# Report of the auditor-general to the Northern Cape Provincial Legislature and the council on Kamiesberg Local Municipality

## Report on the audit of the financial statements

### Disclaimer of opinion

1. I was engaged to audit the financial statements of the Kamiesberg Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30June 2025, the statement of financial performance, statement of changes in net assets, cash flow statement, and the statement of comparison of budget information with actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. I do not express an opinion on the financial statements of the Kamiesberg Local Municipality. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for disclaimer of opinion

#### Property, plant and equipment

3. I was unable to obtain sufficient appropriate audit evidence for water supply infrastructure assets included in property, plant and equipment due to the status of accounting records. The municipality did not provide evidence for the journal passed to reconcile material differences identified between the financial statements and the underlying records. I was unable to confirm water supply infrastructure assets included in property, plant and equipment by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to water supply infrastructure assets stated at R78 610 000 as disclosed in note 11 to the financial statements.

4. During 2024, I was unable to obtain sufficient appropriate audit evidence for infrastructure assets as some recorded water supply infrastructure assets included in property, plant and equipment could not be verified. This was due to the municipality not implementing an adequate system of asset management. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to water supply infrastructure assets included in property, plant and equipment stated at R92 510 000 in note 11 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the water supply infrastructure assets for the current period.

5. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figures for water supply infrastructure included in property, plant and equipment

as information supporting the restatement was not submitted for audit. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to water supply infrastructure assets included in property, plant and equipment stated at R92 510 000 in note 11 to the financial statements. In addition, the restatement of R2 100 060 was not included in the prior period error note as required by GRAP 3, *Accounting policies, changes in accounting estimate and errors.*

6. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figures for furniture and office equipment included in property, plant and equipment as information supporting the restatement was not submitted for audit. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to furniture and office equipment included in property, plant and equipment stated at R3 832 000 in note 11 to the financial statements. In addition, the restatement of R2 787 924 was not included in the prior period error note as required by GRAP 3, *Accounting policies, changes in accounting estimate and errors.*

7. I was unable to obtain sufficient appropriate audit evidence for roads infrastructure assets as some recorded roads infrastructure assets included in property, plant and equipment could not be verified. This was due to the municipality not implementing an adequate system of asset management. I was unable to confirm the balances by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to roads infrastructure assets included in property, plant and equipment stated at R43 922 000 (2024: R52 923 000) in note 11 to the financial statements.

8. I was unable to obtain sufficient appropriate audit evidence for electricity infrastructure assets as some recorded electricity infrastructure assets included in property, plant and equipment could not be verified. This was due to the municipality not implementing an adequate system of asset management. I was unable to confirm the balances by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to electricity infrastructure assets included in property, plant and equipment stated at R17 237 000 (2024: R22 008 000) in note 11 to the financial statements.

9. I was unable to obtain sufficient appropriate audit evidence for sanitation infrastructure assets as some recorded sanitation infrastructure assets included in property, plant and equipment could not be verified. This was due to the municipality not implementing an adequate system of asset management. I was unable to confirm the balances by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to sanitation infrastructure assets included in property, plant and equipment stated at R10 606 000 (2024: R12 933 000) in note 11 to the financial statements.

10. The municipality did not account for all items of property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*. Infrastructure assets – Electricity, roads and sanitation were identified that could not be traced to the asset register. I was unable to determine the full extent of the understatement of infrastructure assets – Electricity, roads and sanitation, for the current and prior year as it was impracticable to do so.

11. The municipality did not account for all items of property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*. Land and buildings included in property, plant and equipment - other assets were identified that could not be traced to the asset register. I

was unable to determine the full extent of the understatement of land and building included in property, plant and equipment – other assets for the current and prior year as it was impracticable to do so.

12. During 2024, the municipality did not account for all items of property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*. Infrastructure assets – water supply were identified that could not be traced to the asset register. I was unable to determine the full extent of the understatement of infrastructure assets – water supply, for the year as it was impracticable to do so. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the water supply infrastructure assets for the current period.

13. During 2024, I was unable to obtain sufficient appropriate audit evidence of whether all infrastructure assets – water supply and sanitation, were included in the asset register as the auditor was unable to select these assets from the ground. This was due to the municipality not implementing an adequate system of asset management. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to water supply and sanitation stated at R105 443 000 in note 11 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the water supply and sanitation infrastructure assets for the current period.

14. I was unable to obtain sufficient appropriate audit evidence regarding the following items, which had a material cumulative effect on property, plant and equipment:

    - Machinery and equipment of R35 000 included in the balance of R207 648 000.
    - Computer equipment of R137 000 included in the balance of R207 648 000..
    - Community assets of R13 343 000 included in the balance of R207 648 000..

    Consequently, I was unable to determine whether any further adjustments were necessary to property, plant and equipment.

    In addition, property, plant and equipment was materially misstated by R947 550 due to the effect of an individually immaterial uncorrected misstatement in the following item:

    - Transport assets stated at R10 430 000 was by overstated R947 550.

15. The municipality did not disclose delayed and halted projects of property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*. Management has projects that have been delayed and halted however were not disclosed. I have not included the omitted disclosure information in this auditor's report as it was impracticable to do so.

### Trade and other receivables from exchange transactions

16. I was unable to obtain sufficient appropriate audit evidence for trade and other receivables from exchange transactions and related impairment due to the status of accounting records. The underlying records provided for audit materially disagreed with the amount disclosed on note 4.1

to the financial statements. I was unable to confirm trade and other receivables from exchange transactions and related impairment by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to trade and other receivables from exchange transactions and related impairment stated at R104 303 000 and R93 280 000, respectively, as disclosed in note 4.1 to the financial statements.

17. During 2024, I was unable to obtain sufficient appropriate audit evidence for trade and other receivables from exchange transactions, as the municipality did not maintain accurate and complete records to account for the debtors. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to trade and other receivables from exchange transactions stated at R97 015 000 in note 4.1 to the financial statements. Additionally, there was an impact on impairment.

### Receivables from non-exchange transactions

18. I was unable to obtain sufficient appropriate audit evidence for receivables from non-exchange transactions and related impairment due to the status of accounting records. The underlying records provided for audit materially disagreed with the amount disclosed on note 5 to the financial statements. I was unable to confirm receivables from non-exchange transactions and related impairment by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to receivables from non-exchange transactions and related impairment stated at R23 492 000 as disclosed on note 5 to the financial statements.

19. During 2024, I was unable to obtain sufficient appropriate audit evidence for receivable from non-exchange transactions, as the municipality did not maintain accurate and complete records to account for the debtors. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to receivable from non- exchange transactions stated at R 7 580 000 in note 5 to the financial statements. Additionally, there was an impact on impairment.

20. During 2024, the municipality did not account for receivables as required by GRAP 108 *Statutory receivables*. The municipality incorrectly billed some of their own properties and this resulted in receivables from non-exchange transactions in note 5 being overstated by R1 765 001 and property rates revenue in note 31 by R437 589. My audit opinion on the financial statements for the period ended 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of receivables from non-exchange transactions for the current year.

### Investment property

21. I was unable to obtain sufficient appropriate audit evidence for investment property as some recorded investment property could not be verified. This was due to the municipality not implementing an adequate system of asset management. I was unable to confirm the balances by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to investment property stated at R30 553 000 (2024: R30 951 000) in note 10 to the financial statements.

22. The municipality did not account for all items of investment property in accordance with GRAP 16, *Investment property*. Investment properties were identified that could not be traced to the

investment property register. I was unable to determine the full extent of the understatement of investment property for the current and prior year as it was impracticable to do so.

23. During 2024, investment property was not accounted for in accordance with GRAP 16, *Investment Property*. The municipality included properties that did not meet the criteria for recognition as investment property. This resulted in an overstatement of investment property by R2 824 605 and understatement of land and buildings by R3 760 780.

### VAT receivable

24. I was unable to obtain sufficient appropriate audit evidence for vat receivable due to the status of accounting records. The evidence submitted materially disagreed with the amount disclosed in note 7 to the financial statements. I was unable to confirm vat receivable by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to vat receivable stated at R39 443 000 as disclosed in note 7 to the financial statements.

### Cash and cash equivalents

25. I was unable to obtain sufficient appropriate audit evidence for cash and cash equivalents due to the status of accounting records. The municipality did not have adequate systems of internal controls over bank reconciliations. I was unable to confirm cash and cash equivalents by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to cash and cash equivalents stated at R905 000 (2024: R839 000) as disclosed in note 3 to the financial statements.

### Inventory

26. I was unable to obtain sufficient appropriate audit evidence for inventory due to the status of accounting records. The evidence submitted materially disagreed with the amount disclosed in note 6 to the financial statements. I was unable to confirm inventory by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to inventory stated at R1 293 000 (2024: R2 768 000) as disclosed in note 6 to the financial statements.

### Other non-current liabilities

27. I was unable to obtain sufficient appropriate audit evidence that other non-current assets had been correctly accounted for due to the status of accounting records. The amount in the statement of financial position materially differed to the amount in note 21 to the financial statements. I was unable to confirm other non-current liabilities by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to other non-current liabilities stated at R4 101 000 in the financial statements.

### Service charges - Electricity

28. Service charges - Electricity was not recognised as required by GRAP 9, *Revenue from exchange transactions*. Properties were identified for which service charges were not billed and recorded. I was unable to determine the full extent of the understatement of service charges - Electricity, stated at R11 070 000 (2024: R10 926 000) in note 23 to the financial statements, and related Trade and other receivables from exchange transactions, stated at R9 669 0000 (2024: R9 996 000 in note 4 to the financial statements, and VAT receivables stated at

R39 443 000 (2024: R19 081 000) in note 7 to the financial statements as it was impracticable to do so.

29. During 2024, The municipality did not account for revenue from sale of electricity in accordance with GRAP 9, Revenue *from exchange transactions*, as the municipality did not account for revenue from sale of electricity from third party in the correct period. Consequently, corresponding figure of Services charges - Electricity is overstated by R 2 652 371 in note 23 to the financial statements and accumulated surplus is understated by R3 050 227.

### Service charges - Water

30. I was unable to obtain sufficient appropriate audit evidence for service charges – Water for the current and previous year due to the status of record keeping. I was unable to confirm service charges - Water by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to service charges – Water stated at R3 013 000 (2024: R3 072 000) in note 23 to the financial statements

31. In addition, I was unable to obtain sufficient appropriate audit evidence for service charges – Water for the year as no evidence was provided to support service charges not being billed. I was unable to confirm service charges - Water by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to service charges – Water stated at R3 013 000 in note 23 to the financial statements.

32. During 2024, Service charges - Water was not recognised as required by GRAP 9, *Revenue from exchange transactions*. Properties were identified for which service charges were not billed and recorded. I was unable to determine the full extent of the understatement of service charges - Water, stated at R3 072 000 in note 23 to the financial statements, related Trade and other receivables from exchange transactions, stated at R36 207 000 in note 4.1 to the financial statements, and VAT receivables stated at R19 081 000 in note 7 to the financial statements as it was impracticable to do so.

33. The municipality did not account for Service charges - Water in accordance with GRAP 9, Revenue from exchange transactions. The municipality did not consistently adhere to the indigent policy when recognising the customers who qualify to receive the free basic subsidy and the municipality did not account for revenue in the correct accounting period. Consequently, service charges - Water were understated by R1 685 339 and the Trade and other receivables from exchange transactions was understated by R 1 938 552, while VAT receivables were understated by R252 801 respectively.

### Service charges – Waste management

34. During 2024, The municipality did not account for Service charges - Waste Management in accordance with GRAP 9, *Revenue from exchange transactions*, as the municipality did not account for all service charges - Waste Management and the municipality did not consistently adhere to the indigent policy when recognising the customers who qualify to receive the free basic subsidy in the prior year. The municipality did not maintain adequate and complete records for all services rendered to customers. I was unable to determine the full extent of the understatement of the corresponding figure for service charges - Waste Management, stated at R1 850 673 in note 23 and related corresponding figure for Trade and other receivables from

exchange transactions stated at R18 344 000 in note 4.1 and VAT receivables stated at R19 080 762 in note 7 to the financial statements, as it was impractical to do so. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the service charges – Waste management for the current period.

### Interest earned from receivables – Exchange and non-exchange

35. I was unable to obtain sufficient appropriate audit evidence for interest earned from receivables due to the status of accounting records. The evidence submitted materially disagreed with the amount disclosed in note 26 to the financial statements. I was unable to confirm Interest from receivable by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the interest from receivables stated at R 4 764 000 as disclosed in note 26 to the financial statements

### Trade and other payables from exchange transactions

36. The municipality did not disclose Items of Control, Clearing and Interface Accounts included in trade and other payables from exchange transactions in accordance with GRAP 1, *Presentation of Financial Statements. Items of meeting the definition of* Control, Clearing and Interface Accounts were incorrectly disclosed as other payables. Consequently, Control, Clearing and Interface Accounts included in trade and other payables from exchange transactions was understated by R2 372 684 and other payables included in trade and other payables from exchange transactions was overstated by the same amount.

37. I was unable to obtain sufficient appropriate audit evidence for trade and other payables from exchange transactions – Control, Clearing and Interface Accounts and Other Payables due to the status of accounting records. The municipality did not provide evidence for the journal passed to reconcile differences identified between the financial statements and the underlying records. I was unable to confirm trade and other payables from exchange transactions – Control, Clearing and Interface Accounts and Other Payables by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the trade and other payables from exchange transactions – Control, Clearing and Interface Accounts and Other Payables stated at R30 890 000 as disclosed in note 16 to the financial statements

### Operational revenue

38. Early settlement discount was not classified as Operational revenue from non-exchange transactions, in accordance with GRAP 23, Revenue from Non-exchange Transactions when the municipality received the benefit without directly giving approximately equal value in return. Consequently, Operational revenue – from non- exchange transactions was understated by R3 720 030 and Operational revenue – from exchange transactions were overstated by the same amount.

### Total Revenue

39. Total revenue was materially misstated by R695 722 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Service charges – Waste Water Management was understated by R184 277.
- Service charges – Waste Management was understated by R511 444.

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

- Transfers and Subsidies – Operational of R39 254 000 as included in the disclosed balance of R47 453 00
- Service charges – Waste Water Management of R2 035 000 as included in the disclosed balance of R18 000 000
- Service charges – Waste Management of R1 863 000 as included in the disclosed balance of R18 000 000

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

### Property rates

40. The municipality did not account for the restatement in property rates in accordance with GRAP 3, *Accounting policies, estimates and errors* as the restatement made to rectify a prior year misstatement was incorrectly accounted for in the current year. Consequently, the corresponding figure of Property rates included in note 31 to the financial statements and accumulated surplus are overstated by R 2 045 202 and current year property rates included in note 31 to the financial statements are understated by the same amount.

### Expenditure – Operational costs

41. I was unable to obtain sufficient appropriate audit evidence for operational cost – travel and subsistence for the current and previous year due to the status of record keeping and lack of sufficient evidence to support receipt of services. I was unable to confirm travel and subsistence by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to travel and subsistence stated at R6 507 000 (2024: R 2 440 074) in note 45 to the financial statements.

42. During 2024, I was unable to obtain sufficient appropriate evidence that operational cost, excluding audit fees, External Computer Service, Contribution to Provisions and travel and subsistence due to the status of record keeping. I could not confirm this by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of operational cost, excluding audit fees and travel and subsistence stated at R 4 834 000 in note 45 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of operational cost - excluding audit fees, external computer service, contribution to provisions and travel and subsistence for the current period.

### Expenditure – Contracted services

43. I was unable to obtain sufficient appropriate audit evidence for contracted services as the municipality did not have an adequate system of internal control to account for the contracted services and did not keep proper records. I was unable confirm the contracted services, by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to contracted services, stated at R2 323 000 in note 43 to the financial statements.

44. During 2024, I was unable to obtain sufficient appropriate audit evidence for contracted services – excluding accounting and auditing and valuer and assessors, as the municipality did not have an adequate system of internal control to account for the contracted services and did not keep proper records. I was unable to confirm the contracted services, by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of contracted services, stated at R2 254 000 in note 43 to the financial statements.

### Expenditure – Inventory consumed

45. I was unable to obtain sufficient appropriate audit evidence for Inventory consumed, as the municipality did not have an adequate system of internal control to account for the inventory consumed and did not keep proper records. I was unable to confirm the inventory consumed, by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to inventory consumed, stated at R4 234 000 (2024: R1 509 825) in note 38 to the financial statements.

### Gains on disposal of assets

46. I was unable to obtain sufficient appropriate audit evidence for Gains on disposal of assets, as the correction of error that was made to rectify a prior year misstatement where the municipality did not keep proper records could not be substantiated by sufficient audit evidence. I was unable to confirm the correction of error by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the corresponding figure of Gains on disposal of assets stated at R562 000 in note 34 to the financial statements In addition, the nature and the restatement amount of R2 007 259 at the beginning of the earliest previous period was not disclosed in the prior period error note 55 to the financial statement as required by GRAP 3, *Accounting policies, estimates and errors*.

### Total Expenditure

47. I was unable to obtain sufficient appropriate audit evidence regarding the following items, which had a cumulative effect on total expenditure:

- External Audit Fees of R5 799 000 as included in the disclosed balance of R17 139 000

- Inventory consumed – Water of R247 000 as included in the disclosed balance of R4 234 000

I was unable to confirm expenditure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to expenditure.

## Irregular expenditure

48. The irregular expenditure incurred during the current and previous financial year was not included in the related information on irregular expenditure in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. Expenditure was incurred in contravention of the supply chain management requirements, resulting in irregular expenditure. I was unable to determine the full extent of the irregular expenditure that occurred during the current and previous financial year as it was impracticable to do so.

49. The municipality did not disclose irregular expenditure in accordance with section 125 (2) (d) of the MFMA. The municipality incorrectly disclosed irregular expenditure that was incurred and included in the prior year closing balance as irregular expenditure incurred in the prior year but identified in the current year. Consequently, the opening balance of the prior year irregular expenditure included in note 57.2 to the financial statements was understated by R11 722 000 and irregular expenditure – prior period was overstated by the same amount.

## Unauthorised expenditure

50. The municipality did not disclose unauthorised expenditure in accordance with section 125 (2) (d) of the MFMA. The municipality incorrectly disclosed unauthorised expenditure that was incurred and included in the prior year closing balance as unauthorised expenditure incurred in the prior year but identified in the current year. Consequently, the opening balance of the prior year unauthorised expenditure included in note 57.1 was understated by R62 653 000 and unauthorised expenditure – prior period was overstated by the same amount.

## Fruitless and wasteful expenditure

51. I was unable to obtain sufficient appropriate audit evidence for fruitless and wasteful expenditure due to the status of accounting records. The underlying records provided materially disagreed with the amount disclosed in note 57.3 to the financial statements. I was unable to confirm fruitless and wasteful expenditure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to fruitless and wasteful expenditure stated at R53 796 000 in note 57.3 to the financial statements.

52. During 2024, fruitless and wasteful expenditure incurred during the financial year was not included in the related information on fruitless and wasteful expenditure in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. Expenditure was incurred on late payment of suppliers, resulting in fruitless and wasteful expenditure which was not disclosed. This resulted to fruitless and wasteful expenditure being understated by R1 604 019.87. My audit opinion on the financial statements for the period ended 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of fruitless and wasteful expenditure for the current year.

## Capital commitments

53. I was unable to obtain sufficient appropriate audit evidence for capital commitments due to the status of accounting records. The underlying records provided for audit materially disagreed with the financial statements due to capital commitments not being disclosed. I was unable to confirm

capital commitments by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to capital commitments not disclosed in the financial statements.

54. During 2024, I was unable to obtain sufficient appropriate audit evidence for capital commitments, as the municipality did not maintain accurate and complete records of the contractual information used to determine commitments. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to commitments that were disclosed in the financial statements. My audit opinion on the financial statements for the period ended 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of capital commitments for the current year.

### Reportable segments

55. Business units that were disclosed as segments by the municipality did not meet the definition of a segment in accordance with GRAP 18, *Segment Reporting.* The municipality did not adequately assess the reportable segments against the definition in order to determine if the disclosure was appropriate. I was unable to determine the full extent of the segment reporting disclosure during the current and previous financial year as it was impracticable to do so.

### Net cash flow from operating activities

56. Net cash flows from operating activities were not correctly prepared and disclosed as required Standards of GRAP 2, *Cash flow statements.* This was due to multiple errors in determining cash flows from operating activities. I was unable 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 net cash flows from operating activities as stated at R9 762 000 (2024: R11 718 000) and note 46 in the financial statements were necessary.

### Going concern

57. I was unable to obtain sufficient appropriate audit evidence for going concern due to the status of accounting records. The municipality did not provide evidence for the narrative disclosures and amounts included in the disclosure note. I was unable to confirm going concern by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to going concern narrative disclosures and amounts included in note 62 to the financial statements.

### Water losses

58. I was unable to obtain sufficient appropriate audit evidence for water losses due to the status of accounting records. The municipality did not account for water losses as required by the MFMA. I was unable to confirm water losses by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to water losses stated at R2 766 000 as disclosed on note 6.1.1 to the financial statements.

59. The municipality did not have adequate systems in place to account for changes in accounting estimates in accordance with GRAP 03, *Accounting policies, estimates and errors*, as the municipality did not disclose a change in estimates for water losses in the notes to the financial

statements. I was unable to determine the full extent of the misstatement of the change in accounting estimates as it was impracticable to do so.

### Electricity losses

60. I was unable to obtain sufficient appropriate audit evidence for electricity losses due to the status of accounting records. The municipality did not account for electricity losses as required by the MFMA. I was unable to confirm electricity losses by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to electricity losses stated at R9 304 000 as disclosed on note 37.1 to the financial statements.

61. The municipality did not have adequate systems in place to account for changes in accounting estimates in accordance with GRAP 03, *Accounting policies, estimates and errors*, as the municipality did not disclose a change in estimates for water losses in the notes to the financial statements. I was unable to determine the full extent of the misstatement of the change in accounting estimates as it was impracticable to do so.

### Prior period errors

62. Not all prior period errors were disclosed in note 55 to the financial statements, as required by GRAP 3, *Accounting policies, estimates and errors*. The nature and the amount of the correction at the beginning of the earliest previous period for financial instruments were not disclosed. I was unable to determine the full extent of the omission as it was impracticable to do so.

### Statement of Comparison of Budget and Actual Amounts

63. The statement of comparison of budget and actual amounts was not in accordance with GRAP 24, *Presentation of budget information in financial statements*. Explanations of material differences between the budget and actual were not disclosed in the statement of comparison of budget and actual amounts or the notes to the financial statements. Additionally, the amounts disclosed as the original budget materially disagreed with the amounts as per approved budget. I was unable to determine the full extent of the omissions and error in the statement of comparison of budget and actual amounts as it was impracticable to do so.

### Statement of Changes in Net Assets

64. The Statement of changes in net Assets was not presented in accordance with GRAP 01, *Presentation of Financial Statements.* This was due to multiple errors in determining the balance for the statement of changes in net assets for both current and prior year. I was unable to determine the full extent of the errors in the statement of changes in net assets, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to the statement of changes in net assets stated at R92 716 000 in the financial statements were necessary.

### Statutory receivables

65. The municipality did not disclose statutory receivables in accordance with GRAP 108, *Statutory Receivables.* The municipality omitted the separate disclosure of statutory receivables in the

financial statement. I have not included the omitted disclosure information in this auditor's report as it was impracticable to do so.

### Other matter

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

67. In terms of section 125(2)(e) of the MFMA, the 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

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

69. 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

70. My responsibility is to conduct an audit of the financial statements in accordance with the International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

71. 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 the 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.

## Report on the annual performance report

72. 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.

73. I selected the following material performance indicators related to Basic Service delivery presented in the annual performance report for the year ended 30 June 2025. 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.

- 100% of Water samples comply with SANS 241 micro biological indicators (Number of water samples that comply with SANS241 indicators/Number of water samples tested) x100 per quarter
- 100% of Trade Services maintenance budget spent by 30 June 2025(Actual expenditure on maintenance divided by the total approved maintenance budget) x100)
- 90% of approved budget spent by 30June 2025 for upgrading of Kharkams Bulkwater infrastructure (actual expenditure divide by the total approved budget) * 100)
- 2930 formal residential properties that receive piped water (excluding prepaid water) that is connected to the municipal water infrastructure network and billed for the service quarterly/annualy.
- 768 formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, billed for the service (except dry pit/VIP toilets) quarterly/annualy
- 2400 formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electricity metering) (excluding Eskom areas) and billed for the service quarterly/annualy
- 2720 formal residential properties for which refuse is removed once per week and billed for service quarterly/annualy
- Provide free basic water to 1230 indigent households (except pre-paid water) quarterly/annualy
- Provide free basic electricity to 1500 indigent households9 exclude Eskom areas) quarterly/annualy
- Provide free basic refuse removal to 1200 indigent households quarterly/annually

74. 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.

75. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives

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

- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents

- the reported performance information is presented in the annual performance report in the prescribed manner

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

76. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

77. The material findings on the reported performance information for the selected material indicators are as follows:

**Various indicators**

78. A comparison of the actual performance for the year against the prior year performance was not included in the annual performance report. Consequently, the reported information is not useful for evaluating progress over time and for identifying areas of improvement. **(ISS.15)**

    - 90% of approved budget spent by 30June 2025 for upgrading of Kharkams Bulkwater infrastructure (actual expenditure divide by the total approved budget) * 100)

    - 2930 formal residential properties that receive piped water (excluding prepaid water) that is connected to the municipal water infrastructure network and billed for the service quarterly/annualy

    - 768 formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, billed for the service (except dry pit/VIP toilets) quarterly/annualy

    - 2720 formal residential properties for which refuse is removed once per week and billed for service quarterly/annualy

**2400 formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electricity metering) (excluding Eskom areas) and billed for the service quarterly/annualy (ISS.15)**

79. Measures taken to improve performance against the underachieved target of 2 400 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. Additionally, a comparison of the actual performance for the year against the prior year performance was not included in the annual performance report. Consequently, the reported information is not useful for evaluating progress over time and for identifying areas of improvement

**Provide free basic electricity to 1500 indigent households9 exclude Eskom areas) quarterly/annualy (ISS.15, 138)**

80. Encouraging residents to apply and participate in government's relief plan was reported as a measure aimed at improving performance against the target of 1500. 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. Additionally, a comparison of the actual performance for the year against the prior year performance was not included in the annual performance report. Consequently, the reported information is not useful for evaluating progress over time and for identifying areas of improvement

**100% of Trade Services maintenance budget spent by 30 June 2025 (Actual expenditure on maintenance divided by the total approved maintenance budget) *100 (ISS.15, 138, 18, 43)**

81. The target in the annual performance report differed from what was committed to in the approved planning documents. The reported target was 15%, while the planned target was 100%. This change was made without obtaining the required approval, which undermines transparency and accountability. Additionally, achievement of 0% was reported against a target of 15% but the audit evidence showed the actual achievement to be 25%. The achievement against the target was better than reported.

    Furthermore, ensure a system is in place was reported as a measure aimed at improving performance against the target of 15%. 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

    Lastly, a comparison of the actual performance for the year against the prior year performance was not included in the annual performance report. Consequently, the reported information is not useful for evaluating progress over time and for identifying areas of improvement

**Provide free basic water to 1230 indigent households (except pre paid water) quarterly/annualy (ISS.15, 113)**

82. An achievement of 1434 was reported against a target of 1230. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved. Additionally, a comparison of the actual performance for the year against the prior year performance was not included in the annual performance report. Consequently, the reported

information is not useful for evaluating progress over time and for identifying areas of improvement

**Provide free basic refuse removal to 1200 indigent households quarterly/annually (ISS.15, 113)**

83. An achievement of 1290 was reported against a target of 1200. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved. Additionally, a comparison of the actual performance for the year against the prior year performance was not included in the annual performance report. Consequently, the reported information is not useful for evaluating progress over time and for identifying areas of improvement

**100% of Water samples comply with SANS 241 micro biological indicators (Number of water samples with SANS241 indicators/Number of water samples tested) * 100 per quarter (ISS.43)**

84. An achievement of 179% was reported against a target of 100%. However, the audit evidence showed the actual achievement to be only 83%. Consequently, the target was not achieved.

## Other matter

85. I draw attention to the matter below.

### Achievement of planned targets

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

87. 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.

### Basic service delivery

*Targets achieved: 70%*

*Budget spent: 100%*

| Key service delivery indicator not achieved | Planned target | Reported achievement |
|---|---|---|
| 100% of Trade Services maintenance budget spent by 30 June 2025 (Actual expenditure on maintenance divided by the total approved maintenance budget) *100 | 15% | 0% |
| 2400 formal residential properties connected to the municipal electrical infrastructure network | 2400 | 2394 |

| | | |
|---|---|---|
| (credit and prepaid electricity metering) (excluding Eskom areas) and billed for the service quarterly/annualy | | |
| Provide free basic electricity to 1500 indigent households9 exclude Eskom areas) quarterly/annualy | 1500 | 1293 |

### Material misstatements

88. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Basic service delivery. Management did not correct all of the misstatements, and I reported material findings in this regard.

## Report on compliance with legislation

89. 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.

90. 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.

91. 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.

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

### Annual financial statements, performance reports and annual reports

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

### Asset management

94. An effective system of internal control for assets (including an asset register) was not in place, as required by section [63(2)(c) of the MFMA.

### Consequence management

95. 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.

96. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA municipal budget and reporting regulations 75(1).

97. 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.

### Expenditure management

98. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused non-compliance to supply chain management regulations.

99. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R78 138 000, as disclosed in note 57.1 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by over expenditure of approved budget.

100. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R16 880 000, as disclosed in note 57.3 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged on overdue accounts.

### Human resource management

101. 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.

### Procurement and contract management

102. 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). Similar non-compliance was also reported in the prior year.

103. 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.

104. 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). Similar non-compliance was also reported in the prior year.

105. Some of the quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year.

106. Invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM Regulation 22(1) and 22(2). Similar non-compliance was also reported in the prior year.

107. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. Similar limitation was also reported in the prior year.

108. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. Similar limitation was also reported in the prior year.

### Revenue management

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

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

### Strategic planning and performance management

111. 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).

### Utilisation of conditional grants

112. I was unable to obtain sufficient appropriate audit evidence that the Municipal Infrastructure Grant was spent for its intended purposes in accordance with the grant Schedule concerned and/or the applicable grant framework, as required by section 16(1) of the Division of Revenue Act (Act 24 of 2024).

113. Performance in respect of programmes funded by the Municipal Infrastructure Grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 24 of 2024).

### Oversight and Governance

114. The Internal Audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to risk management, as required by section 165(2)(b)(iv) of the MFMA.

115. The Internal Audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to compliance with MFMA, DoRA, and any other applicable legislation, as required by section 165(2)(b)(vii) of the MFMA.

## Other information in the annual report

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

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

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 objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

119. As a result of the disclaimer of opinion expressed on the financial statements, I do not conclude on material misstatements of the other information relating to the financial statements. If, based on the work I have performed relating to the audit of performance information and compliance with legislation, I conclude that there is a material misstatement of this other information, I am required to report that fact.

## 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 disclaimer of opinion and the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

122. Leadership did not develop and monitor the implementation of action plans to address internal control deficiencies as there is a reoccurrence of prior year issues and matters of the prior year not addressed

123. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting as there are numerous limitations that resulted

124. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information which contributed to the matters identified

125. Leadership did not exercise their oversight responsibility regarding financial and performance reporting and compliance and related internal controls as, material misstatements on financial, material finding on compliance and performance reporting were reported on.

Kimberley

30 November 2025

AUDITOR-GENERAL
SOUTH AFRICA

*Auditing to build public confidence*

# Annexure to the auditor’s report

The annexure includes the following:

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

## Auditor general’s responsibility for the audit

### Professional judgement and professional scepticism

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

### Communication with those charged with governance

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

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

| Legislation | Sections or regulations |
|---|---|
| Municipal Finance Management Act 56 of 2003 | Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b) |
| MFMA: Municipal budget and reporting regulations, 2009 | Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c) |
| MFMA: Municipal Investment Regulations, 2005 | Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3) |
| MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014 | Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1) |
| MFMA: Municipal Supply Chain Management Regulations, 2017 | Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f) |
| Construction Industry Development Board Act 38 of 2000 | Section: 18(1) |
| Construction Industry Development Board Regulations, 2004 | Regulations: 17, 25(7A) |
| Division of Revenue Act | Sections: 11(6)(b), 12(5), 16(1); 16(3) |
| Municipal Property Rates Act 6 of 2004 | Section: 3(1) |
| Municipal Systems Act 32 of 2000 | Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b) |
| MSA: Disciplinary Regulations for Senior Managers, 2011 | Regulations: 5(2), 5(3), 5(6), 8(4) |
| MSA: Municipal Planning and Performance Management Regulations, 2001 | Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii) |

| Legislation | Sections or regulations |
|---|---|
| MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 | Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i) |
| MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014 | Regulations: 17(2), 36(1)(a) |
| MSA: Municipal Staff Regulations | Regulations: 7(1), 19, 31, 35(1) |
| MSA: Municipal Systems Regulations, 2001 | Regulation: 43 |
| Prevention and Combating of Corrupt Activities Act 12 of 2004 | Section: 34(1) |
| Preferential Procurement Policy Framework Act 5 of 2000 | Sections: 2(1)(a), 2(1)(f) |
| Preferential Procurement Regulations, 2017 | Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2),11(1), 11(2) |
| Preferential Procurement Regulations, 2022 | Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4) |
| Municipal Finance Management Act 56 of 2003 | Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii),<br>Sections: 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b) |
| MFMA: Municipal budget and reporting regulations, 2009 | Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c) |
| MFMA: Municipal Investment Regulations, 2005 | Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3) |
| MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014 | Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1) |
| MFMA: Municipal Supply Chain Management Regulations, 2017 | Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f) |
| Construction Industry Development Board Act 38 of 2000 | Section: 18(1) |

| Legislation | Sections or regulations |
|---|---|
| Construction Industry Development Board Regulations, 2004 | Regulations: 17, 25(7A) |
| Division of Revenue Act | Sections: 11(6)(b), 12(5), 16(1); 16(3) |
| Municipal Property Rates Act 6 of 2004 | Section: 3(1) |
| Municipal Systems Act 32 of 2000 | Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b) |
| MSA: Disciplinary Regulations for Senior Managers, 2011 | Regulations: 5(2), 5(3), 5(6), 8(4) |
| MSA: Municipal Planning and Performance Management Regulations, 2001 | Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii) |
| MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 | Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i) |
| MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014 | Regulations: 17(2), 36(1)(a) |
| MSA: Municipal Staff Regulations | Regulations: 7(1), 19, 31, 35(1) |
| MSA: Municipal Systems Regulations, 2001 | Regulation: 43 |
| Prevention and Combating of Corrupt Activities Act 12 of 2004 | Section: 34(1) |
| Preferential Procurement Policy Framework Act 5 of 2000 | Sections: 2(1)(a), 2(1)(f) |
| Preferential Procurement Regulations, 2017 | Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2),11(1), 11(2) |
| Preferential Procurement Regulations, 2022 | Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4) |
| Municipal Finance Management Act 56 of 2003 | Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii),<br>Sections: 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), |

| Legislation | Sections or regulations |
|---|---|
| | 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b) |
| MFMA: Municipal budget and reporting regulations, 2009 | Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c) |
| MFMA: Municipal Investment Regulations, 2005 | Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3) |
| MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014 | Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1) |
| MFMA: Municipal Supply Chain Management Regulations, 2017 | Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f) |
| Construction Industry Development Board Act 38 of 2000 | Section: 18(1) |
| Construction Industry Development Board Regulations, 2004 | Regulations: 17, 25(7A) |
| Division of Revenue Act | Sections: 11(6)(b), 12(5), 16(1); 16(3) |
| Municipal Property Rates Act 6 of 2004 | Section: 3(1) |
| Municipal Systems Act 32 of 2000 | Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b) |
| MSA: Disciplinary Regulations for Senior Managers, 2011 | Regulations: 5(2), 5(3), 5(6), 8(4) |
| MSA: Municipal Planning and Performance Management Regulations, 2001 | Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii) |
| MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 | Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i) |
| MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014 | Regulations: 17(2), 36(1)(a) |
| MSA: Municipal Staff Regulations | Regulations: 7(1), 19, 31, 35(1) |
| MSA: Municipal Systems Regulations, 2001 | Regulation: 43 |
| Prevention and Combating of Corrupt Activities Act 12 of 2004 | Section: 34(1) |
| Preferential Procurement Policy Framework Act 5 of 2000 | Sections: 2(1)(a), 2(1)(f) |

| Legislation | Sections or regulations |
|---|---|
| Preferential Procurement Regulations, 2017 | Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2),11(1), 11(2) |
| Preferential Procurement Regulations, 2022 | Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4) |