



# ANNUAL REPORT

## PME Master Class

Moses Mabhida Stadium

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**“Your résumé is bloated with half-truths, false praise, exaggeration and unsubstantiated accomplishments. I'd like to hire you to write our Annual Report.”**

# Annual Report Process

1.

Briefing sessions with internal stakeholders

2.

Submission of departmental contributions to PME

3.

Check alignment of information between IDP, SDBIP, and Annual Report

4.

Submit draft to auditor general

5.

Submit final draft to municipal manager

6.

Advertise invitation to the public to attend Council Meeting where Annual Report will be tabled

7.

Tabling of the Annual Report

8.

Submission of Annual Report to AG, COGTA, Provincial Legislature, Provincial and National treasury

9.

Hold public participation meetings and provide MPAC with submissions from stakeholders for inclusion in the oversight report

10.

MPAC submits oversight report for adoption of Annual Report

11.

Advertise public viewing of the Oversight Report, and post it on the web. Submit Oversight Report to relevant stakeholders

# Key stakeholders

Roles	Responsibilities
Municipal Officials	<ul style="list-style-type: none"> <li>○ Provide Unit specific information</li> <li>○ Attendance at public engagement meetings</li> </ul>
Council	<ul style="list-style-type: none"> <li>○ Annual Report is tabled at Council</li> <li>○ Adoption of the Annual Report</li> </ul>
Councillors	<ul style="list-style-type: none"> <li>○ Inform ward committee members on the opportunity to make representation on the annual report</li> <li>○ Mobilise ward members / communities to attend public participation engagements on the annual report</li> </ul>
Auditor General	<ul style="list-style-type: none"> <li>○ Audit the annual report</li> <li>○ Issue an audit report – included in the annual REPORT</li> </ul>
Audit Committee	<ul style="list-style-type: none"> <li>○ Provide independent advise on the financial and non-financial performance information</li> <li>○ Submission of an audit committee report – included in the annual report</li> </ul>
Municipal Public Accounts Committee	<ul style="list-style-type: none"> <li>○ Community consultation</li> <li>○ Compilation of the Oversight Report</li> <li>○ Report to Council</li> </ul>



# Checks and balances

## eThekweni Municipality's Annual Report Write Up

Financial Year	Debt Coverage Ratio
2014	11.1 times
2015	12.4 times
2016	12.9 times



## eThekweni Municipality's Organisational Scorecard

Plan 8: Financially Accountable and Sustainable City											
Plan Owner:											
Index	KPI Name	Annual Target for 2014/2015	Actual as at 30 June 2015/ Baseline 2015/2016	Unit Of Measure	5 Year Target as at 2016/2017	Quarter 4 Target as at 2014/2015	Quarter 4 Actual as at 30 June 2014/2015	Annual Target for 2015/2016	Indicator	Reason For Variance	Steps Taken to Improve Performance
8.6	Debt Coverage Ratio (No. of times)	11	12.22	Number of Times	15	11	12.22	11	☺	Favourable variance. Current borrowings was delayed	See comment

**Note:** The municipal figure is **12.22 times**, and the consolidated group figure is **12.9 times** for the 2015/2016 financial year

# Checks and balances (cont...)

## EThekweni Municipality's Performance Indicators and Benchmarks Statement

Description of financial indicator	Basis of calculation	2014/15	2015/16				2015/2016 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Audited outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12.37	10.27	10.81	15.0	12.9	11.6	12.4	



# Templates and Exercise

- ❖ Checks and balances

[Checks and balances exercise for Annual Report - PME Master Class.docx](#)

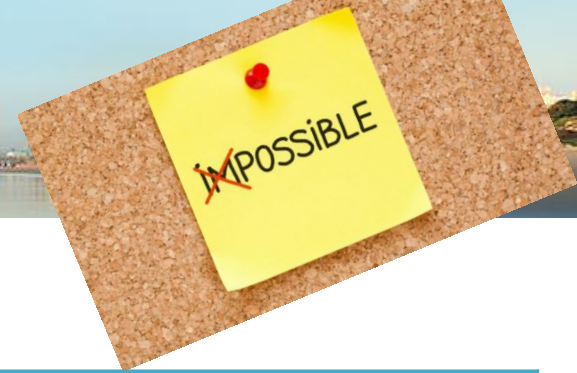
- ❖ Annual Report Template

[Annual Report Template.docx](#)

- ❖ Observations document

[Annual Report Observations Document 2015-2016.doc](#)





# Challenges

Challenges	Responses
Eradicating the compliance mentality	Development of a standard template
National treasury will still require the statistical information – how to provide this information and still make the annual report a good read.	Move towards Integrated Reporting – King III Framework Emphasis on narratives Publication of a supplement Production of the Executive Summary
Reducing the size of the document	Separate publication of the entities Production of an Executive Summary
Alignment of information between IDP, PMS and Annual Report	Quality Assurance
Timeframe for submission of annual report to AG	Adjustment of current timeframes
Dependence on inputs from Units external to PME Unit	One on one meetings with Heads and officials
Attendance of public for consultation meetings	Advertising on social media and print media Review Public Engagement strategy



# Lessons learnt

- ❖ Production of the summarised version
- ❖ CDs are issued instead of hard copies
- ❖ For libraries we give CDs instead of hard copies
- ❖ Design and printing
- ❖ Supplement in the media, post the tabling of the Annual Report
- ❖ Template for guidance
- ❖ Contributions from stakeholders after public engagements
- ❖ Review of legislation





When I take a look  
at a company's  
annual report, if I  
don't understand it,  
they don't want me  
to understand it.

Warren Buffett

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Siyabonga  
Thank You

iNkosi ibe nani!  
God Bless You!