Report of the auditor-general to the Limpopo Provincial Legislature and the Council of Vhembe District Municipality.

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of Vhembe District Municipality set out on pages xx to xx which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, and the cash flow statement and the statement of comparison of budget with actual amounts for the year then ended, as well as notes to the 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 auditor's report, the financial statements present fairly, in all material respects, the financial position of the Vhembe District Municipality as at 30 June 2025, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (DoRA).

Basis for qualified opinion

Receivables from exchange transactions

3. Receivables from exchange transactions was not assessed for impairment in accordance with Standards GRAP 104, *Financial instruments*, as the provision was not adequately calculated due to unreasonable assumptions and methods used. I was unable to determine the correct value of the impairment included in receivables as it was impractical to do so. Consequently, I was unable to determine whether any adjustments to receivables from exchange transactions stated at R2 696 998 402 in note 4 to the financial statements and debt impairment stated at R537 616 600 in note 29 of the financial statements were necessary.

Revenue from exchange transactions

4. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for revenue from exchange transactions as meter adjustments were not adequately accounted for in accordance with the Standards GRAP 3*, Accounting Policies, changes in accounting estimates and errors*. The municipality incorrectly accounted for changes in estimated billings to actual billings retrospectively as a prior period error in note 43 to the financial statements. Furthermore, I was unable to determine the correct value for the adjustment as it was impractical to do so. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the amount of service charges stated at R281 990 141, debt impairment stated at R364 688 862 and receivables from exchange transactions at R33 989 744 in note 43 to the financial statements.

Commitments

5. Commitments were not accounted for in terms of the Standards of GRAP 17, *Property, plant and equipment*. Capital commitments were incorrectly calculated as the amount disclosed in the commitments schedule did not agree with the amount as per supporting evidence. Consequently, commitments stated at R859 242 344 in note 41 to the financial statements are overstated by R42 626 502.

Water losses

6. I identified differences between water losses as per the annual financial statements and water losses as per my re-computations based on the variables in the water inventory records for the current year. Consequently, water losses stated at R854 911 119 is understated by R234 209 145. There is a resultant impact on surplus for the period.

Inventory consumed

7. I was unable to obtain sufficient appropriate audit evidence for inventory consumed, as supporting evidence was not provided. I was unable to confirm the inventory consumed by alternative means. Consequently, I was unable to determine whether any adjustments relating to inventory consumed stated at R459 460 849 and related inventory and water losses in the financial statements, were necessary.

8. Water inventory consumed was not correctly disclosed in the notes to the financial statements as required by Standards of GRAP 12, *Inventories*. The water inventory consumed as disclosed in note 32 to the financial statements was overstated by R191 779 051. Consequently, water inventory stated at R879 981 was understated.

9. Additionally, included in the inventory consumed of R459 460 849 is an amount of R115 218 491 which relates to bulk water not received by the municipality. Consequently, inventory consumed is overstated and water inventory is understated.

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 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.

Material uncertainty related to going concern

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

14. I draw attention to note 46 to the financial statements, which indicates that the municipality adopted an unfunded budget for 2025-26. As stated in note 46, these events or conditions, along with the other matters as set forth in note 46, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

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

16. With reference to note 39 to the financial statements, the municipality is the defendant in a lawsuit. The municipality is opposing the claim; the ultimate outcome of the matter could not be determined and no provision for any liability that may result was made in the financial statements.

Other matter

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

18. 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 financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

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

20. In preparing the 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

21. My objectives are to obtain reasonable assurance about whether the 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 financial statements.

22. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of my auditor's report.

Report on the audit of the annual performance report

23. 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 area presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

24. I selected the following key priority area presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected key performance area that measure the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Key Performance Area (KPA)	Page numbers	Purpose
KPA 1: Services delivery and infrastructure development	[XX]	To ensure the provision of services to communities in a sustainable manner To ensure total functionality of VDM water service business to identify and plan for the financial, institutional, and overall sustainability needs. To ensure efficient, affordable, economical and sustainable access to water services

25. 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.

26. 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
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included

- 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 and is comparable and understandable
- there is adequate supporting evidence for the achievements reported measures taken to improve performance.

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

28. The material findings on the reported performance information for the selected key performance area 1 are as follows:

KPA 1: Services delivery and infrastructure development

Various indicators

29. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator	Target	Reported achievement
% in progress on construction of water supply and bulk water reticulation by June 2025	30%	28%
% in progress on construction of Mutshedzi regional water scheme outstanding works completed by 30 June 2025	18%	17.7%
% in progress on Vondo water treatment works (WTW) phase 2 outstanding works completed by 30 June 2025	71.0%	33.8%
% in progress of wastewater treatment works refurbished: Refurbishment Musina Singelele Wastewater Treatment Works (WWTW) Phase 2 by 30 June 2025	100%	100%
Number of boreholes redrilled along Limpopo River (Musina) by 30 June 2025	1	0
% in progress on the refurbishment of Mutale, Biaba, Vleifontein ponds by 30 June 2025 by 30 June 2025	100%	67%

Indicator	Target	Reported achievement
% in progress on construction of Xigalo Fire Station outstanding works by 30 June 2025	8%	8%
% water interruptions reported attended within 48 hours	100%	68%
Number of food premises inspection conducted by 30 June 2025	4 600	4 600

Number of laboratory drinking water sample tests conducted by 30 June 2025

30. The indicator measures the number of laboratory drinking water sample tests conducted instead of the results these tests, which does not relate to the achievement of service delivery. Consequently, the indicator is not useful for measuring and monitoring progress against the municipality's planned objectives.

Number of SANS analysis (compliance of drinking water quality as per DWS requirements) conducted by 30 June 2025)

31. The indicator measures the number of SANS analysis conducted instead of the results the analysis, which does not relate to the achievement of service delivery. Consequently, the indicator is not useful for measuring and monitoring progress against the municipality's planned objectives.

Number of process audit plans (water and wastewater treatments plant) implemented by 30 June 2025

32. The indicator measures the number of process audit plans conducted instead of the results these audits, which does not relate to the achievement of service delivery. Consequently, the indicator is not useful for measuring and monitoring progress against the municipality's planned objectives.

Number of sewer plants reticulation inspections (Green drop compliance) conducted by 30 June 2025

33. The indicator measures the number of sewer plants reticulation inspections conducted instead of the results these inspections, which does not relate to the achievement of service delivery. Consequently, the indicator is not useful for measuring and monitoring progress against the municipality's planned objectives.

Number of general authorization limit (Wastewater compliance as per DWS requirements) conducted by 30 June 2025

34. An achievement of 27 general authorisations conducted was reported against a target of 27 general authorisation. I could not determine whether the reported achievement was correct, as the indicator was not well defined and adequate supporting evidence to clarify the methods and

processes for measuring achievement were not provided. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target has been achieved.

35. Furthermore, the indicator measures the number of general authorisation conducted, which does not relate to the achievement of service delivery. Consequently, the indicator is not useful for measuring and monitoring progress against the municipality's planned objectives.

% sewer interruptions reported attended within 72 hours

36. The indicator in the annual performance report differed from what was committed to in the approved revised planning documents. The reported indicator was % sewer interruptions reported attended within 72 hours, while the planned indicator was % water interruptions reported attended within 72 hours. This change was made without obtaining the required approval, which undermines transparency and accountability.

    Additionally, an achievement of 73.4% sewer interruptions reported attended within 72 hours was reported against a target of 100% sewer interruptions attended. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Number of boreholes drilled within the district by 30 June 2025

37. The indicator was not clearly defined during the planning process to appropriately describe how the performance that relates to other indicators will be excluded to prevent the reporting of duplicated performance. Consequently, the indicator is not useful for measuring and reporting on progress against planned objectives.

38. Furthermore, an achievement of zero drilled boreholes was reported against a target of one borehole. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Number of laboratory drinking water waste sample tests conducted by 30 June 2025

39. The indicator was not clearly defined during the planning process. The indicator was defined to measure the number of laboratory tests for drinking water waste. However, the municipality does not have established processes to treat or refine wastewater into potable water. Consequently, the indicator is not useful for measuring and reporting on progress against planned objectives.

40. Furthermore, the indicator measures the number of laboratory drinking water waste sample tests conducted instead of the results these tests, which does not relate to the achievement of service delivery. Consequently, the indicator is not useful for measuring and monitoring progress against the municipality's planned objectives.

Other matters

41. I draw attention to the matters below.

Achievement of planned targets

42. 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.

43. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages [xx to xx].

KPA 1: Services delivery and infrastructure development

Targets achieved: 59% *Budget spent: 95%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
% in progress on construction of VONDO regional water scheme (Murangoni) by June 2025	40%	18%
% in progress on construction of Mutshedzi regional water scheme outstanding works completed by 30 June 2025	18%	17,70%
% in progress on construction of Chavani and surrounding villages bulk pipeline and water reticulation to Sheryl project by June 2025	13%	12%
% in progress on construction of water supply and bulk water reticulation by June 2025	30%	28%
% in progress on construction of reservoir Vuwani to Vyeboom by 30 June 2025	4%	3%
% in progress on construction of the increasing capacity of Vondo WTW & Upgrading of water by June 2025	28,50%	20,04%
% in progress on Vondo water treatment works (WTW) phase 2 outstanding works completed by 30 June 2025	71,01%	33,8%
Number of boreholes drilled and associated Infrastructure constructed at Maramanzhi, Mudimeli, Nthabalala, Malamulele, Makushu and Tshikudini by 30 June 2025	6	0
% in progress on refurbishment of Makhado boreholes Water augmentation schemes by 30 June 2025	24%	0%

Targets achieved: 59% *Budget spent: 95%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
% in progress on construction of Xikundu Mhinga Bulk Water Supply by 30 June 2025	2%	0%
Number of boreholes drilled within the district by 30 June 2025	1	0
Number of boreholes redrilled along Limpopo River (Musina) by 30 June 2025	1	0
Number of springs in rural villages developed by 30 June 2025	10	0
% in progress on the refurbishment of Mutale, Biaba, Vleifontein ponds by 30 June 2025 by 30 June 2025	100%	67%
Number of defective prepaid and convectional meters replaced by 30 June 2025	2000	0
Number of bulk meters installed by 30 June 2025	37	0
Number of ball valves/ level indicators installed by 30 June 2025	17	0
Number of calibration of guages/ water level indicators meters installed by 30 June 2025	56	0
Number of wastewater risk abatement plan (W2RAP) reviewed by 30 June 2025	14	0
Number of sludge management plan implementation conducted by 30 June 2025	14	6
Number of water safety plan reviewed by 30 June 2025	16	0
% water interruptions reported attended within 48 hours	100%	68%
% sewer interruptions reported attended within 72 hours	100%	73,4%
% in progress on construction of Vhembe district tractors shelter by 30 June 2025	50%	0%

Material misstatements

44. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for KPA 1. Management did not correct the misstatements and I reported material findings in this regard.

Report on compliance with legislation

45. 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.

46. 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.

47. 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.

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

Annual financial statements, performance and annual report

49. 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 current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion. [1]

Expenditure management

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

Strategic planning and performance management

51. The SDBIP for the year under review did not include monthly revenue projections by source of collection and the monthly operational and capital expenditure by vote as required by section 1 of the MFMA.

52. The performance management system and related controls were inadequate as it did not describe how the performance planning, measurement, review, and reporting improvement processes should be conducted as required by municipal planning and performance management regulation 7(1).

Consequence management

53. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Asset management

54. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.

Utilisation of conditional grants

55. Performance in respect of programmes funded by the Municipal Infrastructure Grant and Rural Road Asset Management System Grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the DoRA.

Other information in the annual report

56. The accounting officer is responsible for the other information included in the annual report.The other information does not include the financial statements, the auditor’s report and those selected key priority area presented in the annual performance report that have been specifically reported on in this auditor’s report.

57. My opinion on the financial statements, and my reports on the audit of the annual performance report and 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.

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

59. 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

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

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

62. Internal controls for monitoring compliance with laws and regulations were ineffective as they did not detect and prevent instances of non-compliance with applicable laws and regulations.

63. Management did not implement adequate internal controls to ensure the preparation of accurate financial statements and performance report as numerous material misstatements were identified.

64. Management did not perform appropriate reviews to ensure that the indicators included in the SDBIP are relevant to the municipality's mandate and are well defined as provided by the Framework for Managing Programme Performance Information (FMPPI).

Auditor General

Polokwane

30 November 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

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 financial statements and the procedures performed on reported performance information for selected key priority 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 financial statements as described in this auditor’s report, I also:

- identify and assess the risks of material misstatement of the 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 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 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 financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the 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 the municipality to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes 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	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a), 32(7),33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)a, 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
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), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)

Legislation	**Sections or regulations**
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), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation: 43
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
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), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

Explanatory information and examples

General

Form and content for reporting findings

The form and content for reporting findings on compliance with legislation are dealt with in the reporting guide. Report the material findings grouped per compliance theme and include the appropriate heading.

If the finding relates to a material irregularity (MI) reported in the MI section, the report paragraph should include a reference to the MI reported. Guidance is provided in the MI manual.

Other information