

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

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of Khai-Ma Local Municipality set out on pages xx to xx, which comprise the statement of financial position at 30 June 2025, statement of financial performance, statement of changes in net assets, cash flow statement, and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Khai-Ma Local Municipality as at 30 June 2025, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Basis for qualified opinion

Property, Plant and Equipment

3. The municipality did not account property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*, as the municipality did not have an adequate system of internal control to ensure that assets are correctly accounted for. Investment property was incorrectly reported as other land and assets that are not controlled by the municipality were recognised as other land. Consequently, other land included in note 2.1 was overstated by R37 968 253 (2024: R7 303 728), investment property included in note 3 was understated by R35 968 253 (2024: R7 303 728) and accumulated surplus was overstated by R2 000 000 in the financial statements. In addition, I was unable to obtain sufficient appropriate audit evidence for other land, due to the status of accounting records. I was unable to confirm this other land by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to other land stated at R52 369 641 (2024: R52 369 641) in the financial statements.
4. The municipality did not account items of property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*, as the municipality disclosed assets that are in the location and condition necessary to be capable of operating in the manner intended by management as property, plant and equipment which is in the process of being constructed or developed. Consequently, property, plant and equipment which is in the process of being constructed or developed in note 2.3 was overstated by R5 449 800 and municipal offices in note 2.1 were understated by R5 449 800. I was unable to quantify the misstatement of the

depreciation amount as the municipality did not determine the useful life of this municipal office. There was a resultant impact on the surplus for the period and on the accumulated surplus.

5. The municipality did not account property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*, as the municipality did not have an adequate system of internal control to ensure that assets are correctly accounted for. Community assets were incorrectly accounted for as investment property and assets that are not controlled by the municipality were accounted for as community assets. Additionally, municipal offices were incorrectly classified as community assets. Consequently, community assets in note 2.1 were understated by R1 159 894 (2024: R1 366 641), municipal offices in note 2.1 were understated by R1 467 859 and investment property in note 3 was overstated by R3 920 000 in the annual financial statements. This also has an impact on the surplus for the period and on the accumulated surplus.
6. The municipality did not correctly calculate the depreciation for electricity, sanitation and community assets as required by GRAP 17, *Property, plant and equipment*, as the municipality did not have a system of internal control to account for changes in useful lives and as the depreciable amount of the assets was not allocated on a systematic basis over their useful lives. The effect on the financial statements was that electricity in note 2.1 was understated by R1 036 947, sanitation in note 2.1 was understated by R5 011 027 and community assets in note 2.1 was understated by R5 581 567. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.
7. During 2024, I was unable to obtain sufficient appropriate audit evidence for water supply and roads and storm water, due to the status of accounting records. I was unable to confirm these physical assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to water supply stated at R70 627 917 and roads and storm water stated at R8 699 098 in 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 other land and water supply and roads and storm water for the current period.
8. During 2024, the municipality did not correctly calculate the depreciation for other assets and roads and storm water as required by GRAP 17, *Property, plant and equipment*, as the municipality did not have a system of internal control to account for changes in useful lives. The effect on the financial statements was that other assets in note 2.1 was overstated by R6 478 339 and roads and storm water in note 2.1 was overstated by R199 680, depreciation in note 33 was understated by R6 678 019. Additionally, there was an impact on the surplus for the previous year and on the accumulated surplus. 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 other assets and roads and storm water for the current period.

9. The municipality did not recognise items of property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*, as the municipality did not have an adequate system of internal control to ensure that assets that meet the definition of other assets were recognised as required. I was unable to determine the full extent of the understatement of the other assets in the opening balance in note 2.1 as it was impracticable to do so.

Receivables from exchange transactions

10. During 2024, the municipality did not account for provision for debt impairment in accordance with GRAP 104, *Financial Instruments*. The basis applied to calculate the provision for debt impairment was not aligned with the requirements of GRAP 104. I was unable to determine the full extent of the misstatement of receivables from exchange transactions, stated at R120 060 887 in note 7 to the financial statements and the related provision for debt impairment, stated at R113 752 218 in note 7 to the financial statements, as it was impracticable to do so. Additionally, there was an impact on the surplus for the previous year and on the accumulated surplus. 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 provision for debt impairment for the current period.

Trade and Other Payables from Exchange Transactions

11. I was unable to obtain sufficient appropriate audit evidence for control, clearing and interface accounts included in trade and other payables from exchange transactions due to a lack of proper record keeping and reconciliation of control accounts. I was unable to confirm this control, clearing and interface accounts by alternative means. Consequently, I was unable to determine whether any further adjustments to control, clearing and interface accounts stated at R24 372 524 in the financial statements were necessary.

Service charges

12. During 2024, the municipality did not recognise all sales of water as required by GRAP 9, *revenue from exchange transaction*. Properties were identified for which sales of water were not billed and recorded. I was unable to determine the full extent of the understatement of the sales of water included in services charges in note 24 and service debtors for water included in receivables from exchange transactions in note 7 and VAT payable in note 18 as it was impracticable to do so for the prior year. There was a resultant impact on the surplus for the previous year and on the accumulated surplus. 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 sales of water for the current period.
13. During 2024, I was unable to obtain sufficient appropriate audit evidence whether indigent applicants have met the criteria set by council to qualify for the relevant rebates as indigents, as the municipality did not have adequate systems in place. I was unable to confirm the revenue forgone by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to revenue forgone stated in note 24 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 revenue forgone for the current period.

Net cash flow from operating activities

14. 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 not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities as stated at R15 475 700 (2024: R15 618 248) in the financial statements were necessary.

Taxes

15. I was unable to obtain sufficient appropriate audit evidence for taxes, as the municipality did not maintain adequate records. I was unable to confirm the taxes by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to taxes stated at R17 517 843 (2024: R14 090 211) in the financial statements.

Inventory

16. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for water and inventory consumed, due to the status of the accounting records and non-submission of information to support these water and inventory consumed. I could not confirm these water and inventory consumed by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to water stated at R20 528 741 and inventory consumed stated at R2 165 934 in note 6 to the financial statements.
17. I was unable to obtain sufficient appropriate audit evidence for housing stock, as the municipality did not maintain accurate and complete records of the supporting documents used to determine the cost of housing stock. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to housing stock stated at R1 265 346 (2024: R1 265 346) in the financial statements.
18. During 2024, the municipality did not account for inventory consumed in accordance with GRAP 1, *Presentation of financial statements*, as the municipality did not have an adequate system of internal control to verify that goods and services were received. Consequently, inventory consumed in note 6 was overstated by R1 014 452, trade payables included in trade and other payables from exchange transactions in note 16 are overstated by R1 166 620, and VAT receivable in note 18 are overstated by R152 168. Additionally, there was an impact on the surplus for the previous year and the accumulated surplus. 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 inventory consumed for the current period.

19. During 2024, the municipality did not account for water in accordance with GRAP 12, *Inventories*. The municipality did not measure the cost of water to include the purchase costs, conversion costs and other costs incurred in bringing the water to its present location and condition. Additionally, the carrying amount of water sold, exchanged or distributed during the financial year was not recognised as an expense. Consequently, water in note 6 was overstated by R7 086 640, inventory consumed in note 6 was understated by R9 585 561, depreciation and amortisation in note 33 were overstated by R644 878 and employee related costs were overstated by R1 854 042 in the annual financial statements. Additionally, there was an impact on the surplus for the previous year and on the accumulated surplus. 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 inventory consumed for the current period.

Property rates

20. The municipality did not recognise property rates in accordance with *GRAP 23, Revenue from non-exchange transactions*. The municipality did not calculate property rates in terms of the tariff policy. Consequently, property rates in note 20 and taxes-rates included in receivables from non-exchange transactions in note 8 was misstated by R1 192 596 (2024: R21 919 718). In addition, not all properties were included in the valuation roll. I was unable to determine the full extent of the understatement of property rates in note 20 and taxes-rates included in receivables from non-exchange transactions in note 8 for the current and prior year as it was impracticable to do so. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.

Water distribution losses

21. I was unable to obtain sufficient appropriate audit evidence for water distribution losses to determine the full extent of the misstatement due to the status of record keeping. I could not confirm this by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to water distribution losses, stated at R5 007 670 in the financial statements.

Fruitless and wasteful expenditure

22. I was unable to obtain sufficient appropriate audit evidence for fruitless and wasteful expenditure for the prior year, due to the status of the accounting records. The municipality did not have adequate systems of internal control for the recording of all transactions and events and could not reconcile the transactions and events to the financial statements. I could not confirm fruitless and wasteful expenditure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the opening balance of fruitless and wasteful expenditure in the financial statements.

Unauthorised Expenditure

23. I was unable to obtain sufficient appropriate audit evidence for unauthorised expenditure for the current and prior year, as the underlying records were not accurate and complete. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to unauthorised expenditure stated at R53 616 731 (2024: R44 013 711) in the financial statements.

Operational Costs

24. The municipality did not account for municipal services in accordance with GRAP 1, *Presentation of financial statements*, as the municipality did not have an adequate system of internal control to verify that goods and services were received. Consequently, municipal services in note 36 was overstated by R2 127 653 (2024: R1 752 768), trade payables included in trade and other payables from exchange transactions in note 16 are overstated by R2 446 801 (2024: R2 015 683), and VAT receivable in note 18 are overstated by R319 148 (2024: R262 915). Additionally, there was an impact on the surplus for the period and the accumulated surplus.
25. The municipality did not account for travel and subsistence in accordance with GRAP 1, *Presentation of financial statements*, as the municipality did not have an adequate system of internal control to verify that goods and services were received. Consequently, travel and subsistence in note 36 was overstated by R1 398 402, trade payables included in trade and other payables from exchange transactions in note 16 are overstated by R1 608 162, and VAT receivable in note 18 are overstated by R209 760. Additionally, there was an impact on the surplus for the period and the accumulated surplus.
26. The municipality did not account for operational costs, excluding audit fees, management fees, municipal services and travel and subsistence in accordance with GRAP 1, *Presentation of financial statements*, as the municipality did not have an adequate system of internal control to verify that goods and services were received. Consequently, operational costs, excluding audit fees, management fees, municipal services and travel and subsistence in note 36 was overstated by R1 552 789 (2024: R1 165 395), trade payables included in trade and other payables from exchange transactions in note 16 are overstated by R1 793 757 (2024: R1 340 205) and VAT receivable in note 18 are overstated by R240 968 (2024: R174 809). Additionally, there was an impact on the surplus for the period and the accumulated surplus.

Irregular Expenditure

27. The municipality did not disclose all irregular expenditure incurred during the prior years, as required by section 125(2)(d) of the MFMA. The municipality incurred expenditure in contravention of the supply chain management requirements resulting in irregular expenditure being understated in the prior year. I was unable to determine the full extent of the understatement as it was impracticable to do so.

Segment Reporting

28. The municipality did not disclose segment reporting in accordance with GRAP 18, *Segment reporting*, due to the status of the accounting records. The municipality did not have adequate systems of internal control to account for segments in terms of GRAP. I was unable to determine the full extent of the misstatement of segment reporting in note 57 for the current and prior year as it was impracticable to do so.

Total current assets

29. During 2024, total current assets was materially misstated by R2 455 440 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Inventory – consumables in note 6 stated at R1 019 470 in note 6 was overstated by R645 140.
- Receivables from non-exchange transactions stated at R1 274 023 in note 8 was understated by R199 160 due to errors in provision for debt impairment.
- Receivables from exchange transactions - waste water management stated at R13 781 944 in note 7 was overstated by R777 296 due to errors in revenue from exchange transactions: wastewater management.

In addition, I was unable to obtain sufficient appropriate audit evidence and to confirm the following items by alternative means:

- Receivables from exchange transactions - other arrears of R882 443 as included in the disclosed balance of R6 308 669 in note 7 to the financial statements.

Consequently, I was unable to determine whether any further adjustment was necessary to total current assets. 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 total current assets for the current period.

Total revenue

30. During 2024, Total revenue was materially misstated by R1 607 771 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Service charges – waste management stated at R2 211 870 in note 24 was understated by R522 179.
- Service charges – waste-water management stated at R2 298 126 in note 24 was understated by R817 763.
- Service charges – electricity stated at R13 226 463 in note 24 was understated by R267 829.

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 total revenue for the current period.

Context for opinion

31. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
32. 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.
33. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

34. I draw attention to the matters below. My opinion is not modified in respect of these matters.
35. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2025.
36. I draw attention to note 54 in the financial statements, which deals with the effects of the future implications of the possible inability to settle current liabilities due to a net current liability position on the municipality's prospects, performance and cash flow. Management have also described how they plan to deal with these events and circumstances.

Other matters

37. I draw attention to the matters below. My opinion is not modified in respect of these matters.
38. 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.
39. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

40. 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.

41. 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

42. 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.
43. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of my auditor's report.

Report on the annual performance report

44. 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.
45. I selected the following material performance indicators related to Service Delivery and Infrastructure development 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.
- Nr of residential properties that which are billed for water or have pre-paid meters that is connected to the municipal water infrastructure network as at 30 June 2025
 - Nr of residential properties which are billed for electricity or have pre-paid meters as at 30 June 2025 (excluding Eskom areas)
 - Nr of residential properties connected to the municipal wastewater sanitation/ sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2025
 - Number of residential properties which are billed for refuse removal as at 30 June 2025.
 - 100% spent of the budget for the MIG Project: Upgrading of Bulk Water & Storage at Onseepkans & Witbank in terms of the grant allocation received by 30 June 2025

{{Actual capital expenditure on the project divided by the total approved capital budget for the project}}

- 100% spent of the budget (WSIG) for the upgrading of internal water reticulation, Pofadder of the grant allocation received by 30 June 2025 $\{ \{ \text{Actual capital expenditure on the project divided by the total approved capital budget for the project} \} \times 100 \}$
- Provide free basic water to indigent households earning less than two state grants as at 30 June 2024
- Provide free basic electricity to indigent households earning less than two state grants as at 30 June 2025
- Number of households that have been provided with free gas(1*9kg gas) to targeted households as beneficiaries from the RDP project on a bimonthly basis by 30 June 2025
- Provide free basic sanitation to indigent households earning less than two state grants as at 30 June 2025
- Provide free basic refuse removal to indigent households earning less than two state grants as at 30 June 2025
- 100% spent of the library 1 operational conditional grant by o 30 June 2025 $\{ \{ \text{Actual s expenditure divided by the total grant received} \} \times 100 \}$
- Limit unaccounted for electricity to less than 12% by 30 June 2025 t $\{ \{ \text{Number of Electricity Units \{Purchased - Number of Electricity Units Sold\} / Number of beneficiary Electricity Units Purchased} \} \times E 100 \}$
- Limit unaccounted for water to L less than 50% by 30 June 2025 l $\{ \{ \text{Number of Kilolitres Water \{Purified - Number of Kilolitres P Water Sold\} / Number of W Kilolitres Water Purified} \} \times 100 \}$
- 100% spent of the budget (INEP) for the electricity supply construction micro-grid of a 1MW Pofadder of the grant allocation received by 30 June 2025 $\{ \{ \text{Actual capital expenditure on the project divided by the total approved capital budget for the project} \} \times 100 \}$
- 90% of microbiological water quality level achieved as per SANS 241 by 30 June 2025
- Wastewater quality measured in terms of the Dept of Water and Sanitation's License Conditions for physical and micro parameters as at 30 June 2025

46. 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.

47. 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.

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

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

Various indicators

Reported indicators and/or targets not consistent when compared to planned indicators and/or targets and changes were not approved.

50. The indicators in the annual performance report differed from those committed to in the approved initial planning document. These changes were made without obtaining the required approval, which undermines transparency and accountability.

Approved indicator	Reported indicator
Number of residential properties which are billed for refuse removal as at 30 June 2023- per month.	Number of residential properties which are billed for refuse removal as at 30 June 2025
90% spent of the budget for the MIG Project: Upgrading of Bulk Water & Storage at Onseepkans in terms of the grant allocation received by 30 June 2025 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)}	100% spent of the budget for the MIG Project: Upgrading of Bulk Water & Storage at Onseepkans & Witbank in terms of the grant allocation received by 30 June 2025 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)}
90% spent of the budget (part of MIG allocation) for upgrade of Bulk Water and Reticulation at Witbank in terms of the grant allocation received by 30 June 2025 {(Actual capital expenditure on the project	

Approved indicator	Reported indicator
divided by the total approved capital budget for the project)x100}	
90% spent of the budget (WSIG) for the upgrading of internal water reticulation, Pofadder of the grant allocation received by 30 June 2025 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	100% spent of the budget (WSIG) for the upgrading of internal water reticulation, Pofadder of the grant allocation received by 30 June 2025 {(Actual capital expenditure on the project divided by the total approved capital budget for the project) x100}
Provide monthly free basic water to indigent households earning equal to two state grants as at 30 June 2024- per month.	Provide free basic water to indigent households earning less than two state grants as at 30 June 2025
Nr of households earning equal to two state grants per month supplied with 1 X 9 kg gas basis as at 30 June 2025- per month.	Number of households earning equal to two state grants per month supplied with 1 X 9 kg gas basis as at 30 June 2025- per month.
95% spent of the library operational conditional grant by 30 June 2025{(Actual expenditure divided by the total grant received) x 100	100% spent of the library 1 operational conditional grant by o 30 June 2025 {(Actuals expenditure divided by the total e grant received) x 100
90% spent of the budget (INEP) for the upgrading of internal water reticulation, Pofadder of the grant allocation received by 30 June 2025 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	100% spent of the budget (INEP) for the upgrading of internal water reticulation, Pofadder of the grant allocation received by 30 June 2025 {(Actual capital expenditure on the project divided by the total approved capital budget for the project) x100}

51. Reported targets not consistent when compared to planned targets and changes were not approved.

Approved Indicator	Planned target as per SDBIP	Planned target as per APR
Number of residential properties which are billed for refuse removal as at 30 June 2025	2682	2723
100% spent of the budget for the MIG Project: Upgrading of Bulk Water & Storage at Onseepkans & Witbank in terms of the grant allocation received by 30 June 2025 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)}	2726	2676
100% spent of the budget (WSIG) for the upgrading of internal water reticulation, Pofadder of the grant allocation received by 30 June 2025 {(Actual capital expenditure on the project divided by the total approved capital budget for the project) x100}	100%	100%
Provide free basic water to indigent households earning less than two state grants as at 30 June 2025	100%	100%
Number of households provided with free gas (1x9kg gas) to targeted households as beneficiaries from RDP project on a by monthly basis as at 30 June 2025	1972	1 796

Approved Indicator	Planned target as per SDBIP	Planned target as per APR
100% spent of the library operational conditional grant by 30 June 2025 {(Actual expenditure divided by the total grant received) x 100}	19	20
100% spent of the budget (INEP) for the electricity supply construction micro-grid of a 1MW Pofadder of the grant allocation received by 30 June 2025 {(Actual capital expenditure on the project divided by the total approved capital budget for the project) x100}	100%	88,00%

Performance indicators not well defined and target not measurable

Various indicators

52. Various indicators and their targets were not clearly defined during the planning process. Consequently, the indicators and their targets are not useful for measuring and reporting on progress against the municipality's planned objectives.

Indicator	Target	Detail
Provide free basic water to indigent households earning less than two state grants as at 30 June 2024	1972	The target is not time bound as the timeframe for achievement of the target is 30 June 2024.
Provide free basic electricity to indigent households earning less than two state grants as at 30 June 2025	1350	Nr of residential properties which are billed for electricity or have pre paid meters as at 30 June 2025, however, the indicator does not clarify whether Eskom-supplied areas are excluded. Following discussions with the IPD Officer, it was confirmed that all areas, including those supplied by Eskom, were included in the indigent population count. It should be noted that areas where Eskom provides subsidised electricity ought to be excluded from the indigent classification.
100% (95%) spent of the library 1 operational conditional grant by 30 June 2025 {(Actual expenditure divided by the total grant received) x 100}	95%	The target is not measurable, as it states 100% spending of the grant received, yet also includes a conflicting target of 95% in brackets. This inconsistency creates ambiguity and makes it difficult to assess actual performance against the intended goal.

Indicator	Target	Detail
Limit unaccounted for electricity to less than 12% by 30 June 2025 $\{[(\text{Number of Electricity Units Purchased} - \text{Number of Electricity P Units Sold}) / \text{Number of U Electricity Units Purchased}] \times 100\}$	12%	The target is not measurable as municipality does not have controls over the number of units purchased, actually received and number of units left. Therefore, the calculation of electricity losses could be misstated, municipality does not have bulk meter reading to identify units actual received, sold and left. However, municipality uses the invoice to identify units bought and units sold to calculate distribution losses, thus, this method does not consider the units that were previously not sold. It can be concluded that the % of the electricity losses is incorrectly calculated.
Limit unaccounted for water to less than 50% by 30 June 2025 $\{[(\text{Number of Kilolitres Water Purified} - \text{Number of Kilolitres P Water Sold}) / \text{Number of W Kilolitres Water Purified}] \times 100\}$	50%	Management did not prepare water losses schedule.
90% spent of the budget (INEP) for the upgrading of internal water reticulation, Pofadder of the grant allocation received by 30 June 2025 $\{(\text{Actual capital expenditure on the project} / \text{total approved capital budget for the project}) \times 100\}$	90%	The definition of the indicator is not clear as it refers to water project (upgrading of internal water reticulation) while the grant is for electrification of houses. The name of the grant is Integrated National Electrification Programme (INEP).

Primary mandated function not prioritised

53. The primary mandated function of road infrastructure performance indicator was not prioritized for delivery in the performance year. Management indicated that this was because municipality did not have funds but could not provide evidence to support the reason. Consequently, this function was not adequately planned or accounted for, which is likely to result in it not being delivered and undermines transparency and accountability.

Measures taken to improve performance not reported in annual performance report.

Various indicators

54. Measures taken to improve performance against underachieved targets were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the management to address performance gaps and for assessing the effectiveness of strategies to improve future performance against targets.

Indicator	Target (Annual Target)	Reported achievement
Nr of residential properties connected to the municipal	2445	2181

Indicator	Target (Annual Target)	Reported achievement
waste water sanitation/ sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2025		

Reported achievement did not agree to evidence (understatement)

Various indicators

55. Based on the audit evidence, the actual achievements for 3 indicators did not agree to the achievements reported, but the targets were still achieved.

Indicator	Target	Reported achievement	Actual achievement
Nr of residential properties which are billed for electricity or have pre paid meters as at 30 June 2025 (excl Eskom areas)	1343	1326	1083
Limit unaccounted for electricity to less than 12% by 30 June 2025 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased} x 100}	0%	13%	-13%

Provide free basic electricity to indigent households earning less than two state grants as at 30 June 2025

56. An achievement of 747 was reported against a target of 747. However, some supporting evidence was not provided for auditing. Consequently, the achievement might be more than reported and was not reliable for determining if the target had been achieved.

Other matters

57. I draw attention to the matters below.

Achievement of planned targets

58. 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.

59. The table that follows provide information on the achievement of planned targets and list 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

<i>Targets achieved: 41.17%</i> <i>Budget spent: [xx]%- Could not be reliably determined.</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Nr of residential properties which are billed for electricity or have pre paid meters as at 30 June 2025 (excl Eskom areas)	1343	1326
Nr of residential properties connected to the municipal waste water sanitation/ sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2025	2445	2181
Provide free basic water to indigent households earning less than two state grants as at 30 June 2024	1972	1796
Provide free basic electricity to indigent households earning less than two state grants as at 30 June 2025	1350	747
100% spent of the library operational conditional grant by 30 June 2025 {(Actual expenditure divided by the total grant received) x 100}	100%	88%
Limit unaccounted for electricity to less than 12% by 30 June 2025 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased} x 100}	12%	13%
Limit unaccounted for water to less than 50% by 30 June 2025 {(Number of Kilolitres Water Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purified)x 100}	50%	0%
90% of microbiological water quality level achieved as per SANS 241 by 30 June 2025	90%	0%
Number of residential properties which are billed for refuse removal as at 30 June 2025	2726	2676
Wastewater quality measured ito the Dept of Water and Sanitation's License Conditions for physical and micro parameters as at 30 June 2025	70%	0%

Material misstatements

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

Report on compliance with legislation

61. 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.
62. 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.
63. 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.
64. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual Financial statement and annual reports

65. 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/or the supporting records were provided subsequently, but the uncorrected material misstatements and/or supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.
66. The council failed to adopt an oversight report containing the council's comments on the 2023/24 annual report, as required by section 129(1) of the MFMA.

Expenditure management

67. Reasonable steps were not taken to ensure that money owed by the municipality was always paid within 30 days, as required by section 65(2)(e) of the MFMA.
68. An adequate management, accounting and information system was not in place which recognised expenditure when it was incurred and accounted for creditors, as required by section 65(2)(b) of the MFMA.

69. 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 by expenditure incurred in contravention of the supply chain management requirements.
70. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the fruitless and wasteful expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged on late payments to suppliers.
71. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the unauthorised expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the disclosed unauthorised expenditure was caused by overspending of the budget per municipal vote on the municipality's operating and capital budget.

Utilisation of conditional grants

72. Performance in respect of programmes funded by the Municipal Infrastructure Grant, Water Services Infrastructure Grant, Integrated National Electrification Programme Grant and Local Government Financial Management 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).

Consequence management

73. 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.
74. Irregular and fruitless and wasteful 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.

Strategic planning and performance management

75. The IDP did not reflect the key performance indicators and targets, as required by sections 26(l) of the MSA and municipal planning and performance management regulation 2(1)(e).
76. The SDBIP for the year under review did not include monthly revenue projections by source of collection and the monthly operational and capital expenditure by vote, as required by section 1 of the MFMA.
77. Performance targets were not set for each of the KPIs for the financial year, as required by section 41(1)(b) of the MSA and municipal planning and performance management regulation 12(1).
78. A mid-year performance assessment was not performed, as required by section 72(1)(a)(ii) of the MFMA.

Revenue management

- 79. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.
- 80. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.

Asset management

- 81. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.
- 82. Capital assets were disposed of without the municipal council having, in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services and considered the fair market value of the assets and the economic and community value to be received in exchange for the assets as required by section 14(2)(a)(b) of the MFMA.

Human resource management

- 83. The auditee did not conduct reference checks and personal credential verification for newly appointed staff members, as required by regulation 19 of the Municipal Staff Regulations.
- 84. 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.
- 85. The staff member(s) did not enter into a performance agreement within the prescribed period, as required by regulation 35(1) of the Municipal Staff Regulations.
- 86. The annual performance appraisal for senior managers was not performed and the key performance areas (KPAs) outlined in the individual performance plans were not assessed based on the achieved results, as required by regulations 26(5) and 27(4)(a)(i) of the Municipal Performance Regulations.

Other information in the annual report

- 87. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in key performance area presented in the annual performance report that have been specifically reported on in this auditor's report.
- 88. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

89. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in key performance area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
90. 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

91. 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.
92. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
93. The accounting officer did not conduct an adequate oversight responsibility over the preparation of the annual financial statements, performance reporting, compliance with laws and regulations and internal control. The accounting officer did not implement adequate processes to ensure that reviews took place before information was submitted. This was evidenced by the material misstatements in the financial statements, the annual performance report, non-compliance with laws and regulations and internal control deficiencies noted throughout the audit process. The municipality's internal processes and systems did not prevent material non-compliance or irregular, unauthorised as well as fruitless and wasteful expenditure from re-occurring.
94. A comprehensive audit action plan was not formulated to effectively address the audit findings from the preceding financial year. Consequently, this deficiency contributed to the re-occurrence of analogous material findings in the current financial year.
95. A formalised performance management system was not implemented, leading to a lack of substantiation for the reported performance through an audit evidence portfolio. Additionally, multiple instances of non-compliance with laws and regulations pertaining to strategic planning and performance management were identified.

Auditor General

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

Financial statements

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

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

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)
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)

Legislation	Sections or regulations
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)