AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Bushbuckridge Local Municipality
Private bag X9308
1280

Date: 01 December 2023

Reference: 60053REG22-23

Dear Sir

Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Dipaleseng Local Municipality for the year ended 30 June 2023

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa section 126(3) of the Municipal Finance Management Act 56 of 2003 (MFMA).
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and the annual performance report and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements, the annual performance report or our report on compliance with legislation. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) of the MFMA you are required to include the auditor's report in the municipality's annual report to be tabled.
4. Prior to printing or copying the annual report which will include the auditor's report you are required to do the following:
   - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the auditor's report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
   - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
6. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants *(including International Independence Standards*), members of the staff of the Auditor General (AG), , may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party without the permission of the AG or his/her delegate, unless this is to a legislature or internal committee of a legislature or a court in a criminal matter.
7. Until the steps described in paragraphs 2 and 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed

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Senior Manager: Mpumalanga Business Unit

Enquiries: Lindiwe Mlaba
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Fax: (013) 756 0800

Report of the auditor-general to Mpumalanga Provincial Legislature and the council on the Bushbuckridge Local Municipality

Report on the audit of the financial statements

Opinion

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

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Bushbuckridge Local Municipality as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with Standards of General Recognised Accounting Practice (GRAP) and the applicable requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Basis for opinion

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

4. 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.

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

Emphasis of matters

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

Material impairments - Receivables from non-exchange transactions

7. As disclosed in note 7 to the financial statements' material impairments of R713,94 million (2022: R600,85 million) was incurred as a result of the municipality not able to recover monies owed by consumers, the debt was impaired.

Material impairments - Receivables from exchange transactions

8. As disclosed in note 10 to the financial statements' material impairments of R310,49 million (2022: R214,97 million) was incurred as a result of the municipality not able to recover monies owed by consumers, the debt was impaired.

Restatement of corresponding figures

9. As disclosed in the note 46 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2023.

Other matter

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

Unaudited disclosure notes

11. 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

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

13. 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.

Auditor-general's responsibilities for the audit of the financial statements

14. 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.

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

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

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

Key performance area	Page numbers	Purpose
Service delivery and infrastructure development	XX	To improve the provision of basic services such as water , electricity, sanitation and refuse removal

18. 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.

19. I performed procedures to test whether:

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

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

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

Service delivery and infrastructure development

Various indicators

22. The achievements were reported in the annual performance report, however, targets in the approved service delivery and budget implementation plan did not agree to the planned targets.

Indicator	Target	Reported achievement
154.% completion of culvert bridge at Thulamahashe	100% completion of culvert bridge at Thulamahashe	100% completion of culvert bridge at Acornhoek (Jamayani Primary to Phendulani High)
155.% completion of rehabilitation of internal streets at Malubana	100% completion of rehabilitation of internal street at Malubana	100% completion of culvert bridge at Acornhoek (Jameyani Primary to Phendulani High)
175.% completion of storm water drainage project	50% construction on progress of storm water drainage project	55% construction progress of internal streets at Maviljan region ward 37

Various indicators

23. The indicators were included in the approved annual performance plan and service delivery and budget implementation plan and integrated development plan but then not clearly defined during planning processes. It was also not determined how the related targets would be measured and what evidence would be needed to support the achievements. Consequently, information might be less useful for measuring performance.

Indicator	Target	Reported achievement
200% serving of sites in Dwarsloop	5% construction on progress of water and sanitation infrastructure Dwarsloop	0% construction progress of water and sanitation infrastructure Dwarsloop
New target	0% completion of construction of basic sanitation	% of completion of construction of basic sanitation

Various indicators

24. The planned targets for these indicators were not specific in that it was not indicated how it would be measured or when it should be delivered. Consequently, the information might be less useful for measuring performance.

Indicator	Target	Reported achievement
201. % completion of Upgrading of Maviljan WWTW	100% completion of upgrading of Maviljan WWTW	85% completion of upgrading of Malviljan WWTW
202. % completion of Refurbishment of Mkhuhlu WWTW project	100% completion of refurbishment of Mkhuhlu WWTW project	0% completion of refurbishment of Mkhuhlu WWTW project
204. % completion of basic sanitation	100% completion of construction of basic sanitation	80% completion of construction of basic sanitation
235. % completion of refurbishment of telemetry system	100% of completion of refurbishment of telemetry system	0% completion of refurbishment of telemetry system
236. % completion of installation of reservoir level indicators and control valves	100% completion of installation of reservoir level indicators and control values	80% completion of installation of reservoir level indicators and control valves
237. % completion of installation of bulk flow meters	100% completion installation of bulk flow meters	0% completion of installation of bulk flow mers
238. Procurement of leak detection equipment	100% completion of procurement of leak detection equipment	0% completion of procurement of leak detection equipment
239. % completion of installation of reservoir and bulk pipeline pressure sensors	100% completion of installation of reservoir and bulk pipeline pressure sensors	100% completion of installation of reservoir and bulk pipeline pressure sensors
240. % completion of purchase laboratory equipment	100% completion of purchase laboratory equipment	0% completion of purchase laboratory equipment
242. % completion of sealing of reservoir	100% completion of sealing of reservoir	98% completion of sealing of reservoir

Various indicators

25. The reported measures taken to improve performance against the target did not agree to the supporting evidence.

Indicator	Target	Reported achievement
192.% Rehabilitation of Thulamahashe internal streets phase	100% Rehabilitattion of Thulamahashe inyternal streets phase 2	0% Rehabilitation of Thulamahashe internal streets phase 2
226. % completion of refurbishment of Rooibboklage package plant	0% completion refurbishment of Rooibboklagte package plan	0% completion of refurbishment of Rooibboklagte package plan

Various indicators

26. Reported achievement did not agree to evidence, i.e. was not valid and/or accurate and/or complete

Indicator	Target	Reported achievement
150. % completion of Culvert Bridge at Maviljan (Shangaan Hill B to Matenteng)	100% completion of Culvert Bridge at Maviljan (Shangaan Hill B to Matenteng)	100% completion of Culvert Bridge at Maviljan (Shangaan Hill B to Matenteng)
160. % completion of water reticulation at Rolle phase 2	20% construction progress of water reticulation at Rolle phase 2	20% construction progress of water reticulation at rolle phase 2
172. % completion of tarring of internal street from Casteel to Tembisa High School	100% completion of tarring of internal street from Casteel to Tembisa High School	50% completion of tarring of internal street from Casteel to Tembisa High School
199. % completion of Mnisi Resort Chalets in welveridiend and Construction of Guardhouse and Waste Equipment's at Inyaka Dam	% completion of Mnisi Resort Chalets in welveridiend and Construction of Guardhouse and Waste Equipment's at Inyaka Dam	10% construction of Mnisi resort chalets in welverdiend and construction of guardhouse and waste equipment at inyaka Dam
200. % serving of sites in Dwarsloop	5% serving of sites in Dwarsloop	0% construction progress of water and sanitation infrastructure Dwarsloop

Other matters

27. I draw attention to the matters below.

Achievement of planned targets

28. 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 informationAdjustment of material misstatements

29. The municipality plays a key role in delivering services to South Africans. 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.

Service delivery and infrastructure development

Targets achieved: 42,61 *Budget spent: 102,70%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**

158. % Completion water of reticulation at Phendulani Moses	100%	93%
162. % Completion of water reticulation project at Belfast	80%	64%
166. % Completion of water reticulation project at Ronaldsey	90%	62%
168. % Completion of water reticulation project at Kildare A	100%	74%
170. % Upgrading of Brooklyn package plant	100%	94%
172. % Completion of tarring internal streets from Casteel to Tembisa High school	100%	50%
177. % Completion of paving internal streets at Acornhoek ward 17	80%	48%
181. % Completion of paving of internal streets at Agincourt	80%	32%
184. % Completion Paving of internal streets project at Shatale Region ward 12	100%	80%
190. % Rehabilitation of Dwarsloop internal streets phase1	100%	52%
192. % Rehabilitation of Thulamahashe internal streets phase2	100%	0%
197. % Completion of Acornhoek sports Facility project phase 2	50%	25%
198. % Construction of Huntington cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia	10%	0%
199. % Completion of Mnisi Resort Chalets in welveridiend and Construction of Guardhouse and Waste Equipment's at Inyaka Dam	10%	0%
200. % Serving of sites in Dwarsloop	5%	0%
201. % Completion of Upgrading of Maviljan WWTW	100%	85%
202. % Completion of Refubishment of Mkhuhlu WWTW project	100%	0%
203. % Completion of planning and designs of Shatale WWTW project	100%	0%
204. % Completion of Basic Sanitation	100%	80%
206. % Completion of Fencing of Thulamahashe WWTW	100%	0%
212. % Completion of Renovations of Merriam Mogakane Community Hall	100%	50%
213. % Completion of Renovations of Huntington Community Hall	100%	90%
219. % Completion of Electrification croquet lawn Village	97%	54%
221.2 New % Completion of Fitment of Equipment at Dwarsloop Workshop	100%	80%

222.3 New% of installation of generator at Inyaka WTW	100%	30%
223.4 New% of installation of generator at Inyaka Raw Water	50%	15%
224.5 New% of installation of generator at Hoxani Raw Water	100%	30%
225.6 New% of installation of generator at Hoxani WTW	100%	30%
226.7 New% of installation of generator at Intermediate Booster	100%	30%
221 % Completion of upgrade of Sand River Package Plant phase 2	100%	0%
226. % Completion of Refurbishment of Rooibboklagte Package plant	100%	0%
227. % Completion of Refurbishment of Zoeknog Package plant	100%	0%
228. Number of boreholes automated	50 boreholes	0 boreholes
229. % Completion of refurbishment of Inyaka Lime silos	100%	0%
230. % Completion of installation manholes covers	100%	0%
231. % Completion of refurbishment of lime dosing system	100%	0%
232. % Completion of installation of pressure reducing valves	100%	98%
234. % Completion of Installation of Hoxane WTW clear water pump, pipework, and electrical panel	100%	98%
235. % Completion of refurbishment of telemetry system	100%	0%
236. % Completion of installation of reservoir level indicators and control valves	100%	0%
237. % Completion of installation of bulk flow meters	100%	0%
238. Procurement of leak detection equipment	100%	0%
240. % Completion of Purchase laboratory equipment	100%	0%
241. % Completion of Connection of existing Buffelshoek reservoirs	100.%	98%
242. % Completion of sealing of reservoir	100%	98%
243. New target (indicator not well defined, typo on SDBIP)	100%	0%
244. % Completion of refurbishment of Mkhuhlu, Maviljan, Thulamahashe and Dwarsloop sewer network	100%	0%
245. % Completion of lining of Dwarsloop and Thulamahashe WWTW ponds	100%	0%
246. % Completion of refurbishment of Thulamahashe biofilter and digestors	100%	0%

Material misstatements

30. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of service delivery and infrastructure development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

31. 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 municipalitys compliance with legislation.

32. 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.

33. 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.

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

Annual financial statements

35. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected , resulting in the financial statements receiving an unqualified audit opinion.

Asset management

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

Expenditure management

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

38. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 258 628, as disclosed in note 49 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

39. Reasonable steps were not taken to prevent irregular expenditure amounting to R7 186 801, as disclosed in note 50 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

Strategic planning and performance management

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

Other information

41. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that has been specifically reported in this auditor's report.

42. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

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

44. 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

45. The matters above, as they relate to the basis for the opinion, findings on the annual performance report and findings on compliance with legislation, will be summarised in the auditor's report as follows:

46. Monthly reports and quarterly reports are not adequately reviewed by management to ensure that information included in the annual financial statements is free from material misstatements or errors.

47. Reports or registers supporting the annual financial statements are not timeously submitted to senior management so to that proper reviews are done so to detect errors and correct them timeously.

48. Recommendations made by the internal and external auditors are not fully implemented by management.

49. Planned indicators and targets are not always reported in the quarterly performance reports where errors and low performance are timeously detected and corrected by management.

50. Quarterly performance reports are not timeously submitted for review to senior officials to ensure adequate reviews are applied to ensure that reported in the annual performance report is accurate.

51. Regular trainings should be performed to the finance, technical, performance management and SCM unit to ensure that the teams are kept up-to date with the new changes of the requirements of reporting frameworks and compliance with legislations.

52. Appropriate consequence management should be implemented where repeat issues continue to be detected and remain uncorrected, in order to promote accountability.

53. Management did not establish and communicate SOP to regulate the implementation of infrastructure projects by clearly defining how the infrastructure projects should be managed.

    Management did not implement effective human resource management to ensure that adequate and sufficiently skilled resources as required by the Municipal Staff Regulations are in place.

Material irregularities

54. In accordance with the PAA and the material irregularity (MI) 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 in progress

55. I identified a material irregularity during the audit and notified the accounting officer of this, as required by material irregularity regulation 3(2). By the date of this auditor's report, I had not yet completed the process of evaluating the responses from the accounting officer. This material irregularity will be included in the next year's auditor's report.

Auditor-General

Mbombela

30 November 2023

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

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

Financial statements

In addition to my responsibility for the audit of the 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.

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 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, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72

Legislation	Sections or regulations
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, 2005	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 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), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 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)

Legislation	Sections or regulations
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)

[1] **Annexure to the auditor's report**

The annexure must be included with the auditor's report. This means that the annexure must be included directly after / together with the auditor's report when included in the auditee's annual report for printing; it cannot be located elsewhere in the annual report.