The Accounting Officer

Renosterberg Local Municipality

School Street

Petrusville

8770

Date: 30 November 2025

Reference: 21435REG24-25

Dear Municipal Manager

Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Renosterberg Local Municipality for the year ended 30 June 2025

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

- The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

5. Please notify the undersigned Business Unit Leader / Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.

6. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants *(including International Independence Standards),* members of the staff of the Auditor General (AG), or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party without the permission of the AG or her delegate, unless this is to a legislature or internal committee of a legislature or a court in a criminal matter..

7. Until the steps described in paragraphs 2 and 4 of these documents are completed and the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a final and public document and you are therefore requested to treat it as confidential.

8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this

Yours sincerely

Signed

Morakane Saule
Senior Manager: Northern Cape

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

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of Renosterberg Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, the cash flow statement, and the statement of 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 Renosterberg 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

VAT receivable

3. I was unable to obtain sufficient appropriate audit evidence that VAT receivable for the current and previous year had been properly accounted for, due to the status of the accounting records. 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 R19 723 962 (2024: R11 159 233) in the financial statements.

Infrastructure

4. 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 work in progress assets are correctly classified and included in infrastructure assets. I could not determine the full extent of the misstatement as it was impractical to do so. I was unable to confirm the infrastructure assets by alternative means, Consequently, I was unable to determine whether any adjustments were necessary to infrastructure assets state at R266 760 122 in note 10 in the financial statements.

5. I was unable to obtain sufficient appropriate audit evidence that work-in-progress for the current and previous years had been properly accounted for in accordance with GRAP 1: Presentation of financial statements, as the municipality did not implement adequate controls over the reconciliation of the financial statements to the note. I was unable to confirm the work-

in-progress by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to infrastructure stated at R 256 929 942 in note 10 to the financial statements.

Investment property

6. The municipality did not have adequate systems to account for investment property in accordance with GRAP 16, Investment property. The municipality did not record all land registered in the municipality's name. I was unable to determine the impact on the net carrying amount of investment property for the current and prior year as it was impracticable to do so. In addition, the fair value of investment property was not determined for the current and prior year as required by GRAP 16. I was unable to determine the impact on the net carrying amount of investment property as it was impracticable to do so. Additionally, there was a resultant impact on the deficit for the period and on the accumulated surplus.

7. Not all disclosure elements were disclosed in note 09 to the financial statements, as required by GRAP 16, Investment Property. The direct operating expenses, separately disclosing repairs and maintenance arising from investment property that generated rental revenue during the period; the existence or non-existence and amounts of restrictions on the realisability of investment property or the remittance of revenue and contractual obligations to purchase, construct or develop investment property were not disclosed. In addition, there were casting errors in the reconciliation of the investment properties disclosed in note 9 to the annual financial statements ISS.60 and ISS.157.

Statutory receivable from non-exchange transactions

8. The municipality did not recognise interest earned on outstanding debtors from non-exchange transactions in accordance with GRAP 104, Financial instruments, as the municipality did not charge interest on arrear accounts. I was unable to determine the full extent of the understatement of interest earned on outstanding debtors included in revenue from non-exchange transactions and trade receivables from non-exchange transactions for the current as it was impracticable to do so. Additionally, there was an impact on the deficit for the period and on the accumulated surplus.

9. I was unable to obtain sufficient appropriate audit evidence for electricity, water, sewer, included in fs from exchange transactions, as the municipality did not implement adequate systems to reconcile the debtor's listing to the general ledger. Additionally, I was unable to obtain sufficient appropriate audit evidence for the restatement of the opening balance. I was unable to confirm the finance lease obligations by alternative means I was unable to confirm statutory receivables from non - exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the other receivables from non-exchange transactions stated at R 1 544 935 (2024: 746 390) in note 5 to the financial statements.

10. During 2024, The municipality did not recognise allowance for impairment of statutory receivables from non-exchange transactions in accordance with the Standards of GRAP 104, Financial Instruments. Incorrect impairment rate was used in calculating the impairment provision for the different classifications for long outstanding debtors was applied.

Consequently, the provision for impairment is overstated and statutory receivables from non-exchange transactions is understated by R2 894 074 in note 5 to the financial statements.

Consumer receivables from exchange transactions

11. The municipality did not recognise interest earned consumer receivables from exchange transactions in accordance with GRAP 104, Financial instruments, as the municipality did not charge interest on some arrear accounts. I was unable to determine the full extent of the understatement of interest earned on outstanding debtors included in revenue from exchange transactions and consumer receivables from exchange transactions for the current and previous year, as it was impracticable to do so. Additionally, there was an impact on the deficit for the period and on the accumulated surplus.

12. I was unable to obtain sufficient appropriate audit evidence for electricity, water, sewer, included in consumer receivables from exchange transactions, as the municipality did not implement adequate systems to reconcile the debtor's listing to the general ledger. Additionally, I was unable to obtain sufficient appropriate audit evidence for the restatement of the opening balance. I was unable to confirm consumer receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the receivables from exchange transactions stated at R 7 608 090 (2024: 3 217 730), in note 7 to the financial statements.

13. During 2024, the municipality recognised items that did not meet the definition of receivables in accordance with GRAP 104, Financial Instruments. Consumer receivables included inactive accounts that could not be verified. Consequently, the gross balance of consumer receivables from exchange transactions was overstated by R 3 217 730. There was a resultant impact on the provision for debt impairment and on the accumulated surplus.

14. During 2024, I was unable to obtain sufficient appropriate audit evidence for the allowance for impairment due to the status of the accounting records. Assumptions used in the calculation of allowance for impairment could not be supported. I was unable to confirm the allowance for impairment by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the allowance for impairment stated at R62 687 952 in note 7 to the financial statements. In addition, the municipality did not recognise allowance for impairment of consumer debtors in accordance with the Standards of GRAP 104, Financial Instruments. Incorrect impairment rate was used in calculating the impairment provision for the different classifications for long outstanding debtors was applied. Consequently, the provision for impairment included in an overstatement of receivables from exchange transactions by R5 418 578 and an understatement of consumer receivables from exchange transactions understated by R5 418 578.

Finance lease obligation

15. I was unable to obtain sufficient appropriate audit evidence for finance lease obligation due to the status of accounting records, lack of proper record keeping and reconciliation of control accounts by the municipality. Additionally, I was unable to obtain sufficient appropriate audit evidence for the restatement of the opening balance. I was unable to confirm the finance lease obligations by alternative means. Consequently, I was unable to determine whether any further

adjustments were necessary to finance lease obligations stated at R 1 400 000 (2024: R 8 915 943) in the financial statements.

16. During 2024, the municipality did not recognise finance lease obligation in accordance with GRAP 13, *Leases*. Finance leases were incorrectly classified as trade payables. This resulted in an overstatement of finance lease obligation of R7 669 197 and general expenditure of R1 500 000 and an understatement of other payables by R6 169 197.

Payables from exchange transactions

17. I was unable to obtain sufficient appropriate audit evidence for trade payables and retentions payable included in payables from exchange transactions due to the status of accounting records, lack of proper record keeping and reconciliation of control accounts by the municipality. Additionally, I was unable to obtain sufficient appropriate audit evidence for the restatement of the opening balance.to trade payables. I was unable to confirm the trade payables and retentions accounts by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to trade payables at R 32 618 110(2024: 70 373 630) and retentions payable stated at R 2 053 513 in note 13 to the financial statements.

Accruals and other liabilities

18. I was unable to obtain sufficient appropriate audit evidence for leave accruals and suspense accounts, other liabilities accounts included in payables from exchange transactions due to the status of accounting records, lack of proper record keeping and reconciliation of control accounts by the municipality. I was unable to confirm the accrued leave pay and suspense accounts by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to accrued leave pay stated at R 3 791 381 (2024: 3 315 733), suspense accounts stated at 30 373 273 (2024: R 9 277 340) and other liabilities stated at 22 682 426 (2024: 18 064 991) respectively in note 13 to the financial statements.

Revenue from non-exchange transactions

19. I was unable to obtain sufficient appropriate audit evidence for availability charges due to the status of accounting records, lack of proper record keeping and reconciliation of control accounts by the municipality. I was unable to confirm the availability charges by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to availability charges stated at R 5 072 215 in the financial statements.

20. I was unable to obtain sufficient appropriate audit evidence for operating grants (INEP Grant) included in government grants and subsidies due to the status of accounting records, lack of proper record keeping and reconciliation of control accounts by the municipality. I was unable to confirm the operating grants (INEP Grant) by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to operating grants (INEP Grant) stated at R 4 389 518 in the financial statements.

21. The municipality did not have adequate systems in place to account for Government grants and subsidies in accordance with GRAP 23, Revenue from non-exchange transactions. INEP

grant was recorded as operational grant instead of capital grant. This resulted in an overstatement of operational grants and understatement of capital grants by R 4 389 518.

22. In addition, I was unable to obtain sufficient appropriate audit evidence regarding Government grants and subsidies , which had a material cumulative effect on Government grants and subsidies assets:

- MIG capital grant - R278 711.59 as included in the total of R23 340 322
- WSIG capital grant – R1068 266.34 as included in the total of R10 851 706
- INEP operational grant – R711 173.15 as included in the total of R4 389 518

23. During 2024; the municipality did not have adequate systems in place to account for income forgone on property rates in accordance with GRAP 23, Revenue from non-exchange transactions, which resulted in an understatement of revenue forgone of R2 310 906, understatement of and small holdings is overstated by R1 823 978 and farms revenue, residential being understated by R486 928.

Revenue from exchange transactions

24. I was unable to obtain sufficient appropriate audit evidence for the sale of electricity, as the municipality did not implement adequate systems to reconcile the billing report schedules to the general ledger. I was unable to confirm the sale of electricity charged by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the sale of electricity, stated at R 7 492 369 in note 18 to the financial statements.

25. The municipality did not recognise all revenue from exchange transactions relating to water in accordance with GRAP 9, Revenue from exchange transactions. The municipality did not bill for all services rendered to consumers. I was unable to determine the full extent of the understatement of water included in service charges in the current and prior year, as it was impracticable to do so. Consequently, I was unable to determine whether any further adjustments were necessary to water stated at R 6 338 707 (2024: 3 691 229) in note 18 of the financial statements. In addition, there was a resultant impact on the surplus for the period, receivables from exchange transactions and VAT payable.

26. During 2024; I was unable to obtain sufficient appropriate audit evidence for refuse removal, as the municipality did not maintain accurate and complete records for refuse removal. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to refuse removal stated at R2 266 102 in note 18 of the financial statements.

27. During 2024, Service charges was materially misstated by R2 031 919 due to the cumulative effect of individually immaterial uncorrected misstatements in service charges:

- Sale of electricity stated at R5 507 537 as disclosed in note 18 was overstated by R471 649
- Sale of sewerage and sanitation charges stated at R4 725 692 as disclosed in note 18 was understated by R108 695

- Revenue forgone stated at R4 304 689 as disclosed in note 18 was overstated by R554 049

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

Sale of electricity of R1 114 896 as included in the total of R5 507 537

Interest - Taxation revenue

28. I was unable to obtain sufficient appropriate audit evidence for Interest - Taxation revenue due to the status of accounting records, lack of proper record keeping and reconciliation of control accounts by the municipality. I was unable to confirm the Interest - Taxation revenue by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to Interest - Taxation revenue stated at R 6 630 817 in the financial statements.

General expenses

29. I was unable to obtain sufficient appropriate audit evidence for telephone and fax and repairs and maintenance, 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 could not reconcile the transactions to the financial statements. In addition, adequate systems of internal controls to keep record of journals were not in place. As a result, I was unable to confirm the expenses by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to telephone and fax and repairs and maintenance fees stated at R2 936 896 and R6 279 289; in note 33 to the financial statements.

30. I was also unable to obtain sufficient appropriate audit evidence for telephone and fax, and repairs and maintenance 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 could not reconcile the transactions to the financial statements. In addition, adequate systems of internal controls to keep record of journals were not in place. As a result, I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to telephone and fax and repairs and maintenance stated at R2 936 896; R6 279 289; in note 33 to the financial statements respectively.

31. I was also unable to obtain sufficient appropriate audit evidence for consulting and professional fees 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 could not reconcile the transactions to the financial statements. In addition, adequate systems of internal controls to keep record of journals were not in place. I could not confirm consulting and professional fees by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to consulting and professional fees stated at ; R 6 092 758 (2024: R 1 815 045) in note 33 to the financial statements.

32. The municipality did not have adequate systems to account for repairs and maintenance in accordance with GRAP 1, *Presentation of financial statements*, as items of infrastructure assets (work in progress) were incorrectly recorded as repairs and maintenance. This resulted

in repairs and maintenance expenses overstated and work in progress understated by R4 981 161. Additionally, there was an impact on the deficit for the period.

33. The municipality did not have adequate systems to account for landfill provision expense in accordance with GRAP 19, *Provisions, contingent liabilities and contingent assets*. The municipality was not consistent in the application of inputs and assumptions from the prior year provision liability to current year. The movement from prior year provision liability to current year provision liability was incorrect. This resulted in landfill provision expense being understated and infrastructure included under property plant and equipment being understated by R 20 600 958. Additionally, there was an impact on the deficit for the period.

34. The municipality did not have adequate systems to account for all general expenses in accordance with GRAP 1, Presentation of financial statements, as not all general expenses were recorded. This resulted in general expenses and payables from exchange transactions being understated by R1 304 193,13 (2024: R8 612 420). Additionally, there was an impact on the deficit for the period.

Total expenditure

35. During 2024, total expenditure was materially misstated by R4 041 704 due to the cumulative effect of individually immaterial uncorrected misstatements in expenditure:

- Employee related costs- Basic stated at R19 672 778 was overstated by R422 509
- Employee related costs- Housing allowance stated at R1 211 256 was overstated by R1 211 256
- Bulk purchases - Electricity- Eskom stated at R14 252 584 was overstated by R302 598
- Bulk purchases – Water stated at R540 435 was overstated by R540 435
- Auditors' remuneration stated at R5 622 357 was understated by R300 000
- General expenses - Travel- local stated at R538 042 was understated by R33 560
- Employee costs stated at R30 175 598 was understated by R535 547

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

- General expenses- Bank charges R14 663 as included in the total of R81 879
- General expenses – Chemicals R29 436 as included in the total of R69 963
- General expenses- Fuel and oil R553 606 as included in the total of R553 606
- General expenses- Hire R146 453 as included in the total of R146 453
- General expenses - Telephone and fax R293 539 as included in the total of R425 838
- General expenses - Printing and stationery R120 694 as included in the total of R251 497

- General expenses - Motor vehicle expenses R204 527 as included in the total of R204 527.

Total employee related cost

36. Total employee related cost was materially misstated by R1 849 827 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Housing benefits and allowances stated at R1 247 925 as disclosed in note 26 overstated by R737 770.47

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

- Basic salary - R841 841.19 as included in the total of R23 429 554
- Bonus expense stated at - R205 368.12 as included in the total of R2 324 671
- Leave pay provision stated - R57 847.22 not included in the note in the AFS.

Debt impairment

37. I was unable to obtain sufficient appropriate audit evidence for debt impairment, as the municipality did not implement adequate systems to reconcile the billing report schedules to the general ledger. I was unable to confirm the debt impairment by alternative means. In addition, properties owned by the municipality were considered for impairment. Consequently, I was unable to determine whether any adjustments were necessary to debt impairment stated at R 28 643 405 in note 31 to the financial statements.

Finance costs

38. During 2024, the municipality did not have adequate systems to account for all finance costs in accordance with GRAP 1, Presentation of financial statements, as the municipality did not account for finance cost charged by the pension funds. This resulted in finance costs and payables from exchange transactions being understated in the current and previous year. I was unable to determine the full extent of the misstatement as it was impractical to so do. Additionally, there was an impact on the deficit for the period.

Lease rentals on operating leases

39. The municipality did not recognise lease rentals on operating leases in accordance with GRAP 1 Presentation of financial statements. finance lease payments were included in lease rentals on operating leases. Consequently, lease rentals on operating lease was overstated by R4 836 681 and other creditors was overstated by RR4 836 681.

Total current liabilities

40. Total current assets was materially misstated by R 1 991 678,45 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Consumer deposits stated at R1 114 123 as disclosed in note 14 overstated by R319 556

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

- 13th cheque - R834 048 as included in the balance of R834 048
- VAT Payable/Receivable - R838 074,45 as included in the balance of R19 723 962.

Change in estimate

41. During 2024, the municipality did not disclose change in estimate in accordance with GRAP 3, Accounting policies, Changes in Accounting Estimates And Errors Financial Instruments. The effects of the change in estimate as a result of an increase in the provision of landfill sites were presented as a disposal of infrastructure assets in note 10 to the financial statements. As a result, the required disclosures for change in estimates were not included in the financial statements. I have not included the omitted information in the auditor's report for the current year as it was impracticable to do so

Financial instruments disclosure

42. The municipality did not disclose financial instruments in accordance with GRAP 104, Financial Instruments. Finance lease obligation was presented in an incorrect amount, trade and other payables and consumer deposits were omitted from the disclosure note in the current and prior year. In addition, the municipality incorrectly included statutory receivables from non-exchange transactions which are scoped out from GRAP 104 requirements.

43. The municipality did not disclose financial instruments in accordance with GRAP 104, *Financial Instruments*. The municipality included salary control accounts which are scoped out from GRAP 104 requirements in the current and prior year.

Risk management

44. The municipality did not disclose risk management amounts as required by GRAP 104 Financial Instruments, items not meeting the definition of financial instruments were included in the credit risk included in the risk management disclosure note. Consequently, the Credit risk disclosed in note 41 to the annual financial statements was overstated by R 19 723 962 (2024: R10 580 657)

Commitments

45. The municipality did not have adequate systems in place to account for commitments in accordance with GRAP 1, Presentation of financial statements as the municipality incorrectly included completed projects in the commitments register and multiple errors were identified on the total payments made on projects. Consequently, the commitments disclosed in note 38 to the annual financial statements were overstated by R 7 047 896,53.

Cash received from operations

46. Cash paid to suppliers was incorrectly calculated due to differences in amounts in compensation and payment of suppliers, which constitutes a departure from IAS 7, Statement of Cash Flows. Consequently, cash paid to suppliers and employees was understated by R4 392 430 in the financial statements.

Statement of Comparison of Budget and Actual Amounts

47. The municipality did not disclose the statement of comparison of budget and actual amounts as required by GRAP 24, presentation of budget information in financial statements in the current and prior year. The explanations for material variances were not disclosed. In addition, the comparison between the budgeted and the actual cash flow amounts were not disclosed. The budget amounts used did not agree to the approved budget. I was not able to determine the full extent of the errors and omissions in the statement of comparison of budget and actual amounts as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to the statement of comparison of budget and actual amounts in the financial statements was necessary.

Distribution losses

48. I was unable to obtain sufficient appropriate audit evidence for the water and electricity distribution losses incurred during the year under review due to the poor status of the accounting records. I could not confirm the balance by alternative means. Consequently, I was unable to determine whether any adjustments relating to water distribution losses of R8 353 635 and electricity distribution losses of 2 142 307 (2024: R 12 790 443) as disclosed in note 48 to the financial statements were necessary.

Unauthorised expenditure

49. I was unable to obtain sufficient appropriate audit evidence for the unauthorised expenditure incurred during the year under review due to the poor status of the accounting records. I could not confirm the balance by alternative means. Furthermore, the municipality did not disclose the unauthorised expenditure incurred in the current year in note 44 to the financial statements, as required by section 125(2)(d) of the MFMA. Consequently, I was unable to determine whether any adjustment was necessary to unauthorised expenditure stated at R346 474 432 (2024: R311 800 434) in note 44 to the financial statements.

Fruitless and wasteful expenditure

50. I was unable to obtain sufficient appropriate audit evidence for the fruitless and wasteful expenditure incurred during the year under review due to the poor status of the accounting records. I was unable to confirm the fruitless and wasteful expenditure by alternative means. In addition, the municipality did not include all the fruitless and wasteful expenditure incurred. Consequently, I was unable to determine whether any adjustment was necessary to the fruitless and wasteful stated at R30 595 446 (2024: R18 907 260) in note 45 to the financial statements.

Irregular expenditure

51. I was unable to obtain sufficient appropriate audit evidence for irregular expenditure, as the municipality did not maintain accurate and complete records of the information used to determine irregular expenditure. I was unable to confirm irregular expenditure by alternative means. In addition, the municipality did not include all irregular expenditure incurred in contravention of supply chain management (SCM) requirements, which was not disclosed.

Consequently, I was unable to determine whether any adjustment was necessary to irregular expenditure stated at R47 017 232 (2024: R30 034 558) in note 46 to the financial statements.

Prior period error

52. I was unable to obtain sufficient appropriate audit evidence that management has properly disclosed all adjustments made to correct trade payables and suspense accounts and consumer receivables in the prior period error note, due to the status of the accounting records and non-submission of information in support of these adjustments. I was unable to confirm the disclosure by alternative means. Consequently, I was unable to confirm whether any adjustments to prior period errors were necessary in note 40 to the financial statements. In addition, the municipality did not have adequate systems to account for prior period error in accordance with GRAP 3, *Accounting Policies, Changes in Accounting Estimates and Errors*, as management made an assessment and decision that reportable segments are not applicable. This correction was not included in the prior period error note 40 in the financial statements.

Going concern

53. Material uncertainties relating to going concern were not disclosed in accordance with GRAP 1, Presentation of Financial Statements. The financial statements do not indicate the possible effect that the uncertainties may have on current and future reporting periods or management's plans to address the uncertainties and actions to mitigate the effect of the events or conditions giving rise to the material uncertainties Details of these conditions, which also indicate that material uncertainties exist that may cast doubt on the municipality's ability to continue as a going concern, have not been adequately disclosed in note 42 to the financial statements.

Context for opinion

54. 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.

55. 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.

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

Emphasis of matter

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

58. As disclosed in note 16 to the annual financial statements, the municipality materially underspent the on the municipal infrastructure grant by R 12 586 678 and the water service infrastructure grant by R 3 819 686 respectively.

Other matter

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

60. 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

61. 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.

62. 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

63. 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.

64. 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

65. 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 selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

66. I selected the following material performance indicators related to basic service delivery: 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

- KPI 1-Number of households provided with clean piped water by 30 June 2025
- KPI 1.1-Number of Water Quality Assurance reports for the provision of clean piped water by 30 June 2025
- KPI 2 - Number of households provided with electricity prepaid and credit by 30 June 2025
- KPI 3 - Number of households provided with access to Basic Sanitation service by 30 June 2024
- KPI4 - Number of households provided with weekly solid waste removal services in Renosterberg Local Municipality by 30 June 2024
- KPI5 -Number of Indigents provided with Free basic water in terms of equitable share requirements (06KL per indigent household) by 30 June 2024
- KPI6 -Number of Indigents provided with Free basic electricity in terms of the equitable share requirements (Free 50kw basic electricity per indigent household) by June 2022
- KPI7 - Number of Indigents provided with Free basic sanitation services per indigent household by 30 June 2024
- KPI8- Number of Indigents provided with Free weekly solid waste removal services in Danielskuil and Lime Acres per indigent household by 30 June 2022
- KPI9 -Number of Indigent water meters installed by 30 June 2025
- KPI 10 -Number of new households connected to existing sewer network by 30 June 2025 (WSIG Programme)
- KPI11- Number of households provided with new electrical connections (INEP Programme) by 30 June 2025
- KPI 12- Completion for Upgrading of Water Distribution network in Philipstown in percentage by 30 June 2025 (MIG Programme)
- KPI13 - Completion for the Construction of the Bulk Water Supply in Petrusville in percentage by 30 June 2025 (MIG Programme)
- KPI14 - Length of internal roads in km rehabilitated by 30 June 2025
- KPI 15 -Percentage completion for repairs and refurbishment of municipal facilities by 30 June 2025 (EPWP Programme)
- KPI 16- Number of landfill sites licensed by 30 June 2025

67. I was engaged to evaluate the reported performance information for the selected material performance indicators relating to basic service delivery: service delivery and infrastructure development against the criteria developed from the performance management and reporting framework, as defined in the general notice. An annual performance report prepared using these criteria provides useful and reliable information and insights to users of the report on the

municipality's planning and delivery on its mandate and planned objectives. My objective was to perform procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

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

Various indicators

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

Key service delivery indicator	Planned target	Reported achievement
KPI 1 Number of households provided with clean piped water by 30 June 2025	3045 households	779 households provided with clean piped water
KPI 1.1 Number of Water Quality Assurance reports for the provision of clean piped water by 30 June 2025	12 Monthly lab results	10 monthly water samples submitted for testing
KPI 2 Number of households provided with electricity prepaid and credit by 30 June 2025	1100 households	848 households provided with electricity prepaid and credit
KPI 3 Number of households provided with access to Basic Sanitation service by 30 June 2024	3017 Households	1453 households provided with basic sanitation services
KPI 4 Number of households provided with weekly solid waste removal services in Renosterberg Local Municipality by 30 June 2024	3017 Households	1546 households provided with weekly waste removal
KPI 5 Number of Indigents provided with Free basic water in terms of equitable share requirements (06KL per indigent household) by 30 June 2024	1500	607 indigent households provided with Free Basic Water
KPI 6 Number of Indigents provided with Free basic electricity in terms of the equitable	1500	241 indigent households provided with Free Basic Electricity

share requirements (Free 50kw basic electricity per indigent household) by June 2022		
KPI 7 Number of Indigents provided with Free basic sanitation services per indigent household by 30 June 2024	1500	720 indigent households provided with Free Basic Sanitation
KPI 8 Number of Indigents provided with Free weekly solid waste removal services in Danielskuil and Lime Acres per indigent household by 30 June 2022	1500	712 indigent households provided with Free Solid Waste Removal
KPI 9 Number of Indigent water meters installed by 30 June 2025	2000	0
KPI 10 Number of new households connected to existing sewer network by 30 June 2025 (WSIG Programme)	-	Number of new households connected to existing sewer network
KPI 11 Number of households provided with new electrical connections (INEP Programme) by 30 June 2025	78	136 households provided with new electrical connections +58 (Overachievement)
KPI 12 Completion for Upgrading of Water Distribution network in Philipstown in percentage by 30 June 2025 (MIG Programme)	60%	100% Water Distribution Network upgraded +40 (Overachievement)
KPI 13 Completion for the Construction of the Bulk Water Supply in Petrusville in percentage by 30 June 2025 (MIG Programme)	30%	100% +70 (Overachievement)
KPI 14 Length of internal roads in km rehabilitated by 30 June 2025	20 kilometers	0 kilometres rehabilitated
KPI 15	Completion Certificate 50% of construction	50% completed

Percentage completion for repairs and refurbishment of municipal facilities by 30 June 2025 (EPWP Programme)		
KPI 16 Number of landfill sites licensed by 30 June 2025	2	0 landfill site licensed

Other matter

70. I draw attention to the matter below.

Achievement of planned targets

71. 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.

72. The table that follow 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.

Basic Service delivery: Service Delivery and Infrastructure Development

Targets achieved: 29%		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
KPI 1 Number of households provided with clean piped water by 30 June 2025	3045 households	779 households provided with clean piped water
KPI 1.1 Number of Water Quality Assurance reports for the provision of clean piped water by 30 June 2025	12 Monthly lab results	10 monthly water samples submitted for testing
KPI 2 Number of households provided with electricity prepaid and credit by 30 June 2025	1100 households	848 households provided with electricity prepaid and credit
KPI 3 Number of households provided with access to Basic Sanitation service by 30 June 2024	3017 Households	1453 households provided with basic sanitation services
KPI 4 Number of households provided with weekly solid waste removal services in Renosterberg Local Municipality by 30 June 2024	3017 Households	1546 households provided with weekly waste removal

KPI 5 Number of Indigents provided with Free basic water in terms of equitable share requirements (06KL per indigent household) by 30 June 2024	1500	607 indigent households provided with Free Basic Water
KPI 6 Number of Indigents provided with Free basic electricity in terms of the equitable share requirements (Free 50kw basic electricity per indigent household) by June 2022	1500	241 indigent households provided with Free Basic Electricity
KPI 7 Number of Indigents provided with Free basic sanitation services per indigent household by 30 June 2024	1500	720 indigent households provided with Free Basic Sanitation
KPI 8 Number of Indigents provided with Free weekly solid waste removal services in Danielskuil and Lime Acres per indigent household by 30 June 2022	1500	712 indigent households provided with Free Solid Waste Removal
KPI 9 Number of Indigent water meters installed by 30 June 2025	2000	0
KPI 14 Length of internal roads in km rehabilitated by 30 June 2025	20 kilometers	0 kilometres rehabilitated
KPI 16 Number of landfill sites licensed by 30 June 2025	2	0 landfill site licensed

Material misstatements

73. 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: Service Delivery and Infrastructure Development.

Report on compliance with legislation

74. 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.

75. 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.

76. 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.

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

77. 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 and revenue 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 qualified audit opinion.

78. The 2023/24 annual report was not tabled in the municipal council after the end of the financial year, as required by section 127(2) of the MFMA.

Asset management

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

80. 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(s) 14(2)(a) and 14(2)(b) of the MFMA.

Consequence management

81. 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.

82. Irregular expenditure and 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.

83. Some of the losses resulting from irregular expenditure were written-off as irrecoverable without being certified by council as irrecoverable, in contravention of section 32(2)(b) of the MFMA.

84. Some of the losses resulting from irregular expenditure were certified council as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(b) of the MFMA.

Expenditure management

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

86. An adequate management, accounting and information system was not in place which recognised expenditure when it was incurred, accounted for creditors and accounted for payments made, as required by section 65(2)(b) of the MFMA.

87. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph.

88. 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.

89. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the unauthorised expenditure incurred as indicated in the basis for qualification paragraph.

Procurement and contract management

90. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1)(a) and (c).

91. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM Regulation 19(a). Similar non-compliance was also reported in the prior year. This non-compliance was identified in the procurement processes for the (name of key project).

92. Some of the contracts were awarded to bidders based on points given for legislative requirement that differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a)(i) and the Preferential Procurement Regulations. Similar non-compliance was also reported in the prior year. This non-compliance was identified in the procurement processes for the (electrification of plakkerskamp informal settlements in petrusville and compilation of the annual financial statements).

93. The preference point system was not applied some of the procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.

94. 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.This limitation was identified in the procurement processes for the (Philipstown: Upgrading of water supply and distribution network - Phase 2).

Revenue management

95. An adequate management, accounting and information system which accounts for revenue and debtors of revenue was not in place, as required by section 64(2)(e)(i)(ii) of the MFMA.

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

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

98. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

Strategic planning and performance management

99. The local community was not consulted on the implementation of the IDP, as required by municipal planning and performance regulation 15(1)(a)(i).

100. The IDP was not drafted considering the integrated development process and proposals submitted to it by the district municipality, as required by section 29(3)(b) of the MSA.

101. 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.

102. 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).

103. A performance management system was not established, as required by section 38(a) of the MSA.

Human resources management

104. I was unable to obtain sufficient appropriate audit evidence that the auditee conducted reference checks and personal credential verification for newly appointed staff members, as required by regulation 19 of the Municipal Staff Regulations.

105. 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.

106. 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.

Governance and oversight

107. The Internal Audit unit was not established, as required by section 165(1) of the MFM.

108. The audit committee did not review the annual financial statements to provide the council with an authoritative and credible view of the financial position of the auditee, its efficiency and effectiveness and its overall level of compliance with the relevant applicable legislation , as required by section 166(2)(b) of the MFMA.

Other information in the annual report

109. 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 objectives presented in the annual performance report that have been specifically reported on in this auditor's report.

110. 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.

111. 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.

112. 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

113. 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.

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

115. The municipality's leadership did not exercise adequate oversight over financial and performance reporting, compliance monitoring and related internal controls. Policies and procedures did not adequately guide financial, performance and compliance activities and consequence management measures were not fully implemented.

116. Management's internal controls and processes over the preparation and presentation of financial statements, performance reports and compliance monitoring were not able to ensure that the reports were free from material misstatements and that material deviations from legislation did not occur. Financial statements were submitted without complete and accurate underlying records for some financial statement line items and management did not adequately ensure the collection, collation, verification, storing and reporting of actual performance information.

117. The municipality did not conduct a risk assessment, an audit committee was not established during the year under review and the internal audit unit was not functioning, as a result there was no proper oversight and monitoring of internal controls to prevent and detect misstatements in the financial statements, and to ensure compliance with legislation and prepare annual performance report.

Material irregularities

118. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report..

Material irregularities in progress

119. I identified another material irregularity during the audit and notified the accounting officer, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the accounting officer was not yet due. This material irregularity will be included in next year's auditor's report.

Status of previously reported material irregularities

Annual performance report not prepared for the 2022/23 financial year

120. The municipality did not prepare an annual performance report for the year ended 30 June 2023. The municipality had not been preparing Annual Performance Reports for the past seven (7) year. The failure to prepare an annual performance report results in a non-compliance with section 46(1)(a) of the Municipal Systems Act, 32 of 2000 and section 121(3)(c) of the MFMA.

121. The non-compliance is likely to result in substantial harm to the municipality. The lack of an annual performance report causes harm to the operations of the municipality and the ability of the municipality and the extended accountability ecosystem to execute their management, accountability, oversight and governance functions. The disruption to the operations of the municipality, renders it unable to properly plan, budget, report and monitor the performance and actual delivery of basic services and other functions at management, council, district, provincial, national and executive level.

122. The accounting officer was notified of the material irregularity on 15 April 2024 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded to the notification committing to develop an action plan however this action plan was not provided.

123. I notified the accounting officer on 30 November 2024 of the following recommendations, which should have been implemented by 30 June 2025:

a) The non-compliance with Municipal Systems Act, section 46 and MFMA, section 121(3)(c) should be investigated to determine the reasons and circumstances that led to the non-compliance for the purpose of taking appropriate corrective actions and to enhance control weaknesses.

b) Based on the reasons and circumstances, appropriate actions should be taken to develop and commence with the implementation of an action plan to ensure that an annual performance report for the municipality is prepared as required by Municipal Systems Act, section 46. The plan should include anticipated timeframes and address the following key areas as a minimum:

- Development and implementation of documented processes for identifying, collecting, collating, verifying and storing of information including the roles of different role-players.

- Development and implementation of documentation on performance measurement processes and systems including definitions and technical standards (technical indicator descriptions) for all the information collected by the municipality as part of each annual planning or mid-year review cycle.
- Maintaining adequate and complete records of the performance measurement, monitoring, reporting, and review processes for each of the planned key performance indicators.
- Ensuring that the performance management unit is sufficiently staffed and capacitated to manage the performance information of the municipality.

c) The accounting officer was required to provide a progress report on 31 March 2025. The accounting officer failed to submit a progress report and substantiating documentation on the implementation of recommendations despite multiple reminder notifications being issued.

d) The accounting officer failed to submit a final written response and substantiating documentation on the implementation of recommendations on 30 June 2025, despite multiple reminder notifications being issued.

e) Considering the failure of the accounting officer to submit a final response and substantiating documentation on the implementation of recommendations, I concluded that the accounting officer had failed to implement the recommendations and to address the material irregularity appropriately.

124. I notified the accounting officer on 27 November 2025 of the following remedial actions to address the MI, which must be implemented by 27 March 2026 :

a) The non-compliance with Municipal Systems Act, section 46 and MFMA, section 121(3)(c) must be investigated to determine the reasons and circumstances that led to the non-compliance for the purpose of taking appropriate corrective actions and to address control weaknesses.

b) Based on the reasons and circumstances, appropriate actions must be taken to develop and commence with the implementation of an action plan to ensure that annual performance reports for the municipality are prepared. The plan must include anticipated timeframes and address the following key areas as a minimum:

- Development and implementation of documented processes for identifying, collecting, collating, verifying and storing of information including the roles of different role-players.
- Development and implementation of documentation on performance measurement processes and systems including definitions and technical standards (technical indicator descriptions) for all the information collected by the municipality as part of each annual planning or mid-year review cycle.
- Maintaining adequate and complete records of the performance measurement, monitoring, reporting, and review processes for each of the planned key performance indicators.
- Ensuring that the performance management unit is sufficiently staffed and capacitated to manage the performance information of the municipality.

f) I will follow up on the implementation of remedial action at the stipulated due date.

Interest not charged on arrear accounts

125. The municipality did not charge interest during the financial years ended 30 June 2022 and 30 June 2023 on all receivables from exchange transactions and receivables from non-exchange transactions with outstanding balances for a period of more than 30 days. This resulted in a non-compliance with section 64(1) of the MFMA read with section 64(2)(g) of the MFMA.

126. The non-compliance was likely to result in a material financial loss for the municipality if not recovered, as revenue that should have accrued to the municipality was not billed to the consumer accounts in accordance with the approved tariffs.

127. The accounting officer was notified of the material irregularity on 29 November 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded to the notification indicating that steps would be taken to quantify the financial loss for the past two financial years and to make a recommendation to council on the recovery thereof. In addition, the municipality will start charging interest on the account that are in arrears from 1 July 2024.

128. When a follow up was made in August 2025, it was found that interest has not been charged retrospectively for the financial years ending 30 June 2022 and 30 June 2024, as council resolved to exempt charging interest until 1 July 2024. However the municipality started charging interest from 1 July 2024.

129. I considered the accounting officer's representations and substantiating documentation provided and concluded that appropriate action has been taken to address the material irregularity and the MI is resolved.

Overpayment of employees' remuneration

130. I noted that there were employees' salaries that were not in accordance with the approved salary scales based on employment contract details and the positions they occupy at the municipality.

131. The municipality failed to ensure that reasonable steps were taken to maintain an effective system of expenditure control including procedures for payments of funds when it comes to employee-related costs, as required by sections 65(1) and 65(2)(a) of the MFMA.

132. The non-compliance resulted in a material financial loss of R1 125 068 by 30 June 2023 for the municipality.

133. The accounting officer was notified of the material irregularity on 29 November 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter. A written submission was received from the acting accounting officer on 7 March 2024. The acting accounting officer responded by stating that his contract started on 1 July 2022 and is set to come to an end on 31 March 2024. He inherited this matter and cannot decrease the salaries of employees.

134. I concluded that the accounting officer is not taking appropriate actions to address the material irregularity.

135. I notified the accounting officer on 30 November 2024 of the following recommendations, which should have been implemented by 30 June 2025:

a) The non-compliance should be investigated to determine if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

b) The financial loss should be quantified and all person(s) liable for the losses should be identified and appropriate action should commence to recover the financial loss. The recovery process should not be unduly delayed;

c) Reasonable steps should be taken to implement expenditure controls, as required by section 65(2)(a) of the MFMA, to prevent overpayments on salaries

d) Disciplinary proceedings should commence, without undue delay, against all officials who have allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings;

e) If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer must report the allegation to the municipal council, the Provincial Treasury and the National Treasury as required by Regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings;

f) If it appears that the municipality suffered the financial loss through criminal acts or possible criminal acts or omission, this must be reported to the South African Police Service, as required by section 32(6) of the MFMA.

136. The accounting officer was required to provide a progress report on 31 March 2025. On 1 April 2025 the accounting officer submitted the progress report (dated 31 March 2025) and substantiating documentation on the implementation of recommendations. As part of the submission the accounting officer requested an extension to submit a final progress report by 15 April 2025. I duly assessed the preliminary progress report and decided to grant the extension. I provided feedback on 8 April 2025 to the accounting officer on the shortcomings that had to be addressed in the final progress report. The final progress report was not received on 15 April 2025.

137. A final written response and substantiating documentation was not received at 30 June 2025 and after a follow-up on the outstanding response, the accounting officer submitted a final written response with substantiating documentation on 4 July 2025 on the implementation of recommendations. I duly considered the representations made and substantiating documentation provided by the accounting officer and have concluded that, while the accounting officer has demonstrated commitment to address the material irregularity, appropriate actions were not taken to adequately implement the recommendations and to address the material irregularity.

138. I issued a directive to the accounting officer on 26 November 2025 to determine the amount of the financial loss and recover such loss, or make progress with the recovery of the loss, from the responsible person(s) by 27 March 2026. In addition, I notified the accounting officer of the following remedial actions to address the material irregularity, which must be implemented by the same date, with progress reports after two (2) months:

a) The non-compliance must be investigated to determine if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

b) The financial loss must be quantified and all person(s) liable for the losses should be identified and appropriate action must commence to recover the financial loss. The recovery process must not be unduly delayed.

c) Reasonable steps must be taken to implement expenditure controls, as required by section 65(2)(a) of the MFMA, to prevent overpayments on salaries.

d) Disciplinary proceedings must commence, without undue delay, against all officials who have allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

e) If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer must report the allegation to the municipal council, the Provincial Treasury and the National Treasury as required by Regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

f) If it appears that the municipality suffered a financial loss through criminal acts or possible criminal acts or omission, this must be reported to the South African Police Service, as required by section 32(6) of the MFMA.

139. I will follow up on the implementation of the remedial action at the stipulated due date.

Pension fund contributions of employees not paid over to the pension funds

140. The municipality did not pay employee's pension fund contributions over to the Cape Joint Retirement Fund (CRF) and the South African Municipal Workers Retirement Fund (MWRF) within the prescribed period as required by section 13A(3)(a)(ii) of the Pension Funds Act, 24 of 1956.

141. The non-compliance is likely to result in harm to these employees as it negatively impacts the livelihood of the current employees, retired employees, as well as family members of deceased employees. This is due to retired employees, already not receiving their full pension income although all deductions were made from their salaries while employed, families of deceased employees that will not receive full benefits from this investment during the life of the employee and current employees, knowing that they may not receive full pension income with limited financial planning or ability to make alternative arrangements as the entity still deducts the monthly contributions from their salaries.

142. The accounting officer was notified of the material irregularity on 29 November 2024 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded to the notification on 28 January 2025, providing a detailed action plan which included amongst others entering into payment arrangements with the pension funds, implementing a revenue enhancement strategy, long-term financial recovery plan and performing a root cause analysis and investigation.

143. When a follow-up was made in August 2025, I confirmed that limited progress had been made with the planned actions. I concluded that the accounting officer is not taking appropriation to address the MI.

144. I notified the accounting officer on 30 November 2025 of the following recommendations, which should be implemented by 30 April 2026:

a) Appropriate action should be taken to develop and commence with implementation of an action plan to settle non-payment of pension fund contributions within the prescribed timeframes, as required by section 13A(3)(a)(ii) of the Pension Funds Act. The plan should include anticipated timeframes and address the following key areas as a minimum:

- Negotiate a reasonable payment agreement with all relevant pension funds to settle the arrears of contributions not remitted with interest.

- Develop and implement reasonable processes to ensure that the municipality remits monthly employee pension fund contributions to the relevant pension fund within the legislated timeframes.

145. I will follow-up on the implementation of the recommendations at the stipulated due date.

Other reports

146. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

147. The Directorate for Priority Crime Investigation (Hawks) are investigating allegations of fraud and corruption. These proceedings were in progress at the date of this report.

Auditor General

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 objectives 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)
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)

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), 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)