

14. SUBMISSION OF THE NEWCASTLE MUNICIPALITY'S ANNUAL REPORT FOR THE 2019/2020 FINANCIAL YEAR (TP-2/1/2/1/0): MARCH 2021

EXECUTIVE SUMMARY

The Local Government Municipal Finance Management Act 56 of 2003, in terms of section 127(2) the "The Mayor of a municipality must within seven months after the end of a financial year, table in the municipal Council the Annual Report (AR) of the municipality and of any municipal entity under the municipality's sole or shared control"

Accordingly, the Annual Report 2019/2020, including the components thereto is tabled to Council for adoption.

RECOMMENDED:

- (a) That the Annual Report 2019/20 as presented, including all components as specified, be noted.
- (b) That the Report by the Auditor-General for the 2019/2020 financial year be noted.
- (c) That the report of the Audit Committee for the 2019/20 financial year be noted.
- (d) That the Annual Report 2019/2020 of the Entity UThukela Water (Pty) Ltd be noted.
- (e) That the Management Action Plan on the Report of the Auditor-General for 2019/2020 be noted
- (f) That the Annual Report 2019/2020 be advertised for public consultation and further consideration by the Municipal Public Accounts Committee through its Oversight Report.

BACKGROUND:

Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with Section 121 of The Local Government Municipal Finance Management Act 56 of 2003. The council of a municipality must within nine months after the end of a financial year deal with the Annual Report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with Section 129 of The Local Government Municipal Finance Management Act 56 of 2003.

PURPOSE OF THE ANNUAL REPORT:

The purpose of this report is to provide the Audit Committee, the Executive Committee and Council with a report on the 2019/2020 Annual Report for Newcastle Municipality. The 2019/2020 Annual Report is a credible, reliable and accurate assessment of the municipality's progress towards achieving its goals as set out in the Integrated Development Plan (IDP) and Top-layer Service Delivery Budget Implementation Plan (TLSDBIP) that has been aligned to the approved 2019/20 Budget.

REPORT:

The Local Government Municipal Finance Management Act 56 of 2003, Section 121 stipulates that -

- (1) "Every municipality and every municipality entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the

municipality and of any municipal entity under the municipality's sole or shared control in accordance with Section 129.

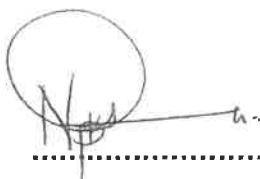
- (2) The purpose of an annual report is-
 - (a) To provide a record of activities of the municipality or municipal entity during the financial year to which the report relates.
 - (b) To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
 - (c) To promote accountability to the local community for the decision made throughout the year by the municipality or municipality entity
- (3) 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 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.
 - (d) The Auditor General's audit report in terms of section 45 (b) 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 sources 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 the issues raised in the audit reports referred to in paragraphs (b) and (d)
 - (h) Any explanation that maybe necessary to clarify issues that in connection with the financial statements.
 - (i) Any information as determined by the municipality.
 - (j) Any recommendations of the municipality's audit committee; and
 - (k) Any other information as may be prescribed.
- (4) The annual report of a municipal entity must include-
 - (a) The annual financial statements of the entity as submitted to the Auditor General for audit in terms of section 126 (2) on those financial statements
 - (b) The Auditor General's audit report in terms of section 126 (3) on those financial statements.
 - (c) An assessment by the entity's accounting officer of any arrears on those financial statements.
 - (d) An assessment by the entity's accounting officer of the entity's performance against any measurable performance objectives set in terms the service delivery agreement or other agreement between the entity and its parent municipality
 - (e) Particulars of any corrective action taken or to be taken in response to issues raised in the audit report referred to in paragraph (b).
 - (f) Any information as determined by the entity or its parent municipality.
 - (g) Any recommendations of the audit committee of the entity or its parent municipality
 - (h) Any other information as may be prescribed."

The Statutory Annual Reporting Process is as follows:

NO	ACTIVITY	TIMEFRAME
17	Oversight report is made public	May
18	Oversight report is submitted to relevant provincial councils	May
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	May

CONCLUSION:

The 2019/2020 Annual Report is a record of activities of the municipality and Uthukela Water. The Annual report reflects on the municipality's and the municipal entity's performance against the approved capital and operational budget. The annual report includes the financial statements and the auditor general's report for 2019/2020. We note based on the auditor general's report that we must address specific issues and we have developed a draft management action plan to address the auditor general's findings. The municipality will endeavour to work with speed, dedication and efficiency in the 2020/2021 financial year to ensure that we improve the level of services we offer to our community.



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MRS NP KHATHIDE
ACTING STRATEGIC EXECUTIVE
DIRECTOR: DEVELOPMENT PLANNING
AND HUMAN SETTLEMENTS

19/03/2021

DATE:



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MR V GOVENDER
ACTING MUNICIPAL MANAGER

2021/03/19

DATE: