



**KANNALAND**  
MUNISIPALITEIT | MUNICIPALITY

## OVERSIGHT OVER THE ANNUAL REPORT OF THE 2022-2023 FINANCIAL YEAR

OVERSIGHT REPORT 2022/2023

## **INTRODUCTION**

### **THE OVERSIGHT REPORT:**

The oversight report is the final major step in the annual reporting process of a municipality. Section 129 of the MFMA requires the Council to consider the annual reports of its municipality and municipal entities and to adopt an "oversight" report containing the council's comments on each annual report.

The oversight report is thus clearly distinguished from the annual report. The annual report is submitted to the council by the accounting officer and the mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving the goals set by council. The oversight report is a report of the municipal council and follows consideration and consultation on the annual report by the council itself. Thus, the full accountability cycle is completed and the separation of powers is preserved to promote effective governance and accountability.

### **MANAGING THE STRUCTURE AND CONTENTS OF THE OVERSIGHT REPORT-**

The Oversight Report contains:

1. Title and reference to the year under review
2. Resolutions and statement required by MFMA Section 129(1)
3. Summaries of comments and conclusions on the annual report including actions to be taken by the executive and administration to resolve issues.

The Kannaland Municipality does not have any entities.

### **Resolutions and Statement**

That In terms of Section 129(1) of the MFMA, Council has approved the 2022-2023 Annual Report without reservations.

### **RECOMMENDATION TO COUNCIL:**

Council resolves that;

1. The Council having fully considered the 2022/2023 Annual Report and representations thereon, adopts the 2022/2023 Oversight Report; and Council approves the 2022/2023 Annual Report without reservations.
2. That the minutes of the meetings where the 2022/2023 Annual Report was discussed, in the presence of the accounting officer (Municipal Manager) be submitted to the Auditor-General, the Provincial Treasury and the Western Cape Department of Local Government, in terms of Section 129(2) of the MFMA;
3. That the 2022/2023 Oversight Report of Kannaland Municipality be made public in terms of Section 129(3) of the MFMA and be submitted to the Western Cape Legislature in terms of Section 132(1) of the MFMA.

## ABBREVIATIONS:

<b>APAC</b>	Audit and Performance Audit Committee
<b>OR</b>	Oversight Report
<b>AFS</b>	Annual Financial Statements
<b>AR</b>	Annual Report
<b>MR</b>	Management Report
<b>CFO</b>	Chief Financial Officer
<b>MFMA</b>	Municipal Financial Management Act
<b>MPAC</b>	Municipal Public Accounts Committee
<b>AGSA</b>	Auditor General of South Africa
<b>OPCAR</b>	Operation Clean Audit Report
<b>APR</b>	Annual Performance Report
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>IAU</b>	Internal Audit unit
<b>PPP</b>	Public Private Partnerships
<b>IT</b>	Information Technology
<b>OR</b>	Oversight Report
<b>PAAP</b>	Post Audit Action Plan

<b>FOCUS AREA</b>	<b>MANAGEMENT RESPONSE</b>
<b>Financial Matters</b>	<b>Financial reporting matters to be considered</b>
The AFS for the municipality submission to the AGSA	The 2022/2023 AFS for the Kannaland Municipality were not submitted to the AGSA for auditing, within two (2) months after the end of the financial year as required by section 126(1)(a) of the MFMA.
The Auditor-General's reports on the financial statements of the municipality and the entities	The Audit Report has been included in the AR as tabled. The MPAC takes cognisance of the audit opinion.
Any explanations that may be necessary to clarify issues in connection with the financial statements.	Due to the significance of the matters described in the basis for disclaimer of opinion section of the auditor's report the AG was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.
An assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities	Assessments on arrears on municipal taxes and service charges will be done in the 2022/2023 FY.
Particulars of any corrective action taken in response to issues raised in the audit reports.	The Kannaland Municipality received a disclaimer of audit opinion. The necessary systems will be put in place to improve on the audit opinion. The
An assessment by the municipality's accounting officer of the municipality's performance against measurable performance objectives for providing of	Material misstatements in the annual performance report submitted for auditing were found and material findings were reported by AG in this regard.

adequate services and improve our public relations.	
FOCUS AREA	MANAGEMENT RESPONSE
<b>Financial Matters</b>	<b>Financial reporting matters to be considered</b>
Report on compliance with legislation	The 2022/2023 Annual Report was not made public after being table in council as required by section 127(50(a)(i) of the MFMA
Other information in the annual report	As a result of the disclaimer of opinion expressed on the financial statements the AG did not conclude on material misstatements of the other information relating to the financial statements.
Recommendations of the audit committee in relation to the AFS and audit reports of the municipality.	AFS: The minutes of APAC on the review of the Draft 2022/23 AFS/ APR. Audit Report: Management to compile and implement the AFS preparation plans and PAAP
Allocations received and made to the municipality	No allocations were received from any other organ or state.
Timing of reports	There was a delay in the AGSA audit that resulted in an overall delay in the management processes and finalisations of the AR however, this was communicated to Council in terms of MFMA Section 127(3) and subsequent timelines were adhered to.

## OVERSIGHT COMMITTEE OR OTHER MECHANISMS

The draft AR was tabled to Council on 31 January 2024. The report was noted by Council. Council adopted a timeframe for public comment and resolved that the MPAC must submit the Oversight report to council for consideration. The annual report was advertised for public comment with closing 21 March 2024. The AFS and AG report was received on 5 June 2024. The MPAC met on 10 September 2024 to comment on the AR. A draft oversight report with guidelines was submitted to MPAC for oversight purposes. The MPAC considered the AR, the draft OR and the comments of the APAC. No comments have been received from the public. The MPAC resolved to recommend that the Council having fully considered the 2022/2023 OR and Council approves the 2022/2023 Annual Report without reservations.

### KEY COMMENTS PUBLIC:

The AR was received positively by the public at ward committee level through public participation and no comments were received.

### KEY COMMENTS AGSA:

AGSA reported material non-compliance as per Management report of 2022/2023.

### KEY COMMENTS MPAC:

To be included. MPAC Questionnaire as per Annexure (1)

### KEY COMMENTS COUNCIL:

The AR will be tabled to Council on 27 February 2025.

  
COUNCILLOR W MESHOA  
MPAC CHAIRPERSON

DATE: 27/02/2025