

**BITOU LOCAL MUNICIPALITY**

27 January 2017

**MAYORAL COMMITTEE MEETING: 30 JANUARY 2017 AT 09H00**

**ADDENDUM 1**

The Executive Mayor  
Councillors  
Acting Municipal Manager & Heads of Department

**1<sup>st</sup> ADDENDUM TO THE MAYORAL COMMITTEE OF 30 JANUARY 2017**

Attached hereto please find the following Item for consideration at the Mayoral Committee Meeting for 30 January 2017 at 09h00.

<b>SECTION 1: OFFICE OF THE MUNICIPAL MANAGER</b>			
<b>ITEM NO</b>	<b>SUBJECT</b>	<b>FILE REF</b>	<b>PAGE NO</b>
<b>C/1/21/01/17</b>	<b>TABLING OF THE DRAFT 2015/2016 ANNUAL REPORT</b>	<b>11/3/1/1</b>	<b>1 - 3</b>

Yours faithfully



**M P LOBESE**  
The Executive Mayor

ITEM C/1/21/01/17

**Mayoral Committee Meeting for recommendation to Council**

**TABLING OF THE DRAFT 2015/2016 ANNUAL REPORT**

<b><u>Department:</u></b>	<b>Office of the Municipal Manager</b>	<b><u>Demarcation:</u></b> All Wards
<b><u>File Ref:</u></b>	5/11/1/1 & 9/1/1	
<b><u>Attachments:</u></b>	Annexure A – 2015/2016 Draft Annual Report (Circulated separately)	
<b><u>Report from:</u></b>	Strategic Manager	
<b><u>Date:</u></b>	24 January 2017	

**Purpose of the item**

The Council must consider the Annual Report for the financial year 2015/2016, publish the Annual Report for comment, have it evaluated by an Oversight Committee, publish the report in keeping with the statutory requirements and submit it to the relevant Provincial and National Departments and other organs of state.

**Background/Discussion**

The 2015/2016 Annual Report reflects on the performance of the Bitou Municipality for the period 01 July 2015 to 30 June 2016. It is prepared in terms of Section 121 (1) of the Local Government: Municipal Finance Management Act, 2003, Act 56 of 2003 (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

The Performance Report and the Annexure thereto were submitted to the Auditor General as part of the external auditing process.

The Annual Report contains numerous comments and recommendations that must be considered. The functional and organisational performance of the Municipality is also contained therein.

In terms of Section 127 of the Local Government: Municipal Finance Management Act, 2003, the accounting officer must immediately after an Annual Report is tabled:

- (a) *“in accordance with Section 21A of the Local Government: Municipal Systems Act, Act 32 of 2000 –*
  - (i) *make public the Annual Report; and*
  - (ii) *invite the local community to submit representations in connection with the Annual Report; and*
- (b) *submit the Annual Report to the Auditor General, the relevant Provincial Treasury and the Provincial Department responsible for Local Government in the province”.*

National Treasury MFMA Circular No. 32, of 15 March 2006 further provides that *“The Oversight Committee should be made up of only non-executive councillors and representatives of the community and can be formed each year to deal with the Annual Report. Municipal officials cannot be members of an Oversight Committee as this would pose a conflict of interest”.*

## Section 1: Office of the Municipal Manager

The Annual Report should be made available at all Municipal Offices and Libraries, published on the official website and by public notice in the relevant regional and/or local newspapers.

The Municipal Council must, before 31 March 2017, in accordance to Section 129 of the Local Government: Municipal Finance Management Act, 2003, adopt an Oversight Report containing the Council's comment 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”.*

It is requested that the Municipal Council establish an Oversight Committee in terms of Section 33 and 79 of the Local Government: Municipal Structures Act, Act 117 of 1998, read with National Treasury MFMA Circular No. 32. The function of the Oversight Committee is to provide a detailed analysis and review of the Annual Report and to draft an Oversight Report, which must be submitted to the Municipal Council before 31 March 2017 and same being made public after adoption.

### **Financial Implications**

The findings of the audit report will have financial implications, to be considered in the 2016/2017 budget, subsequent budgets and the IDP.

### **Applicable and relevant legislation**

Constitution of the Republic of South Africa, 1996, Act 108 of 1996 (Constitution)  
Local Government: Municipal Finance Management Act, 2003, Act 56 of 2003 (MFMA)  
Local Government: Municipal Systems Act, 2000, Act 32 of 2000 (Systems Act)  
Local Government: Municipal Structures Act, 1998, Act 117 of 1998 (Structures Act)

### **Comments: Acting chief financial Officer**

The recommendation by the Acting Municipal Manager is supported

### **Comments: Acting Head Corporate Services**

The recommendation by the Acting Municipal Manager is supported

### **Comments: Head Community Services**

The recommendation by the Acting Municipal Manager is supported

### **Comments: Head Engineering Services**

The recommendation by the Acting Municipal Manager is supported

### **Comments: Head Strategic Services**

The recommendation by the Acting Municipal Manager is supported

## Section 1: Office of the Municipal Manager

### **Recommended by the Acting Municipal Manager**

1. That cognizance be taken of the 2015/2016 Draft Annual Report and the timeframes related to the adoption and publication thereof.
2. That the Municipal Council appoint three non-executive Councillors, and if required, representatives of the community, to serve on the ad-hoc Oversight Committee to provide a detailed analysis and review of the 2015/2016 Draft Annual Report, and to submit and Oversight Report to the Council before 31 March 2017.
3. That the Municipal Council appoint, in terms of Section 79 (2) (c) of the Local Government: Municipal Structures Act, 1998, Act 117 of 1998 a chairperson for the Oversight Committee.
4. That the 2015/2016 Draft Annual Report be submitted to the Office of the Auditor General, Provincial Treasury and the relevant Provincial Department responsible for Local Government.
5. That the Accounting Officer publishes the 2015/2016 Draft Annual Report for public comments and recommendations.