

Report of the auditor-general to the Free State Provincial Legislature and the council on the Kopanong Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Kopanong Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and 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 Kopanong Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with Standards of 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 2023 (Dora).

Basis for qualified opinion

Payables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence for trade payables, salary control, retentions, unallocated deposits and payments received in advance included in payables from exchange transactions in note 14 to the financial statements due to the non-submission of information and a lack of reconciliation in support of these current liabilities. I was unable to confirm the trade payables, salary control, retentions, unallocated deposits and payments received in advance by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the trade payables stated at R813 051 893, salary control stated at R321 800 528 (2023: R267 912 5410), retentions stated at R9 581 469 (2023: R9 581 469), unallocated deposits stated at R23 066 264 (2023: R4 872 976) and payments received in advance stated at R12 199 840 (2023: R9 982 962) included in payables from exchange transactions in note 14 to the financial statements.
4. In addition, the municipality did not account for trade payables included in payables from exchange transactions in note 14 to the financial statements in accordance with GRAP 1, *Presentation of Financial Statements* as material differences were identified between supplier statements and the creditors listing. Consequently, trade payables included in note 14 to the financial statements were understated by R18 558 764 (2023: R18 558 764). Additionally, there was an impact on the deficit for the year and the accumulated surplus.
5. During 2023, I was unable to obtain sufficient appropriate audit evidence for accrued leave, included in payables from exchange transactions in note 14 to the financial statements, due to the status of accounting records. I was unable to confirm the accrued leave by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the accrued leave stated at R14 030 698, included in payables from exchange transactions in note 14 to the

financial statements. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the accrued leave included in payables from exchange transactions in note 14 to the financial statements for the current period.

6. During 2023, the municipality also did not account for trade payables and centlec payables included in payables from exchange transactions in note 14 to the financial statements in accordance with GRAP 104, *Financial instruments*, due to differences in the sub-ledger and financial statements. Consequently, trade payables and centlec payables included in note 14 to the financial statements were overstated by R7 764 336 and consulting and professional fees and electricity - own consumption included in general expenses in note 34 to the financial statements were overstated by the same amount. Additionally, there was an impact on the prior year's deficit for the year and the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the trade payables and centlec payables included in payables from exchange transactions in note 14 to the financial statements for the current period.

Property plant and equipment

7. I was unable to obtain sufficient appropriate audit evidence for the work-in-progress included in the reconciliation of work-in-progress in property, plant and equipment in note 11 to the financial statements due to the non-submission of information in support of the capital projects in progress. I was unable to confirm the work-in-progress by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the work-in-progress included in the reconciliation of work-in-progress in property, plant and equipment stated at R191 136 601 (2023: R177 751 782) in note 11 to the financial statements.
8. In addition, the municipality did not account for property, plant and equipment in accordance with GRAP 17, *Property plant and equipment* as building asset classes were incorrectly included in the asset register as community assets. Consequently, buildings were understated by R8 963 403 and community assets were overstated by the same amount.

Receivables from exchange transactions

9. I was unable to obtain sufficient appropriate audit evidence for sundries included in the receivable from exchange transactions in note 4 to the financial statements due to the unexplained material differences between the age analysis and the financial statements. I was unable to confirm the sundries by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the sundries included in receivables from exchange transactions stated at R31 452 146 (2023: R35 314 908) in note 4 to the financial statements.
10. In addition, the municipality did not account for allowance for impairment included in receivables from exchange transactions in notes 4 and 6 to the financial statements in accordance with GRAP 104, *Financial instruments* as the municipality did not correctly apply the approved methodology in their impairment calculations. Consequently, the allowance for impairment included in receivables from exchange transactions in notes 4 and 6 to the financial statements was understated by R111 116 188 (2023: R17 119 862) and debt impairment included in note 31 to the financial statements was understated by the same amount. Additionally, there was an impact on the deficit for the year and the accumulated surplus.

11. Furthermore, the municipality did not account for the interest income for receivables from exchange transactions in accordance with GRAP 104, *Financial instruments* in the current and prior years, as the municipality did not charge interest on long outstanding consumer accounts, contrary to the municipality's policy. Consequently, I have not included the omitted information in this auditor's report for the current and prior years, as it was impracticable to do so. Additionally, there was an impact on the deficit for the period and the accumulated surplus.

Receivables from non-exchange transactions

12. The municipality did not account for allowance for impairment included in receivables from non-exchange transactions in notes 5 and 6 to the financial statements in accordance with GRAP 108, *Statutory Receivables*, as the municipality did not correctly apply the approved methodology in their impairment calculations. Consequently, the allowance for impairment included in notes 5 and 6 to the financial statements was overstated by R9 626 927 (2023: R16 993 873) and the debt impairment included in note 31 to the financial statements was overstated by the same amount. Additionally, interest income for receivables from non-exchange transactions was not recognised in accordance with GRAP 108, *Statutory Receivables* as the interest income from long outstanding debt was not included in the notes to the financial statements for current and prior years. Consequently, I was unable to determine the full extent of the misstatements to interest income included in receivables from non-exchange transactions, as it was impracticable to do so. Additionally, there was an impact on the deficit for the year and the accumulated surplus.

Revenue from exchange transactions

13. I was unable to obtain sufficient appropriate audit evidence for revenue forgone and sale of water included in the service charges in note 19 to the financial statements due to the unexplained material differences between the billing reports and the financial statements. I was unable to confirm the revenue forgone and the sale of water by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to revenue forgone stated at (R6 267 972) (2023: (R4 599 496)) and sale of water stated at R142 181 926 in note 19 to the financial statements.
14. In addition, the municipality did not account for refuse removal, sewage and sanitation included in service charges in note 19 to the financial statements in accordance with GRAP 9, *Revenue from exchange transactions* as the municipality did not bill some consumers during the year. Consequently, the refuse removal, sewerage and sanitation included in note 19 to the financial statements were understated by R6 679 701 and receivables from exchange transactions included in notes 4 to the financial statements were understated by the same amount. Additionally, there was an impact on the deficit for the year and the accumulated surplus.
15. During 2023, the municipality did not recognise revenue from exchange transactions in accordance with GRAP 9, *Revenue from exchange transactions* as the amount recorded in the supporting schedule did not agree with the amount in the note to the financial statements. Consequently, the revenue from exchange transactions included in note 19 to the financial statements was overstated by R16 287 417 and receivables from exchange transactions in note 4 to the financial statements were overstated by the same amount. Additionally, there was an impact on the prior year's deficit for the year and the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the revenue from exchange transactions for the current period.

Employee related costs

16. I was unable to obtain sufficient appropriate audit evidence for the basic salaries, medical aid fund contributions and car allowance included in employee related costs in note 25 to the financial statements due to unexplained material differences between the payroll schedules and the financial statements. I was unable to confirm the basic salaries, medical aid fund contributions and car allowance by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the basic salaries stated at R110 432 835, medical aid fund contributions stated at R4 006 592 and car allowances stated at R5 793 823 included in employee related costs in note 25 to the financial statements.

Finance costs

17. I was unable to obtain sufficient appropriate audit evidence for finance costs due to the non-submission of information in support of these finance costs. I was unable to confirm the finance costs by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to finance costs stated at R107 409 210 in note 29 to the financial statements.

Government grants and subsidies

18. I was unable to obtain sufficient appropriate audit evidence for the water services infrastructure grant and municipal infrastructure grant included in government grants and subsidies in note 24 to the financial statements, due to the unexplained material differences between the supporting schedules and the financial statements. In addition, the municipality could not provide adequate supporting evidence for the corresponding municipal infrastructure grant recorded in the financial statements. I was unable to confirm the water services infrastructure grant and municipal infrastructure grant by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the water services infrastructure grant stated at R19 980 789 and municipal infrastructure grant stated at R28 001 567 (2023: R10 481 014) included in government grants and subsidies in note 24 to the financial statements.

Property rates

19. I was unable to obtain sufficient appropriate audit evidence for property rates, due to the unreconciled material differences between the billing reports and the financial statements. I was unable to confirm the property rates by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to property rates stated at R29 666 861 in note 23 to the financial statements.
20. During 2023, property rates were not recognised in accordance with GRAP 23, *Revenue from non-exchange transactions*. This was due to the municipality not billing property rates based on the approved tariffs. Consequently, the property rates included in note 23 to the financial statements were overstated by R10 230 601 and receivable from non-exchange transactions included in note 5 to the financial statements were overstated by the same amount. Additionally, there was an impact on the prior year's deficit for the year and the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the property rates for the current period.

Unspent conditional grants and receipts

21. I was unable to obtain sufficient appropriate audit evidence for the unspent conditional grants and receipts due to the non-submission of information in support of these unspent grants. I was unable to confirm the unspent conditional grants and receipts by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the unspent conditional grants and receipts stated at R13 489 953 (2023: R59 683 756) in note 17 to the financial statements.

Other receivables from exchange transactions

22. I was unable to obtain sufficient appropriate audit evidence for the other receivables from exchange transactions due to the non-submission of information in support of these receivables. I was unable to confirm the other receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to other receivables from exchange transactions stated at R8 238 362 (2023: R8 607 886) in note 7 to the financial statements.

Investment property

23. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for investment properties, which also impacted the current year's balances. As described in note 51 to the financial statements, the restatement was made to rectify a prior year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm this restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the investment property stated at R127 468 394 (2023: R135 041 040) in note 10 to the financial statements.

General expenses

24. I was unable to obtain sufficient appropriate audit evidence for general expenses due to the non-submission of information in support of these expenses. I was unable to confirm the general expenditure by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the general expenditure stated at R8 138 085 in note 34 to the financial statements.
25. During 2023, the municipality did not recognise general expenditure in accordance with GRAP 1, *Presentation of financial statements*, as not all general expenditure items were included in note 34 to the financial statements. Consequently, general expenditure was understated by R5 483 393 and trade payables were understated by the same amount. Additionally, there was an impact on the prior year's deficit for the year and the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the general expenses for the current period.

Administration

26. I was unable to obtain sufficient appropriate audit evidence for the administration expenditure due to the non-submission of information in support of administrative expenses. I was unable to confirm the administration expenditure by alternative means. Consequently, I was unable to

determine whether any adjustments were necessary to the administration expenditure stated at R6 793 010 in note 27 to the financial statements.

Total expenditure

27. Total expenditure was materially misstated by R6 661 109 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Bulk purchases stated at R116 717 794 was overstated by R3 409 636.
- Impairment loss stated at R5 820 559 was overstated by R3 251 473.

In addition, I was unable to obtain sufficient appropriate audit evidence to confirm the total expenditure by alternative means:

- Pension fund contribution of R26 108 036 included in employee related costs of R152 188 824.
- Contracted services of R10 614 568.
- Bulk purchases of R116 717 794.

Consequently, I was unable to determine whether any further adjustment was necessary to the total expenditure.

Additional disclosures in terms of Municipal Finance Management Act

28. I was unable to obtain sufficient appropriate audit evidence for the water distribution losses, PAYE, UIF and SDL, pension and medical funds contributions included in the additional disclosure in terms of the MFMA in note 47 to the financial statements due to the unexplained material differences between the supporting schedules and the annual financial statements. I was unable to confirm the water distribution losses, PAYE, UIF, SDL, pension and medical funds contributions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to water distribution losses stated at R6 184 512, PAYE, UIF and SDL stated at R35 311 761, pension and medical funds contributions stated at R189 769 961 included in the additional disclosure in terms of the MFMA in note 47 to the financial statements.

29.

Unauthorised expenditure

30. The municipality did not include all instances of unauthorised expenditure for the current year in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. The municipality incurred unauthorised expenditure due to spending of conditional grant funds not used for their intended purposes and overspending of the budget, which was not disclosed. Consequently, unauthorised expenditure was understated by R168 685 166 in note 42 to the financial statements.

Fruitless and wasteful expenditure

31. I was unable to obtain sufficient appropriate audit evidence for fruitless and wasteful expenditure identified in the current year due to unexplained material differences between the supporting schedule and the annual financial statements. I was unable to confirm the fruitless and wasteful expenditure by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to fruitless and wasteful expenditure stated at R95 292 012 in note 43 to the financial statements.

Irregular expenditure

32. The municipality did not disclose all instances of irregular expenditure incurred in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. The municipality made payments in contravention of the supply chain management (SCM) requirements and other legislation, which were not disclosed. I was unable to determine the full extent of the understatement of irregular expenditure stated at R332 247 718 in note 44 to the financial statements, as it was impracticable to do so.

Statement of comparison of budget and actual amounts

33. The municipality did not account for the receivables from exchange transactions included in the statement of comparison of budget and actual amounts in accordance with GRAP 24, Presentation of budget information in financial statements. This was due to the incorrect figures being used for the actual amounts relating to the receivables from exchange transactions, which did not agree with the Statement of Financial Position. Consequently, the receivables from exchange transactions included in the statement of comparison of budget and actual amounts were understated by R31 194 636.

Commitments

34. I was unable to obtain sufficient appropriate audit evidence for commitments due to non-submission of information and did not have an adequate register in support of these commitments. I was unable to confirm the commitments by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to commitments stated at R26 354 064 (2023: R456 493) in note 40 to the financial statements.

Financial instruments disclosure

35. The municipality did not disclose the financial instruments in accordance with GRAP 104, *Financial instruments* as the municipality incorrectly disclosed property rates in the financial instrument note in the financial statements, which did not meet the definition of a financial instrument. Consequently, financial assets included in note 46 to the financial statements were overstated by R21 990 473 (2023: R78 868 417).

Cash flow from operating activities

36. The municipality did not correctly prepare and disclose the net cash flows from operating activities as required by GRAP 2, *Cash flow statements*. This was due to multiple errors in determining cash flows from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to the cash flows from operating activities stated at R21 207 084 in the financial statements were necessary.

37. In addition, the municipality did not correctly prepare and disclose the reconciliation of cash generated from operations included in note 38 to the financial statements in accordance with GRAP 2, *Cash flow statements* as the municipality did not disclose finance costs as a non-cash item. Consequently, the reconciliation of net cash flows from operating activities was overstated by R96 582 246.

Accounting by principals and agents

38. The municipality did not disclose the principal-agent arrangements in accordance with GRAP 109, *Accounting by principals and agents*. This was related to an arrangement entered into for payments to service providers, for which the municipality was the principal; however, no disclosure was made in the financial statements. Consequently, accounting by principals and agents included in note 48 to the financial statements was understated by R18 377 000.

Related parties

39. The municipality did not disclose related parties in accordance with GRAP 20, *Related parties* as the municipality incorrectly disclosed related parties and transactions which did not meet the definition of a related party. Consequently, related parties included in note 41 to the financial statements were overstated by R10 000 880.

Context for opinion

40. 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.
41. 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.
42. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern

43. I draw attention to the matter below. My opinion is not modified in respect of this matter.
44. Note 53 to the financial statements indicates that the municipality incurred a net loss of R115 928 093 during the year ended 30 June 2024 and, as of that date, the municipality's current liabilities exceeded its current assets by R1 036 272 245. These events or conditions, along with other matters as set forth in note 53, 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

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

Restatement of corresponding figures

46. As disclosed in note 51 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Material losses

47. As disclosed in note 47 to the financial statements, material electricity losses of R13 111 166 (2023: R12 351 897) were incurred by the municipality mainly due to inherent resistance of conductors, transformers, other electrical equipment, tampering of meters, incorrect ratios used on bulk meters, faulty, meters and illegal connections.

Material uncertainty relating to claims against the municipality

48. With reference to note 39 to the financial statements, the municipality is the defendant in various claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result was made in the financial statements.

Other matter

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

Unaudited disclosure notes

50. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA should be disclosed 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

51. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of Generally Recognised Accounting Practice (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 financial statements that are free from material misstatement, whether due to fraud or error.
52. 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

53. 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.

54. 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 our auditor's report.

Report on the annual performance report

55. 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 information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
56. I selected the following material performance indicators related to Infrastructure development and service delivery presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.
- Kilometre of sewer pipeline upgraded in Trompsburg on or before 30 June 2024.
 - Number of pump stations upgraded in Trompsburg on or before 30 June 2024.
 - Kilometre sewer pipeline refurbished in Bethulie on or before 30 June 2024.
 - Number of pump stations refurbished in Bethulie on or before 30 June 2024.
 - Kilometre of bulk pipeline upgraded in Bethulie on or before 30 September 2023.
 - Number of mini substations upgraded in Trompsburg on or before 30 June 2024.
 - Number of household electricity connections in Reddersburg on or before 30 June 2024.
 - Number of household electricity connections in Ipopeng on or before 30 June 2024.
 - Number of household electricity infill in Slovoville on or before 30 June 2024.
 - Number of household electricity infill in Fauresmith on or before 30 June 2024.
 - Number of household electricity infill in Jagersfontein on or before 30 June 2024.
 - Kilometre of paved access road constructed in Bethulie on or before 30 June 2024.
 - Percentage of landfill site upgraded in Trompsburg on or before 30 June 2024.
 - Percentage of waste transfer constructed in Gariep Dam on or before 30 June 2024.
 - Percentage spending on MIG on or 30 June 2024.
 - Percentage spending on DOE on or 30 June 2024.

- Percentage spending on RBIG on or 30 June 2024.
57. I evaluated the reported performance information for the selected material performance indicators 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.
58. 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 presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for measures taken to improve performance
59. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
60. The material findings on the reported performance information for the selected material indicators are as follows:

[Number of mini substations upgraded in Trompsburg on or before 30 June 2024.](#)

61. The target in the annual performance report differed from what was committed to in the approved planning documents. The reported target was 0, while the planned target was 1. This change was made without obtaining the required approval, which undermines transparency and accountability.
62. 0 was reported as a measure aimed at improving performance against the target of 1. However, I could not determine if the measure was actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

Percentage of waste transfer constructed in Gariiep Dam on or before 30 June 2024.

- 63. An achievement of 40% was reported against a target of 100%. 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.
- 64. Furthermore, the reported measures taken to improve performance against the underachieved target of 100% were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the accounting officer to address performance gaps and with assessing the effectiveness of strategies to improve future performance against the target.

Percentage spending on MIG on or 30 June 2024

- 65. 42% was reported as a measure aimed at improving performance against the target of 100%. However, I could not determine if the measure was actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

Various indicators

- 66. I could not determine the accuracy of various reported achievements, as the indicators were not defined and adequate supporting evidence to clarify the methods and processes for measuring achievement was not provided. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.
- 67. Furthermore, the reported measures taken to improve performance against underachieved targets did not agree to the audit evidence. Consequently, the reported measures are not reliable for helping to understand the actions taken by the (include party responsible) to address performance gaps and to assess the effectiveness of strategies to improve future performance against the targets.

Indicator	Target	Reported achievement	Reported measure	Measures taken based on audit evidence
Number of household electricity connection in Ipopeng on or before 30 June 2024	120	40	Municipality to fast-track procurement of the remaining electricity meters so that the project can be completed	Monitoring and evaluation pertaining to electrification
Number of household electricity infill in Slovoville on or before 30 June 2024	11	5	Municipality to fast-track procurement of the remaining electricity meters so that the project can be completed	Monitoring and evaluation pertaining to electrification
Number of household electricity	25	11	Municipality to fast-track procurement of the	Monitoring and evaluation

Indicator	Target	Reported achievement	Reported measure	Measures taken based on audit evidence
Number of household electricity connection in Ipopeng on or before 30 June 2024	120	40	Municipality to fast-track procurement of the remaining electricity meters so that the project can be completed	Monitoring and evaluation pertaining to electrification
infill in Fauresmith on or before 30 June 2024			remaining electricity meters so that the project can be completed	pertaining to electrification
Number of household electricity infill in Jagersfontein on or before 30 June 2024	90	0	Municipality to fast-track procurement of the remaining electricity meters so that the project can be completed	Monitoring and evaluation pertaining to electrification

Various indicators

68. 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.
69. Furthermore, measures aimed at improving performance against targets were reported. However, I could not determine if the measures were actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

Indicator	Target	Reported achievement	Reported measure
Percentage spending on DOE on or 30 June 2024	100%	77%	Municipality to ensure that the contractor completes the project
Percentage spending on RBIG on or 30 June 2024	100%	26%	Municipality has appointed service providers.

Various indicators

70. 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
Kilometre of bulk pipeline upgraded in Bethulie on or before 30 September 2023	0.25km	0.25km
Kilometre of paved access road constructed in Bethulie on or before 30 June 2024	0.4km	0.4km

Various indicators

71. I could not determine the accuracy of various reported achievements, as the indicators were not well defined and adequate supporting evidence to clarify the methods and processes for measuring achievement were not provided. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.

Indicator	Target	Reported achievement
Kilometre of sewer pipeline upgraded in Trompsburg on or before 30 June 2024.	3km	0
Number of pump stations upgraded in Trompsburg on or before 30 June 2024.	1	0
Number of household electricity connections in Reddersburg on or before 30 June 2024	600	600
Kilometre sewer pipeline refurbished in Bethulie on or before 30 June 2024.	0,8km	0.8km
Number of pump stations refurbished in Bethulie on or before 30 June 2024.	1	1

Other matters

72. I draw attention to the matters below.

Achievement of planned targets

73. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.
74. 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.

Infrastructure development and service delivery

<p><i>Targets achieved: 23.53%</i></p> <p><i>Budget spent: Underminable/Unknown</i></p> <p><i>The budget spent is not available as the municipality's actual spending is not aligned with their key performance areas (programmes)</i></p>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Kilometre of sewer pipeline upgraded in Trompsburg on or before 30 June 2024	3km	0
Number of pump stations upgraded in Trompsburg on or before 30 June 2024	1	0
Number of mini substations upgraded in Trompsburg on or before 30 June 2024.	1	0
Number of household electricity connections in Ippeng on or before 30 June 2024	120	40
Number of household electricity infill in Slovoville on or before 30 June 2024	11	5
Number of household electricity infill in Fauresmith on or before 30 June 2024	25	11
Number of household electricity infill in Jagersfontein on or before 30 June 2024	90	0
Percentage of Landfill site upgraded in Trompsburg on or before 30 June 2024	100%	0
Percentage of waste transfer constructed in Gariep Dam on or before 30 June 2024	100%	40%
Percentage spending on MIG on or 30 June 2024	100%	42%
Percentage spending on DOE on or 30 June 2024	100%	77%
Percentage spending on RBIG on or 30 June 2024	100%	26%

Material misstatements

75. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for infrastructure development and service delivery. Management did not correct the misstatements and I reported material findings in this regard.

Report on compliance with legislation

76. 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.

77. 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.
78. 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.
79. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements and annual report

80. 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 identified by the auditors in the submitted financial statements were not corrected, which resulted in the financial statements receiving a qualified audit opinion.
81. The annual financial statements were not submitted to the Auditor-General for auditing, within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.
82. The annual financial statements were not submitted to the Auditor-General within two months after the end of the financial year and a written explanation setting out the reasons for the failure was not tabled in the council, as required by section 133(1)(a) of the MFMA.
83. The 2022/23 annual report was not tabled in the municipal council after the end of the financial year, as required by section 127(2) of the MFMA.

Expenditure management

84. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
85. I was unable to obtain sufficient appropriate audit evidence that payments from the municipality's bank accounts were approved by the accounting officer or the chief financial officer or a properly authorised official, as required by section 11(1) of the MFMA.
86. An adequate management, accounting and information system was not in place which recognised expenditure when it was incurred, as required by section 65(2)(b) of the MFMA.
87. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was due to non-compliance with SCM requirements.

88. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the fruitless and wasteful expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed fruitless and wasteful expenditure was due to interest on long outstanding debt.
89. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the unauthorised expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed unauthorised expenditure was caused by overspending of the budget.

Strategic planning and performance management

90. The review of the IDP was not done in accordance with the results of the performance evaluation as required by section 34(a) and 41(1)(c)(ii) of the Municipal Systems Act 32 of 2000 (MSA).
91. A mid-year performance assessment was not performed, as required by section 72(1)(a)(ii) of the MFMA.
92. A performance management system was not established, as required by section 38(a) of the MSA.
93. The performance management system and related controls were not maintained as it did not describe how the performance planning, monitoring, measurement, review, reporting and improvement processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).

Revenue management

94. An adequate management, accounting and information system which accounts for revenue and debtors was not in place, as required by section 64(2)(e)(i) and (ii) of the MFMA.
95. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.
96. I was unable to obtain sufficient appropriate audit evidence that accounts for municipal tax and charges for municipal service charges were prepared on monthly basis, as required by section 64(2)(c) of the MFMA.
97. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

Human resource management

98. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA and regulation 31 of Municipal Staff Regulations.

Assets management

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

100. Capital assets were permanently disposed of that were needed to provide the minimum level of basic municipal services, in contravention of section 14(1) of the MFMA.
101. Capital assets were disposed of without the municipal council having, in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services and considered the fair market value of the assets and the economic and community value to be received in exchange for the assets, as required by sections 14(2)(a) and 14(2)(b) of the MFMA.

Conditional grants

102. The water services infrastructure grant was not spent for its intended purposes in accordance with the grant schedule concerned and the applicable grant framework, as required by section 16(1) of the Dora.
103. The municipal infrastructure grant was not spent for its intended purposes in accordance with the grant schedule concerned and the applicable grant framework, as required by section 16(1) of the Dora.
104. The regional bulk infrastructure grant was not spent for its intended purposes in accordance with the grant schedule concerned and the applicable grant framework, as required by section 16(1) of the Dora.
105. Performance in respect of programmes funded by the water services infrastructure grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Dora.

Consequence management

106. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
107. 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.
108. Fruitless and wasteful 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.
109. The condonation of irregular expenditure amounting to R8 530 768,62 was not approved by the appropriate relevant authority, as required by sections 1 and 170 of the MFMA.

Procurement and contract management

110. Sufficient appropriate audit evidence could not be obtained that goods and services within the prescribed transaction values for formal written price quotations were procured using price quotations as required by SCM regulation 17(1)(a) and (c).
111. Sufficient appropriate audit evidence could not be obtained that written quotations were accepted from prospective providers who were on the list of accredited providers and met the listing requirements as prescribed by the SCM policy, in contravention of SCM regulations 17(1)(a) and 17(1)(b). Similar non-compliance was also reported in the prior year.

112. Sufficient appropriate audit evidence could not be obtained that contracts were awarded only to bidders who submitted a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
113. Sufficient appropriate audit evidence could not be obtained that quotations were only accepted from bidders whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.
114. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).
115. Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of the Preferential Procurement Policy Framework Act 5 of 2000 and 2022 Preferential Procurement Regulation 4(4) and 5(4).

Other information in the annual report

116. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in key performance area (KPA) presented in the annual performance report that have been specifically reported on in this auditor's report.
117. 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.
118. 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 material indicators in the scoped-in key performance area (KPA) presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
119. 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

120. 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.
121. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report.

122. The council did not timeously appoint an accounting officer and senior management, resulting in instability in the senior management position and a lack of effective monitoring and oversight. Instability in the office of the municipal manager and senior management hindered the creation of systems and processes allowing the municipality to build stable capacity, enhance the skills of officials and create a culture of good financial and performance disciplines and compliance.
123. The council did not provide sufficient oversight over the implementation and monitoring of a sound control environment and the development of policies and procedures. Leadership did not act on audit recommendations made in the prior year and did not monitor the development and implementation of an effective action plan, resulting in many of the findings recurring.
124. The council did not put measures in place to reduce continuous reliance on consultants, by implementing processes to ensure that staff were sufficiently and adequately trained, and that the performance of staff was monitored. Additionally, there was limited transfer of skills and knowledge from consultants to staff to reduce reliance on consultants in future.
125. Management did not implement the required financial disciplines such as proper record keeping, monthly reconciliations and the review of accounting records as well as ensuring financial statements and performance report adhere to the accounting and performance framework respectively. The material misstatements and limitations were exacerbated by management not ensuring that information was timeously gathered and filed appropriately to support information reported on.
126. Governance structures, i.e. the audit committee and the internal audit, were not effective in ensuring that good governance practices were in place by engaging management to prepare and monitor action plans to address the previous year's audit issues, as well as proper implementation thereof.
127. Management did not review and monitor compliance with laws and regulations resulting in material non-compliance being identified.

Material irregularities

128. 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

129. The material irregularities identified are as follows:

Annual financial statements not submitted for auditing (2023-24)

130. The annual financial statements for the year ending 30 June 2024 were not submitted to the auditor-general for auditing within two months after the end of the financial year (31 August 2024), as required by section 126(1)(a) of the MFMA. The non-submission of the annual financial statements for auditing, and the subsequent non-tabling of the annual report, is likely to result in substantial harm to the municipality, as there is a lack of accountability and transparency for the fiscal and financial affairs of the municipality. This is due to the legislative processes that follow after the submission of the annual financial statements relating to the financial year ending 30 June 2024 being delayed or not implemented.

131. The accounting officer was notified of this material irregularity on 11 September 2024 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer submitted the annual financial statements for auditing on 30 November 2024.

132. Therefore, the material irregularity has been resolved.

Status of previously reported material irregularities

Pollution of water resource not prevented – Gariep Dam wastewater treatment works

133. The Gariep Dam wastewater treatment works has totally collapsed and has not been operating effectively. This resulted in continued spilling and discharge of raw/untreated sewage into the adjacent environment, a natural water pan including the groundwater. The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resource from occurring, continuing or recurring, as required by section 28(1) of the National Environmental Management Act 107 of 1998 (NEMA) and section 19(1) of the National Water Act 36 of 1998 (NWA). The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to, and dependent on, the contaminated water resources.

134. The accounting officer was notified of this material irregularity on 14 October 2022 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I referred the material irregularity to the Department of Water and Sanitation (DWS) on 27 February 2024 for investigation as provided for in section 5(1A) of the PAA. The referral was accepted by DWS on 15 April 2024 and the investigation is currently in progress.

Auditor General

Bloemfontein

25 April 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. 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

2. 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 material performance indicators and on the municipality's compliance with selected requirements in key legislation.

Financial statements

3. 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 a 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

Communication with those charged with governance

4. 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
5. 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

6. 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), Sections 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), Sections 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), Sections 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), Sections 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), Regulations 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)
MSA: Municipal Staff Regulations	Regulations 7(1), 31
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), 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), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), Regulations 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), Regulations 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
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), Sections 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 54A(1)(a), 56(1)(a), Sections 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
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), Regulations 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)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)

Division of Revenue Act 5 of 2023	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	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(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), Regulations 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)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)