

**MAYOR'S ITEM NO:MLM 12003-01-2025  
2023/24 FINAL ANNUAL REPORT**

**REPORTING FLOW  
EXCO  
COUNCIL**

**PURPOSE**

To present to the Executive Committee / Council the 2023/2024 Final Annual Report for consideration and adoption by council

**BACKGROUND**

Municipalities are required by section 46 of the Municipal Systems Act (2000) read together with section 121 of the Municipal Finance Management Act (2003) to prepare an annual performance report which must form part of the Annual Report for each financial year.

**The purpose of the annual report is to:**

- to provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- to provide a report on performance in service delivery and budget implementation for the financial year;
- to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity; and
- to reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.

**Contents of the Annual Report**

Sections 121(3) and (4) of the MFMA sets out the framework relating to the content of the annual reports for both municipalities and municipal entities. These include:

- the annual financial statements of the municipality/entity and if municipality has municipal entities, consolidated annual financial statements as submitted to the Auditor-General for audit;
- the audit report of the Auditor-General in terms of both section 126(3) of the MFMA and section 45(b) of the MSA;
- municipality's annual performance report as per section 46 of the MSA;

- assessment of any arrears on municipal taxes and service charges;
- assessment of municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the municipality's approved budget;
- particulars of corrective action taken or to be taken on issues raised in audit reports;
- explanations to clarify issues on financial statements;
- any other information determined by the municipality/entity including recommendations made by the audit committee and any other information as may be prescribed.

In addition to the above, section 46 of the Local Government: Municipal Systems Act, as amended, provides for the following information to be included in the municipality's Annual Report:

- a performance report reflecting performance of both the municipality or any service provider during the financial year to which the annual report relate including development and service delivery priorities and performance targets for the next financial year;
- GRAP compliant financial statements;
- An audit report on the financial statements and the annual performance report referred to in the MSA section 46;
- Other reporting requirements in terms of other legislation;
- An annual performance report to form part of the municipality's Annual Report in terms of Chapter 12 of the MFMA.

### **RECOMMENDATIONS**

1. That the Final Annual Report be noted.
2. That the Final Annual Report be approved.
3. That the Final Annual Report be submitted to the relevant Institutions
4. That MPAC plays its oversight role on the Annual Report

## **EXECUTIVE COMMITTEE RECOMMENDATIONS**

1. That the report be noted
2. That the Council to approve the 2023/24 Final Annual Report.
3. That the Municipal Manager to submit the 2023/24 Final Annual Report to the relevant institutions.