Fees	Once-off payment to ESCOM for new substations (Non Capitalised Cost).
Electricity Compliance Certificate	Section 14 of the National Building Regulations and Building Standards Amendment Act require any person licensed or authorized by a local authority to carry out the installation, alteration or repair of any electrical wiring connected or of which connection is desired with the electrical supply or distribution works of such local authority or any statutory body, shall, at the request of the owner of a building of which the erection has been completed or of any person having an interest therein (or of the local authority) issue a certificate if he is satisfied that the electrical wiring and other electrical installations in such building are in accordance with the provisions of all applicable laws. All costs incurred should be allocated to this item even if procured from an external service provider.

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Entertainment: Mayor	Entertainments expenditure incurred for entertainment expenses by the Mayor and Deputy Mayor as determined by the councils policy.
Entertainment: Councillors	Entertainments expenditure incurred for entertainment expenses by the Councillors as determined by the councils policy.
Entertainment: Senior Management	Entertainments expenditure incurred for entertainment expenses by the Senior Manager as determined by the councils policy.
External Computer Service: Data Lines	Communication lines at the municipal control centre and server room and other remote offices where data lines are operational.
External Computer Service: GPS Licence Fees	Licence fees paid for GPS licensing (GIS Information)
External Computer Service: Information Services	Any other computer services provided by external service providers.
External Computer Service: Internet Charge	Costs incurred for internet connectivity to other service providers other than SITA, e.g. Mweb, World online, lafrica, etc.
External Computer Service: Network Extensions	Costs incurred for moving, adding or replacing network extensions and cables as required.
External Computer Service: Remote Server Access	Costs incurred for utilising remote server access.
External Computer Service: Software Licences	Costs incurred to obtain a document granting permission for the use of computer programs to ensure that the operators of materials and resources are acknowledged and rewarded for their work, as well as ensuring that the materials are used legally and without risk of prosecution.
External Computer Service: Spec. Computer Service	Services provided by contractors to promote the effective utilisation of information technology to enhance the efficiency at the municipality.
External Computer Service: System Adviser	Costs incurred for the provision of technical, functional and business advice and support regarding information technology.
External Computer Service: System Development	System development costs incurred for services rendered with regard to developing and establishing network operating systems.
External Computer Service: Wireless Network	Services provided for setting up and maintaining wireless networks.
Freight Services	Costs incurred for the transport of goods in bulk by truck, train, ship or aircraft.
Full Time Union Representative	Compensation paid to "full time union representative" not included in compensation of employees.
Insurance Underwriting: Insurance Aggregation	Insurance aggregation is a process of finding multiple insurance quotes at one time so the buyer can make an accurate comparison of insurance policies based on identical information given to each company.
Insurance Underwriting: Claims paid to Third Parties	Claims paid to third parties.
Insurance Underwriting: Insurance Brokers Fees	Insurance Brokers Fees expenses
Insurance Underwriting: Insurance Claims	Costs paid towards claims incurred for damages to City of Cape Town property and assets, e.g. material, subcontractor costs, etc. [Self insured - pay-outs]
Insurance Underwriting: Excess Payments	An excess payment, also known as a deductible, is a fixed contribution that must be paid each time a car is repaired with the charges billed to an automotive insurance policy. Normally this payment is made directly to the accident repair "garage" when the car is collected. If the accident was the other driver's fault, and this fault is accepted by the third party's insurer, then the vehicle owner may be able to reclaim the excess payment from the other person's insurance company. If the insurance company settles a claim in terms of the insurance contract a fixed agreed amount as determined by the agreement with the insurer are usually deducted from the settlement payment either paid by the municipality when making replacements.
Insurance Underwriting: Risk Management Programs	Risk Management Program expenses.

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Insurance Underwriting: Premiums	Monthly premiums paid towards short term insurance either transfers made to the general insurance fund or self insurance fund.
Land Alienation Costs	Various land related costs
Levies Paid - Water Resource Management Charges	The payment of charges raised by the Department of Water Affairs based on a specified cent value per KI on Bulk Water purchased and include Catchment Management Areas Levy, Water Research Levy and Trans Caledon Tunnel Authority (TCTA) charges.
Licences: Motor Vehicle Licence and Registrations	Expenses incurred in obtaining motor vehicle licence and registration renewals or new issues.
Licences: Performing Arts	SAMRO licences for playing music in community halls.
Registration Fees: Professional and Regulatory Bodies	Registration fees paid to register with professional and regulatory bodies excluding the annual membership or subscription fees. Usually these bodies levy a "once-off" registration fees for enrolling new members.
Registration Fees: Seminars, Conferences: National	Fees paid for the attendance of National congresses/seminars/ symposiums and workshops. Excludes accommodation and transport which must be allocated to travelling and subsistence.
System Access and Information Fees	Cost incurred to get access to data information used for research and analysis purposes and systems for example, ITC, Home Affairs system, AKTEX system, StaticsSA or SARS data information. Also monies payable to the deeds trading account to obtain deeds registration certificates. This is for WAN access to users of this information database and not the software use license fee. The information provided is not seen as an intangible asset of the entity and constitutes the payment for a good or service current payments. This information could be in the form of a DVD, CD or other hardcopy format or directly online.
Travel Agency Fees	Cost incurred for services rendered by Travel Agency. Fees for the administration and management of travel arrangements of employees. It is important to note that any transaction administration fee payable to a service provider is excluded from the scope of the agency fee account. In addition, a fee payable to a car rental service provider in respect of traffic fines should not form part of expenditure, but should be recovered from the employee receiving the traffic fine.
Office Decorations	Cost incurred in procuring office decorations such as flowers, small ornaments, paintings, plants, table clothes, etc of low value and thus not capitalised.
Printing and Publications	All printing and publications, not inventory related and including development of photos, subscriptions to newspapers, magazines and periodic. Law amendments and updates, accounting and tax handbooks only used for limited period and then gets updated. This item includes reference books.
Professional Bodies, Membership and Subscription	Where an employee or official are required to pay fees to an independent institution in order to fulfil the role as required by their employment contract or the position they have been appointed in and fees payable to maintain occupation where maintenance of standards is required for public safety, (e.g. auditors with IRBA) Other examples of items to be included are SAICA, PAAB, CIA, IPFA, SAIGO, Institute of Mechanical Engineers, MASA, etc. Excluded from this item are course registration fees which is allocated under training expense.
Remuneration to Ward Committees	Remuneration to ward committee members [framework]
Resettlement Cost	Cost paid for re-imbursing an employee if transferred from one city to another. This would include transport of household, own transport, temporary accommodation, etc.
Road Worthy Test	"Roadworthy", in relation to a vehicle, means a vehicle which complies with the relevant provisions of the Road Traffic Act (Act) otherwise in a fit condition to be operated on a public road; A roadworthy certificate, is a certificate issued in terms of section 64 of this Act requiring the examination of motor vehicle and issue of roadworthy certificate and roadworthy certificate disc. Upon receipt of an application referred to in section 63, an appropriately graded examiner of vehicles shall test and examine the motor vehicle concerned in the manner and in respect of the features as prescribed.
Skills Development Fund Levy	Employers must pay 1% of their employers pay to the skills development levy.

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Search Fees	Cost incurred in extracting documents from CIPRO, AKTEX, NCA, etc.
Servitudes and Land Surveys	Cost incurred for conducting land surveys and obtaining servitudes to allow land use arrangements.
Signage	The purchasing and erection of all street name signs and name boards
Storage of Files (Archiving)	Cost incurred for archiving of files and documents to kept in terms of the MFMA.
Storage of Assets and Goods	Cost incurred for storage of furniture and equipment or any other movable assets or goods.
Small Differences Tolerances	Small losses on cashier deposits and petty cash floats.
Taking over Contractual Obligations	Taking over of study loan incurred by an employee for full time study before appointed by the municipality. In return the employee agrees to work for the department for a specified period of time. In the event the term of service is not completed a pro-rata refund could be claimed from the employee depending on the agreement with the municipality.
Toll Gate Fees	Toll gates fees paid to SANRAL for making use of National Roads
Uniform and Protective Clothing	Uniform and Protective clothing purchased for issue to employees.
Vehicle Tracking	This is used to record all payments associated with vehicle tracking; including the initial payment of the installation of the tracking device as well as the associated monthly tracking fees.
Warrantees and Guarantees	Warrantees and guarantees form part of the elements of cost at initial purchase price of an asset which should be capitalised. However, once the warrantee has expired and departments need to re-new such warrantee the cost should be expensed against this item.
Wet Fuel	Payment for fuel supplied by vendor (Topping up) when hiring fleet, plant or equipment (externally)
Workmen's Compensation Fund	Workmen's Compensation by to the Commissioner in terms of the Occupational Injuries and Diseases Act of 1993 (COIDA)
Travel and Subsistence: Domestic	Travel and subsistence includes all domestic and foreign travel related expenditure paid for employees and non-employees. This item in specific covers expenditure on accommodation cost, food and beverage, incidental cost, and car rental paid for official travelling purposes. Departmental policies apply when these expenditure are incurred.
Accommodation	If an employee must take an official journey the employer shall meet reasonable actual accommodation costs, if any. Accommodation includes a room, building or space where someone may stay or live. This item includes the accommodation cost either directly paid by the department or reimbursed to the employee.
Daily Allowance	Special daily allowance (smaller tariff) to compensate for incidental expenses where actual expenses are claimed meaning that the actual accommodation and meals cost are paid to a travel agency, or hotel or the claimant be reimbursed. Those expenses are allocated to the specific items provided for in the chart. Fixed daily subsistence allowance (bigger tariff) is payable in circumstances where actual expenses are not claimed for example a person would stay with family and no accommodation or meals are paid to a third party. Also under this item provision is made for daily allowances payable to camping personnel. The separation allowance should also be allocated to daily allowance.
Food and Beverage (Served)	Actual purchases of food and beverages served over the counter (take always) or in a restaurant.
Incidental Cost	Requisitions of minor, casual or sub-ordinate nature, for example telephone cost, toll fees, parking fees, making of photocopies when on an official trip.

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Transport without Operator: Car Rental	Car hire costs incurred on behalf of an employee required to travel to various locations within South Africa in performing his official duties. Examples of services providers are AVIS, Imperial, Budget, etc.
Transport without Operator: Own Transport	If an employee must use private transport to carry out his/her duties, the employer may: 1) provide an allowance to cover reasonable actual costs, and/or compensate the employee according to tariffs prescribed.
Transport with Operator: Public Transport-Air Transport	Scheduled freight and passenger services, departing from national and international airports within the boundaries of South Africa. Travelling to Cape Town for portfolio committee meetings, SCOPA hearings and any other official business making use of air travel. Include are the airport taxes, luggage handling fees, VAT and cost of the ticket. Excluded is the travel agency fees.
Transport with Operator: Public Transport-Road Transport	Scheduled freight and passenger services, for example bus services and unscheduled taxi and shuttle services outside the South African boundaries.