

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

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Kai !Garib Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information 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 Kai !Garib Local Municipality as at 30 June 2024, 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 5 of 2023 (Dora).

Basis for qualified opinion

Contracted services

3. The municipality did not account for contracted services, in accordance with GRAP1, *presentation of financial statements*, as the municipality did not recognise transactions in the period in which they occurred as required by the standard, and incorrectly classified transactions that did not meet the classification criteria for contracted services. In addition, I was unable to confirm receipt of goods and services for contracted services as the municipality did not implement adequate controls to acknowledge receipt of goods and services. I was unable to determine the full extent of the overstatement of contracted services, stated at R71 175 607 in note 36 to the financial statements and related trade payables stated at R438 861 340 in note 19 to the financial statements as it was impractical to do so. There was a resultant impact on the surplus for the year and accumulated surplus.
4. Contracted services were not recognised as required by GRAP1, *presentation of financial statements*, as the rates charged by suppliers differed from the rates specified in the contract. I was unable to determine the full extent of the understatement of contracted services as it was impractical to do so. In addition, I was unable to obtain sufficient appropriate audit evidence that rates charged by suppliers were correct due to the status of accounting records. I was unable to confirm contracted services by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to contracted services stated at R71 175 607 in note 36 to the financial statements as it was impractical to do so. There was a resultant impact on the surplus for the year and accumulated surplus.

5. During 2023, the municipality did not account for contracted services, excluding sewerage services, water tankers and business and advisory in accordance with GRAP1, *presentation of financial statements*. As the municipality did not account for expenses when they are incurred and did not ensure that internal controls for acknowledging the receipts of goods and services were implemented at all times. In addition, I was unable to obtain sufficient appropriate audit evidence for contracted services, excluding sewerage services, water tankers and business and advisory, as the municipality was not able to submit sufficient appropriate audit evidence due the status of the accounting records. I was unable to confirm the contracted services, excluding sewerage services, water tankers and business and advisory by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to contracted services, excluding sewerage services, water tankers and business and advisory stated at R49 861 797 disclosed in note 36 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of contracted services for the current period.
6. During 2023, the municipality did not account for contracted services, sewerage services in accordance with GRAP 1, *Presentation of financial statements*. The municipality did not account for invoices and payments in terms of the accrual basis of accounting, internal controls for acknowledging the receipts of goods and services were not implemented at all times, additionally multiple errors were identified in determining the expenditure for sewerage services. I was unable to determine the full extent of the overstatement of sewerage services, trade payables and Value Added Taxes (VAT) receivables, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to sewerage services in note 36 stated at R9 803 634, payables from exchange transactions, trade payables in note 19, stated at R786 000 771 and VAT receivables in note 10, stated at R51 416 293 in the financial statements were necessary. My audit opinion on the financial statements for the period ended 30 June 2023 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 contracted services for the current period.
7. During 2023, the municipality did not account for contracted services, water tankers in accordance with GRAP 1, *Presentation of financial statements*. The municipality did not account for invoices and payments in terms of the accrual basis of accounting, internal controls for acknowledging the receipts of goods and services were not implemented at all times, additionally multiple errors were identified in determining the expenditure for water tankers. I was unable to determine the full extent of the overstatement of water tankers, trade payables and VAT receivables, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to water tankers in note 36 stated at R14 216 107, payables from exchange transactions, trade payables in note 20, stated at R853 927 941 and VAT receivables in note 10, stated at R51 416 293 in the financial statements were necessary. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My audit opinion on the financial statements for the period ended 30 June 2023 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 contracted services for the current period.

8. During 2023, the municipality did not account for contracted services, business and advisory in accordance with GRAP 1, *Presentation of financial statements*. As the municipality did not recognise expenses on accrual basis as required by the standard, expenses were recognised in the incorrect period and internal controls for acknowledging the receipts of goods and services were not implemented at all times. I was unable to determine the full extent of the understatement of contracted services, business and advisory, trade payables and VAT receivables, as it was impracticable to do so. My audit opinion on the financial statements for the period ended 30 June 2023 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 contracted services for the current period.

General expenses

9. I was unable to obtain sufficient appropriate audit evidence for hire charges included in general expenses, as the municipality did not maintain an adequate system of internal controls for receipt of goods and services. I was unable to confirm hire charges, by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to hire charges, stated at R6 859 099 in note 41 to the financial statements.
10. During 2023, the municipality did not account for general expenses, motor vehicle expenses in accordance with GRAP 1, *Presentation of financial statements*. The municipality incorrectly recognised transactions that did not meet the recognition criteria of motor vehicle expenses and internal controls for acknowledging the receipts of goods and services were not implemented at all times. Consequently, general expenses, motor vehicle expenses in note 41 was overstated by R5 784 113, payables from exchange transaction-trade payables in note 19 was overstated by R6 651 730 and VAT receivables in note 10 was overstated by R867 617. Additionally, there was an impact on the deficit for the period and on the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of general expenses for the current period.
11. During 2023, I was unable to obtain sufficient appropriate audit evidence for general expenses, travel, subsistence and accommodation, as the municipality did not ensure that travel and subsistence expenses are approved by a properly delegated official before they occur. I was unable to confirm general expenses, travel, subsistence and accommodation by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to general expenses, travel, subsistence and accommodation stated at R7 985 286 in note 41 to the financial statement. My audit opinion on the financial statements for the period ended 30 June 2023 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 general expenses for the current period.
12. During 2023, the municipality did not account for general expenses, excluding auditor's remuneration, motor vehicle expenses, repairs and maintenance and travel, subsistence and accommodation in accordance with GRAP 1, *Presentation of financial statements*. The municipality did not ensure that internal controls for acknowledging the receipts of goods and services were implemented at all times. Consequently, general expenses excluding auditor's remuneration, motor vehicle expenses, repairs and maintenance and travel, subsistence and

accommodation in note 41 was overstated by R7 228 073, payables from exchange transaction, trade payables in note 19 are overstated by R8 312 284, and VAT receivables in note 10 are overstated by R1 084 211. Additionally, there was an impact on the deficit for the period and the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of general expenses for the current period.

Bulk purchases

13. I was unable to obtain sufficient appropriate audit evidence for bulk purchases due to the status of accounting records. The municipality could not provide sufficient appropriate audit evidence for journals processed. I was unable to confirm bulk purchases by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to bulk purchases, stated at R97 520 805 in note 35 to the financial statements.

Bad debts written off

14. I was unable to obtain sufficient appropriate audit evidence for bad debts written off due to the status of the accounting records. The municipality did not have adequate systems of internal control to perform reliable reconciliations between the age analysis and the accounting system. In addition, bad debts were not written off in accordance with policies and procedures of the municipality. I was unable to confirm bad debts written off by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to bad debts written off, stated at R16 718 967 in note 34 to the financial statements.

Government grants and subsidies

15. The municipality did not account for revenue from non-exchange transactions in accordance with GRAP 23, *Government grants and subsidies – Operating and capital grants*, as the municipality recognised revenue when expenses were paid, instead of recognising revenue when conditions are met. I was unable to determine the full extent of the overstatement of *Government grants and subsidies – Operating and capital grants*, stated at R144 523 095 in note 32 to the financial statements, and unspent conditional grants stated at R17 991 810 in note 21 to the financial statements, as it was impractical to do so.

Service charges

16. I was unable to obtain sufficient appropriate audit evidence for sale of water - conventional, due to the status of the accounting records. The municipality did not maintain accurate and complete records for meter readings not conducted, including reasons for estimates made. I was unable to confirm sale of water - conventional by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to sale of water - conventional stated at R17 427 763 in note 29 to the financial statements.
17. During 2023, the municipality did not account for all revenue from sale of electricity in accordance with GRAP 9, *Revenue from exchange transactions*, as the municipality did not maintain adequate and complete records for all services rendered to customers. I was unable to determine the full extent of the understatement from sale of electricity, stated at

R46 817 634, in note 29, receivables from exchange transactions, consumer debtors-electricity stated at R30 194 352, in note 7 and VAT receivables stated at R51 416 293 in note 10 to the financial statements, as it was impractical to do so. Additionally, there was an impact on the deficit for the period and on the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of service charges for the current period.

18. During 2023, I was unable to obtain sufficient appropriate audit evidence for revenue for sale of electricity 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 revenue from sale of electricity, stated at R46 817 634 in note 29. In addition, the municipality did not account for revenue from sale of electricity in accordance with GRAP 9, *Revenue from exchange transactions*, as differences were identified when recalculating the amount billed to the customers for services rendered, resulting in revenue from the sale of electricity not being measured at the fair value of the consideration received or receivable, as required by the standard. Consequently, revenue from sale of electricity was overstated by R4 532 631, receivables from exchange transactions, consumer debtors, electricity was overstated by R5 212 526, and VAT receivables was overstated by R679 895. My audit opinion on the financial statements for the period ended 30 June 2023 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 service charges for the current period
19. During 2023, The municipality did not account for all revenue from sale of water - Conventional in accordance with GRAP 9, *Revenue from exchange transactions*, as the municipality did not maintain adequate and complete records for all services rendered to customers. I was unable to determine the full extent of the understatement from the sale of water - Conventional, stated at R14 192 771, in note 29, receivables from exchange transactions, consumer debtors, water stated at R90 375 323, in note 7 and VAT receivables stated at R51 416 293 in note 10 to the financial statements, as it was impractical to do so. Additionally, there was an impact on the deficit for the period and on the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of service charges for the current period
20. During 2023, Items that did not meet the definition of revenue in accordance with GRAP 9, *Revenue from exchange transactions* were recognised and revenue was not measured at the fair value of the consideration received or receivable, as required by the standard. I was unable to determine the full extent of the misstatement in sale of water in note 29, related receivables from exchange transactions in note 7, and the VAT receivables in note 10, as it was impracticable to do so. In addition, I was unable to obtain sufficient appropriate audit evidence for sale of water 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 sale of water - Conventional, stated at R14 192 771 in note the financial statements. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the

current year financial statements is also modified because of the possible effect of this matter on the comparability of service charges for the current period.

Receivables from exchange transactions

21. During 2023, the municipality did not account for impairment of debtors in accordance with GRAP 104, Financial Instruments. The basis applied to calculate the impairment loss was not aligned with both the requirements of GRAP 104 and the debt impairment methodology of the municipality. I was unable to determine the full extent of the misstatement of consumer debtors from exchange transactions, stated at R233 474 656 in note 7 to the financial statements and the related allowance for impairment, stated at R214 686 265 in note 7 to the financial statements, as it was impracticable to do so. Additionally, there was an impact on the deficit for the period and on the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of impairment of debtors for the current period.

Receivables from non-exchange transactions

22. During 2023, the municipality did not account for impairment of debtors in accordance with GRAP 104, Financial Instruments. The basis applied to calculate the impairment loss was not aligned with both the requirements of GRAP 104 and the debt impairment methodology of the municipality. I was unable to determine the full extent of the misstatement of consumer debtors from non-exchange transactions, stated at R106 798 429 in note 8 to the financial statements and the related allowance for impairment, stated at R98 052 362 in note 8 to the financial statements, as it was impracticable to do so. Additionally, there was an impact on the deficit for the period and on the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of impairment of debtors for the current period.

Cash and cash equivalents

23. I was unable to obtain sufficient appropriate audit evidence for cash and cash equivalents 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 cash and cash equivalents by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to cash and cash equivalents stated at R2 122 407 in note 4 to the financial statements.

Cash flows from operating activities

24. Net cash flows from operating activities were not correctly prepared and disclosed as required Standards of GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flows from operating activities. I was unable to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to net cash flows from operating activities as stated at R36 795 563 in note 47 to the financial statements were necessary.

Statement of comparison of budget and actual amounts

25. 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*. Not all the explanations for material variances were disclosed in note 64 to the financial statements. In addition, cash flow information was not disclosed in the financial statements. I was unable to determine the full extent of the omissions in the statement of comparison of budget and actual amounts as it was impracticable to do so.

Prior year adjustments

26. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figures. As described in note 51 to the financial statements, the restatements were made to rectify prior period errors, but the restatements could not be substantiated by supporting audit evidence. I was unable to confirm the restatements by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figures in the financial statements.

Unauthorised expenditure

27. During 2023, I was unable to obtain sufficient appropriate audit evidence for unauthorised expenditure, 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 adjustment was necessary to unauthorised expenditure stated at R297 758 146 in note 57 to the financial statements. In addition, the municipality incorrectly calculated unauthorised expenditure by utilising incorrect amounts on the budget and actual expenditure, resulting in the current year unauthorised expenditure being understated by R14 286 319 and the prior year being overstated by R9 890 512 in note 57 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of unauthorised expenditure for the current period.

Irregular expenditure

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

Fruitless and wasteful expenditure

29. During 2023, the municipality did not disclose all fruitless and wasteful expenditure, as required by section 125(2)(d) of the MFMA. The municipality incurred interest on long outstanding fees that was not recorded in the current and prior year. I was unable to determine the full extent of the understatement of fruitless and wasteful expenditure in note 58 as it was impractical to do so. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year financial

statements is also modified because of the possible effect of this matter on the comparability of fruitless and wasteful expenditure for the current period.

General expenses

30. General expenses were materially misstated by R6 262 754 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Travel, subsistence and accommodation stated at R13 563 199 was overstated by R845 491
- Auditors remuneration stated at R6 948 415 was understated by R2 307 077
- Consumables stated at R8 620 179 was overstated by R3 022 077
- Other general expenses stated at R12 111 877 was overstated by R271 704

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

- Travel, subsistence and accommodation of R3 748 585 included in the balance of R13 563 199
- Auditors remuneration of R490 808 included in the balance of R6 948 415
- Other general expenses of R191 166 included in the balance of R12 111 877

Consequently, I was unable to determine whether any further adjustment was necessary to general expenses.

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.

Going concern

35. I draw attention to note 54 in the financial statements, which deals with the possible effects of the future implications of continuing deterioration in operational results on the municipality's prospects, performance, and cash flows. Management have also described how they plan to deal with these events and circumstances.

Material losses – electricity

36. As disclosed in note 60 to the financial statements, material electricity losses of R16 744 926 (2022-2023: R14 272 471) was incurred, which represents 36% (2022-2023: 32%) of total electricity purchased as a result of technical losses on the distribution system.

Underspending of the conditional grants

37. As disclosed in note 21, the municipality materially underspent on conditional grants by R17 991 810.

Other matters

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

Unaudited disclosure notes

39. 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

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 our 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 against predetermined objectives for the selected objective 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 Basic Services and Infrastructure presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

- Development of waste recycling in all urban areas
- Monthly report on the maintenance of recreational areas
- Attain Green drop certification by June 2024 to be compliant
- Submit Green drop certification by June 2024
- The Electrical unit to respond to all requests for installation of electrical meters by 30 June 2024
- Limit unaccounted for electricity to less than 11% by 30 June. $\{(Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated - Number\ of\ Electricity\ Units\ Sold) / Number\ of\ Electricity\ Units\ Purchased\ and/or\ generated\} \times 100\}$
- The Water unit to compile and submit a quarterly report on the number of bursts, leaks and queries attended to council by 30 June 2024
- Limit the water distribution losses (loss of potential revenue from water service through kiloliters of water purchased but not sold as a result of losses incurred through theft (illegal connections), non- or incorrect metering or wastage as a result of deteriorating water infrastructure) to less than 40% by 30 June
- The Water unit to compile 4 quarterly reports on the water and wastewater treatment plants in Kai !Garib before 30 June 2024
- The Waste Removal Unit to compile monthly reports on sewerage extraction requests and submit to the Municipal Manager
- Continued Service delivery of refuse removal in urban areas
- Attain Blue drop certification by June 2024
- Submit Blue drop certification by June 2024 – compliant
- Implement IT Environmental controls to limit systems network downtime

46. I evaluated the reported performance information for the selected objective 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 and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance

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

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

Various indicators

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

Indicator	Target	Reported achievement
Monthly report on the maintenance of Parks	12	0
Attain Green drop certification by June 2024	1	0
Number of Green drop Samples taken on a monthly basis	12	0
The Water unit to compile 4 quarterly reports on the water and wastewater treatment plants in Kai !Garib before 30 June 2024	4	4

Indicator	Target	Reported achievement
The Waste Removal Unit to compile monthly reports on sewerage extraction requests and submit to the Municipal Manager	12	0
Upgrade and maintain Municipal Resorts to increase occupancy by 30 June 2024	1	0
Attain Blue drop certification by June 2024	12	0
Development of network to negate the negative impact of storm water in all communities especially flood prone areas – not in the SDBIP	12	0
Submit Blue drop certification by June 2024 – compliant	1	0
Implement IT Environmental controls to limit systems network downtime	1	0

Various indicators

51. The indicators measure aspects that do not relate to the achievement of service delivery.

Consequently, the indicators are not relevant for planning and reporting on performance, nor for measuring and monitoring progress against the municipality's planned objectives.

Indicator	Target	Strategic goal	Reported achievement
Development of waste recycling in all urban areas	1	Service delivery	1
Monthly report on the maintenance of recreational areas	12	Service delivery	0
The Water unit to compile and submit a quarterly report on the number of bursts, leaks and queries attended to council by 30 June 2024	4	Service delivery	4
The Water unit to compile 4 quarterly reports on the water and wastewater treatment plants in Kai Igarib before 30 June 2024	4	Service delivery	0

Indicator	Target	Strategic goal	Reported achievement
The Waste Removal Unit to compile monthly reports on sewerage extraction requests and submit to the Municipal Manager	12	Service delivery	0
The Electrical unit to respond to all requests for installation of electrical meters by 30 June 2024	12	Service delivery	12
Implement IT Environmental controls to limit systems network downtime	1	Service delivery	0
Continued Service delivery of refuse removal in urban areas	12	Service delivery	12

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

Approved indicator	Approved target	Reported indicator	Reported target
Attain Green drop certification by June 2024 to be compliant	12	Attain Green drop certification by June 2024	1
Submit Green drop certification by June 2024	1	Number of Green drop samples taken on a monthly basis	12

53. Overall, the performance information for this objective was not reported in such a way that it could be compared and/or would be easy to understand. Planned and actual achievement could not be compared as the municipality does not report actual achievement in number and/or percentage but rather whether the target was achieved or not. Consequently, the reported performance information is not useful for measuring progress against the planned objectives, which undermines transparency and accountability.

Various Indicators

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

Indicator	Target	Reported achievement	Reported measure
Attain Green drop certification by June 2024	1	0	Monthly green drop samples to be taken in the 2024/25 financial year
Number of Green drop samples taken on a monthly basis	12	0	Monthly green drop samples to be taken in the 2024/25 financial year

Indicator	Target	Reported achievement	Reported measure
Limit unaccounted for electricity to less than 11% by 30 June. $\{(Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated - Number\ of\ Electricity\ Units\ Sold) / Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated\} \times 100\}$	11%	36%	Monitor to ensure that electricity losses are less than 36%
Limit the water distribution losses (loss of potential revenue from water service through kilolitres of water purchased but not sold as a result of losses incurred through theft (illegal connections), non- or incorrect metering or wastage as a result of deteriorating water infrastructure) to less than 40% by 30 June	40%	68%	Monitor to ensure that water losses are less than 40%
The Water unit to compile 4 quarterly reports on the water and wastewater treatment plants in Kai !Garib before 30 June 2024	4	1	Implement monitoring and evaluation to ensure regular monitoring
The Waste Removal Unit to compile monthly reports on sewerage extraction requests and submit to the Municipal Manager	12	0	Implement monitoring and evaluation to ensure regular reporting
Attain Blue drop certification by June 2024	12	0	Monthly blue drop samples to be taken in the 2024/25 financial year
Submit Blue drop certification by June 2024 - compliant	1	0	Monthly blue drop samples to be taken in the 2024/25 financial year
Implement IT Environmental controls to limit systems network downtime	1	0	Implement monitoring and evaluation to ensure regular monitoring

Other matter

55. I draw attention to the matter below.

Achievement of planned targets

56. 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.

57. The table that follows provides 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 Services and Infrastructure

<i>Targets achieved: 37%</i> <i>Budget spent: [xx]%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Monthly report on the maintenance of Parks	12	0
Attain Green drop certification by June 2024	1	0
Number of Green drop Samples taken on a monthly basis	12	0
Limit unaccounted for electricity to less than 11% by 30 June. $\{(Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated - Number\ of\ Electricity\ Units\ Sold) / Number\ of\ Electricity\ Units\ Purchased\ and/or\ generated\} \times 100\}$	11%	36%
Limit the water distribution losses (loss of potential revenue from water service through kilolitres of water purchased but not sold as a result of losses incurred through theft (illegal connections) non- or incorrect metering or wastage as a result of deteriorating water infrastructure) to less than 40% by 30 June	40%	68%
The Water unit to compile 4 quarterly reports on the water and wastewater treatment plants in Kai Igarib before 30 June 2024	4	1
The Waste Removal Unit to compile monthly reports on sewerage extraction requests and submit to the Municipal Manager	12	0
Upgrade and maintain Municipal Resorts to increase occupancy by 30 June 2024	1	0
Attain Blue drop certification by June 2024	12	0
Development of network to negate the negative impact of storm water in all communities especially flood prone areas	Not part of the SDBIP	6
Submit Blue drop certification by June 2024 - compliant	1	0
Implement IT Environmental controls to limit systems network downtime	1	0

Material misstatements

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

Report on compliance with legislation

59. 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.
60. 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.
61. 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.
62. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

63. Material misstatements of revenue, expenditure, payables and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

64. 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 SCM Regulation 17(1)(a) and (c). Similar non-compliance was also reported in the prior year.
65. Sufficient appropriate audit evidence could not be obtained that written quotations were accepted from prospective providers who were on the list of accredited providers and met the listing requirements as prescribed by the SCM policy, in contravention of SCM Regulations 17(1)(a) and 17(1)(b). Similar non-compliance was also reported in the prior year.

66. Quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c). Similar non-compliance was also reported in the prior year.
67. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1). Similar non-compliance was also reported in the prior year. This non-compliance was identified in the procurement processes for the rehabilitation of landfill site.
68. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM Regulation 22(1) and 22(2). Similar non-compliance was also reported in the prior year. This non-compliance was identified in the procurement processes for the construction of electrical infrastructure projects and bulk upgrade phase 2 and 3.
69. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.
70. Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM Regulation 5. Similar limitation was also reported in the prior year.
71. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. Similar limitation was also reported in the prior year.
72. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. Similar limitation was also reported in the prior year.

Expenditure management

73. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
74. An adequate management, accounting and information system was not in place which recognised expenditure when it was incurred, as required by section 65(2)(b) of the MFMA.
75. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R206 437 962, as disclosed in note 56 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed unauthorised expenditure was caused by overspending of the budget.
76. 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 non-compliance with supply chain management regulations.

77. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R50 456 891, as disclosed in note 58 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest incurred on long outstanding debt.

Utilisation of conditional grants

78. The Municipal Infrastructure Grant was not spent for its intended purposes in accordance with the grant Schedule concerned and the applicable grant framework, as required by section 16(1) of the Division of Revenue Act 5 of 2023.

79. Performance in respect of programmes funded by the Water Services Infrastructure Grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 5 of 2023).

Consequence management

80. 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.

81. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

82. 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.

Strategic planning and performance management

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

84. The SDBIP for the year under review did not include monthly revenue projections by source of collection as required by section 1 of the MFMA.

Revenue management

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

Asset management

86. An investment policy was not adopted by the council, as required by section 13(2) of the MFMA and municipal investment regulation 3(1)(a).

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 objectives 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 objectives 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 and the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
93. Despite the municipality's development of an action plan, its implementation fell short, leading to the recurrence of numerous issues.
94. Timely implementation of proper record-keeping practices was lacking within the municipality, hindering access to complete, relevant, and accurate information crucial for financial and performance reporting.
95. Effective financial systems of internal controls and their management had not been implemented to ensure accurate financial statements. The preparation and review of the financial statements was not adequately planned, to ensure comprehensive reviews take place
96. Municipality did not review and monitor compliance with applicable legislation

97. Inadequate action by leadership regarding the absence of controls in the finance and supply chain management unit resulted in the repetition of material misstatements and compliance issues.

98. Consequence management was not effective as the council did not investigate all instances of unauthorised, irregular and fruitless and wasteful expenditure to determine whether any person was liable for the expenditure

Material irregularities

99. 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

100. 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, I had not yet completed the process of evaluating the response from the accounting officer. This material irregularity will be included in next year's auditor's report.

Status of previously reported material irregularities

Full and proper records not kept (2019-20) – infrastructure assets, performance management and financial distress

101. Reasonable steps were not taken in the 2019-20 financial year to ensure that full and proper records were kept of infrastructure assets and provision of retail water services as required by section 62(1)(b) of the MFMA. The non-compliance contributed to a disclaimer audit opinion as I could not obtain sufficient appropriate audit evidence to support the amounts and disclosure in the financial statements.

102. The lack of full and proper records is likely to result in substantial harm to the municipality as it contributed to the material uncertainty regarding its ability to continue their as operations, as disclosed in note 50 to the 2020-21 financial statements. This, in turn, is likely to have a negative impact on the municipality's ability to discharge its service delivery mandate.

103. I notified the accounting officer on 9 March 2022 of the following recommendations, which should have been implemented by 9 September 2022:

- The non-compliance with section 62(1)(b) of the MFMA 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 address control weaknesses;
- Based on the reasons and circumstance, appropriate action should be taken to develop and commence with the implementation of an action plan to address poor record keeping so that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards, as required by 62(1)(b) of the

MFMA. The plan should include anticipated timeframes and address the following key areas as a minimum:

- a) Complete asset register of all of the municipality's infrastructure assets, including work-in-progress, as well as information for assets that have been fully depreciated but still in use;
- b) Billing information and reconciliations to support revenue from service charges;
- c) Payment vouchers, creditor statements and creditor reconciliations for purchases. The expenditure incurred should be supported by sufficient evidence that goods and services paid for were received, including payments made from conditional grant funding.

104. I further recommend that the accounting officer should take appropriate action to develop and commence with the implementation of an action plan to address the financial problems of the municipality, as required by section 135(1) and 135(3)(a) of the MFMA, by 9 September 2022. The plan should describe the anticipated timeframe and milestones to be achieved and as a minimum, include strategies to:

- Increase the collection of revenue;
- Efficiently manage the available resources of the municipality;
- Enter into payment arrangements with major suppliers;
- Optimise costs in respect of bulk purchases; and
- Repair and maintain infrastructure assets.

105. On 9 September 2023, the accounting officer's response on the implementation of the recommendations was received. I assessed the written response and substantiating documentation provided and noted shortcomings in the response. The shortcomings were communicated to the accounting officer on 20 September 2023. No response or substantiating documentation was received to address the shortcomings. On this basis, I concluded that the recommendations were not appropriately implemented or satisfactorily progress made therewith.

106. I notified the Accounting Officer on 7 August 2023 of the following remedial actions to address the MI, which should have been implemented by 7 March 2024 with a progress by 7 November 2024:

- The non-compliance with section 62(1)(b) of the MFMA 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;
- Based on the reasons and circumstance, appropriate action must be taken to develop and commence with the implementation of an action plan to address poor record keeping so that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards, as required by 62(1)(b) of the MFMA. The plan must include anticipated timeframes and address the following key areas as a minimum:

- a) Complete asset register of all of the municipality's infrastructure assets, including work-in-progress, as well as information for assets that have been fully depreciated but still in use;

b) Billing information and reconciliations to support revenue from service charges;

c) Payment vouchers, creditor statements and creditor reconciliations for purchases. The expenditure incurred should be supported by sufficient evidence that goods and services paid for were received, including payments made from conditional grant funding.

107. I further recommended that the accounting officer must take appropriate action to develop and commence with the implementation of an action plan to address the financial problems of the municipality, as required by section 135(1) and 135(3)(a) of the MFMA. The plan must describe the anticipated timeframe and milestones to be achieved and include as a minimum strategies to:

a) Increase the collection of revenue;

b) Efficiently manage the available resources of the municipality;

c) Enter into payment arrangements with major suppliers;

d) Optimise costs in respect of bulk purchases; and

e) Repair and maintain infrastructure assets.:

108. A progress report on the implementation of the remedial actions was received on 17 November 2023 but no final response on the implementation of the remedial action. I have decided to request in terms of regulation 11(2) of the MI regulations, intervention from the following role-players and oversight structures in the accountability ecosystem to assist and support, as far as is necessary, the accounting officer with the implementation of the remedial action and to address the material irregularity appropriately:

- Member of the Executive Council: Finance;
- Member of the Executive Council: Cooperative Governance, Human Settlements and Traditional Affairs;
- Mayor;
- Speaker of Council; and
- Member of the Mayoral Committee: Finance.

109. In addition to requesting intervention from the above role players, I have requested the following role players in the accountability ecosystem to exercise oversight by supporting and assisting, as far as is necessary, the accounting officer with the implementation of the remedial action and addressing the material irregularity appropriately:

- Premier of the province;
- Chairperson of the Municipal Public Accounts Committee; and Chairperson of the Audit Committee

I will follow-up on the outcome of the intervention during my next audit.

Auditor General

Kimberley

30 November 2024



**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 a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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	<p>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),</p> <p>Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f),</p> <p>Sections: 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),</p> <p>Sections: 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), 170, 171(4)(a), 171(4)(b)</p>
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	<p>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),</p> <p>Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i),</p> <p>Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)</p>
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	<p>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),</p> <p>Sections: 54A(1)(a), 56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)</p>
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)

Legislation	Sections or regulations
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), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1),31
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), Regulations: 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)