C.15.12 DRAFT ANNUAL REPORT OF THE CAPE WINELANDS DISTRICT MUNICIPALITY FOR THE 2024/2025 FINANCIAL YEAR (5/1/1/18 & 9/1/1)

PURPOSE OF SUBMISSION

That Council consider the draft Annual Report for the 2024/2025 financial year to be made public.

BACKGROUND

The draft Annual Report for 2024/2025 is tabled in terms of sections 121 and 127 of the Local Government: Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003), as well as guidance provided in MFMA Circulars 11 and 63.

*** Included under separate cover as Annexure "A" is a copy of the draft Annual Report for 2024/2025. For Councillors receiving a hard copy of the agenda, Annexure "A" has been included on the flash drive distributed with the agenda.

COMMENT

The purpose of the draft Annual Report is to provide a record of activities of Council during the financial year, to provide a report on the performance against the budget for the financial year and to promote accountability to the local community for the decisions made throughout the year.

The Annual Report will assist municipal councillors, municipalities, municipal entities, residents, oversight institutions and other users of Annual Reports with information and progress made on service delivery. It must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in year reports. The contents will also assist with the annual audits.

In accordance with section 21A of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), as well as section 127 of the Local Government: Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003) –

(a) The draft Annual Report for the 2024/2025 financial year will be made public on various media platforms for comments and representations;

(b) The draft Annual Report for the 2024/2025 financial year will also be made public on the website of the Cape Winelands District Municipality (www.capewinelands.gov.za); and

(c) Hard copies of the draft Annual Report for the 2024/2025 financial year will be available at the various offices of the Cape Winelands District Municipality for viewing and comment.

Comment prepared by: Ms. B.T. Daries

IMPLICATIONS

PERSONNEL

None.

Comment prepared by: Ms. G.C.N. Julie

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 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 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 a backward-looking document, focusing on performance in the financial year that has just ended, and 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 2026
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 2026

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.

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.

According to MFMA Circular 32 dated 15 March 2006, 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.

Extracted from Item C.15.8 of 23 January 2025

RECOMMENDATION BY EXECUTIVE MAYOR:

That Council consider the draft Annual Report for the 2024/2025 financial year to be made public.

COUNCIL MEETING:29 JANUARY 2026: ITEM C.15.12

The Executive Mayor proposed that Council consider the draft Annual Report for the 2024/2025 financial year to be made public.

The proposal by the Executive Mayor was seconded by the Executive Deputy Mayor.

The proposal by the Executive Mayor was put to the vote and thirty-six (36) Councillors voted in favour of the proposal by the Executive Mayor.

RESOLVED (36 Councillors) :

That approval be granted that the draft Annual Report for the 2024/2025 financial year be made public.

ACTION	DUE DATE	COMMENT
Ms. I.M. Barnard (IDP and Performance Management) to attend to the matter.	30 January 2026	Notice will be published in the following newspapers from Friday, 30 January 2026: Die Burger Argus Worcester Standard Witzenberg Herald Breërivier Gazette Paarl Post Eikestadnuus Website: Cape Winelands District Municipality

C.15.13 APPROVAL OF THE DRAFT SERVICE LEVEL AGREEMENT TO BE ENTERED INTO WITH BREEDE VALLEY MUNICIPALITY, LANGEBERG MUNICIPALITY AND WITZENBERG MUNICIPALITY FOR THE USE OF THE REGIONAL LANDFILL SITE AFTER COMPLETION OF THE PUBLIC PARTICIPATION PROCESS REQUIRED BY SECTION 33 OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT NO. 56 OF 2003) (5/14/5 – 2025/2026)

PURPOSE OF SUBMISSION

That Council consider to approve –

(a) The Draft Service Level Agreement (SLA) that will be entered into, after the completion of the Section 33 process, with Breede Valley Municipality and Witzenberg Municipality for the full duration of the regional landfill site and with Langeberg Municipality for a period of only eight (8) years which is the estimated useful life of Cell One; or

(b) That all participating municipalities only enter into an agreement for a period of eight (8) years which is the estimated useful life of Cell One; and

(c) The commencement of the public participation process as required by section 33 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).