

- C.15.4 DRAFT ANNUAL REPORT 2016/2017 FOR THE CAPE WINELANDS DISTRICT MUNICIPALITY (CWDM) AND DRAFT OVERSIGHT REPORT FOR THE 2016/2017 FINANCIAL YEAR (3/2/5/5, 5/1/1/13 & 9/1/1)**
- R.15.4 KONSEP-JAARVERSLAG 2016/2017 VIR DIE KAAPSE WYNLAND DISTRIKSMUNISIPALITEIT (KWDM) EN KONSEP-OORSIGVERSLAG VIR DIE 2016/2017 FINANSIËLE JAAR (3/2/5/5, 5/1/1/13 & 9/1/1)**
- C.15.4 INGXELO YONYAKA EYILWAYO YOWAMA-2016/2017 YOMASIPALA WESITHILI SASECAPE WINELANDS (CWDM) KUNYE NENGXELO YOKONGAMELA EYILWAYO ELUNGISELELWE UNYAKA-MALI WAMA-2016/2017 (3/2/5/5, 5/1/1/13 & 9/1/1)**
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PURPOSE OF SUBMISSION

That Council consider to approve the draft Annual Report for 2016/2017 for the Cape Winelands District Municipality (CWDM) and the draft Oversight Report for the 2016/2017 financial year.

DOEL VAN VOORLEGGING

Dat die Raad oorweging daaraan skenk om die konsep-Jaarverslag vir 2016/2017 vir die Kaapse Wynland Distriksmunisipaliteit (KWDM) en die konsep-Oorsigverslag vir die 2016/2017 finansiële jaar goed te keur.

INJONGO YONGENISO

Yeyokokuba iBhunga licamngce ngokwamkela iNgxelo yoNyaka eyilwayo yowama-2016/2017 yoMasipala wesiThili saseCape Winelands (CWDM) kunye neNgxelo yokoNgamela eyilwayo yonyaka-mali wama-2016/2017.

BACKGROUND

At Item C.14.4 of 25 January 2018 Council resolved that cognisance be taken of the draft Annual Report 2016/2017.

Included under separate cover as Annexure "A" is a copy of the draft Annual Report for 2016/2017.

COMMENT

In accordance with section 21A of the Local Government: Municipal Systems Act, 2000 (Act no 32 of 2000) read together with section 127(5)(a) of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003 –

- (a) The draft Annual Report for the 2016/2017 financial year was made public in the media for comments and representations.

- (b) The draft Annual Report for the 2016/2017 financial year was also made public on the website of the Cape Winelands District Municipality (CWDM).
- (c) Hard copies of the draft Annual Report for the 2016/2017 financial year were also made available at the various offices of the Cape Winelands District Municipality (CWDM) for viewing and comment.

Comments received from the Auditor-General South Africa and the Provincial Government Western Cape Treasury were considered and amendments were made. No inputs from the public were received by the due date.

IMPLICATIONS

PERSONNEL

None.

Comment prepared by: Ms. K. Smit

FINANCIAL

None.

Comment prepared by: Ms. F.A. du Raan-Groenewald

LEGAL

In terms of section 121(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the purpose of the annual report is-

- (a) to provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- (b) to provide a report on performance in service delivery and budget implementation for the financial year; and
- (c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

Annual reports must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, Budget, SDBIP, In-year reports, annual performance report and annual report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance.

Annual reports are the key reporting instruments for municipalities to report against the performance targets and budgets outlined in their strategic plans. Annual reports are therefore required to contain information on service delivery and outcomes, in addition to financial statements. It is meant to be a backward-looking document, focusing on performance in the financial year that has just

ended. It must demonstrate how the budget was implemented and the results of service delivery operations for that financial year.

The annual report of municipalities is governed by Chapter 12 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). In terms of section 127(2) of the said Act, the mayor of a municipality must, within seven (7) months after the end of the financial year, table the annual report of the municipality in the municipal council.

Section 127(3)(a) and (b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates that if the mayor, for whatever reason, is unable to table in the council the annual report of the municipality, the mayor must promptly submit to the council a written explanation setting out the reasons for the delay, together with any components of the report that are ready and submit to council the outstanding report or the outstanding components of the annual report as soon as possible.

The table below is a short summary of the Chapter 12 process:

ACTION	DEADLINE
The Mayor must within 7 months after the end of the financial year table the draft Annual Report in Council.	31 January 2018
The Accounting Officer must publish the draft Annual Report.	Immediately after tabling
The Accounting Officer must invite submissions.	Immediately after tabling
The Accounting Officer must submit the draft Annual Report to the Auditor General, Provincial Treasury and the Provincial Department of Local Government.	Immediately after tabling
Council must deal with the draft Annual Report within 9 months after the end of the financial year. Part of this process includes the drafting of an oversight report.	31 March 2018

In terms of section 121(3) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the Annual Report 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 in terms of section 46 of the Municipal Systems 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 source and for each vote in the approved budget for the year;
- (g) 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);
- (h) any explanations that may be necessary to clarify issues 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.

The Oversight Report on the Annual Report is the final major step in the annual reporting process of a municipality. In terms of section 129(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the council of a municipality must consider the annual report of the municipality and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether 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.

According to MMFA Circular 32 dated 15 March 2006, the Oversight Report is thus clearly distinguished from the Annual Report. The Annual Report is submitted to Council by the Accounting Officer and the Mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving the goals set by Council.

It furthermore states that the Oversight Report is a report of Council and follows consideration and consultation on the Annual Report by Council itself. Thus, the full accountability cycle is completed and the separation of powers is preserved to promote effective governance and accountability.

In terms of section 130(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state.

Comment prepared by: Ms. W.M. Neethling

RECOMMENDATION BY MUNICIPAL MANAGER:

That the members of the Municipal Public Accounts Committee (MPAC) consider to recommend to Council to -

- (a) Take cognisance of -
 - (i) The report on the draft Annual Report for 2016/2017 by the Chairperson of the Audit Committee as contained in the draft Annual Report;
 - (ii) The report of the Auditor-General on the financial statements of the Cape Winelands District Municipality (CWDM) for the year ended 30 June 2017 as contained in the draft Annual Report;
- (b) Approve -
 - (i) The draft Annual Report for 2016/2017 of the Cape Winelands District Municipality (CWDM), attached as Annexure "A" to the agenda item;
 - (ii) The draft Oversight Report for the 2016/2017 financial year.

AANBEVELING DEUR MUNISIPALE BESTUURDER:s

Dat die lede van die Munisipale Komitee oor Openbare Rekeninge (MKOOR) oorweging daaraan skenk om by die Raad aan te beveel om –

- (a) Kennis te neem van -
 - (i) Die verslag oor die konsep-Jaarverslag vir 2016/2017 deur die Voorsitter van die Ouditkomitee soos vervat in die konsep-Jaarverslag;
 - (ii) Die verslag van die Ouditeur-Generaal oor die finansiële state van die Kaapse Wynland Distriksmunisipaliteit (KWDM) vir die jaar geëindig 30 Junie 2017 soos vervat in die konsep-Jaarverslag;
- (b) Die volgende goed te keur -
 - (i) Die konsep-Jaarverslag vir 2016/2017 van die Kaapse Wynland Distriksmunisipaliteit (KWDM), ingesluit onder aparte omslag as Bylae "A" by die agenda-item;
 - (ii) Die konsep-Oorsigverslag vir die 2016/2017 finansiële jaar.

INGCEBISO EVELA KUMLAWULI KAMASIPALA:

Okokuba amalungu eKomiti kaMasipala yee-Akhawunti zikaRhulumente acamngce ngokundulula kwiBhunga okokuba -

- (a) Lithabathele ingqalelo -
 - (i) Yokokuba iNgxelo yoNyaka eyilwayo yowama-2016/2017 eyenziwe nguSihlalo njengoko kuqulathwe kwiNgxelo yoNyaka eyilwayo;
 - (ii) Ingxelo yoMphicothi-zincwadi Jikelele ngeengxelo zemali zoMasipala wesiThili saseCape Winelands (CWDM) ezilungiselelwe unyaka ophela ngomhla wama-30 kuJuni 2017 njengoko kuqulathiwe kwiNgxelo yoNyaka eyilwayo;
- (b) Lamkele -
 - (i) INgxelo yoNyaka eyilwayo yowama-2016/2017 yoMasipala wesiThili saseCape Winelands (CWDM), njengoko incanyatheliswe njengeSihlomelo "A" kumba we-ajenda;
 - (ii) INgxelo yokoNgamela eyilwayo yonyaka-mali wama-2016/2017.

RECOMMENDATION BY MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): 15 MARCH 2018: ITEM MPAC.6.1

RESOLVED:

That it be recommended to Council to -

- (a) Take cognisance of -
 - (i) The report on the draft Annual Report for 2016/2017 by the Chairperson of the Audit Committee as contained in the draft Annual Report;
 - (ii) The report of the Auditor-General on the financial statements of the Cape Winelands District Municipality (CWDM) for the year ended 30 June 2017 as contained in the draft Annual Report;
- (b) Approve -
 - (i) The draft Annual Report for 2016/2017 of the Cape Winelands District Municipality (CWDM), included under separate cover as Annexure "A" to the agenda item;

- (ii) The draft Oversight Report for the 2016/2017 financial year;
- (c) That it be considered to review the Benevolent Fund Policy in respect of the amount allocated for funerals, as the current amount is inadequate.

AANBEVELING DEUR MUNISIPALE KOMITEE OOR OPENBARE REKENINGE (MKOOR): 15 MAART 2018: ITEM MKOOR.6.1

Dat dit by die Raad aanbeveel word dat -

- (a) Kennis geneem word van -
 - (i) Die verslag oor die Jaarverslag vir 2016/2017 deur die Voorsitter van die Ouditkomitee soos vervat in die konsep-Jaarverslag;
 - (ii) Die verslag van die Ouditeur-Generaal oor die finansiële state van die Kaapse Wynland Distriksmunisipaliteit (KWDM) vir die jaar geëindig 30 Junie 2017 soos vervat in die konsep-Jaarverslag;
- (b) Die volgende goedgekeur word:
 - (i) Die konsep-Jaarverslag vir 2016/2017 van die Kaapse Wynland Distriksmunisipaliteit (KWDM), ingesluit onder aparte omslag as Bylae "A" by die agenda-item;
 - (ii) Die konsep-Oorsigverslag vir die 2016/2017 finansiële jaar;
- (c) Daar oorweeg word om die Welwillendheidsfondsbeleid te hersien ten opsigte van die bedrag wat vir begrafnisse toegeken word, aangesien die huidige bedrag onvoldoende is.

INGCEBISO EYENZIWA YIKOMITI KAMASIPALA YEE-AKHAWUNTI ZIKARHULUMENTE (MPAC): UMHLA WAMA-15 KUMATSHI 2018: ITEM MPAC.6.1

KUGQITYWE:

Okokuba kundululwe kwiBhunga okokuba -

- (a) Lithabathele ingqalelo -
 - (i) Ingxelo engeNngxelo yoNyaka eyilwayo yowama-2016/2017 eyenziwe nguSihlalo weKomiti yoPhicotho-zincwadi njengoko kuqulathwe kwiNngxelo yoNyaka eyilwayo;
 - (ii) Ingxelo yoMphicothi-zincwadi Jikelele ngeengxelo zemali zoMasipala wesiThili saseCape Winelands (CWDM) ezilungiselelwe unyaka ophela ngomhla wama-30 kuJuni 2017 njengoko kuqulathiwe kwiNngxelo yoNyaka eyilwayo;
- (b) Lamkele -

- (i) INgxelo yoNyaka eyilwayo yowama-2016/2017 yoMasipala wesiThili saseCape Winelands (CWDM), njengoko ibandakanywe phantsi kwephepha elilodwa njengeSihlomelo “A” kumba we-ajenda;
 - (ii) INgxelo yokoNgamela eyilwayo elungiselelwe unyaka-mali wama-2016/2017;
- (c) Okokuba kucamngcwe ngokuvavanya ngokutsha uMgaqo-nkqubo weNgxowa-mali yesisa ngokubhekiselele kwisixa-mali esabelwe imingcwabo, njengoko esi sixa-mali sikhoyo singanelanga.

COUNCIL MEETING: 26 MARCH 2018: ITEM C.15.4

RESOLVED: (Unanimously, 31 Councillors) That –

(a) The following be approved and adopted -

- (i) The Annual Report for 2016/2017 of the Cape Winelands District Municipality (CWDM), included under separate cover as Annexure “A” to the agenda item;
 - (ii) The Oversight Report for the 2016/2017 financial year;
- (b) The Benevolent Fund Policy in respect of the amount allocated for pauper burials be reviewed as the current amount is inadequate.

(Councillor L.W. Niehaus left the meeting at 12:40)