WEST COAST DISTRICT MUNICIPALITY

WESKUS DISTRIKSMUNISIPALITEIT

Reference: (10/3/2/3/36) 11 January 2017

OVERSIGHT REPORT ON ANNUAL REPORT: 2015/2016 FINANCIAL YEAR

1. PURPOSE OF REPORT

To consider the Municipality's Annual Report for the 2015/2016 financial year and to adopt an Oversight Report containing Council's comments on the Annual Report in terms of section 129 (1) of the Local Government : Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (hereafter indicated as the MFMA).

2. BACKGROUND

A. Legal Requirements

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 nine months after the end of a financial year deal with the annual report of a municipality in accordance with section 129.

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.

The annual report of a municipality must include-

(i) 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);

(ii) The Auditor-General audit report in terms of section 126(3) on those financial statements;

(iii) The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;

(iv) The Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act, Act 32 of 2000;

(v) An assessment by the municipality's Accounting Officer of any arrears on municipal taxes and service charges;

(vi) 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;

(vii) 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);

(viii) Any explanations that may be necessary to clarify issues in connection with the financial statements;

(ix) Any information as determined by the municipality;

(x) Any recommendation as determined by the municipality; and

(xi) 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, the relevant provincial treasury and the provincial department responsible for local government in the province.

3. According to section 129(1) of the MFMA, the council must consider the Annual Report by no later than two months from the date on which the annual report was tabled, 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.*

3. PROCESS

a) Submission and tabling of the Annual Report 2015/2016

The Annual Report of the West Coast District Municipality for the 2015/2016 financial year was tabled at the 88th General Council Meeting, on 07 December 2016, ITEM 16/12/07/9.1.3.1 in terms of Section 127(2) of the Local Government: Municipal Finance Management Act, 56 of 2003.

Council resolved: ITEM 16/12/07/9.1.3.1 the following:

RESOLVED:

1. THAT COUNCIL TAKE COGNISANCE OF THE TABLING OF THE ANNUAL REPORT FOR THE 2015/2016 FINANCIAL YEAR;

2. THAT THE ANNUAL REPORT 2015/2016 BE ADOPTED; AND

3. THAT THE ANNUAL REPORT 2015/2016 BE ADVERTISED IN THE MEDIA FOR PUBLIC COMMENT.

b) The Oversight Committee

With reference to National Treasury: MFMA Circular Nr 32 of 15 March 2006 Council established an Oversight Committee. The Oversight Committee analyses and review annual reports in detail before tabling the Annual Report to Council for consideration.

In terms of the resolution by Council regarding the advertisement of the Annual report:

- The local community was invited via the press and website to submit comments / objections received in connection with the Annual Report from 14 December 2016 till the 13th January 2017.
- The Annual Report was placed on the municipal website at www.westcoastdm.co.za
- The Annual Report was submitted to the relevant government departments.

At the closing date for public comments, no representations from the public were received.

RESOLVED:

1. THAT THE OVERSIGHT REPORT ON THE ANNUAL REPORT 2015/2016 BE APPROVED WITH PROPOSED AMENDMENTS, IN TERMS OF SECTION 129 (1) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCIAL MANAGEMENT ACT (ACT NO 56 OF 2003);

2. THAT THE ANNUAL REPORT 2015/2016 BE APPROVED IN TERMS OF SECTION 129 OF THE MFMA (ACT NO 56 OF 2003) WITHOUT RESERVATIONS;

3. THAT THE 2015/2016 OVERSIGHT REPORT OF THE WEST COAST DM BE MADE PUBLIC IN TERMS OF SECTION 129(3) OF THE MFMA; AND

4. THAT THE OVERSIGHT REPORT AND ANNUAL REPORT 2015/2016 BE SUBMITTED TO THE PROVINCIAL LEGISLATURE IN TERMS OF SECTION 132(2) OF THE MFMA.