

2010/2011 ANNUAL REPORT

REPORT OF THE MUNICIPAL MANAGER

The purpose of this item is to table the 2010/2011 Annual Report for the financial year ending 30 June 2010, as contemplated in section 46 of the Local Government Municipal Systems Act, Act 32 of 2000, together read with Chapter 12 of the Municipal Finance Management Act, Act 56 of 2003.

Section 46 (2) of the Systems Act stipulates that the Annual Report must be tabled within one month of receiving the audit report from the Auditor-General; and section 129 (1) of the MFMA stipulates that an Annual Report for each financial year must be prepared in accordance with chapter 12 of the said Act, and must be tabled within nine months after the end of each financial year.

The 2010/2011 Annual Report for the financial year ending 30 June 2010, attached as **ANNEXURE A**, includes a Performance Report, the Annual Financial Statements, and the Audit Report from the Auditor-General, as contemplated in section 46 (1) (a), (b) and (c) of the Systems Act.

The Annual Financial Statements for the period ending 30 June 2011, the Auditor General Report and Corrective Action taken in response to the Auditor General's report were tabled to the Audit Committee on the 16th of January 2011. The report of the Audit Committee is being awaited and will be incorporated together with public comments in the Oversight report.

COMMENTS OF THE CHIEF FINANCIAL OFFICER

The Auditor General has once again expressed an unqualified audit opinion on the Financial Statement for the period ending 30 June 2011. However, the attention of the Municipality is drawn to the following matters of emphasis:

- i Restatement of prior year figures in terms of Generally Recognised Accounting Practice.
- ii Impairments of assets as result of the re-assessment of the useful life.

In order to address the above, an action plan needs to be developed and tabled to the Audit Committee.

RECOMMENDATIONS OF THE MUNICIPAL MANAGER

1. That it **BE ACKNOWLEDGED** that the 2010/2011 Annual Report for the financial year ending 30 June 2010, was prepared and submitted as contemplated in section 46 of the Local Government Systems Act, Act 32 of 2000, together read with chapter 12 of the Municipal Finance Management Act, Act 56 of 2003.

2. That the 2010/2011 Annual Report **BE APPROVED** for public comments in terms of section 21 (a) and (b) of the Local Government Municipal Systems Act, Act 32 of 2000, together read with section 127 of the Municipal Finance Management Act, Act 56 of 2003.
3. That it **BE ACKNOWLEDGED** that the public was informed of the Council meeting where this report is being considered, through notices at the various notice boards and an advertorial in the local print media in terms of section 130 of the Local Government Municipal Finance management Act, Act 32 of 2000
4. That it **BE ACKNOWLEDGED** that the closing date for the submission of public comments on the 2010/2011 Annual Report is the 24 February 2012.
5. That the 2010/2011 Annual Report, together with comments of the Audit Committee; representations made by the public and the inputs from Councillors and Portfolio Committees, **BE REFERED** to the Municipal Public Accounts Committee constituted through resolution A41/08/2011
6. That once Municipal Public Accounts Committee has finalised the detailed analysis and review, the committee is to **DRAFT** an Oversight Report to **BE TABLED** to Council in March 2012, for adoption in terms of section 129 of the Local Government Municipal Finance Management Act, Act 56 of 2003