



Local Municipality • Mmasipala wa seLetha • Plaaslike Munisipaliteit

**REPORT BY THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL  
CONSOLIDATED EXPENDITURE REPORT ON STAFF BENEFITS - MFMA s66  
3RD QUARTER (JANUARY -MARCH) 2019**

**1. EXECUTIVE SUMMARY**

The purpose of this report is to inform Council on staff salaries, wages, allowances and benefits for the **3rd quarter ending 31 March 2019**.

**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 **(January - March) 2019**

**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 **75%** of the budget by the end of the 3rd quarter. The overall outcomes for the **3rd quarter ending 31 March 2019** amounted to **R129, 366, 686.00** and the year to date was **R384, 206, 885.00** which was **75%** of the total budget for employee costs.

## **10. STAFF IMPLICATIONS**

The total number of employees (including councillors) for the parent municipality was **1 370** as at **31 March 2019**.

## **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 **3rd quarter ending 31 March 2019**.

### **SUBMITTED BY:**

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**CLLR.M MOSIA LAKAJE**  
**EXECUTIVE MAYOR**

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**DATE**