



MFMA SECTION 72 REPORT - MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR 2018/19 FINANCIAL YEAR

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PART 1—IN-YEAR REPORT

1.1. MAYOR'S REPORT (REQUIRED IF TABLED IN THE MUNICIPAL COUNCIL) (to be attached)

1.2. RESOLUTIONS (REQUIRED IF TABLED IN THE MUNICIPAL COUNCIL) (to be attached)

1.3. EXECUTIVE SUMMARY

1.3.1. INTRODUCTION

In terms of Section 72(1)(a) and 52(d) of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003 the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor, Provincial and National Treasury.

Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54 of the MFMA.

This Mid-Year Performance Assessment Report and supporting tables of John Taolo Gaetsewe District Municipality is prepared in accordance with relevant MFMA Circulars and the Municipal Budget and Reporting Regulations.

1.3.2. PROGRESS ON IMPLEMENTATION OF THE MUNICIPAL STANDARD CHART OF ACCOUNTS (*mSCOA*)

Governance

During the period under review, the municipality continued to implement the circulars and issued by National Treasury and has fully participated during the two readiness assessments conducted by National Treasury.

System

The data strings are uploaded onto the National Treasury portal on a monthly basis, however, serious challenges are encountered with the system vendor, namely Sebata. Not all modules are functional on the system.

This has led to the municipality continuing to run parallel systems i.e. both the legacy system (Sebata FMS) and the new system (Sebata EMS). This poses a serious compliance risk, mitigating strategies of which have been identified and implemented on an ongoing basis.

1.3.3. FINANCIAL PERFORMANCE ASSESSMENT

During its meeting held in May 2018, Council adopted the budget for the 2018/19 financial year, with the following as the underlying budget and financial planning assumptions applicable:

1. That moratorium be placed on filling-in of vacant positions
2. Continued provision of Audit Shared Services to all municipalities in the District over the MTREF

3. Revenue Enhancement Framework, Strategy, policies and related by-laws development, in consultation with all relevant stakeholders
4. Capacity development programs for Councillors and Officials
5. Continued cost containment over the MTREF
6. Prioritized spending
7. Going Green
8. Prioritize key functions of the District - Municipal Health; Disaster Management Services and Local Economic Development

The 2018/19 mid-year budget performance assessment as reported hereunder, has been mainly influenced by these factors.

Part 2 of this report outlines the assessment of the municipality's budget performance for the period 01 July- 31 December 2018. Such assessment includes analysis of, amongst others, the following key issues:

1. Municipal Budget Financial Performance
2. Cash Flow
3. Debtors' Analysis
4. Creditors' Analysis
5. Investment Portfolio Analysis
6. Grant Receipts and Expenditures
7. Councillors Allowances and Employee Benefits

1.3.4. ADJUSTMENT BUDGET

Section 72 (3) of the Municipal Finance Management Act 56 of 2003 states that:

The Accounting Officer must, as part of the review-

- a) *make recommendations as to whether an adjustments budget is necessary: and*
- b) *recommend revised projections for revenue and expenditure to the extent that it may be necessary*

Furthermore, Regulation 23 of the Municipal Budget and Reporting Regulations provides, inter alia, for the following:

“An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance Assessment has been tabled in the Council, but not later than 28 February of each year. Furthermore, except under certain circumstances only one adjustment budget may be tabled in Council during a financial year.”

A revised Top Layer SDBIP will be submitted with the Adjustments Budget to Council by 28 February 2019 with the necessary motivation where key performance indicators require adjustment/ amendment/s as a result of the Adjustments Budget.

1.4. IN-YEAR BUDGET STATEMENT TABLES

The tables are attached hereto as [Annexure A](#)

PART 2—SUPPORTING DOCUMENTATION

2.1. MUNICIPAL BUDGET FINANCIAL PERFORMANCE

Northern Cape: John Taolo Gaetsewe(DC45) - Table C1 Schedule Quarterly Budget Statement Summary for 2nd Quarter ended 31 December 2018

Description	2017/18	Budget year 2018/19								
	Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	211	252	252	361	39	381	66	315	480,25	252
Transfers recognised - operational	80 535	94 024	94 024	38 804	28 560	38 804	65 005	(26 201)	(40,31)	94 024
Other own revenue	3 933	6 133	6 133	494	108	553	3 702	(3 149)	(85,06)	6 134
Total Revenue (excluding capital transfers and contributions)	84 678	100 409	100 409	39 659	28 707	39 738	68 773	(29 035)	(42,22)	100 409
Employee costs	55 502	61 935	61 935	13 507	5 084	24 858	33 350	(8 491)	(25,46)	61 935
Remuneration of councillors	4 837	4 145	4 145	1 048	348	1 743	2 073	(329)	(15,88)	4 145
Depreciation & asset impairment	3 139	2 954	2 954	204	-	1 501	1 477	(1 273)	(86,22)	2 954
Finance charges	896	-	-	-	1	1	-	-	-	-
Materials and bulk purchases	-	2 376	2 376	56	-	56	1 188	(1 132)	(95,27)	2 376
Transfers and grants	1 849	200	200	-	-	-	100	(100)	(100,00)	200
Other expenditure	24 747	28 029	28 029	5 414	3 517	11 455	16 011	(4 556)	(28,46)	28 029
Total Expenditure	90 972	99 639	99 639	20 229	8 949	39 614	54 198	(15 882)	(29,30)	99 639
Surplus/(Deficit)	(6 293)	770	770	19 431	19 758	124	14 575	(13 153)	(90,24)	770
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(6 293)	770	770	19 431	19 758	124	14 575	(13 153)	(90,24)	770

Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(6 293)	770	770	19 431	19 758	124	14 575	(13 153)	(90,24)	770
<u>Capital expenditure & funds sources</u>										
Capital expenditure	2 495	770	770	149	9	158	370	(212)	(57,41)	770
Transfers recognised - capital	2 409	770	770	149	-	157	370	(212)	(57,41)	770
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	2 409	770	770	149	-	157	370	(212)	(57,41)	770

Overall, performance of the 2018/19 budget as at mid-year is such that 40% (2017/18: 68%) of anticipated revenue has been recognized and 40% (2017/18: 54%) has been spent. It should however be noted that the remaining 60% of anticipated revenue is not sufficient to finance the remaining 60% of expenditures.

REVENUE

Conservative/realistic approach in revenue projections was applied for the 2018/19 MTREF. As at mid-year, 40% of the anticipated revenue has been recognised.

Transfers recognised – operational

An amount of R94 000 was refunded to National Treasury in 2018/19 for unspent grant of 2017/18 financial year for the Rural Roads Asset Management System Grant (RRAMS).

Audit and Risk Shared Services

The Audit Shared Services was suspended in October 2018 to Ga-Segonyana Local Municipality due to non-payment.

The Audit Shared Services specific for the Audit Committee continues for Joe Morolong Local Municipality.

Rental Income

The municipality continued to generate revenue from the rental agreements entered into with JTG Development Trust and Kathu College. It should however be noted that the rental fees charged are not at market related and there is therefore a need for such agreements to be reviewed.

EXPENDITURE

Most of the items under this component have less than 50% remaining on their allocations. An adjustment budget is therefore recommended with the following being key considerations:

1. Continuation of cost cutting/containment measures
2. Austerity measures
3. Cost-Benefit Analysis

Employee Related Costs

This component continues to be the key cost driver for the municipality, at 66% (2017/18: 68%) of the total expenditure. 54% of the generated revenue is used to pay for the costs associated with the employee related costs.

It is anticipated that the situation will escalate given that the municipality is yet to implement the upper limits gazettes for both Councillors and Senior Managers for the 2018/19 financial year. The adjustment of the budget is therefore recommended.

CAPITAL PROGRAMME PERFORMANCE

Included in the 2018/19 budget, is an allocation for the procurement of a vehicle, computer equipment, furniture and disaster management equipment.

The expenditure reported relates to the office equipment purchased for the Disaster Management Unit.

2.2. MUNICIPAL CASH FLOW ANALYSIS

Northern Cape: John Taolo Gaetsewe(DC45) - Table C7 Quarterly Budget Statement - Cash Flows for 2nd Quarter ended 31 December 2018

Description	Ref	2017/18	Budget year 2018/19								
		Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties and collection charges											
Service charges											
Other revenue		5 428	6 133	6 133	15 413	354	15 927	3 702	12 225	3,30	6 133
Government - operating		79 487	94 024	94 024	39 660	28 774	69 634	65 005	4 629	0,07	94 024
Government - capital									-		
Interest		1 354	252	252	19		431	66	365	5,56	252
Dividends									-		
Payments											
Suppliers and employees		(84 592)	(97 631)	(97 631)	(26 473)	(12 400)	(56 062)	(53 195)	2 867	(0,05)	(97 631)
Finance charges					(198)		(395)		395	#DIV/0!	
Transfers and grants			(200)	(200)				(100)	(100)	1,00	(200)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 678	2 578	2 578	28 421	16 728	29 535	15 478	(14 057)	(0,91)	2 578
CASH FLOW FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease in non-current debtors											
Decrease in other non-current receivables											
Decrease (increase) in non-current investments		(1 476)			(28 138)	(16 160)	(28 964)		(28 964)		
Payments											
Capital assets			(770)	(770)				(370)	(370)	(100,00)	(770)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 476)	(770)	(770)	(28 138)	(16 160)	(28 964)	(370)	28 594	(7 728,11)	(770)
CASH FLOW FROM FINANCING ACTIVITIES											
Receipts											

Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(253)									
NET CASH FROM/(USED) FINANCING ACTIVITIES		(253)	-	-	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD		(50)	1 808	1 808	283	568	571	15 108	14 537	96,22	1 808
Cash/cash equivalents at the year begin:		148	219	219	97	380	5 907	219	(122)	(55,53)	5 907
Cash/cash equivalents at the year end:		97	2 027	2 027	380	(1 819)	6 478	15 327	(17 146)	(111,87)	7 714

The municipality had R6.4m as its cash and cash equivalents as at mid-year, with payment to suppliers and employees being the key cost driver. R16.1m have been invested as at mid-year.

It should be noted that the municipality's cash is still tied up in its receivables, 87% of which is by Organs of State (as per analysis below).

2.3. AGED DEBTORS' ANALYSIS

DC45 John Taolo Gaetsewe - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2018/19										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200													
Trade and Other Receivables from Exchange Transactions - Electricity	1300													
Receivables from Non-exchange Transactions - Property Rates	1400													
Receivables from Exchange Transactions - Waste Water Management	1500													
Receivables from Exchange Transactions - Waste Management	1600													
Receivables from Exchange Transactions - Property Rental Debtors	1700													
Interest on Arrear Debtor Accounts	1810													
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820													
Other	1900	104	254	576	85	83	11 069			12 171	11 237			
Total By Income Source	2000	104	254	576	85	83	11 069	-	-	12 171	11 237	-	-	
2017/18 - totals only										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200	77	238	565	74	71	9 751			10 776	9 897			
Commercial	2300									-	-			
Households	2400	27	16	11	11	12	1 318			1 394	1 341			
Other	2500									-	-			
Total By Customer Group	2600	104	254	576	85	83	11 069	-	-	12 171	11 237	-	-	

The above table indicates the receivables as at the end of December 2018. The municipality was owed R12.171 million, 87% of which is owed for more than 151 days by Organs of State, mainly, local municipalities within the District (as illustrated on the table below):

- In terms of the MOU Joe Morolong has to pay its contribution by means of a stop order linked to the dates of the equitable share payment dates released by National Treasury
- In spite of numerous attempts by the district to assist with completion of the stop order form, Joe Morolong has not activated the stop order nor did they pay the contribution for the 1st six months

Ga-Segonyana LM

- Included in the total outstanding debt of Ga-Segonyana is an amount of R794 743.76 which relates to interest of previous financial years
- On 27/09/2018 the district sent a reminder to Ga-Segonyana requesting that the amount be settled by 30/09/2018
- Ga-Segonyana replied on 28/09/2018 requesting that the interest be written off
- The district responded that the debt will remain and will not be considered for write-off due to financial constraints
- In November the municipality paid R386 243.47 for the 1st quarter of the shared services rendered by the district municipality. This payment however, excluded payment for the risk management services

2.4. AGED CREDITORS' ANALYSIS

DC45 John Taolo Gaetsewe - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2018/19									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100										-	
Bulk Water	0200										-	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700	22	(292)	(7)	(1)	(35)	(41)	230		(124)		
Auditor General	0800										-	
Other	0900										-	
Total By Customer Type	1000	22	(292)	(7)	(1)	(35)	(41)	230	-	(124)	-	

There is a significant decrease in the total outstanding creditors amount as at mid-year, (compared to prior period). This mainly due to control measures being put in place by the municipality aimed at ensuring compliance with the requirements of MFMA.

It must however be noted that the unfavourable cash flow status of the municipality continues to impede the attempts made to improve the situation. The increase in the outstanding amount for 30 days is mainly due to close of office during festive break and these commitments will be honoured during the third quarter of 2018/19.

2.5. INVESTMENT PORTFOLIO ANALYSIS

DC45 John Taolo Gaetsewe - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
FNB - '71002746116		Annual renewal	Fixed deposit	30th June of each year	0	5,5%	6	-	7
STANDARD BANK - '508871603-016		Monthly	Call account	Upon withdrawal	2	6,7%	730	-	731
STANDARD BANK - '508871603-017		Monthly	Call account	Upon withdrawal	2	6,7%	990	-	992
STANDARD BANK - 508871603-018		Monthly	Call account	Upon withdrawal	1	6,7%	237	-	237
STANDARD BANK - 508871603-019		Monthly	Call account	Upon withdrawal	1	6,7%	566	-	567
STANDARD BANK - 508871603-020		Monthly	Call account	Upon withdrawal	1	6,7%	600	-	601
STANDARD BANK - 508871603-021		Monthly	Call account	Upon withdrawal	0	6,7%	38	-	38
STANDARD BANK - 508871603-022		Monthly	Call account	Upon withdrawal	14	6,7%	6 500	-	6 514
NEDBANK - 03/7881102918/52		Monthly	Call account	Upon withdrawal	18	7,7%	6 500	-	6 518
Municipality sub-total					39		16 166	-	16 206
TOTAL INVESTMENTS AND INTEREST	2				39		16 166	-	16 206

During the period under review, the municipality invested, in line with the set policies and regulations, surplus cash with different financial institutions. Such amounted to R16.1m as at 19 December 2018.

2.6. GRANT RECEIPTS AND EXPENDITURE

The table below seeks to illustrate performance on grants received by the municipality as at 31 December 2018:

2.6.1. GRANT RECEIPTS

DC45 John Taolo Gaetsewe - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	92 436	92 436	28 418	68 434	46 217	21 221	45,9%	92 436
Local Government Equitable Share			85 253	85 253	28 418	63 846	42 625	21 221	49,8%	85 253
Finance Management			1 000	1 000		1 000	500			1 000
EPWP Incentive			1 000	1 000		700	500			1 000
Infrastructure Skills Development Grant (ISDG)			3 200	3 200		1 500	1 600			3 200
Rural Roads Asset Management Grant (RRAMS)			1 983	1 983		1 388	992			1 983
Municipal Systems Improvement	3							-		
Other transfers and grants []								-		
Provincial Government:		-	1 588	1 588	-	1 588	794	600	75,6%	1 588
Housing			700	700		700	350	350	100,0%	700
Disaster Management and Emergency Services			388	388		388	194			388
HIV/AIDS Grant	4		500	500		500	250	250	100,0%	500
Other transfers and grants [DISASTER]								-		
District Municipality:		-	-	-	-	-	-	-		-

Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	-	94 024	94 024	28 418	70 322	47 011	21 821	46,4%	94 024
Capital Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Other capital transfers <i>[insert description]</i>										
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	94 024	94 024	28 418	70 322	47 011	21 821	46,4%	94 024

National Allocations

Equitable Share

The municipality received 74% of the budgeted Equitable Share allocation for 2018/19 financial year. The last tranche is expected to be transferred in March 2019.

RRAMS and ISDG

56% of the grants have been received, with the last tranches expected in March 2019.

EPWP

70% of the EPWP Grant has been received. The last tranche is expected in February 2019.

FMG

100% of the FMG Grant has been received.

Provincial Allocations

Housing Accreditation Grant

100% of the budgeted **Housing Accreditation grant** was received.

NEAR & FIRE Grant Allocations

100% of the budgeted **NEAR & FIRE Grant** was received.

HIV/AIDS Grant Allocations

100% of the budgeted **HIV/AIDS Grant** was received.

2.6.2. GRANT EXPENDITURES

DC45 John Taolo Gaetsewe - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>EXPENDITURE</u>										
-										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		-	92 436	92 436	12 591	58 557	46 217	12 340	26,7%	92 436
Local Government Equitable Share			85 253	85 253	12 400	56 062	42 625	13 437	31,5%	85 253
Finance Management			1 000	1 000	17	780	500	280	56,0%	1 000
EPWP Incentive			1 000	1 000	66	438	500	(62)	-12,4%	1 000
Infrastructure Skills Development Grant (ISDG)			3 200	3 200	79	849	1 600	(751)	-46,9%	3 200

Rural Roads Asset Management Grant (RRAMS)		1 983	1 983	30	428	992	(564)	-56,9%	1 983	
Municipal Systems Improvement							-			
Other transfers and grants []							-			
Provincial Government:		-	1 588	1 588	45	628	794	(166)	-20,8%	1 588
Housing		700	700	45	179	350	(171)	-48,8%	700	
HIV/AIDS Grant		500	500		24	250	(226)	-90,3%	500	
							-			
Other transfers and grants [DISASTER]		388	388		425	194	231	119,2%	388	
District Municipality:		-	-	-	-	-	-		-	
<i>[insert description]</i>							-			
Other grant providers:		-	-	-	-	-	-		-	
<i>[insert description]</i>							-			
Total operating expenditure of Transfers and Grants:		-	94 024	94 024	12 636	59 185	47 011	12 175	25,9%	94 024
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-		-	
							-			
Provincial Government:		-	-	-	-	-	-		-	
							-			
District Municipality:		-	-	-	-	-	-		-	
							-			
Other grant providers:		-	-	-	-	-	-		-	
							-			
Total capital expenditure of Transfers and Grants		-	-	-	-	-	-		-	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	94 024	94 024	12 636	59 185	47 011	12 175	25,9%	94 024

The municipality has spent 63% and 40% (2017/18: 73% and 75%) of its total grant allocations from both National and Provincial Governments respectively. Lower spending on conditional grants is an area of concern as at mid-year, however, measures will be put in place to ensure implementation and monitoring of all conditional grants support plans.

2.7. COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

DC45 John Taolo Gaetsewe - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		3 889	3 287	3 287	322	1 932	1 644	288	18%	3 287
Pension and UIF Contributions		231	276	276	38	143	138	5	3%	276
Medical Aid Contributions			-	-	14	67		67	#DIV/0!	-
Motor Vehicle Allowance		298	277	277	15	114	139	(25)	-18%	277
Cellphone Allowance		384	280	280	32	194	140	54	38%	280
Housing Allowances			-	-	-			-		-
Other benefits and allowances		34	25	25	2	12	13	(1)	-6%	25
Sub Total - Councillors		4 837	4 145	4 145	423	2 460	2 073	388	19%	4 145
% increase	4		-14,3%	-14,3%						-14,3%
<u>Senior Managers of the Municipality</u>	3									
Basic Salaries and Wages		4 281	5 729	5 729	371	2 056	4 056	(2 000)	-49%	5 729
Pension and UIF Contributions		5	11	11	1	5	6	(0)	-8%	11
Medical Aid Contributions			-	-	12	70		70	#DIV/0!	-
Overtime					-			-		
Performance Bonus			98	98	-		49	(49)	-100%	98
Motor Vehicle Allowance		697	271	271	37	283	136	147	109%	271
Cellphone Allowance		66	115	115	8	54	58	(3)	-5%	115
Housing Allowances			-	-	-			-		-
Other benefits and allowances		632	422	422	41	228	211	17	8%	422

Payments in lieu of leave			-	-	79	79		79	#DIV/0!	-
Long service awards			-	-	-	-		-		-
Post-retirement benefit obligations	2		-	-	-	-		-		-
Sub Total - Senior Managers of Municipality		5 681	6 647	6 647	549	2 776	4 515	(1 739)	-39%	6 647
% increase	4		17,0%	17,0%						17,0%
Other Municipal Staff										
Basic Salaries and Wages		31 508	36 024	36 024	2 559	17 991	19 204	(1 213)	-6%	36 024
Pension and UIF Contributions		5 790	5 804	5 804	15	2 697	2 902	(205)	-7%	5 804
Medical Aid Contributions		2 813	2 951	2 951	389	1 267	1 476	(208)	-14%	2 951
Overtime			420	420	-		210	(210)	-100%	420
Performance Bonus			965	965	-		483	(483)	-100%	965
Motor Vehicle Allowance		1 737	1 480	1 480	61	441	740	(299)	-40%	1 480
Cellphone Allowance		179	158	158	12	76	79	(3)	-4%	158
Housing Allowances		1 619	1 717	1 717	132	700	859	(158)	-18%	1 717
Other benefits and allowances		4 408	4 680	4 680	54	370	2 340	(1 970)	-84%	4 680
Payments in lieu of leave		1 516	645	645	483	660	323	338	105%	645
Long service awards		250	213	213	180	326	107	219	206%	213
Post-retirement benefit obligations	2		231	231	19	115	116	(1)	-1%	231
Sub Total - Other Municipal Staff		49 821	55 289	55 289	3 906	24 643	28 836	(4 193)	-15%	55 289
% increase	4		11,0%	11,0%						11,0%
Total Parent Municipality		60 340	66 080	66 080	4 878	29 878	35 423	(5 544)	-16%	66 080
Unpaid salary, allowances & benefits in arrears:			9,5%	9,5%						9,5%
TOTAL SALARY, ALLOWANCES & BENEFITS		60 340	66 080	66 080	4 878	29 878	35 423	(5 544)	-16%	66 080
% increase	4		9,5%	9,5%						9,5%
TOTAL MANAGERS AND STAFF		55 502	61 935	61 935	4 455	27 418	33 350	(5 932)	-18%	61 935

2.7.1. Councillors Allowances

The municipality has spent 59% (2017/18: 41%) of the total budget for Councillors allowances as at mid-year. This is exclusive of the 4% increase in Councillors Upper Limits for 2018/19 financial year, as determined by the Minister in Gazette No 42134 dated 21 December 2018.

Key to note also is the fact that, payment of sitting allowances and remuneration of section 79 Chairperson is classified as general expenses according to the mSCOA.

The remaining 41% of the budget is therefore not sufficient to finance the remainder of the financial year plus anticipated 4% increase. Adjustment of this allocation is therefore recommended.

2.7.2. Senior Staff Members Benefits

The budget performance of this allocation is currently at 42% (2017/18: 34.5%). This is mainly due to the following:

1. Senior Managers' annual increases are yet to be effected and performance bonuses are also yet to be paid.
2. The Director Corporate Service position has been filled from 1 September 2018.

2.7.3. Other Municipal Staff Members Benefits

The municipality has spent slightly higher than 45% (2017/18: 52%) of the total budget for Other Municipal Staff Members benefits as at mid-year. This is mainly due to the fact that there are incumbents acting in vacant positions.

The remaining 55% (2017/18: 48%) is sufficient to finance the remaining period and no adjustment is necessary.

3. RECOMMENDATION(S)

It is hereby recommended that the 2018/19 budget be adjusted to reflect all the necessary changes/amendments.