



Item A51. 31.03.2025

## **OVERSIGHT REPORT ON ANNUAL REPORT: 2023/2024 FINANCIAL YEAR**

M Dunn: Performance and Risk Management

(Ref.:10/1/1)

### **PURPOSE OF REPORT**

To present the Oversight Report on the 2023/2024 Draft Annual Report to the Municipal Council in terms of Section 129 of the Local Government Municipal Finance Management Act, 2003 (MFMA).

### **BACKGROUND**

#### **Legal requirements**

Section 121(1)(2) and (3) of the MFMA determines as follows:

121(1) Every Municipality must for each financial year prepare an Annual Report. The council must within nine months after the end of a financial year deal with the annual report of a municipality in accordance with section 129.

#### **The purpose of an annual report is:-**

- a) To provide a record of the activities of the municipality during the financial year to which the report relates;
- b) To provide a report on performance against the budget of the municipality for the financial year; and
- c) To promote accountability to the local community for the decisions made throughout the year by the municipality.

#### **The annual report of a municipality 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 audit report in terms of section 126(3) on those financial statements;
- (c) The annual performance report of the municipality prepared by the municipality 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 from each source and for each vote in the municipality's approved budget for the relevant financial 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 recommendation as determined by the municipality; and
- (k) Any other information as may be prescribed.

In terms of section 127(5) of the MFMA, the Accounting Officer must immediately after the annual report is tabled, make the annual report public, invite the local community to submit representations in connection with the annual report and submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

According to section 129(a) of the MFMA, the Council must consider the Annual Report by no later than two months from the date on which the Annual Report was tabled, adopt an Oversight Report containing the Council's comments on the Annual Report which must include a statement whether–

- The Council has approved the Annual Report with or without reservations;
- Has rejected the annual report or;
- Has referred the annual report back for revision of identified components.

The draft Annual Report for the 2023/2024 financial year was tabled to Council on 27 January 2025; item A35, in terms of section 127(2) of the MFMA.

### **The Oversight Committee**

With reference to National Treasury: MFMA Circular nr. 32 of 15 March 2006, Council established an Oversight Committee, the Municipal Public Accounts Committee (MPAC). The MPAC must consider the annual report and prepare a draft oversight report to be submitted to council for adopting. In preparing the draft oversight report, the MPAC must consider all representations in connection with the annual report received.

The Draft Annual Report was advertised as follows:

- The local community was invited via the local newspapers, website, ODM Facebook and notice boards of the Overberg District Municipality to submit representations in connection with the draft Annual Report before or on 24 February 2024.
- The draft Annual Report was placed on the municipal website at [www.odm.org.za](http://www.odm.org.za) and at the head office.
- The draft Annual Report was submitted to all relevant government departments and the Auditor-General.

At the closing date, one representation was received and discussed at the Oversight Committee meeting (MPAC).

The MPAC Committee meeting was held on 14 March 2025 to consider the draft Annual Report and comments received on the draft Annual Report to compile the draft oversight report.

#### **ANNEXURE**

- Oversight Report compiled by the Municipal Public Accounts Committee (MPAC).
- Draft Annual Report 2023/2024.

**RESOLVED:** (Proposed by Ald. H Coetzee and seconded by Ald. A Franken)

- 1) Council considered the Annual Report of the municipality and representations thereon, adopts the Oversight Report; and
- 2) Council approves the Annual Report for the 2023/2024 financial year, in terms of section 129(1)(a) of the Local Government Municipal Finance Management Act, 2003 without reservations.

**CERTIFIED A TRUE EXTRACT FROM THE MINUTES OF THE COUNCIL MEETING HELD ON 31 MARCH 2025.**



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**R BOSMAN**  
**MUNICIPAL MANAGER**