



Item A35. 27.01.2025

DRAFT ANNUAL REPORT FOR THE 2023/2024 FINANCIAL YEAR

M Dunn: Performance & Risk Management

(Ref.:10/1/1)

PURPOSE

To table the draft Annual Report for the 2023/2024 financial year in terms of section 127(2) of the Local Government: Municipal Finance Management Act (MFMA), 2003 (Act No 56 of 2003).

BACKGROUND

In terms of section 127(2) of the MFMA, the Mayor must within seven months after the end of a financial year, table the Annual Report to the Council 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, Council must consider the Annual Report not 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) as nominated by Council are as follows:
 - Cllr C Elgin (Chairperson)
 - Cllr U Mabulu
 - Cllr R Brinkhuys
 - Mr. A Coetzee (External member)

FINANCIAL IMPLICATIONS

Expenses to the Oversight Committee and external member.

PERSONNEL IMPLICATIONS

None

ATTACHMENT

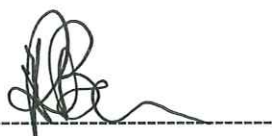
Draft Annual Report 2023/2024

RESOLVED: (Proposed by Ald. H Coetzee and seconded by Ald. J Niewoudt)

- 1) The draft Annual Report for the 2023/2024 financial year was noted; and
- 2) That the Municipal Manager in terms of section 127(5) of the MFMA:-
 - (a) Table the draft Annual Report for 2023/2024 to Council.
 - (b) Make public the draft Annual Report for the 2023/2024 financial year;

- (c) Invite the local community and Councillors to submit representations in connection with the Annual Report on or before 24 February 2025.
 - (d) Submit the draft Annual Report to the Auditor-General, Provincial Treasury, National Treasury, and the Provincial Department responsible for Local Government.
- 3) That the Oversight Committee as appointed by Council proceed with the process to assess the report and finalise the Oversight Report for submission to Council by 14 March 2025, and;
- 4) Submit the draft Annual Report and Oversight Report by 31 March 2025 to Council for consideration and adoption.

CERTIFIED A TRUE EXTRACT FROM THE MINUTES OF THE COUNCIL MEETING HELD ON 27 JANUARY 2025.



**R BOSMAN
MUNICIPAL MANAGER**