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Date: 10 March 2020

COUNCIL

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

1. Purpose

To table the city's and the entity additional components of the consolidated Annual Performance Report 2018/2019 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 additional components of the Annual Report. It should be noted that subsequent to the tabling and noting of the consolidated annual report in January and February respectively, the points (a-c) under recommendations hereunder could not be submitted with the following reasons:

2.1 Reasons for non-submission of other components

It is reported that two separate reports on the other components of Annual Report were submitted to Council on the 31st January and 28th February 2020. However, during these submissions, the stand-alone reports were left out due to misunderstanding, communication and interpretation internally and with the office of AGSA. This matter has been cleared hence the submission of the last comments that were left out during that process.

3. Recommendations

It is recommended that Mangaung Metropolitan Municipality Council notes:

- a) The Mangaung and Centlec's stand-alone annual reports;
- b) The Mangaung and Centlec's stand-alone audit reports;
- c) The Mangaung and Centlec's audit action plan;
- d) The above components will be incorporated in the consolidated annual report as noted by Council on 28 February 2020; and
- e) Refer the above components of the 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: 16/08/2020

Cllr. Sarah Matawana Mlamleli
Executive Mayor

Date: 