



OVERSIGHT REPORT ON THE 2024/2025 ANNUAL REPORT



OVERSIGHT REPORT ON ANNUAL REPORT: 2024/2025

BACKGROUND

MFMA Circular 32 of 2006 guides the oversight process. The Circular must be read in conjunction with The Department of Cooperative Governance Guidelines for Establishment of Municipal Public Accounts Committee (MPAC), which sets out the functions of MPAC including the consideration and evaluation of the content of the annual report and the making of recommendation to council when adopting an oversight report on the annual report.

MPAC comprises the following members appointed by the Municipal Council.

Cllr. C Elgin (Chairperson)
Ald. R Brinkhuys
Cllr. U Mabulu
Mr. A Coetsee (External Member)

A special MPAC meeting was convened on 13 March 2026 to review the draft 2024/2025 Annual Report and to compile the oversight Report.

The process followed by the committee in considering the annual report was as follows:

- Consideration of legislative requirements as per MFMA Section 75, 121 and 127 and comments.
- Consideration of any representation/ comments received from the community / Auditor-General/Provincial Treasury, Department of Local Government
- An opportunity was given to management to provide input for consideration by the MPAC.
- An opportunity was given to MPAC member to ask questions and seek clarification on any matter relating to the 2024/2025 annual report.
- The formulation of recommendation to Council in respect of the 2024/2025 Draft Annual Report.

The draft Annual report was tabled to Council on 26 January 2026 and resolved as follows:

RESOLVED : (Proposed by Ald. H Coetzee and seconded by Ald. J Niewoudt)

- 1) The tabling of the draft Annual Report for the 2024/2025 financial year was noted; and
- 2) That the Municipal Manager in terms of section 127(5) of the MFMA:-
 - (a) Make public the draft Annual Report for the 2024/2025 financial year;
 - (b) Invite the local community and Councillors to submit representations in connection with the Annual Report on or before 27 February 2026.
 - (c) Submit the draft Annual Report to the Auditor-General, Provincial Treasury, National Treasury, and the Provincial Department responsible for Local Government.

- 3) That the Oversight Committee as appointed by Council proceed with the process to assess the report and finalise the Oversight Report for submission to Council by 13 March 2026, and;
- 4) Submit the draft Annual Report and Oversight Report by 30 March 2026 to Council for consideration and adoption.

The closing date for comments was 27 February 2026. The document was distributed to the National Treasury, Department of Local Government, and Auditor-General. The Annual Report was also discussed by the Audit and Performance Audit Committee on 16 January 2026 and submitted to the MPAC on 20 January 2026. The Auditor-General also submitted inputs before it was tabled to Council on 26 January 2026.

SECTION 121(3) OF THE MFMA DETERMINES THAT THE ANNUAL REPORT MUST INCLUDE:

LEGISLATION: SECTION 121(3) OF THE MFMA	COMMENT
(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 audited 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, pages 153 – 161. The audit outcome is unqualified with no findings. (clean audit outcome)
(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: Service Delivery Performance (pages 38 - 90), Component J - Organisational Performance (pages 91 – 96), Component K – Performance Assessments of Goods and Services Providers (pages, 97 - 104) Chapter 4 : Organisational Development Performance (pages 105 – 112) and Chapter 5 : Financial Performance (pages 113 –129)
(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 130 – 131). Component B – Auditor-General Opinion 2024/2025 (page 131). The Auditor-General's report is included in the Annual Report. Appendix N. (pages 153 – 161).
(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 stated in section 121(3)(e) – Services are mostly 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. (Annual Financial Statements, pages 49 - 51, note 3). Chapter 3, section 3.13, Table 54 (page 79). The collection rate for service charges is within the parameters set by the Municipality.

<p>(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.</p>	<p>The assessment referred to in this instance is included in the Annual Report at Appendix I. (Page 146). Calculations are made in terms of the National Treasury template. Calculations of variances are based on the original budget and the adjustment budget.</p>
<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) as included in the management report. The OPCAR included corrective actions and in cases where the corrections affected the Annual Financial Statements and Performance Report, this was rectified and submitted to the Auditor-General. No material findings or any material irregularities were raised in the Auditor-General report. Reference to Chapter 6, Component B - The Auditor-General Opinion and findings for 2024/2025 are included on page 131.</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 a contingent liability. (page 154)(AFS page 107 note 55.)</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 (pages 141 - 144) and Appendix F (page 144).</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>The Municipality once again did well to receive a clean audit opinion (unqualified audit with no findings) for the 2024/2025 financial year. There were also no material findings on the reported performance information for the selected strategic goal (Strategic Goal 1). This is a reflection of good governance and credible performance reporting.</p> <p>No inputs or comments were received by the closing date of 27 February 2026.</p>

RECOMMENDATION TO COUNCIL: (Proposed by Ald. R Brinkhuys and seconded by Cllr. U Mabulu)

- 1) That Council fully considered the Annual Report of the municipality and representations thereon, adopts the Oversight Report.

2) That Council approves the Annual Report for the 2024/2025 financial year, in terms of section 129(1)(a) of the Local Government Municipal Finance Management Act, 2003 without reservations.

CHAIRPERSON

DATE