

EXTRACT FROM THE COUNCIL MINUTES HELD ON 28 JANUARY 2019

Item A307. 28.01.2019

DRAFT ANNUAL REPORT FOR THE 2017/18 FINANCIAL YEAR

M Dunn : Performance Management

(Ref.: 10/1/1)

PURPOSE OF REPORT

To table the draft Annual Report for the 2017/18 financial year in terms of section 127(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA), to Council.

BACKGROUND

In terms of section 127(2) of the MFMA, the Mayor must within seven months after the end of a financial year, table in Council the Annual Report of the municipality.

LEGAL IMPLICATIONS

Section 121(1)(2) and (3) of the MFMA determines as follows:

121(1) Every municipality must for each financial year prepare an Annual Report. The Council must within the nine months after the end of a financial year, deal with the Annual Report of the municipality in accordance with section 129.

121(2) *The purpose of an Annual Report is: -*

- (a) *To provide a record of the activities of the municipality during the financial year to which the report relates;*
- (b) *To provide a report on performance against the budget of the municipality for the financial year; and*
- (c) *To promote accountability to the local community for the decisions made throughout the year by the municipality.*

121(3) *The Annual Report of a municipality must include-*

- (a) *The annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);*
- (b) *The Auditor-General's audit report in terms of section 126(3) on those financial statements;*
- (c) *The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;*
- (d) *The Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;*
- (e) *An assessment by the municipality's Accounting Officer of any arrears on municipal taxes and service charges;*

- (f) *An assessment by the municipality's Accounting Officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue from each source and for each vote in the municipality's approved budget for the relevant financial year;*
- (g) *Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);*
- (h) *Any explanations that may be necessary to clarify issues in connection with the financial statements;*
- (i) *Any information as determined by the municipality;*
- (j) Any recommendations of the municipality's audit committee; and
- (k) *Any other information as may be prescribed.*

In terms of section 127(5) of the MFMA, the Accounting Officer must immediately after the Annual Report is tabled, make public the Annual Report, invite the local community to submit representations in connection with the Annual Report and submit the Annual Report to the Auditor-General, Provincial Treasury and the Provincial Department of Local Government. The Annual Report must also be submitted to National Treasury.

According to section 129(1) of the MFMA, the Council must consider the Annual Report by no later than two months from the date on which the Annual Report was tabled in terms of section 129, adopt an oversight report containing the Council's comments on the Annual Report which must include a statement whether–

- The Council has approved the Annual Report with or without reservations;
- Has rejected the Annual Report or;
- Has referred the Annual Report back for revision of those components that can be revised.

OVERSIGHT COMMITTEE

(a) The Oversight Committee consists of Councillors as nominated by Council.

(b) The members of the Oversight Committee (MPAC) are as follows :

- (i) Ald J Gelderblom (Chairperson)
- (ii) Cllr. S Fourie
- (iii) Cllr. C Resandt
- (iv) Mr. D Oosthuizen (external member with financial background)

FINANCIAL IMPLICATIONS

Expenses to the Oversight Committee and external member.

PERSONNEL IMPLICATIONS

None

ATTACHMENT

- Draft Annual Report – Separate Document

UNANIMOUSLY RESOLVED: (Proposed by Ald A Klaas and seconded by Ald M Koch)

- (1) The tabling of the Annual Report was noted; and
- (2) That the Municipal Manager must in terms of section 127(5) of the MFMA:-
 - (a) Make public the draft Annual Report for the 2017/2018 financial year;
 - (b) Invite the local community and Councillors to submit representations in connection with the Annual Report on or before 4 March 2019;
 - (c) Submit the Annual Report to the Auditor-General, the Provincial Treasury, National Treasury and the Provincial Department responsible for Local Government;
- (3) That the Oversight Committee as appointed by Council proceeds with the process to assess the report before 18 March 2019 and finalized the oversight report for submission to Council by 25 March 2019, and
- (4) Submit the Annual Report and Oversight Report on 25 March 2019 to Council for consideration and adoption.

**CERTIFIED A TRUE EXTRACT FROM THE MINUTES OF THE COUNCIL MEETING
HELD ON 28 JANUARY 2019.**



DP BERETTI
MUNICIPAL MANAGER