



Local Municipality • Mmasipala wa seLehale • Plaaslike Munisipaliteit

**REPORT BY THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL
CONSOLIDATED EXPENDITURE REPORT ON STAFF BENEFITS - MFMA s66
2nd QUARTER (OCTOBER -DECEMBER) 2018**

1. EXECUTIVE SUMMARY

The purpose of this report is to inform Council on staff salaries, wages, allowances and benefits for the **2nd quarter ending 31 December 2018**.

2. BUSINESS PLAN

IDP and Budget Process Plan

3. COMPLIANCE WITH STRATEGIC OBJECTIVE

To ensure compliance to statutory reporting deadlines.

4. DELEGATED AUTHORITY

Delegated powers vest with the Council.

5. ANNEXURES

Annexure A- Expenditure on Staff benefits Report for **(October - December) 2018**

6. POLICY

Budget Policy

7. LEGAL REQUIREMENTS

It is a statutory requirement that a section 66 financial report be submitted to Council in terms of section 66 of MFMA No. 56 of 2003.

8. BACKGROUND AND DISCUSSION

8.1. In terms of section 66 of MFMA Act No 56 of 2003 which reads as follows:

The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure, namely –

- a) Salaries and wages;
- b) Contributions for pensions and medical aid;
- c) Travel, motor car, accommodation, subsistence and other allowances;
- d) Housing benefits and allowances
- e) Overtime payments



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- f) Loans and advances
- g) Any other type of benefit or allowance related to staff.

8.2. The process of conversion to the mSCOA compliant financial system started in August 2018. This led to the delay in the capturing of financial information on the financial system and billing of customers, which resulted in non-compliance with MFMA reporting requirements.

9. FINANCIAL IMPLICATIONS

The consolidated total employee costs were estimated to be at **50%** of the budget by the end of the 2nd quarter. The overall outcomes for the **2nd quarter ending 31 December 2018** amounted to **R132, 866, 498.00** and the year to date was **R254, 840, 199.00** which was **50%** of the total budget for employee costs.

10. STAFF IMPLICATIONS

The total number of employees (including councillors) for the parent municipality was **1 402** as at **31 December 2018**.

11. COMMENTS FROM OTHER DIRECTORS

Not discussed with Directors.

12. RECOMMENDATIONS

It is recommended that Council takes note of the expenditure on staff benefits report for the **2nd quarter ending 31 December 2018**.

SUBMITTED BY:

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CLLR. M MOSIA LAKAJE
EXECUTIVE MAYOR

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DATE