

**2024  
2025**

# **OVERSIGHT REPORT**

This Oversight Report is drafted by the Municipal Public Accounts Committee (MPAC) in terms of Section 129(1) of the Local Government: Municipal Finance Management Act, No. 56 of 2003, and is based on the 2024/2025 Annual Report.



# Table of Contents

<b>INTRODUCTION .....</b>	<b>3</b>
<b>BACKGROUND.....</b>	<b>3</b>
<b>TABLING OF THE 2024/2025 DRAFT REPORT TO THE COUNCIL .....</b>	<b>3</b>
<b>COMPLIANCE TO THE LEGAL FRAMEWORK.....</b>	<b>4</b>
<b>MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC).....</b>	<b>4</b>
<b>MATTERS DISCUSSED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE .....</b>	<b>6</b>
<b>PROPOSED ACTIONS TO BE TAKEN.....</b>	<b>7</b>
<b>COMMENTS RECEIVED ON THE DRAFT ANNUAL REPORT .....</b>	<b>7</b>
<b>SITE VISITS .....</b>	<b>8</b>
<b>CONCLUSION.....</b>	<b>8</b>
<b>ANNEXURES .....</b>	<b>8</b>
<b>STATEMENT ON THE RECOMMENDATIONS TO THE MUNICIPAL COUNCIL .....</b>	<b>8</b>
<b>ANNEXURE A: Comments received on the 2024/2025 Draft Annual Report .....</b>	<b>10</b>
<b>ANNEXURE B: Minutes of the Municipal Public Accounts Committee, Monday, 23 February 2026.....</b>	<b>17</b>
<b>ANNEXURE C: Notes of corrections made to the 2024/2025 Annual Report .....</b>	<b>20</b>

## **INTRODUCTION**

The Annual Report serves as a critical instrument for promoting transparency, accountability, and sound governance within the Prince Albert Municipality. It provides a detailed account of the municipality's financial and non-financial performance for the preceding financial year, in this case, 2024/2025.

In accordance with Section 129(1) of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA), Council is required to consider the Annual Report and, within two months from the date on which it was tabled in Council in terms of Section 127(2) of the MFMA, adopt an Oversight Report reflecting the Council's comments and determinations on the contents of the Annual Report.

## **BACKGROUND**

### **TABLING OF THE 2024/2025 DRAFT REPORT TO THE COUNCIL**

The 2024/2025 Draft Annual Report was tabled in Council at a Special Meeting held on Friday, 23 January 2026, presenting the Municipality's financial and non-financial performance for the period 01 July 2024 to 30 June 2025. The tabling of the Draft Annual Report enabled Council to comply with the provisions of Section 127(2) of the Municipal Finance Management Act (MFMA), which requires the Executive Mayor to table the Annual Report within seven months after the end of the financial year.

The MFMA further provides for a public participation process by requiring that the tabled Draft Annual Report be made publicly available. This allows the local community and other stakeholders to submit representations on the Draft Annual Report, in accordance with Section 127(5) of the MFMA. The Draft Annual Report is also submitted to the Auditor-General, the relevant Provincial Treasury, and the provincial department responsible for local government.

## COMPLIANCE TO THE LEGAL FRAMEWORK

1. The Draft Annual Report was submitted to the Auditor-General, the Department of National Treasury, Provincial Treasury, and the Provincial Legislature on Friday, 23 January 2026.
2. The Draft Annual Report was made available on the municipal website on Friday, 23 January 2026.
3. A notice was published on the municipal website on Friday, 23 January 2026, inviting the community and other interested parties to submit comments and/or representations in respect of the Draft Annual Report. The notice was also published in *Die Burger* and *The Prince Albert Friend*.
  - a. The deadline for submission of comments and/or representations was 15:30 on Monday, 16 February 2026.
  - b. Copies of the Draft Annual Report were made available at the municipal offices and libraries in Prince Albert, Klaarstroom, and Leeu-Gamka.
  - c. The notice was also posted on the official Facebook page of the Municipality.

## MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Municipal Public Accounts Committee (MPAC) is a legislative or oversight body at the municipal level, whose main role is to ensure accountability and transparency in the use of public funds by the municipal administration.

An MPAC was established in terms of Section 79 of the Local Government: Municipal Systems Act, No. 32 of 2000 (MSA). The MPAC is responsible for performing an oversight function over the process of preparing the Annual Report and for producing an Oversight Report based on its review of the Annual Report.

Councillor N Claassen submitted a resignation letter from the position of Chairperson of the MPAC. The letter was tabled before Council at a Special Meeting held on Friday, 15 August 2025. The resignation was formally accepted by Council. Subsequently, Councillor Mackay was elected as the new Chairperson and has assumed the responsibilities of the role.

MPAC composition:

REFERENCE	MEMBER	CAPACITY
1	Councillor A. MacKay	Chairperson
2	Councillor N. Claassen	Member
3	Councillor E. Maans	Member
4	Councillor K. Baadjies	Member

In terms of the Municipal Finance Management Act (MFMA), the Municipal Manager is required to attend the Council meeting where the Draft Annual Report is tabled for public comment, as well as MPAC meetings, to respond to questions from MPAC Members and address both written and oral representations submitted by the community.

The attendance of the MPAC meeting to review the 2024/2025 Draft Annual Report and Oversight Report is recorded as follows:

REFERENCE	NAME OF MPAC MEMBER	CAPACITY
1	Councillor A. MacKay	Chairperson
2	Councillor E. Maans	Member
3	Councillor K. Baadjies	Member
4	Mr. M Giliomee	Municipal Manager
5	Mr. B Metembo	Director: Financial Services
6	Mrs. G Harding	Director: Corporate and Community Services
7	Ms. G Botes	IDP/PMS/LED Officer
8	Ms. L Jacobs	IDP/PMS/LED Intern

## **MATTERS DISCUSSED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

The Municipal Public Accounts Committee (MPAC) convened on Monday, 23 February 2026, to consider the adoption of the 2024/2025 Final Annual Report. All relevant documentation had been circulated to Members prior to the meeting, including written comments submitted by members of the public in response to the advertised 2024/2025 Draft Annual Report.

The purpose of the meeting was to review the Final Annual Report and to finalise the Oversight Report. During the proceedings, the Committee thoroughly considered the public comments received, together with the corresponding management responses. The Committee acknowledged and accepted the management responses provided.

The Committee noted that Key Performance Indicator (KPI) TL18, as reflected in the Annual Performance Report contained in the Annual Report, had in fact been achieved. The KPI owner informed the Committee that a system error had resulted in the indicator being incorrectly reflected as not achieved, due to the Annual Performance Report already being audited by the Auditor-General, no changes may be made.

Following its deliberations, the Committee expressed satisfaction with the contents of the 2024/2025 Final Annual Report and the Oversight Report, and resolved that it be tabled before Council at its next meeting for consideration and adoption.

## PROPOSED ACTIONS TO BE TAKEN

The Auditor-General has communicated the outcomes of the audit for the financial year ended 30 June 2025, including key insights and significant matters requiring the attention of the Accounting Officer. The overall audit outcome for the Municipality is qualified with findings, representing a regression from the previous year's audit outcome.

Key recommendations provided by the Auditor-General include:

1. Implementation of a structured verification and data integrity process to ensure accurate property information.
2. Adjustment of the financial statements to ensure compliance with Generally Recognised Accounting Practice (GRAP).
3. Enhancement of the review process of financial statements prior to submission for audit, with particular focus on GRAP compliance.
4. Implementation of the approved Supply Chain Management Policy, specifically applicable to written quotations below R30,000.

The Municipality was commended for a reduction in the total number of audit findings compared to the prior year. However, repeat findings were noted in the current year, which negatively impacted the audit outcome.

The Auditor-General recommends that the Accounting Officer focus on addressing the root causes of these weaknesses, which arise from deficiencies in the overall control environment and gaps in the accountability framework within the Municipality.

The minutes of the MPAC Meeting are listed as [Annexure B](#) to this Oversight Report.

## COMMENTS RECEIVED ON THE DRAFT ANNUAL REPORT

Comments were received from:

1. Mr. Max Hoppe.

These comments form part of [Annexure A](#) of this 2024/2025 Oversight Report.

## **SITE VISITS**

No site visits were conducted by the committee.

## **CONCLUSION**

The Chairperson of the Municipal Public Accounts Committee (MPAC) expresses sincere appreciation to all MPAC members, the Political Office Bearers, and the Administration of the Prince Albert Municipality for their dedication, diligence, and valuable contributions throughout this oversight period.

Gratitude is also extended to the community and other stakeholders for taking the time to review the 2024/2025 Draft Annual Report and for providing thoughtful input and critical insights that greatly informed the oversight process.

## **ANNEXURES**

- (a) Comments received on the 2024/2025 Draft Annual Report.
- (b) Minutes of the MPAC meeting held on Monday, 23 February 2026.

## **STATEMENT ON THE RECOMMENDATIONS TO THE MUNICIPAL COUNCIL**

- a) The MPAC finds that the 2024/2025 Final Annual Report provides a true and accurate reflection of the Prince Albert Municipality's financial and non-financial performance for the period under review.
- b) The MPAC recommends that the 2024/2025 Final Annual Report be adopted by Council without reservations.
- c) The MPAC further recommends that the adoption of the 2024/2025 Final Annual Report be communicated to all relevant authorities and be published on the municipal website and in a local newspaper.

## **STATEMENT OF THE COUNCIL**

At a Special Council meeting held on Friday, 27 February 2026, the Municipal Council of the Prince Albert Municipality considered and approved the 2024/2025 Final Annual Report and Oversight Report without any reservations. Council further resolved that the documentation must be conveyed to all relevant authorities, and be advertised on the municipal website and the local newspaper within the legislative prescripts.

## ANNEXURE A: Comments received on the 2024/2025 Draft Annual Report

The table below provides a summation of the various comments received on the 2024/2025 Draft Annual Report of the Prince Albert Municipality; the full commentary documents are hereby included as an Annexure to this report:

REFERENCE	COMMENTS RECEIVED FROM	FOCUS AREA	SUMMARY OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
1	Mr. Max Hoppe	<b>IMPLEMENTATION OF THE SDBIP</b>	<p>The status of implementation of the SDBIP is reflected in table format below. These are the audited results as at October 2025</p> <p><i>Pages 98 to 115 most of the narrative in the last column is cut off, which means that key information is not available to residents.</i></p>	Management agrees with the observation and the corrections were facilitated in the Annual Report.	MPAC acknowledges the comment and concurs with the response proposed by management.
		<b>REVENUE COLLECTION RATE AND STRUCTURAL DEBT RISK</b>	<p>The Annual Report reflects a 91.73 debt collection rate (refer Performance Report page 106 and Section 52(d) reporting). While factually correct as a cash-flow indicator, this metric does not adequately reflect:</p> <p>The total level of outstanding debt (refer Debtors section and Statement of Financial Position);</p> <ul style="list-style-type: none"> <li>• The age profile of arrears (refer Notes to the Annual Financial Statements – Trade and Other Receivables);</li> <li>• The concentration of arrears within the household sector; and</li> <li>• The recoverability of debt older than 90 days and particularly balances exceeding one year.</li> </ul>	<ul style="list-style-type: none"> <li>○ The 91.73% was Audited as correct by the Auditor General in the Audited APR and performance evaluation of the Director Financial Service.</li> <li>○ The calculation and methodology were audited as correct by the Auditor General. The municipality value the input by Mr. Hoppe, but all legislative and methodology as per Regulation 71 from National Treasury was adhered to.</li> </ul>	MPAC acknowledges the comment and concurs with the response proposed by management.

REFERENCE	COMMENTS RECEIVED FROM	FOCUS AREA	SUMMARY OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
			<p>The debtor age analysis indicates that a material portion of arrears is aged beyond standard credit control cycles:</p> <ul style="list-style-type: none"> <li>• Debt of this nature is economically impaired and unlikely to convert into cash through ordinary enforcement measures.</li> <li>• The Annual Report does not reconcile this structural arrears position with the headline 91.73% collection rate.</li> </ul> <p><b>Note: The target under the strategic objectives (page 106) is 82%. According to the In-Year Report of Municipality at 31 December 2025 the debt collection rate has regressed to 77.44%</b></p>	<ul style="list-style-type: none"> <li>○ The 77.44% regressed percentage mentioned by Mr. Hoppe is for the second quarter of 2025/2026 financial year, while financial 2024/2025 is under review in the Draft Annual Report and, the Audited Financial Statement (AFS).</li> <li>○ The Financial Director acknowledge Mr. Hoppe input for the 2025/2026 financial year to the regression in the debt collection percentage, remedial internal controls are being implemented.</li> </ul>	<p>MPAC acknowledges the comment and concurs with the response proposed by management.</p>

REFERENCE	COMMENTS RECEIVED FROM	FOCUS AREA	SUMMARY OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p><b>DEBT CONCENTRATION RISK – JUNE 2025 (PAGE 25 MONTHLY REPORT)</b></p>	<p>Total outstanding consumer debt of R33.31 million, according to my calculations represents approximately 32% of the Municipality's annual operating revenue of R103.14 million (2024/25 audited figures). This equates to nearly four months of operating revenue tied up in arrears.</p> <p>More concerning is the concentration of this debt:</p> <ul style="list-style-type: none"> <li>• Leeu Gamka accounts for R18.5 million (55.6%) of total outstanding debt, despite representing only 17.6% of municipal units (based in the units set out in the property valuation roll). The average arrear balance per Leeu Gamka account is R26,004 per unit — more than six times the average arrears per Prince Albert account.</li> <li>• Leeu Gamka arrears alone equate to nearly 18% of the Municipality's total annual operating revenue.</li> </ul> <p>This level of geographic concentration presents a material financial sustainability risk and exposes compliant ratepayers to cross-subsidisation pressures.</p> <p><b><i>The outstanding debt in my opinion is materially high for a municipality of this size and warrants focused intervention.</i></b></p>	<ul style="list-style-type: none"> <li>○ The municipality received grant funding to the value of R1mil for 2025/2026, preliminary grant funding approved by Provincial Treasury to the value of R1mil. PAM is currently in the process to upgrade its municipal office especially in Lee-Gamka. Once the project is concluded, it will commence with the installing of Prepaid Water Meters in Lee-Gamka, to reduce the increase of future water outstanding debt in Leeu-Gamka.</li> <li>○ Leeu- Gamka is an Eskom Electricity Distribution area, which make it extremely complex and difficult to institute disconnection actions on metered services.</li> <li>○ The municipality apply for grant funding to appoint a service provider to conduct debt collection processes on non-metered services. Provincial Treasury approved a preliminary amount to the value of R1mil to conduct debt collection on non-metered service, which will assist the municipality in reducing outstanding debt older than 90 days.</li> </ul>	<p>MPAC acknowledges the comment and concurs with the response proposed by management.</p>

REFERENCE	COMMENTS RECEIVED FROM	FOCUS AREA	SUMMARY OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p><b>CONSUMER INCENTIVE SCHEME – DISCLOSURE AND IMPACT</b></p>	<p>Council approved a Consumer Incentive Scheme on 11 March 2025 permitting consumers to settle 60% of arrears in exchange for a 40% write-off, provided settlement occurred by 30 June 2025. This scheme does not appear to be included in the Annual Report.</p> <p>This scheme materially affects revenue sustainability and debtor balances.</p> <p>However, the Annual Report does not clearly disclose:</p> <ul style="list-style-type: none"> <li>• The number of participants;</li> <li>• Total arrears settled;</li> <li>• Total debt written off;</li> <li>• Where the write-offs were recognised in the financial statements (refer Revenue and Debtors notes);</li> <li>• Whether the scheme materially affected the reported collection rate.</li> </ul> <p>Without this disclosure, residents cannot assess the sustainability of reported revenue performance or equity implications for compliant ratepayers.</p> <p><b><i>Can this be included in the Annual Report.</i></b></p>	<ul style="list-style-type: none"> <li>○ The municipality included the consumer incentive scheme balances, in its Audit Annual Financial Statements, which forms part of the outstanding debtors as at year end.</li> <li>○ Stipulations in section 127 regulate the submission and tabling of Annual Reports. National Treasury normally provide a guideline, what should be in municipality's annual reports.</li> <li>○ The details of consumer incentive schemes, on how many consumers, its outstanding balance before the incentive scheme, write- off amount permitted and its closing balance, is not part of annual report, this information not in detail as last-mentioned is part of the municipality's Annual Financial Statements (AFS), which was audited by the Auditor General.</li> </ul>	<p>MPAC acknowledges the comment and concurs with the response proposed by management.</p>

REFERENCE	COMMENTS RECEIVED FROM	FOCUS AREA	SUMMARY OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p><b>AUDIT QUALIFICATION – ELECTRICITY REVENUE</b></p>	<p>The Auditor-General issued a qualified audit opinion for 2024/25 (refer Auditor- General’s Report section). The qualification arose because the Municipality could not provide sufficient appropriate audit evidence to support the completeness and accuracy of electricity revenue and related receivables due to deficiencies in amperage verification and billing controls.</p> <p>While public communications described this as a technical accounting matter, the qualification represents a material revenue recognition and internal control weakness affecting:</p> <ul style="list-style-type: none"> <li>• Electricity revenue;</li> <li>• Trade and other receivables;</li> <li>• Debtor balances; and</li> <li>• Revenue performance indicators.</li> </ul> <p><b><i>The Annual Report should more clearly disclose the financial impact of corrections, reconciliation of publicly communicated figures, and consequence management measures.</i></b></p>	<ul style="list-style-type: none"> <li>○ The municipality developed an Audit Action Plan as per stipulations in section 131 of the Municipal Finance Management Act, Act 56 of 2003.</li> <li>○ The findings of the Auditors General are included in the municipality's audit action plan and is not per legislation part of the municipality's Draft Annual Report.</li> <li>○ The reconciliation was done and the net effect between debits and credits is part of the municipality's receivable note in the Annual Financial Statement.</li> <li>○ Unfortunately, the comprehensive amounts are included in the AFS, and do not form part on Draft Annual Report, as per information that should be included in the Draft Annual Report.</li> <li>○ Consequence management is in the process to be introduced, to avoid future findings from the Auditor General on the Amp charges.</li> </ul>	<p>MPAC acknowledges the comment and concurs with the response proposed by management.</p>

REFERENCE	COMMENTS RECEIVED FROM	FOCUS AREA	SUMMARY OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
		<p><b>GOVERNANCE AND AUDIT COMMITTEE OVERSIGHT</b></p>	<p>It is noted that the qualifications of the members of the Audit Committee are now included in the Annual Report (page 88). While the Audit Committee is properly constituted in terms of the MFMA and its members have governance experience, there appears to be limited strong professional accounting or auditing expertise within its composition.</p> <p>Given the qualified audit opinion, elevated arrears levels, and revenue sustainability concerns, it is important that the Audit Committee collectively possess strong technical accounting and auditing expertise in line with National Treasury guidance.</p> <p><i>Enhanced technical oversight would strengthen scrutiny of revenue assumptions, debt impairment methodology, tariff sustainability, and internal control effectiveness. This should be considered when appointing members of the Audit Committee.</i></p>	<p>Comment noted by Management.</p>	<p>MPAC acknowledges the comment and concurs with the response proposed by management.</p>
		<p><b>TRAFFIC LAW ENFORCEMENT AND ROAD SAFETY GOVERNANCE</b></p>	<p>The ongoing problem of excessive speeding within Prince Albert remains a serious public safety concern. The Annual Report indicates a decline in revenue from traffic fines, corresponding with the loss of operational speed camera capability.</p> <p><i>While revenue generation is not the primary purpose of traffic enforcement, reduced fine revenue combined with persistent speeding suggests weakened enforcement rather than improved compliance.</i></p>	<ul style="list-style-type: none"> <li>○ <b>Church Street (Provincial Road)</b> Church Street is classified as a Provincial road. In terms of the applicable legislative framework, the Municipality is not authorised to undertake repairs or maintenance on Provincial roads, as this responsibility rests with the relevant Provincial Department of Infrastructure. Any maintenance-related matters must</li> </ul>	<p>MPAC acknowledges the comment and concurs with the response proposed by management.</p>

REFERENCE	COMMENTS RECEIVED FROM	FOCUS AREA	SUMMARY OF COMMENTS RECEIVED	MANAGEMENT RESPONSE	MPAC'S RESPONSE TO COUNCIL
			<p>Residents have consistently called for:</p> <ul style="list-style-type: none"> <li>• Installation of permanent speed cameras at key entry and high-risk points;</li> <li>• Consideration of a reduced speed limit of 40 km/h for heavy vehicles travelling through the town;</li> <li>• Establishment of a permanent or regularly operated weighbridge facility to monitor heavy truck compliance (this should be a provincial function);</li> <li>• A stronger and more visible traffic enforcement presence.</li> </ul> <p><b><i>The Annual Report should outline enforcement constraints, plans to reinstate speed monitoring capability, engagement with provincial authorities regarding heavy vehicle regulation, measurable road safety targets, and a structured action plan with timelines. Road safety is a governance responsibility requiring visible commitment and coordinated enforcement.</i></b></p>	<p>therefore be addressed by the Provincial authority.</p> <ul style="list-style-type: none"> <li>○ <b>Speed Limit (60 km/h)</b> The Municipality has formally engaged the Provincial Department regarding the 60 km/h speed limit. The Department has confirmed that the current speed limit is appropriate and remains in effect.</li> <li>○ <b>Heavy Vehicles and Overloading</b> The establishment of a permanent weighbridge is a high-cost project and is only permissible on National roads. Notwithstanding this limitation, the Municipality requested the Provincial Department to conduct an assessment relating to heavy vehicles, particularly with regard to potential overloading. <ul style="list-style-type: none"> <li>○ The Provincial Department subsequently visited Prince Albert and conducted monitoring using a portable axle weigh pads or portable truck scales. No overloaded heavy vehicles were recorded during the assessment.</li> </ul> </li> </ul> <p>The Municipality will continue to engage with the relevant Provincial authorities on matters falling within their mandate and will monitor the situation where possible.</p>	

# **ANNEXURE B: Minutes of the Municipal Public Accounts Committee, Monday, 23 February 2026**

**NOTULE VAN DIE MPAC VERGADERING GEHOU OM 10H00 OP MAANDAG 23  
FEBRUARIE 2026 IN DIE MUNISIPALE RAADSAAL**

**1. TEENWOORDIG:**

Raadslid A J Mackay                      **Voorsitter**

Raadslid K H C Baadjies

Raadslid E Maans

**AANWESIG**

Adv Thys Giliomee

Munisipale Bestuurder

Mnr B Metembo

Direkteur: Finansies

Me G Harding

Direkteur: Korporatief & Gemeenskapdienste

Me G Botes

GOP/PMS Beampte

Me C Jacobs

Intern: GOP/PMS Beampte

Me T Hendriks-Wagenaar

Admin Klerk

**2. VERWELKOMING**

Die voorsitter, Raadslid A J Mackay, verwelkom almal teenwoordig.

**3. AANSOEK OM VERLOF TOT AFWESIGHEID**

Raadslid N A Claassen

**4. BELANGEVERKLARING**

Die Raadslede en administrasie plaas op rekord dat hul geen belange het om te verklaar nie.

5. **AANVAARDING VAN VORTIGE NOTULE: 06 AUGUSTUS 2025**

**Besluit**

Op voorstel van Raadlid E Maans, gesekondeer deur Raadslid K H C Baadjies, word die notule van 06 Augustus 2025 deur die komitee aanvaar.

6. **2024/2025 FINAL ANNUAL REPORT AND DRAFT OVERSIGHT REPORT**

**PURPOSE AND BACKGROUND / DOEL EN AGTERGROND**

The purpose of this item is to table the 2024/2025 Final Annual Report to the Municipal Public Accounts Committee (MPAC) in accordance with the provisions of the Local Government: Municipal Finance Management Act, 56 of 2003 (“MFMA”).

The 2024/2025 Draft Annual Report was tabled before the Municipal Council on Friday, 23 January 2026. The report was noted by Council and subsequently submitted to the relevant authorities as prescribed by the MFMA. Furthermore, the Draft Annual Report was made available to the public via the municipal website and social media platforms, and was published in *Die Burger* and *Prince Albert Friend*. Members of the community were invited to submit comments and/or representations on the Draft Annual Report.

**DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING**

Section 127 of the MFMA requires the Municipal Council to consider the municipality’s annual report and, within two months from the date on which the annual report was tabled in Council in terms of section 127, to adopt an oversight report containing Council’s comments on the annual report.

Comments were received from the community and other interested stakeholders on the Draft Annual Report. A report detailing the comments received, forms part of this item for the consideration of MPAC.

In light of the above, and taking into account the provisions of Section 127, MPAC should consider the 2024/2025 Final Annual Report for the preparation of the 2024/2025 Oversight Report to be tabled before Council.

## **RELEVANT LEGISLATION/ RELEVANTE WETGEWING**

Local Government: Municipal Finance Management Act, No. 56 of 2003.

*After a presentation was made by Miss G Botes, on the comments received regarding the Draft Annual Report, the committee considered it, took management comments into account and seconded it, and took the following;*

## **RECOMMENDATION**

Proposed by Councillor E Maans, seconded by Councillor K H C Baadjies, the committee unanimously recommended;

- i) That the MPAC review and consider the amendments made to the Annual Report.
- ii) That the MPAC develop and adopt the 2024/2025 Oversight Report based on the 2024/2025 Final Annual Report.
- iii) That the MPAC submit the 2024/2025 Oversight Report to the next scheduled Council meeting.
- iv) That the MPAC submit the 2024/2025 Final Annual Report to the next scheduled Council meeting.

## **6. AFSLUITING**

Die vergadering verdaag om **10H40.**

# ANNEXURE C: Notes of corrections made to the 2024/2025 Annual Report

The tables below provide an overview of the changes made in preparation of the Annual Report:

## CHAPTER OVERVIEW

CHAPTER	OVERVIEW OF CHANGES
<p><b>Chapter 1 – Introduction and Overview</b></p>	<ul style="list-style-type: none"> <li>○ Executive Mayor’s Foreword.</li> <li>○ Municipal Manager’s Overview.</li> <li>○ Municipal Overview.</li> <li>○ SWOT Analysis per Ward.</li> <li>○ Demographics and socio-economic overview: Census 2022 data used.</li> <li>○ Basic Services Delivery Performance (Highlights and Challenges).</li> <li>○ Proportion of households with access to basic services.</li> <li>○ Capital expenditure figures.</li> <li>○ Organisational development overview, including highlights and challenges.</li> <li>○ Municipal transformation and organisational development challenges.</li> <li>○ Municipal Minimum Competency.</li> <li>○ Auditor-General Report.</li> <li>○ Statutory Annual Report Process (moved to the introduction of the report).</li> </ul>
<p><b>Chapter 2 – Governance</b></p>	<ul style="list-style-type: none"> <li>○ Political and Administrative Governance, including highlights and challenges.</li> <li>○ Council meetings held for the financial year.</li> <li>○ Section 80 Committee meetings held for the financial year.</li> <li>○ Administrative governance structure.</li> </ul>

CHAPTER	OVERVIEW OF CHANGES
	<ul style="list-style-type: none"> <li>○ Provincial intergovernmental structures.</li> <li>○ Ward Committees and ward committee meetings.</li> <li>○ Risk Management Committee, including the strategic and operational risks.</li> <li>○ Supply Chain Management.</li> <li>○ Bylaws and policies.</li> <li>○ Communication platforms.</li> <li>○ Audit committee members and meeting dates, including a synopsis of the Audit Committee Members' qualifications.</li> <li>○ Internal Audit.</li> </ul>
<p><b>Chapter 3 – Service Delivery Performance</b></p>	<ul style="list-style-type: none"> <li>○ Performance System.</li> <li>○ Basic Services: <ul style="list-style-type: none"> <li>○ Water: <ul style="list-style-type: none"> <li>❖ Water provision, including highlights and challenges.</li> <li>❖ Water service (piped water) service delivery levels.</li> <li>❖ Access to free basic water.</li> <li>❖ Employees.</li> <li>❖ Capital expenditure.</li> </ul> </li> <li>○ Waste Water: <ul style="list-style-type: none"> <li>❖ Highlights and challenges.</li> <li>❖ Service delivery levels.</li> <li>❖ Employees.</li> <li>❖ Capital expenditure.</li> </ul> </li> <li>○ Electricity: <ul style="list-style-type: none"> <li>❖ Highlights and challenges.</li> <li>❖ levels.</li> <li>❖ Employees.</li> <li>❖ Capital expenditure.</li> </ul> </li> </ul> </li> </ul>

CHAPTER	OVERVIEW OF CHANGES
	<ul style="list-style-type: none"> <li>○ Waste Management: <ul style="list-style-type: none"> <li>❖ Highlights.</li> <li>❖ Service delivery levels.</li> <li>❖ Employees.</li> <li>❖ Capital expenditure.</li> </ul> </li> <li>○ Housing: <ul style="list-style-type: none"> <li>❖ Households with access to basic housing.</li> <li>❖ Housing waiting list.</li> </ul> </li> <li>○ Free basic services and indigent support.</li> <li>○ Roads: Narrative and tarred road infrastructure figures, including the financial performance, and employees within the section.</li> <li>○ Local Economic Development, including the highlights, as well as the expanded public works narrative.</li> <li>○ Community and social services (libraries and cemeteries).</li> <li>○ Air quality control including highlights and challenges.</li> <li>○ Health.</li> <li>○ Law enforcement.</li> <li>○ Traffic services.</li> <li>○ Disaster management.</li> <li>○ Sport and recreation.</li> <li>○ Executive and council highlights.</li> <li>○ Employees: financial services.</li> <li>○ Human resources including the highlights and challenges.</li> </ul>
<p><b>Chapter 4 – Organisational Development</b></p>	<ul style="list-style-type: none"> <li>○ Organisational development performance.</li> <li>○ HR Policies and Plans.</li> <li>○ Injuries, sickness, and suspensions.</li> </ul>

CHAPTER	OVERVIEW OF CHANGES
<b>Performance (Performance Report Part ii)</b>	<ul style="list-style-type: none"> <li>○ Capacitating the municipal workforce.</li> </ul>
<b>Chapter 5 – Financial Performance</b>	Updated with the Audited Annual Financial Statements of the 2024/2025 financial year.
<b>Chapter 6 – Auditor- General Report</b>	The 2024/2025 Auditor-General Report is included as an Annexure to the Annual Report.

## APPENDIX OVERVIEW

APPENDIX	OVERVIEW OF CHANGES
<b>Appendix A: Councillors, Committee Allocation and Council Attendance</b>	Updated with the Council meeting attendance of the 2024/2025 financial year.
<b>Appendix B: Committee and Committee Purpose</b>	No updates (non-required).
<b>Appendix C: Third Tier Administrative Structure</b>	No updates (non-required).
<b>Appendix D: Functions of Municipality</b>	No updates (non-required).
<b>Appendix E: Ward Reporting</b>	Updated with the Ward Reporting of the 2024/2025 financial year.
<b>Appendix F: Recommendations of the Municipal Audit Committee</b>	Updated with the report of the Audit Committee Chairperson.
<b>Appendix G: Municipal Entity/Service Provider Performance Schedule</b>	Updated with the supplier performance for the 2024/2025 financial year.
<b>Appendix H: Disclosure of Financial Interest</b>	No changes to this section.
<b>Appendix: Revenue Collection Performance</b>	Removed from the document due to the data availability in Chapter 5.
<b>Appendix: Revenue Collection Performance by Vote</b>	Removed from the document due to the data availability in Chapter 5.
<b>Appendix: Revenue Collection Performance by Source</b>	Removed from the document due to the data availability in Chapter 5.
<b>Appendix: Conditional Grants Received: Excluding MIG</b>	Removed from the document due to the data availability in Chapter 5.
<b>Appendix: Capital Expenditure – New &amp; Upgrade/ Renewal Programmes: Including MIG</b>	Removed from the document due to the data availability in Chapter 5.
<b>Appendix: Capital Expenditure – New Assets Programme</b>	Removed from the document due to the data availability in Chapter 5.

<b>APPENDIX</b>	<b>OVERVIEW OF CHANGES</b>
<b>Appendix: Capital Expenditure – Upgrade/ Renewal Programme</b>	Removed from the document due to the data availability in Chapter 5.
<b>Appendix: Capital Programme by Project current year</b>	Removed from the document due to the data availability in Chapter 5.
<b>Appendix: Capital Programme by project by Ward current year</b>	Removed from the document due to the data availability in Chapter 5.
<b>Appendix I: Service Connection Backlogs at Schools and Clinics</b>	No changes to this section.
<b>Appendix J: Service Backlogs Experienced by the Community where another Sphere of Government is Responsible for Service Provision</b>	No changes to this section.
<b>Appendix K: Declaration of Loans and Grants Made by the Municipality</b>	No changes to this section.
<b>Appendix L: Declaration of Returns not Made in due Time under MFMA S71</b>	No changes to this section.
<b>Appendix M: National and Provincial Outcome for local government</b>	No changes to this section.
<b>VOLUME II: ANNUAL FINANCIAL STATEMENTS</b>	The 2024/2025 Audited Annual Financial Statements are included as an Annexure to the Annual Report.