

OVERSIGHT REPORT IN RESPECT OF 2014/2015 ANNUAL REPORT FOR THE LANGEBERG MUNICIPALITY (DIRECTOR STRATEGY AND SOCIAL DEVELOPMENT)

1. PURPOSE OF THE REPORT

To enable the Committee to execute its oversight responsibility in considering the Langeberg Municipality's Annual Report in terms of Section 129 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA)

2. BACKGROUND

The draft Annual Report for 2014 / 2015 is available as a dropbox link to all councillors:

<https://www.dropbox.com/s/9vbg7utxu6uxlyd/draft%20annual%20report%202015.pdf?dl=0>

STRATEGIC INTENT

Organisational Transformation and Good Corporate Governance

3. LEGAL IMPLICATIONS

3.1 Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

3.2 Local Government: Municipal System Act ,2000 (Act 32 of 2000) Chapter 6, as read with the Local Government: Municipal Systems Amendment Act, 2003 (Act 44 of 2003)

3.3 Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)

4. FOR DECISION

Council

5. EXECUTIVE SUMMARY

5.1 The Municipality's Annual Report process has been prepared according to Section **121** (1) of the MFMA, which prescribes that, every municipality must for each financial year prepare an annual report. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality in accordance with section 129

5.2 **In terms of Section 129 of the MFMA**, The council must consider the annual report of the municipality, and by no later than two months from the date which the annual report was tabled in the council, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council-

(a) Has approved the annual report with or without reservations

- (b) Has rejected the annual report; or
- (c) Has referred the annual report back for revision of those components that can be revised.

5.3 MFMA Circular number 32 recommends the establishment of an oversight committee for the detailed analysis and review of the annual report (s), following their tabling in Council, receiving and reviewing representations made by the public, inputs from other councillors and Council Portfolio Committees and then drafting and oversight report that may take to full Council for discussion.

5.4 In terms of the MFMA Circular Number 32, in order to approve the Annual Report without reservations, Council should be able to agree that the information contained in the reports is a fair and reasonable record of the performance of the municipality in the financial year reported upon. Approval means that the executive and administration have discharged in full, their accountability for decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also acceptable in the community.

5.5 Auditor-General

5.5.1 The Annual report was electronically submitted to the Auditor General on the 15 December 2015. Hard copy of the document was provided at the Council meeting of 8 December 2015

No Comments were received from this office

5.6 National and Provincial Treasury

5.6.1 The Annual Report was submitted to National and Provincial Treasury office on the 14 December 2015.

5.6.2 Comments were received from Provincial Treasury on 14 January 2016 **and is attached as an annexure to the report**

5.6.3 The concluding remarks from PT was as follows:

6. CONCLUSION

The municipality's draft annual report complied with legislation regarding tabling, publishing document for comments, submission to Provincial Treasury and placement on the Website.

The draft 2014/15 Annual Report is in the new format, however it does not fully comply with MFMA circular 63 and MFMA section 121 as there are missing components in Chapter 3 and 5 and did not include any of the recommended appendices.

The municipality needs to ensure that all tables and figures are properly labelled and that correct sources are provided. For those sections that partially comply with the requirements of Circular 13, e.g Chapter 3, and Chapter 5 of the municipality must strive to fully comply with the Circular.

5.7 Social Media

- 5.7.1 Municipal website: **No comments were received** (The Draft Annual Report 14/15 was uploaded on 12 July 2015 and downloaded 41 times. The Tabling of Draft Annual Report 14/15 was uploaded on 08 December 2015 and were downloaded 44 times)
- 5.7.2 Facebook: **No comments were received**
- 5.7.3 Twitter: **No comments were received**
- 5.7.4 Through the municipal Archive system **no written comments were received**

5.8 Oversight Committee

Served before the MPAC Committee on 19 January 2016 for discussion

RECOMMENDATIONS OF OVERSIGHT COMMITTEE

That the annual report be considered and adopted by Council without reservations.

Dat die Jaarverslag oorweeg word en sonder voorbehoud aanvaar word deur die Raad

Hierdie item het voor 'n Statutêre Vergadering van die Raad gedien op 26 Januarie 2016
This item served before a Statutory Meeting of Council on 26 January 2016
Eenparig Besluit / Unanimously Resolved

That the annual report be considered and adopted by Council without reservations.

Dat die Jaarverslag oorweeg word en sonder voorbehoud aanvaar word deur die Raad