

??/2018

OVERPAYMENT OF COUNCILLORS – AUGUST 2018 (CFO)

PURPOSE

To report on the overpayment of Councillors for the month of August 2018 as illustrated in attached schedule (Attachment A).

INTRODUCTION AND BACKGROUND

During the month of August 2018 an error occurred which resulted in the overpayment of councillors. The error was detected on 24 August 2018 a day after the salary run for August 2018. An investigation was instituted to determine how the error occurred and it was established that the overpayment was as a result of a system error on the Payday system. The system error occurred as after the system calculated the 7% increment for officials, the system then recalculated the 7 % increase for councillors as well.

The matter was reported, and an immediate investigation was instituted, the investigation is still in the process and a detailed report will be submitted upon conclusion of the investigation.

FINANCIAL IMPLICATION

1. MMC's on attached annexure were overpaid with an amount of R9 240.00 while Part-time Councillors were overpaid with R4 010.79

REMEDIAL ACTION FROM MANAGEMENT

1. Investigation commenced to determine the cause and impact of the error.
2. Disciplinary process instituted with immediate effect.
3. An audit of the payroll system to be performed.

RECOMMENDATIONS

It is **recommended** that:

The overpaid amount be recovered over a period of 1 to 3 months or as decided by Council.