CHRIS HANI DISTRICT MUNICIPALITY (Cons.)

Audit Report

For the year ended 30 June 2023

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on Chris Hani District Municipality

Report on the audit of the consolidated and separate financial statements

Qualified opinion

1. I have audited the consolidated and separate financial statements of the Chris Hani District Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditors report, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Chris Hani District Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Basis for qualified opinion

Receivables from exchange transaction

3. I was unable to obtain sufficient appropriate audit evidence for receivables from exchange transactions due to the limitations and disagreements of revenue from exchange transactions which had an impact on the receivables from exchange transactions. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to receivables from exchange transactions stated at R428, 6 million (2022: R371, 2 million) in note 15 to the consolidated and separate financial statements, debt impairment expense stated at R405 million (2022: R350 million) in note 35 to the consolidated and separate financial statements, and interest revenue from debtors stated at R162, 7 million (2022: R84,1 million) in note 27 to the consolidated and separate financial statements.

VAT payable

4. I was unable to obtain sufficient appropriate audit evidence for VAT payable due to the limitations and disagreements of receivables from exchange transactions and revenue from exchange transactions, which have an impact on the calculation of VAT payable. I could not confirm the VAT payable by alternative means. Consequently, I was unable to determine

whether any further adjustments were necessary to VAT payable stated at R70,6 million (2022: R13, 3 million) in note 9 to the consolidated and separate financial statements.

Revenue from exchange transactions

5. The municipality did not recognise service charges revenue, as required by GRAP 9, *Revenue from exchange transactions*. Revenue was billed using incorrect rates, incorrect consumption units were used, revenue recognised in the incorrect period and some customers were not billed throughout the year. Consequently, I was unable to determine the full extent of the misstatement of the service charges stated at R425,6 million (2022: 385, 9 million) in note 22 to the consolidated and separate financial statements.

Irregular expenditure

6. During 2021-22, I was unable to obtain sufficient appropriate audit evidence for irregular expenditure due to the municipality not having adequate systems to identify and disclose irregular expenditure as required by section 125(2) (d)(i) of the MFMA. The irregular expenditure for the previous year disclosed in note 50 to the consolidated and separate financial statements, is understated by R78, 3 million. This also has an impact on the current year closing balance of R91 million in note 50 to the consolidated and separate financial statements.

Water distribution losses

7. The municipality did not recognise water distribution losses in accordance with GRAP 1, *Presentation of financial statements.* The municipality could not support rates used in the calculation of losses and revenue was not accounted for correctly, which affected the losses. I could not confirm the water distribution losses by alternative means. Consequently, I was unable to determine the full extent of the water distribution losses stated at R88, 4 million (2022: R93 million) in note 37 to the consolidated and separate financial statements.

Cash flow statement

8. Net cash flows from investing activities were not correctly prepared and disclosed as required Standards of GRAP 2, *Cash flow statements*. This was due to errors identified in calculating additions for property plant and equipment. I was not able to determine the full extent of the errors in the net cash flows from investing activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from investing activities as stated at R809,3 million (2022: R1,1 billion) in the consolidated and separate financial statements were necessary.

Corresponding figures

Contracted services

9. During 2021-22, I was unable to obtain sufficient appropriate audit evidence for contracted services due to the municipality recording expenses that relate to 2020-21 in the 2021-22 financial year. As a result, contracted services were overstated by R30, 9 million and the accumulated surplus was overstated by R30, 9 million in the consolidated and separate

financial statements. My audit opinion on the consolidated and separate financial statements for the period ended 2021-22 was modified accordingly. My opinion on the current year's consolidated and separate financial statements is also modified because of the possible effect of this matter on the comparability of the contracted services for the current period in note 38 to the consolidated and separate financial statements.

Context for opinion

10. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the consolidated and separate financial statements section of my report.

11. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

12. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

13. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

14. As disclosed in note 44 to the consolidated and separate financial statements, the corresponding figures for 30 June 2022 have been restated because of errors in the consolidated and separate financial statements of the municipality at, and for the year ended 30 June 2023.

Impairment loss on property plant and equipment

15. As disclosed in notes 3 and 33 to the consolidated and separate financial statements, property, plant and equipment of R5, 4 billion (2022: R4, 9 billion) was impaired.

Other matter

16. I draw attention to the matters below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

17. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the consolidated and separate financial statements. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

18. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the GRAP and the requirements of the MFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

19. In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

20. My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

21. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

22. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance arears presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

23. I selected the following key performance area presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected a key performance area that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Key performance area	Page numbers	Purpose
Basic services and infrastructure development	[XX]	To provide tangible service delivery matters such as provision of water and sanitation, infrastructure, free

Key performance area	Page numbers	Purpose
		basic services, housing and town planning services.

24. I evaluated the reported performance information for the selected key performance area against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

25. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

26. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

27. The material findings on the reported performance information for the selected key performance area are as follows:

SDI 14: % Wastewater quality compliance in accordance with Regulations 991 and section 39 of National Water Act 36 of 1998 as amended for compliance monitored

28. The planned and reported target for this indicator is not well defined and measurable as the target does not have a specified level of performance that is identified. Further, the method of calculation per the indicator description included in the annual performance report did not agree to the method of calculation performed by management to test the overall achievement of the indicator. Consequently, I could not confirm the reliability of the reported achievement.

SDI 15: % of Drinking Water Compliance to SANS 241 monitored

29. The planned and reported target for this indicator is not well defined and measurable as the target does not have a specified level of performance that is identified. Further, the method of calculation per the indicator description included in the annual performance report did not agree to the method of calculation performed by management to test the overall achievement of the indicator. Consequently, I could not confirm the reliability of the reported achievement.

SDI 19: % indigent households with access to free basic services

30. The indicator is not consistent as the planned target refers to percentage compliance while the reported achievement does not refer to anything as it does not state how much was achieved.

31. The indicator is not well defined and measurable as there is no description and method of calculation documented on the SDBIP, this information is only documented on the APR. Further to this, the target indicates that the municipality wants to achieve 7% of indigent households with access to free basic services, but does not specify the entire population where the percentage will be achieved on the description and method of calculation reported on the APR. Consequently, I could not confirm the reliability of the reported achievement.

Other matters

32. I draw attention to the matters below.

Achievement of planned targets

33. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

34. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Basic Service Delivery and Infrastructure Development. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

35. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

36. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

37. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

38. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual Financial Statements, Annual Performance Report and Annual Report

39. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, liabilities, revenue, disclosure items identified by the auditors in the submitted financial statements were subsequently corrected but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Expenditure Management

40. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

41. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R491 909, as disclosed in note 36 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest incurred on overdue accounts.

42. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R344 million as disclosed in note 35 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

Revenue management

43. An adequate management, accounting and information system which accounts for revenue and debtors was not in place, as required by section 64(2)(e) of the MFMA.

44. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

45. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.

46. Accounts for service charges were not prepared on monthly, as required by section 64(2)(c) of the MFMA.

Asset management

47. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Strategic planning and performance management

48. The performance management system and related controls were not adequately maintained as required by municipal planning and performance management regulation 7(1). Internal control deficiencies on the review and reconciliation of the quarterly reports used to prepare the APR were not adequately performed and material misstatement on usefulness were identified.

Other information in the annual report

49. The accounting officer is responsible for the other information included in the annual report the audit committee's report. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and those selected key performance area presented in the annual performance report that have been specifically reported on in this auditor's report.

50. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

51. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected development priorities presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

52. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

53. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

54. The matters reported below are limited to the significant internal control deficiencies that resulted in the qualified of opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

55. The municipality's compliance review and monitoring processes were not effective to ensure compliance with applicable laws and regulations. This contributed to repeat non-compliance findings being reported.

56. The municipality did not enforce the implementation of processes in place to ensure that financial and performance reports are subjected to credibility testing by internal audit and the audit committee in order to produce reliable financial statements and performance reports as reported information was not always supported and evidenced by reliable information.

57. Management did not respond to all the recommendations of the internal audit unit, which affected the effectiveness of the governance structure and resulted in repeat audit findings being raised.

Material irregularities

58. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Material irregularities identified during the audit

Services paid for no value

59. The municipality appointed a consultant to provide services for VAT returns and recoveries on 21 August 2020, however the consultant was not appointed on a time and cost basis as required by the regulations. The consultant was appointed on a contingency basis (15% of the VAT refund). Total amount of R78,3 million was paid to the consultant during 2020-21 and 2021-22 financial year.

60. The municipality therefore did not comply with Regulation 5 of the Municipal Cost Containment Regulations, which states that when consultants are appointed, an accounting officer must appoint consultants on a time and cost basis with specific start and end dates. The non-compliance resulted in material financial loss of R68 million for Chris Hani District Municipality.

61. The accounting officer was notified of the material irregularity (MI) on 28 November 2022. The accounting officer responded by disagreeing with the MI on the basis that the requirements of the SCM regulation 32 does not require amending the contract from organ of states. Therefore, the accounting officer has not taken any action in response to being notified of the MI.

62. The AO should take the following actions to address the MI, which should be implemented by 15 January 2024 with the submission of a progress report due by 28 September 2023:

63. The non-compliance should be investigated to determine the root causes and if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA for the purposes of recovering the loss.

64. The financial loss should be quantified and all person(s) liable for the losses should be identified and appropriate action should commence to recover the financial loss. The recovery process should not be unduly delayed.

65. Disciplinary proceedings, should commence, without undue delay, against all officials who have allegedly committed an act of financial misconduct or an offence, as required by section

62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

66. If a senior manager of the municipality has allegedly committed an act of financial misconduct, the AO must report the allegation to the Municipal Council, the Provincial Treasury and the National Treasury as required by Regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

Revenue for water services not calculated on monthly basis

67. The municipality did not calculate water service charges for a number of properties that should have been billed for water consumption in contravention of Section 64(2)(b) of the MFMA. The municipality did not apply the standard rates of consumption per the 2021-22 credit control and debt collection policy for these properties even though water services were provided, and revenue should have been calculated monthly for them. The non-compliance resulted in estimated material financial loss of R63,7 million for Chris Hani District Municipality.

68. The accounting officer was notified of the material irregularity on 28 November 2022. The municipality has done full population of all its customers to determine extent of customers not billed through performing a data cleansing, which than allowed the municipality to identify consumers not billed which was done on 16 March 2023.

69. To avoid the recurrence, the local municipalities have been engaged to share their billing data to reconcile with the billing data at the municipality to ensure completeness and accuracy of the billing to cover all households on 17 May 2023.

70. Furthermore, the municipality indicated that they will bill the affected customers in order to recover such losses by billing the customers at the end of April 2023 billing run.

Material irregularity in progress

71. I identified another material irregularity during the audit and notified the accounting officer, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the accounting officer was not yet due. This material irregularity will be included in next year's auditor's report

Status of previously reported material irregularities

Payment for goods not received

72. The municipality paid an engineering company R20 million for an extension of time with cost for the project Cluster 9 Backlog Eradication: Tsomo Water Treatment and River Abstraction Works – Tender No. 33/2015/MD (TN) for which the municipality did not receive any value. The payment for the extension of time was made as a result of variation order number 3 dated 12 September 2019, which was for preliminary and general costs of R12,1 million and contract price adjustments of R5,2 million that were already included in the contract for the tender and no additional value was received for these. The VAT on these costs was R2,6 million and is included in the total payment of R20 million to the contractor for the extension of time to the contract. The municipality's process for ensuring that payments were made to the contractor for goods and services that are received was not effective, as it did not prevent the municipality from paying an additional amount of R20 million to the contractor for preliminary and general costs and contract price adjustments without receiving any value.

73. The municipality, therefore, did not comply with section 65(2)(a) of the MFMA, which requires that reasonable steps are taken to ensure that the municipality has and maintains an effective system of expenditure control including procedures for the approval, authorisation, withdrawal and payment of funds. The non-compliance resulted in a material financial loss of R20 million by 12 March 2021 for the Chris Hani District Municipality.

74. The accounting officer was notified of the material irregularity on 19 October 2021. The accounting officer responded by disagreeing that the municipality received value for money for the extension of time granted on the project as the project was already at 94% of completion at the time when the request for the extension was made. Therefore the Accounting officer has not taken any action in response to being notified of the material irregularity.

75. I referred the material irregularity to the Special Investigating Unit (SIU) on 6 July 2022 for investigation as provided for in section 5(1A) of the PAA.

Other reports

76. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance information or compliance with legislation.

77. The Hawks are investigating allegations of maladministration, corruption and tender irregularities in the procurement process of ventilated improved pit toilets.

78. At the date of this report, the investigation was still in progress.

Auditor-General

Auditor-General

East London

05 December 2023

AUDITOR-GENERAL
SOUTH AFRICA

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Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected key performance area and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality and its subsidiaries to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated

and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure Section 1 - Definition: service delivery and budget implementation plan Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a), Sections 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), 62(1)(f)(ii), Sections 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), Sections 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), Sections 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), Sections 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), Sections 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulation 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), 17(1)(b), Regulations 17(1)(c). 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a) and (b), 29(5)(a)(ii), 29(5)(b)(ii), Regulations 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Sections 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17, 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), Regulations 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)

Legislation	Sections or regulations
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 27(1), 29(1)(b)(ii), 29(2)(a), Sections 29(2)(c), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, Sections 43(2), 56(a), 57(2)(a), 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), Sections 67(1)(d),74(1), 93J(1), 96(b) Parent municipality with ME: Sections 93B(a), 93B(b) Parent municipality with shared control of ME: Sections 93C(a)(iv), 93C(a)(v)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(5)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)