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COUNCIL

SUBMISSION OF THE OUTSTANDING COMPONENTS OF THE CONSOLIDATED ANNUAL REPORT OF THE MANGAUNG METROPOLITAN MUNICIPALITY FOR 2018/19 FINANCIAL YEAR

1. Purpose

To table the city's consolidated Annual Financial Statements, consolidated Audit Report and Audit Committee recommendations as Appendix F to the Mangaung Metropolitan Municipality's Council for noting and referral to Municipal Public Accounts Committee (MPAC).

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;
- 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.

This Council submission therefore seeks to meet the latter section by submitting to the council, the consolidated annual report and its components.

3. Recommendations

It is recommended that Mangaung Metropolitan Municipality Council:

- a) Note the consolidated Annual Financial Statements;
- b) Note the Auditor General's audit report on the Consolidated Financial Statements of the City and Centlec;
- c) Note Appendix F on the recommendation of the Audit Committee for the 2018/19 financial year; and
- d) Refer the tabled consolidated Annual Report to the Municipal Public Accounts Committee that will process the said report and develop the oversight report and thereon advise Council accordingly.


Adv. Tankiso Ben Mea

City Manager

Date: 24/02/2020


Cllr. Sarah Matawana Mlamleli

Executive Mayor

Date: 24/02/2020