

OVERSIGHT REPORT ON ANNUAL REPORT: 2019/2020 FINANCIAL YEAR

M Dunn: Performance Management & Risk Management

(Ref.:10/1/1)

PURPOSE

To table the Annual Report for the 2019/2020 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

The Annual Report and Oversight Report on the 2019/2020 Annual Report was tabled to Council on 24 May 2021. The MPAC recommended to Council to referred back the Annual Report for revision as the Annual Financial Statements and Auditor General report was not included in the Annual Report as prescribed by the MFMA. The reason why these components were not available, was that the Municipality requested the Auditor-General to take the audit outcome on review. The final audit outcome was received on 30 September 2021.

Section 127(3) of the MFMA allows that in cases where the mayor, for whatever reason, is unable to table in the Council the annual report of the municipality within the prescribed period the mayor must-

Section 127(3)

- (a) Submit to the council the outstanding annual report or the outstanding components of the annual report as soon as may be possible.*

The outstanding components were added to the Annual Report and a MPAC meeting was held on 12 October 2021 to discuss the outstanding components and to ensure that the Annual Report contains all the components as required by the MFMA. An oversight report was compiled with a recommendation, which was tabled to Council on 25 October 2021 with the Draft Annual Report with all its components. Council noted the Annual Report and resolved to proceed with the public participation process as intended by Section 127(5) and (6) of the MFMA. The Draft Annual Report was published, and the local community was invited to submit representations in connection with the annual report. The closing date for the representations was 29 November 2021. No comments were received.

An MPAC meeting was held on 18 February 2022 to compile an Oversight Report on the 2019/2020 Annual Report, with a recommendation to Council.

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 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 recommendation as determined by the municipality; and
- (k) Any other information as may be prescribed.

ANNEXURE

- Oversight Report compiled by the Municipal Public Accounts Committee (MPAC).
- Annual Report 2019/2020.

UNANIMOUSLY RESOLVED : (Proposed by Cllr J Nieuwoudt and seconded by Cllr A Klaas)

Council approves the Annual Report for the 2019/2020 financial year without any reservations.