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COUNCIL

ANNUAL REPORT OF THE MANGAUNG METROPOLITAN MUNICIPALITY FOR 2017/18 FINANCIAL YEAR

1. Purpose

To table the city's consolidated Annual Report to the Mangaung Metropolitan Municipality's Council

2. Introduction and Background

Sections 121 and 127 of Municipal Finance Management Act 2003, Act No. 56 of 2003 (MFMA) read together with section 46 of the Local Government: Municipal System Act (32 of 2000 and as amended) provides for the preparation, adoption and tabling of the annual report.

All Municipal Councils are expected to prepare and process their Annual Reports within nine months after the end of a financial year. The purposes of an annual report are as follows:

- To provide an account of activities of the municipality for the year under review;
- To provide a report on performance against the budget of the municipality; and
- To promote accountability to the local community development for the decisions made throughout the year by the municipality.

Importantly section 121 (3) of the Municipal Finance Management Act prescribes that the annual report of the 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 System Act (MSA);
- d) The Auditor-General audit report in terms of section 45 9b) of the Municipal Systems Act;



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OFFICE OF THE
CITY MANAGER

- 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 collection from each revenue 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 report referred to in paragraphs (b) and (d) etc.

Following the non-submission of the *complete* Annual Report to Council in January, the Executive Mayor adhered to the MFMA requirement which states that the mayor must-

- (a) "Promptly submit to the council a written explanation referred to in section 133(l) (a) setting out the reasons for the delay, together with any components of the annual report listed in section 121(3) or (4) that are ready; and Submit to the council the outstanding annual report or the outstanding components of the annual report as soon as may be possible".

This Council submission therefore seeks to meet the latter section by submitting to the council, the outstanding annual report or the outstanding components of the annual report.


3. Recommendations

It is recommended that Mangaung Metropolitan Municipality Council:

- a) Note the consolidated Annual Report for 2017/2018 financial year;
- b) Note that the Auditor General audited reports on the audited financial statements of the City and Centlec has been incorporated in the Annual Performance Report (APR); and
- c) Refer the tabled consolidated Annual Report to the Municipal Public Accounts Committee that will process the said report and develop the oversight role and thereon advise Council accordingly;


Adv. Tankiso Ben Mea
City Manager

Date: 24/07/2019


Cllr. Sarah Matawana Mlamleli
Executive Mayor

Date: 24/07/2019