



MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

MPAC OVERSIGHT REPORT

ENQUIRIES : MPAC CHAIRPERSON
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DATE : **16 MARCH 2026**

ABAQULUSI MUNICIPALITY CORPORATE SERVICE			
FILE NO:	5/7/4		
DATE RECEIVED	2026-03-17	FOR ATTENTION	
MM	☒	MAYOR	☐
DEP. MAYOR	☐	DIR. CORP	☒
DIR. TECH	☐	DIR. COM	☐
		SPEAK	☐
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		DIR. DEV	☐

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TO : COUNCIL
SUBJECT : MPAC OVERSIGHT REPORT

1. PURPOSE

To consider the Annual Report for the 2024/2025 financial year and to adopt an Oversight Report containing Council's comments on the Annual Report in terms of section 129 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (hereafter indicated as MFMA).

It is an honour to me to stand before you as MPAC Chairperson to deliver the oversight report which gives effect to the consideration of the 2024/2025 Annual Report.

The MPAC working session was held on the 10th of March 2026 aiming to assess whether reported performance corresponds with the actual work done on the ground and also to evaluate the concerns raised by the community. Although the attendance was very minimal that had not affected the significant work carried out by the members of MPAC who were present regarding the interrogation and scrutinising of the draft Annual Report. The members felt the

need that active and completed projects should be visited quarterly to ensure that there is proper oversight and therefore, management will be engaged time to time to provide support in the form of official and transport whenever there will be site visits for the projects.

2. BACKGROUND

A. 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-

- (i) 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);
- (ii) The Auditor-General audit report in terms of section 126(3) on those financial statements;
- (iii) The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;
- (iv) The Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act, (Act 32 of 2000);
- (v) An assessment by the municipality's Accounting Officer of any arrears on municipal taxes and service charges;
- (vi) 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;
- (vii) Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (ii) and (iv);
- (viii) Any explanations that may be necessary to clarify issues in connection with the financial statements;
- (ix) Any information as determined by the municipality;
- (x) Any recommendation as determined by the municipality; and
- (xi) 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 public the annual report, 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(1) 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 those components that can be revised.*

3. PROCESS

a) Submission and tabling of the Annual Report

The Draft Annual Report of the Municipality for the 2024/2025 financial year was tabled at the Ordinary Council Meeting, on **21 January 2026** in terms of section 127(2) of the Local Government: Municipal Finance Management Act, 56 of 2003.

Council resolved to mandate the MPAC to prepare the oversight report within two months from the date of tabling of the draft annual report for 2024/2025 financial year.

b) The MPAC

The Municipal Public Accounts Committee is a committee of Council established under section 79 of the Municipal Structures Act, 1998.

The members of MPAC are as follows:

Cllr M Viktor (Chairperson)	Cllr TM Ntshingila
Cllr HV Khumalo	Cllr E Rodway
Cllr PP Selepe	Cllr BE Ndlela
Cllr CB Hlatshwayo	Cllr SS Siyaya
Cllr MD Buthelezi	

The MPAC analyses and reviews the annual report in detail before tabling the report to Council for consideration.

In terms of the resolution by Council to comply with section 127 (2) the annual report was made public:

- ✓ The public notice was advertised on the local newspapers to invite community members to submit comments / objections regarding the Draft Annual Report within 30 days from the **30 January 2026 to the 02 March 2026** and no comments or objections were received.
- ✓ The Annual Report was placed at all the Municipal satellite offices, and on the municipal website.
- ✓ The Annual Report was submitted to the relevant government departments including AGSA but however the comments were

received from the office of the Auditor General and changes were effected on the document.

At the closing date for public comments on **02 March 2026**, no representations had been received.

The MPAC working session met on the **10th of March 2025 at 10.am** whereby the draft Annual report was reviewed and further scrutiny was performed on the document and the following were highlighted to be considered on the annual report:

- ✓ On page 32, "The municipal Executive Committee comprised of seven (12) members of Council", should change number in brackets to (7)
- ✓ On page 33, "Composition of MPAC", Cllr KR Jiyane and Cllr NP Ndlela should be removed from the list and add Cllr TM Ntshingila.
- ✓ On page 64, "Employee information and financial performance", Actual expenditure related to employees is incorrect .
- ✓ On page 91, There is no data for SPLUMA applications 2023/2024 year

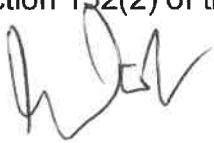
4. RECOMMENDATIONS

4.1 that the oversight report on the annual report of 2024/2025 be adopted in terms of section 129 (1) of the local government municipal financial management act (MFMA act no 56 of 2003);

4.2 that the annual report for 2024/2025 financial year be adopted with corrections made on the findings paragraph 3.

4.3 that the 2024/2025 oversight report and annual report of the municipality be made public in terms of section 129(3) of the MFMA, and uploaded on the municipal website

4.4 that the oversight report and annual report 2024/2025 be submitted to the relevant provincial departments, provincial legislature and AGSA in terms of section 132(2) of the MFMA



CLLR. M VIKTOR
MPAC CHAIRPERSON