



# **OVERSIGHT REPORT ON THE 2022/2023 ANNUAL REPORT**



## OVERSIGHT REPORT on ANNUAL REPORT : 2022/2023

<b>SECTION 121(3) OF THE MFMA DETERMINES THAT THE ANNUAL REPORT MUST INCLUDE</b>	<b>COMMENT</b>
(a) The Annual financial statements of the municipality, and in addition, if section 122(2) applies the consolidated annual financial statements as submitted to the Auditor-General.	The Annual Financial Statements as submitted to the Auditor General is included in the Annual report as part of the Annual Report (Volume II).
(b) The Auditor-General's audit report is included in the annual report in terms of section 126(3) on those financial statements	The Auditor-General's report is included in the annual report. Appendix N, page 138 refers to the Auditor-Generals report included in Volume II, with Annual Financial Statements. The audit outcome is unqualified with no findings.
(c) The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act	The Annual Performance report of the Municipality is included in the Annual report, at Chapter 3 (page 37 – 79), Component J-Organisational Performance (pages 80 – 87), Component K – (performance assessments of goods and services provided (pages 89- 94)Chapter 4 (page 95 – 101) and Chapter 5 (page 102 – 115)
(d) The Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act	The Auditor General's audit report is included in the Annual Report at Chapter 6 (Pages 116 – 117). Component B – Auditor General Opinion 2022 – 2023 is included in Volume II the Annual report.
(e) An assessment by the municipality accounting officer of any arrears on municipal taxes and services	ODM do not deal with taxes and services, as intended in section 121(3)(e) – Services are mainly provided by B Municipalities. The service charges alluded to in the financial statements refer to municipal services and other services for the occupants at the Resorts. Chapter 3, section 3.13. (page 71). The collection rate for service charges is within the parameters set by the Municipality.
(f) An assessment by the municipality's accounting officer of the municipalities 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 municipality's approved budget for the relevant financial year.	The assessment referred to in this instance is included in the annual report at Appendix I. (Pages 130 - 131). Calculations are made in terms of the National Treasury template. Calculations of variances are based on the original budget and the adjustment budget.

<p>(g) Particulars of any corrective actions taken or to be taken in response to issues raised in the audit report referred to in paragraphs (b) and (d)</p>	<p>It is noted, that all COMAF'S received during the audit are dealt with separately in the Operation Clean Audit Report (OPCAR). The OPCAR included corrective actions and in cases where the corrections affected the Annual Financial Statements and Performance Report, this was done and submitted to the AG. The findings raised in the Auditor General report is included, with corrective actions, in Chapter 6 Component B. The Auditor General Opinion and findings for 2022/2023 is included at page 117.</p>
<p>(h) Any explanation that may be necessary to clarify issues in connection with the financial statements</p>	<p>None.</p>
<p>(i) Any information as determined by the municipality</p>	<p>The Auditor-General raised the VAT matter on the Road Agency function as an emerging risk for the next financial year.</p>
<p>(j) Any recommendations on the municipality's audit committee report</p>	<p>These comments are included in the annual report at Appendix E (Page 125 - 126) and Appendix F (Page 127).</p>
<p>(k) Any other information as may be prescribed</p>	<p>The external audit done by the Auditor-General resulted in an unqualified opinion, with no findings.</p> <p>Comments were received from Provincial Treasury indicating that all formal legal requirements were met pertaining to the tabling and advertising of the Annual Report. The report of Provincial Treasury is attached as an Annexure to the Oversight Report.</p> <p>With regards to the report, the following should be noted:</p> <ul style="list-style-type: none"> <li>• Paragraph 2.1 - The unaudited Annual Report was tabled into Council at least two months after the end of the 2022/23 financial year, was not tabled to Council in accordance with MFMA Circular 63. – In terms Regulation 129(4 &amp; 5) of the MFMA that guidelines issued, is only binding on a Municipal Council if Council adopted such circular.</li> </ul> <p>No further inputs were received, with participation closing date 27 February 2024.</p>

## RECOMMENDATION TO COUNCIL

- 1) That Council having fully considered the Annual Report of the municipality and representations thereon, adopts Oversight Report; and
- 2) That Council approves the Annual Report in terms of section 129(1)(a) of the Local Government Municipal Finance Management Act, 2003 without reservations.

