

**OVERSIGHT REPORT OF THE MUNICIPAL
PUBLIC ACCOUNTS COMMITTEE (MPAC)
ON THE 2024/2025 ANNUAL REPORT OF
GEORGE MUNICIPALITY**

FOREWORD BY THE CHAIRPERSON

It is my pleasure to present to the community of George Municipality the Oversight Report of the Municipal Public Accounts Committee (MPAC) on the 2024/2025 Annual Report.

The Municipal Finance Management Act (MFMA) places specific oversight responsibilities on Council regarding the annual reporting process and the preparation of the Oversight Report. To support Council in effectively carrying out this responsibility, the Municipal Public Accounts Committee (MPAC) serves as the primary mechanism through which Council exercises oversight over the municipality's administration and financial management.

In fulfilling this mandate, MPAC carefully reviewed and assessed the 2024/2025 Annual Report and ensured that all processes related to public participation and submissions were conducted in accordance with Sections 127(5), 130, and 132 of the MFMA. The Oversight Report was compiled after considering the views and inputs received from various stakeholders, including members of the public, representatives of the Auditor-General, organs of state, the Audit Committee, Councillors, and Ward Committees.

Members of the public and local communities were given a reasonable opportunity, along with adequate time and assistance, to participate in the process and submit comments on the 2024/2025 Annual Report. The report was made accessible through several platforms, including the official George Municipality website. Hard copies were also made available at the Main Municipal Building, public libraries, and municipal area offices. In addition, notices were placed in local newspapers inviting public comments. The closing date for submissions was the 23rd February 2026 and details of the comments received are attached to this report as annexures.

During the reporting period, George Municipality maintained a stable financial performance and position. This stability can largely be attributed to the proactive leadership and commitment of the municipal administration in making financially sustainable decisions while balancing the service delivery needs of residents and businesses within the municipal area. MPAC acknowledges and commends the municipal administration for the ongoing strengthening of internal controls, the control environment and the municipality's overall assurance framework. These improvements are largely the result of the strong leadership and dedication demonstrated by the senior management team.

Furthermore, MPAC congratulates the Municipality for upholding a high standard of financial governance and accountability. The municipality achieved an unqualified audit opinion with no material findings, commonly known as a Clean Audit. As highlighted by the Audit Committee, this achievement reflects the Municipality's continued commitment to clean administration, sound governance, legislative compliance, and effective internal control systems.

On behalf of MPAC, I would also like to express sincere appreciation to the municipal administration for their cooperation and support throughout the oversight process. Our gratitude is also extended to the Office of the Auditor-General and the Audit Committee for their valuable contributions during the review of the Annual Report and the broader oversight process.

Finally, I wish to thank my fellow MPAC members for their dedication, diligence, and commitment in carrying out their oversight responsibilities.



COUNCILLOR C. NEETHLING

CHAIRPERSON OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

OVERSIGHT REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON THE ANNUAL REPORT OF GEORGE MUNICIPALITY (2024/2025)

1. OBJECTIVE OF THE OVERSIGHT REPORT

- a) The Municipal Public Accounts Committee (MPAC) considered and consulted on the 2024/2025 Annual Report and prepared the Oversight Report on the 2024/2025 Annual Report, for Council to adopt.
- b) Having considered all representations, feedback, queries and comments submitted from various stakeholders, MPAC concluded on whether the information contained in the 2024/2025 Annual Report was a fair and reasonable record of the performance of the George Municipality and properly accounted for the actions of the George Municipality during the 2024/2025 financial year reported upon.
- c) These conclusions support MPAC's recommendations to Council when adopting the Oversight Report on the 2024/2025 Annual Report, in line with Section 129 of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA).

2. MANDATE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

2.1 Council is vested with the responsibility to oversee the performance of the Municipality, as required by the Constitution of the Republic of South Africa, the Municipal Finance Management Act (MFMA) and the Local Government: Municipal Systems Act, 32 of 2000 (MSA). This includes oversight over the process of considering annual reports.

2.2 The Municipal Public Accounts Committee (MPAC) serves as an oversight committee of Council and exercises oversight over the executive obligations of Council. One of the key functions of the MPAC is to consider and evaluate the content of the Annual Report and to make recommendations to Council when adopting an Oversight Report on the Annual Report.

2.3 George Municipality has a well-established governance framework which includes a functional Audit Committee and Internal Audit Unit. The MPAC further strengthens this accountability framework by providing independent political oversight in addition to other governance structures such as Portfolio Committees, the Mayoral Committee and Council.

3. LEGISLATION

- a) In terms of Section 127(2) of MFMA

"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..."

- b) In terms of Section 129(1) and (2) of the MFMA

"The council of a municipality must consider the annual report of the municipality ..., 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.

The accounting officer must—

attend council and council committee meetings where the annual report is discussed, for the purpose of responding to questions concerning the report..."

4. OVERSIGHT PROCESS OVER THE 2024/2025 ANNUAL REPORT

- a) The MPAC conducted its oversight activities in accordance with its **Terms of Reference**, Council delegations, applicable legislation, and relevant **National Treasury circulars and guidelines**.
- b) The **Annual Financial Statements and Draft Annual Report for the financial year ended 30 June 2025** were submitted to the **Auditor-General of South Africa (AGSA)** by **31 August 2025**, in compliance with **Section 126(1)(a) of the MFMA**.
- c) After the finalisation of the Auditor-General's Audit Report, the **Draft Annual Report for the 2024/2025 financial year** was tabled before Council in accordance with **Section 127(2) of the MFMA**. Council subsequently referred the Annual Report to MPAC for the preparation of the Oversight Report.
- d) On 23 January 2025, the public was informed by way of advertisement in the George Herald, George Municipality's website, social media platforms, Municipal libraries, and on the municipal notice boards of the following:
1. Notice of the Council Meeting that was held on 29 January 2026 at which the Annual Report was tabled.
 2. The meeting dates of the MPAC.
 3. Invitation to the public to submit written comments on the Annual Report to the strategic growth (ward Committee) by no later than 23 February 2026.
- e) The Annual Report was made public in accordance with **Section 127(5) of the MFMA** and **Section 21A of the Municipal Systems Act** immediately after it was tabled in Council.
- f) Copies of the 2024/2025 Annual Report were made available:
- On the George Municipality website.
 - At the Main Municipal Building,

- At municipal libraries and
 - At municipal area offices.
- g) The Annual Report was also submitted to:
- The Auditor-General of South Africa
 - Provincial Treasury
 - The Western Cape Department of Local Government
- h) In accordance with the MFMA and the Municipal Systems Act, local communities were invited to submit written comments or representations regarding the Annual Report. Reasonable time and support were provided to enable meaningful public participation.
- i) The MPAC evaluated the Annual Report through a series of engagements and meetings attended by:
- The Municipal Manager
 - Directors and Senior Management
 - The Chairperson of the Audit Committee
 - Representatives from the Department of Local Government

4. COMMENTS ON THE 2024/2025 ANNUAL REPORT FROM THE MPAC AND PUBLIC

- a) Comments received from the public and other stakeholders were considered by the municipal administration and considered during the finalisation of the 2024/2025 Annual Report.
- b) The questions, comments and responses received during the public participation process are attached as Annexure 1 to this report.

5. COMMENTS FROM PROVINCIAL TREASURY

- a) There were no inputs from Provincial Treasury on the final 2024/2025 Annual Report.

6. COMMENTS FROM AUDITOR-GENERAL

- a) The **Auditor-General of South Africa** raised certain recommendations during the audit process, which were addressed and incorporated into the final Annual Report where applicable.
- b) The inputs from the AG are attached hereto as Annexure 1.

7. SUMMARY OF COMMENTS, RECOMMENDATIONS AND CONCLUSIONS ON THE ANNUAL REPORT 2024/2025

- **Alignment with Prior Year:** Page numbers and content align with the previous year's report, correcting any past errors and including procedures omitted in earlier drafts.
- **Consistency:** Wording and sections have been revised to ensure consistent language and to remove paragraphs not present in the prior year report.

- **Compliance:** All required legislative and regulatory sections, especially MFMA regulations, have been included as per the signed audit report; irrelevant or non-applicable items have been excluded.
 - **Legislation Update:** Correct Division of Revenue Act (24 of 2024) and relevant sections have been added to comply with current legal requirements.
 - **Section Inclusion:** All relevant sections and regulations reflected in the audit report have been incorporated; those missing or incorrect in the draft have been corrected.
 - **Staff Regulations:** Municipal Staff Regulations (2021) have been included for consistency.
 - **Page Number Corrections:** Page references updated to match the audit report and financial statements annexure.
 - **Audit Opinion:** The auditor's opinion is clearly stated to cover the financial statements and compliance but excludes other information in the report.
 - **Overall:** The Annual Report is fully aligned with the Auditor-General's final audit report, ensuring transparency, accuracy, and compliance.
 - **Quarterly Reporting:** Signing dates in the Annual Report differ by one day compared to the Section 52 reports for Quarters 2 and 3.
 - **Contract Value:** The reported contract value in the Annual Report differs significantly from the contract register.
 - **Basic Service Delivery:** Several key service delivery indicators for 2024/2025 show small but notable differences between the Annual Report and the Annual Performance Report figures.
- a) The MPAC considered the compliance of relevant legislative requirements over the major activities relating to the annual reporting process relevant to the financial year ended 30 June 2025 and concluded that it did not identify any instances of non-compliance.
- b) The 2024/2025 Annual Report as tabled in Council on 29 January 2025 was updated in accordance with the comments made / received from various role-players during the oversight process.
- c) The Annual Report complies with the requirements of the MFMA and National Treasury's guidelines for annual reports. It is further noted that the required information in terms of the MFMA is included. More specifically, the 2024/2025 Annual Report contains *inter alia*:
1. The annual financial statements.
 2. Auditor-General's Audit Report.
 3. The Annual Performance Report of the Municipality.
 4. Recommendations of the Audit Committee and the Audit Committee's Annual Report.
- d) After evaluating the content of the Annual Report and taking into consideration all representations received from various stakeholders, comments and deliberations at the MPAC meetings, the Audit Committee's Report included in the Annual Report, and comments from the Auditor-General and Provincial Treasury, **it is recommended that the 2024/2025 Annual Report be adopted without reservations.**

ANNEXURES:

1. Checklist for considering the annual report in terms of MFMA Circular No 32
2. Comments from the Auditor-General (**annexure 1**)

ANNEXURE : Checklist for considering the annual report in terms of MFMA Circular No 32

Information required to be included in annual reports	MPAC Response
Financial Matters Financial reporting matters to be considered	<ul style="list-style-type: none"> ▪ The 2024/2025 Annual Financial Statements (AFS) were submitted on time to the Auditor-General of South Africa (AGSA). ▪ George Municipality has no municipal entities; therefore, no separate AFS for entities is required. ▪ AFS are presented according to MFMA Circular 18 and applicable accounting standards.
The Auditor-General’s reports on the financial statements of the municipality and the entities	<ul style="list-style-type: none"> ▪ The Auditor-General’s report has been included. ▪ The municipality received an unqualified audit opinion with no findings (Clean Audit). ▪ MPAC expressed appreciation for management’s efforts in achieving this outcome.
Any explanations that may be necessary to clarify issues in connection with the financial statements	<ul style="list-style-type: none"> ▪ Explanatory notes accompany the AFS and clearly explain financial issues. ▪ An assessment of arrears in municipal taxes and service charges was included, with causes and remedial actions clearly explained.
An assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities	<ul style="list-style-type: none"> ▪ An adequate assessment has been included and there Performance objectives for revenue collection per vote and revenue source are included and measured. ▪ An audited performance report confirms satisfactory performance. <p>No other action is required</p>
Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports	<ul style="list-style-type: none"> ▪ George Municipality received an unqualified audit opinion with no findings (Clean Audit). ▪ An Audit Action Plan was presented to the Audit Committee. ▪ AFS were submitted to National and Provincial Treasury. ▪ The Audit Report has been submitted to the National and Provincial Treasury. <p>No corrective action was required due to the clean audit.</p>
An assessment by the municipality’s accounting officer of the municipality’s performance against measurable performance objectives for revenue collection from each revenue source	<ul style="list-style-type: none"> ▪ The budget of the municipality contains measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP (MFMA Section 17(3) (b)).

Information required to be included in annual reports	MPAC Response
and for each vote in the approved budget	<ul style="list-style-type: none"> ▪ The accounting officer has included these objectives in the annual report and report on performance accordingly. ▪ An audited performance report has been included in the Annual report. ▪ The performance is satisfactorily.
An assessment by the municipal entity’s accounting officer of the entity’s performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and the municipality	Not applicable as George Municipality has no entities.
Any information as determined by the municipality, the entity or its parent municipality	No other information has been included in regard to the AFS.
Recommendations of the audit committee in relation to the AFS and audit reports of the municipality and its entities	<p>AFS: The audit committee evaluated the AFS of the George Municipality for the period 1 July 2024 to 30 June 2025, using various financial ratios and the High-Level Internal Audit Review, the MPAC is in a position to give an authoritative and credible view of the financial position of the municipality, its effectiveness and efficiency, and its overall level of compliance with relevant legislation.</p> <p>The committee’s view is that in general the financial position of the municipality is relatively positive and that the municipality has also complied with the required audit procedures and applicable legislation.</p> <p>Audit Report: George municipality has maintained its Unqualified audit opinion with no findings (Clean Audit) for the 2024/2025 financial year. The committee wishes to congratulate the George Municipal Council and Administration on achieving a “Clean Audit” Opinion from the Office of the Auditor General for the 2024/2025 Financial Year. This is truly a remarkable achievement for the municipality and it confirms the accuracy and transparency with which finances of the municipality have been handled and reported. This is due to effective leadership and the positive commitment of senior management and officials. The Committee is also satisfied with the independence and objectivity of the Auditor-General.</p>
<i>Allocations received and made</i>	<i>Considerations</i>
Allocations received by and made to the municipality	<p>The AR disclose:</p> <ul style="list-style-type: none"> ▪ Details of allocations received from another organ of state in the national or provincial sphere.

Information required to be included in annual reports	MPAC Response
	<ul style="list-style-type: none"> ▪ Allocation made to the municipality under Section 214(1) (c) of the Constitution. ▪ The allocations have been received and made and the Annual report confirms the correctness of the allocations received in terms of DORA and provincial budgets. <p>The audit committee noted the AR.</p> <p>Council is satisfied with the information provided in the AR and explanations provided.</p>
Allocations received by and made to the municipal entity	Not applicable
Information in relation to the use of allocations received	<p>In terms of Section 123 of the MFMA and MFMA guidance circular 11, the information has been provided per vote and include:</p> <ul style="list-style-type: none"> ▪ The current year and details of spending on all previous conditional grants, for the previous financial year. Information is provided per vote. ▪ The information states that the municipality has complied with the conditions of the grants/ allocations in terms of section 214(1) (c) of the Constitution. <p>The council is satisfied that:</p> <ul style="list-style-type: none"> ▪ the information has been properly disclosed. ▪ conditions of allocations have been met; and ▪ that any explanations provided are acceptable.
Information in relation to outstanding debtors and creditors of the municipality and entities	<p>The AFS include amounts owed to the Municipality.</p> <p>The council is satisfied that:</p> <ul style="list-style-type: none"> ▪ the information has been properly disclosed. ▪ conditions of allocations have been met; and ▪ also that any explanations provided are acceptable.
Disclosures in notes to AFS	Considerations relating to section 124
Information relating to benefits paid by municipality and entity to councilors, directors and officials	<p>The following information is included in the notes to the AR and AFS:</p> <ul style="list-style-type: none"> ▪ Salaries, allowances and benefits of political office bearers and councilors. ▪ Salaries allowances and benefits of the municipal manager, CFO and every senior manager, ▪ Pension and retirement benefits, ▪ Travel, motor vehicle, accommodation, subsistence and other allowances. ▪ Housing benefits and allowances. ▪ Overtime payments, ▪ Medical aid and insurance benefits ▪ Loans and advances, and

Information required to be included in annual reports	MPAC Response
	<ul style="list-style-type: none"> ▪ Any other type of benefit or allowance related to staff. <p>There are no arrears by individual councilors to the municipality.</p> <p>The council is satisfied that:</p> <ul style="list-style-type: none"> ▪ The information has been properly disclosed. ▪ conditions of allocations have been met; and ▪ that any explanations provided are acceptable.
<i>Municipal Performance</i>	<i>Considerations</i>
The annual performance reports of the municipality and entities	<p>Annual Performance Reports (APR)</p> <ul style="list-style-type: none"> ▪ APR submitted under Section 46 of the Systems Act. ▪ Performance compared against prior year targets, measures taken to improve. ▪ SDBIP and budgets included measurable performance objectives. <p>Audits on Performance</p> <ul style="list-style-type: none"> ▪ Internal Audit performed quarterly performance reviews as part of its ongoing internal audit processes. An audited Annual Performance Report (APR), in accordance with Section 45 of the Systems Act, was submitted. ▪ The Auditor-General also audited the reported performance results, and no material findings were identified. ▪ Auditor-General audited performance measurements; no significant findings.
For municipal entities – an assessment of the entity’s performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and municipality	<ul style="list-style-type: none"> ▪ Not applicable to entities. ▪ Performance of contracted service providers assessed.
<i>General information</i>	<i>The following general information is required to be disclosed in the annual report.</i>
Relevant information on municipal entities	Not applicable
The use of any donor funding support	No donor funding was received.
Agreements, contracts and projects under Private-Public-Partnerships	No PPP’s in place.
Service Delivery Performance on key services provided	Service delivery performance on key services provided, such as water; electricity; sanitation and refuse removal, was achieved satisfactorily. Detailed information is available in the executive summary and performance sections of the AR.
Information on long-term contracts	Included in the AR

Information required to be included in annual reports	MPAC Response
Information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations	The municipality is currently in the process of aligning its systems to improve overall efficiency. There is a need for a more focused approach on IT systems and procedures, supported by a dedicated budget. Presently, the municipality operates a co-sourced IT function, which has contributed to more effective and efficient IT processes.
Three-year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework	The long-term financial plan was approved by the council. The plan has been implemented as far as possible. Amendments are also currently being made on the long-term financial plan.
Other considerations recommended	
Timing of reports	The report was tabled in time.
Oversight committee or other mechanism	<p>The AR was tabled to council on 29 January 2026. The report was noted by Council. Council also 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 date 23 February 2026.</p> <p>The Audit Committee met on the 22 January 2026 to comment on the Annual report</p> <p>The MPAC resolved to recommend that the Council fully considered the 2024/2025 Annual Report and representations thereon, adopts the 2024/2025 Oversight Report; and Council approves the 2024/2025 Annual Report without reservations.</p>
Payment of performance bonuses to municipal officials	Performance bonuses have been dealt with in terms of the legislative requirements.