

ITEM

EXPENDITURE ON STAFF BENEFITS (FILE NO: 5/1/1/8)

REPORT BY THE ACTING CHIEF FINANCIAL OFFICER

PURPOSE OF THE REPORT

The purpose is to report on expenditure on staff benefits as required by the Municipal Finance Management Act.

BACKGROUND

Section 66 of the Municipal Finance Management Act reads as follows:

“ Accounting Officer of a municipality must in a format and for periods as may be prescribed, report to Council on all on staff salaries, wages and allowances and benefits, and in a manner that discloses such expenditure per type of expenditure.”

DISCUSSION

The actual and budgeted figures on staff benefits for the period ending 31 March 2007 is as follows.

	DESCRIPTION	BUDGET	ACTUAL	BASE LINE	% SPENT
1.	Salaries and Wages	17 901 150	8 956 639	75%	50%
	Council Contributions: Pension	3 181 300	1 466 266	75%	46%
	Medical Aid	1 233 620	498 298	75%	40%
	Provident Fund	107 280	57 014	75%	53%
	UIF	88 990	59 670	75%	67%
	Statutory contributions	397 810	93 749	75%	24%
	Provision for leave	150 000	-	75%	0%
	Protective clothing	23 000	17 479	75%	76%
	Continued members	255 000	201 594	75%	79%
	Allowances: Housing Subsidy	184 120	64 017	75%	35%
	Travel	2 660 210	986 680	75%	37%
	Overtime Payments	38 310	19 623	75%	51%

2.	Vehicle loan	84 006
3.	Study bursaries	20 895

AN EXPLANATION ON THE EXPENDITURE IS AS FOLLOWS:

1. Salaries, Allowances and Contributions

Salaries, wages and contributions

The reason for the decrease in expenditure as compared to the budget is due to the vacant posts that existed. Certain of the posts are in the process of being filled, whilst some posts form part of the new organogram to be approved by Council. The vacant posts per department are as follows:

Municipal Manager's Office	-	1 post
Corporate Services	-	3 posts
Planning & Econ Dev Services	-	1 post
Technical Services	-	5 posts
Social Services	-	1 post
Mayor's Office	-	1 post

Continued members

Council contributes to the medical aid of officials that retired. Council contributes to the medical aid of 14 members.

2. Vehicle loans

Section 164 of the Municipal Financial Management Act prohibits the granting of loans to officials. Council has 1 vehicle loan that were granted prior to 1 July 2004. The loan will be fully paid by December 2007.

3. Study bursaries

Study bursaries were granted to 6 officials in the current financial year. The policy was amended during August 2006 as the policy contradicted the MFMA.

RECOMMENDATIONS

1. That the report by the Acting Chief Financial Officer regarding expenditure on staff benefits as contained in the agenda, be noted.