SALDANHA BAAI BAY
MUNISIPALITEIT | MUNICIPALITY | uMASIPALA

OVERSIGHT REPORT:
2024/2025 ANNUAL REPORT
ITEM ……..
MARCH 2026

Municipal Public Accounts Committee Members:

Councillor L. Cengimbo (Chairperson)

Councillor M Schrader

Councillor C Van Nooi

Councillor T Rossouw

Councillor L Mitchell

Councillor S Du Plessis

Annexures to the Oversight Report:

A: Report from AGSA on the audit of the financial statements

B: Report from the Chairperson of the Audit Committee

C: Summary of 2024/25 findings and corrective actions

MPAC OVERSIGHT REPORT FOR THE 2024/25 FINANCIAL YEAR

REF: 3/5/16

REPORT FROM THE CHAIRPERSON OF MPAC (Councillor L Cengimbo)

1. PURPOSE OF THE REPORT

The purpose of the report is to submit the Oversight report for the 2024/25 financial year to Council for adoption.

2. BACKGROUND

The Oversight Report is the final major step in the annual reporting process of the municipality. Section 129 of the MFMA requires the Council to consider the Annual Report and to adopt an Oversight Report containing the Council's comments on the Annual Report. The Oversight Report follows consideration and consultation on the Annual Report.

The Municipal Public Accounts Committee of the Saldanha Bay Municipality fulfills the oversight role of the Council. The mandate of the Municipal Public Accounts Committee includes the following:

Submission of the annual report (section 127 of the MFMA):

- The annual report must be submitted to the MPAC no later than two weeks after the date required for submission to the council;
- Where the annual report is not submitted to the council as required, the MPAC must be provided with a copy of the written explanation of the Mayor as submitted to the council;
- Where neither the annual report nor the explanation has been submitted, the MPAC must report the same to the council;
- The MPAC must monitor that the annual report has been submitted to the Auditor-General, as well as the provincial government departments required, and has been published for comment;
- The MPAC must also monitor that all municipal entities have complied with the said requirements.

Oversight report on the annual report (section 129 of the MFA):

- The MPAC performs the role of the oversight committee provided for in National Treasury Circular 32;

- The MPAC must consider the annual report and prepare a draft oversight report to be submitted to the council for purposes of adopting the oversight report;
- In preparing the draft oversight report, the MPAC must consider all representation in connection with the annual report received from the local community;
- The meeting of the MPAC considering the annual report must be open to the public and members of the local community must be allowed to make representations in connection with the annual report at the meeting.

Issues raised by the Auditor-General in audit reports (section 131 of the MFMA):

- The MPAC must be provided with the report prepared to address issues raised by the Auditor-General;
- Where the report is submitted, MPAC should interrogate same and make recommendations to the council;
- Where the report has not been submitted, MPAC should report this to the council.

The Draft annual report for the 2024/25 financial year was tabled to Council on 29 January 2026 in compliance with section 127 (2) of the Local Government Municipal Finance Management Act, No. 56 of 2003 ("MFMA") which states the following:

"The Mayor of a municipality must, within seven months after the end of a financial year table, in the municipal council the annual report of the municipality".

The MFMA requires the following in section 129:

(1) The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—

(a) has approved the annual report with or without reservations;

(b) has rejected the annual report; or

(c) has referred the annual report back for revision of those components that can be revised.

(2) The accounting officer must—

(a) attend council and council committee meetings where the annual report is discussed, for the purpose of responding to questions concerning the report; and

(b) submit copies of the minutes of those meetings to the Auditor-General, the relevant provincial treasury, and the provincial department responsible for local government in the province.

(3) The accounting officer must in accordance with section 21A of the Municipal Systems Act make public an oversight report referred to in subsection (1) within seven days of its adoption.

It further states in section 130 that:

130. (1) The meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state, and a reasonable time must be allowed—

(a) for the discussion of any written submissions received from the local community or organs of state on the annual report; and

(b) for members of the local community or any organs of state to address the council.

(2*) Representatives of the Auditor-General are entitled to attend and speak at, any council meeting referred to in subsection (1).*

(3) *This section, with the necessary modifications as the context may require, is also applicable if only components of the annual report were tabled in terms of section 127(3).*

3. DISCUSSION

- As referred to above the annual report was tabled at the Special Council meeting held on 29 January 2026 and subsequently advertised on 05 February 2026. No comments were received
- A summary of discussions and comments by MPAC on the 2024/25 Draft Annual Report is listed in the table below.

No.	Issues/Comments by MPAC
1.	**Financial Outcome** MPAC noted the financial outcome and information presented in the AFS section of the Annual report.
2.	**AGSA Audit Report** Annexure "A" to the report contains the report of the Auditor-General of South Africa (AGSA) on the audit of the financial statements. The report was presented by AGSA at the MPAC meeting on 09 March 2026.
3.	**Comments / Amendments to draft 2024/25 Annual Report – MPAC** • Appreciation for the clean Audit 2024/25 Financial Year • Seeing that the Draft 2024/25 Annual Report did not receive any comments from any stakeholders apart from amendments, means that SBM is on the right path. • All KPI's have been met very well. • SBM is in good financial health. • SBM Service delivery is very good according to the AG Report.
4.	**The report of the Audit Committee** The Audit Committee has presented a report *inter alia* the following to the Executive Mayoral Committee and Council of Saldanha Bay Municipality: • Efficiency and effectiveness of internal control • Information systems • Resolving internal control findings • Combined assurance framework • Assessment of audit effectiveness • Performance measurement • Risk management The report has been included as Annexure 'B' to the draft 2024/25 Annual Report.
5.	**2024/25 Audit findings and corrective actions** A summary of the audit findings and the corrective actions that will be implemented is included as MPAC item 5/3-26 in the agenda of the MPAC meeting scheduled for 09 March 2026. The report and its annexure are included as Annexure 'C' to the report for the sake of completeness in respect

	of the oversight report. That the report must be distributed to the Audit & MPAC / Oversight Committee monthly to keep the committee members updated on the progress of the corrective actions.

Comments from the Municipal Manager’s Office

Management was part of the MPAC meetings and responded to issues raised by MPAC members. There is an action plan being implemented to address all the issues raised by the Auditor-General.

RECOMMENDED:

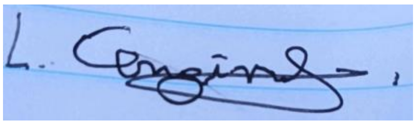
i) that the report from the Audit Committee as included in Annexure ‘B’ to the report be noted;

ii) that the oversight report on the draft 2024/25 Annual Report as well as the final Annual Report (taking the amendments/comments referred to in 1) – 5) above be adopted and approved by Council without reservations;

iii) that the oversight report be made public by the Municipal Manager in accordance with section 129 (3) of the Local Government Municipal Finance Management Act of 2003;

iv) that the corrective action that will be implemented as reflected in the Audit findings (Annexure ‘C’ to the report), be noted;

v) that the oversight report and the 2024/25 Annual Report be submitted to the provincial legislature by the Municipal Manager in accordance with section 132 (2) of the Local Government Municipal Finance Management Act of 2003.



………………………………

Councillor L Cengimbo
Chairperson of MPAC