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 Kai !Garib 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, cash flow statement, and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Kai !Garib 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

Service Charges

3. Service charges for the sale of conventional electricity was not recognised as required by GRAP 9, *Revenue from exchange transactions.* Properties were identified for which service charges for conventional electricity were not billed and recorded. I was unable to determine the full extent of the understatement of service charges for the sale of conventional electricity, stated at R61 490 780 in note 27 to the financial statements, and related receivable from exchange transactions - electricity, stated at R10 094 159 in note 7 to the financial statements, and the VAT Receivable stated at R85 175 251 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 deficit.

4. Service charges for sale of prepaid electricity was not recognised as required by GRAP 9, *Revenue from exchange transactions.* Properties were identified for which no purchase of prepaid electricity was recorded for the entire financial year, and no investigations were done. I was unable to determine the full extent of the understatement of service charges for the sale of prepaid electricity stated at R49 265 801 in note 27 to the financial statements and the VAT Receivables stated at 85 175 251 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 deficit.

5. The municipality did not account for revenue from sale of conventional water in accordance with GRAP 9, Revenue *from exchange transactions*. Revenue from sale of conventional water was not measured at the fair value of the consideration received or receivable, as required by the standard. Consequently, service charges for revenue from sale of conventional water in note 27 to the financial statements was overstated by R9 011 132 and receivable from exchange transactions – Water in note 7 to the financial statements was overstated by R10 362 802, while VAT receivables in note 8 to the financial statements were overstated by R1 351 670. Additionally, there was an impact on the deficit for the period and on the accumulated deficit.

6. During 2024, I was unable to obtain sufficient appropriate audit evidence for the sale of conventional water, 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 the sale of conventional water by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to sale of conventional water stated at R17 427 763 in note 27 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of sale of conventional water for the current period.

Property rates

7. Property rates were not recognised as required by GRAP 23, *Revenue from non-exchange transactions.* Properties were identified for which property rates were not billed and recorded. I was unable to determine the full extent of the understatement of property rates, stated at R30 327 889 in note 28 to the financial statements, and related receivable from non-exchange transactions, stated at R11 011 154 in note 8 and the VAT Receivable stated at R85 175 251 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 deficit.

Receivable from exchange transactions

8. Electricity included in receivable from exchange transactions was not accounted for in accordance with GRAP 104, *Financial instruments.* The municipality did not calculate the service charge for electricity correctly. I was unable to determine the full extent of the understatement of electricity included in receivable from exchange transactions stated at R 10 094 159 as disclosed in note 7 to the financial statements as it is impracticable to do so. Additionally, there was an impact on the deficit for the period and on the accumulated deficit.

Contracted services

9. 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. Consequently, contracted services, water tankers in note 34 to the financial statements was overstated by R11 910 704, payables from exchange transaction, - trade payables in note 18 to the financial statements are overstated by R13 679 309, and VAT Receivables in note 8 to the financial statements are

overstated by R1 787 606. Additionally, there was an impact on the deficit for the period and on the accumulated deficit.

10. During 2024, 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. I was unable to determine the full extent of the overstatement of contracted services as it was impractical to do so. There was a resultant impact on the surplus for the year and accumulated surplus. 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 confirm contracted services by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figures of contracted services stated at R68 891 684 in note 34 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of contracted services for the current period.

11. During 2024, Contracted services was 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. There was a resultant impact on the surplus for the year and accumulated surplus. 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 R68 891 684 in note 34 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of contracted services for the current period.

12. Contracted services was materially misstated by R6 816 787 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

    - Contracted services excluding Sewerage services, Water tankers and Business advisory stated at R7 848 634 was overstated by R4 745 833
    - Business advisory stated at R 23 181 075 was overstated by R1 650 263
    - Sewerage services stated at R11 068 574 was overstated by R420 691

    In addition, I was unable to obtain sufficient appropriate audit evidence regarding the following items, which had a material cumulative effect on contracted services:

    - Sewerage services of R124 628 included in the balance of R11 068 574
    - Business advisory of R407 335 included in the balance of R23 181 075

    Consequently, I was unable to determine whether any further adjustment was necessary to contracted services.

General expenses

13. The municipality did not account for general expenses – excluding auditors' remuneration, consumables and travel, subsistence and accommodation in accordance with GRAP 1, *Presentation of financial statements,* as the municipality incorrectly classified transactions that did not meet the classification criteria for general expenses – excluding auditors' remuneration, consumables and travel, subsistence and accommodation. Consequently, general expenses – excluding auditors' remuneration, consumables and travel, subsistence and accommodation in note 39 to the financial statements was overstated by R11 630 191 and contracted services in note 34 to the financial statements was also understated by R5 125 359. Additionally, there was an impact on the deficit for the period and on the accumulated deficit.

14. General expenses were materially misstated by R3 877 246 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

    - Auditors' remuneration stated at R6 692 505 was overstated by R1 491 224
    - Consumables stated at R14 048 801 was overstated by R2 386 022

    In addition, I was unable to obtain sufficient appropriate audit evidence regarding the following items, which had a material cumulative effect on general expenses:

    - Auditors' remuneration of R3 565 129 included in the balance of R6 692 505
    - Travel subsistence and accommodation of R3 007 385 included in the balance of R7 584 788
    - General expenses – excluding auditors' remuneration, consumables and travel subsistence and accommodation of R 582 690 in included in the balance of R12 412 224

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

Bulk purchases

15. During 2024, 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 33 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of general expenses for the current period.

Bad debts written off

16. During 2024, 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 32 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of general expenses for the current period.

Government grants and subsidies

17. During 2024, 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 R34 614 096 in note 30 to the financial statements, and unspent conditional grants stated at R8 683 810 in note 20 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 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of general expenses for the current period.

Reversal of impairments/(impairment loss)

18. The municipality did not account for impairment reversals in accordance with GRAP 17, *Property, Plant and Equipment*, and GRAP 21, *Impairment of Non-Cash-Generating Assets*. In the prior year, the municipality impaired certain assets without sufficient evidence of impairment and in the current year, the municipality reversed these impairments and recognised an impairment reversal gain. The reversal was not supported by objective evidence of an increase in the asset's recoverable amount or service potential. Consequently, the impairment reversal disclosed in note 43 to the financial statements is misstated by R6 612 156, and the current year surplus and accumulated surplus are overstated by the same amount. In addition, the opening balance of PPE is misstated as the prior-year closing balance included incorrect impairment adjustments.

VAT Receivable

19. The municipality did not account for VAT in accordance with GRAP 108, *Statutory Receivables*, as VAT was not correctly classified and separately disclosed between VAT output accrual for transactions related to receivables, VAT control account for when money has been either paid/received and VAT input accrual for transactions related to payables, as required by the standard. Consequently, statutory receivables, VAT output accrual and VAT input accrual was misstated. I was unable to determine the full extent of the misstatement of VAT output accrual and VAT input accrual included statutory receivables from non-exchange transactions, as it was impracticable to do so.

20. I was unable to obtain sufficient appropriate audit evidence for VAT Receivable, as the municipality did not maintain accurate and complete records to account for Value Added Taxes (VAT). I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to VAT Receivable stated at R85 175 251 in note 8 to the financial statements.

Provisions

21. The provision for landfill sites was not calculated in accordance with GRAP 19, Provisions, Contingent Liabilities and Contingent Assets, as the basis applied to calculate the provision was not aligned with the requirements of the standard. I was unable to determine the full extent of the overstatement of provisions, stated at R75 662 082 in note 19 to the financial statements and the related finance cost, stated at R5 992 437 in note 38 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 deficit.

Statement of Comparison of Budget and Actual Amounts

22. 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 63 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.

Net cash flows from operating activities

23. Net cash flows from operating activities were not correctly prepared and disclosed as required by 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 stated at R30 574 982 (2024: R38 674 719) in note 46 of the financial statements were necessary.

Net cash flows from investing activities

24. Net cash flows from investing activities were not correctly prepared and disclosed as required by GRAP 2, *Cash flow statements*. This was due to multiple errors in determining cash flows from investing activities. I was unable to determine the full extent of the errors in the net cash flows from investing activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from investing activities stated at R30 655 163 in the financial statements were necessary.

Unauthorised expenditure

25. The municipality did not implement adequate controls, as required by section 62(1)(c)(i) of the MFMA, to ensure that the calculation of unauthorised expenditure is based on complete and accurate incurred expenditure figures. The actual expenditure that was used in the calculation of unauthorised expenditure was inaccurate resulting in the current year unauthorised expenditure being overstated by R101 570 469.

Irregular expenditure

26. The irregular expenditure incurred during the current and previous financial year and related information on irregular expenditure was not all included in the note 58 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 stated at R158 340 663 (2023/24: 155 989 547) in note 58 of the financial statements as it was impracticable to do so.

Payables from exchange transactions

27. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figures for salary accrual and trade payables included in payables from exchange transactions. As described in note 50 to the financial statements, the restatement was made to rectify a prior year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the payables from exchange transactions corresponding figures relating to salary accrual and trade payables included in payables from exchange transactions stated at R325 355 966 in note 18 to the financial statements.

Property, plant and equipment

28. Property, Plant and Equipment was materially misstated by R6 893 974 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Work in Progress stated at R35 986 392 was understated by R3 914 055
- Infrastructure Electricity network stated at R101 983 298 was understated by R743 778
- Infrastructure - Wastewater network stated at R52 467 731 was understated by R1 833 168
- Landfill site asset stated at R35 986 392 was understated by R368 354

In addition, I was unable to obtain sufficient appropriate audit evidence regarding the following item, which had a material cumulative effect on Property, Plant and Equipment:

- Work in Progress of R403 353 stated at R35 986 392

Consequently, I was unable to determine whether any further adjustment was necessary to Property, Plant and Equipment.

Receivable from exchange transactions

29. During 2024, In addition, receivables from exchange transactions were materially misstated by R9 418 300 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Electricity stated at R7 128 353 was understated by R5 166 402
- Water stated at R1 409 466 was understated by R3 409 113
- Sewerage stated at R1 428 479 was understated by R512 937
- Refuse stated at R645 587 was understated by R231 817

In addition, I was unable to obtain sufficient appropriate audit evidence regarding the following items, which had a material cumulative effect receivables from exchange transactions:

- Electricity of R1 003 875 included in the balance of R7 128 353
- Water of R198 493 included in the balance of R1 409 466
- Sewerage of R201 170 included in the balance of R1 428 479

Consequently, I was unable to determine whether any further adjustment was necessary to receivables from exchange transactions. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the goods and services for the current year.

Context for opinion

30. 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.

31. 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.

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

Emphasis of matters

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

34. I draw attention to note 53 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. Our opinion is not modified in respect of this matter.

35. As disclosed in note 59 to the financial statements, material electricity losses of R15 560 086 (2023-2024: R16 744 926) was incurred, which represents 31% (2023/2024: 36%) of total electricity purchased as a result of technical losses on the distribution system.

36. As disclosed in note 59 to the financial statements, material water losses of R448 692 (2023/2024: R2 481 378) was incurred which represents 58% (2023/2024: 68%) of total water purchased as a result of defective meters and losses on water network.

37. As disclosed in note 35 to the financial statements, material losses of R70 574 194 was incurred as a result of debt impairment on receivables from exchange and non-exchange transactions.

38. As disclosed in note 57 to the financial statements, fruitless and wasteful expenditure of R37 981 239 was incurred, as interest was incurred on overdue accounts.

Other matter

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

40. 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

41. 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.

42. 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

43. 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.

44. 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

45. 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.

46. 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 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:

- Formal households with access to water (Number) (NKPI)
- Registered indigent households with access to free basic electricity provided by the municipality (Percentage) (NKPI)
- Formal households with access to refuse removal (Number) (NKPI)
- Applications for residential water connections completed within the agreed response time (Percentage) (NKPI)
- Applications for residential electricity connections completed within the agreed response time (Percentage) (NKPI)
- Registered indigent formal households with access to free basic refuse removal (Percentage) (NKPI)
- Registered indigent formal households with access to free basic sanitation (Percentage) (NKPI)
- Formal households with access to sanitation (Number) (NKPI)
- Surfaced road resurfaced (Number of Square meters)
- Spend of approved municipal capital budget (Percentage) (NKPI)
- Maintain a register on Land acquisitions (Number)

- Submission of Land-use applications to the Municipal Planning Tribunal (MPT) within 120 days from the conclusion of the administrative processing of the application (Percentage)
- Maintain a register on Land acquisitions (Number)
- Submission of Land-use applications to the Municipal Planning Tribunal (MPT) within 120 days from the conclusion of the administrative processing of the application (Percentage)
- Spend of approved municipal capital budget (Percentage) (NKPI)

47. I was engaged to evaluate the reported performance information for the selected material performance indicators relating to Basic Services and Infrastructure 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.

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

Various indicators

49. No supporting evidence was provided for auditing to substantiate the reported performance information for the selected material indicators. Consequently, I could not audit the usefulness and reliability of this information.

Other matter

50. I draw attention to the matter below.

Achievement of planned targets

51. 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.

52. The table that follows provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

Basic Services and Infrastructure

Targets achieved: 20%		
Key service delivery indicators not achieved	**Planned target**	**Reported achievement**
Formal households with access to water (Number) (NKPI)	95%	0%
Registered indigent households with access to free basic electricity provided by the municipality (Percentage) (NKPI)	80%	0%
Formal households with access to refuse removal (Number) (NKPI)	Number	0%
Applications For residential water connections completed within the agreed response time (Percentage) (NKPI)	90%	0%
Applications for residential electricity connections completed within the agreed response time (Percentage) (NKPI)	80%	0%
Registered indigent formal households with access to free basic refuse removal (Percentage) (NKPI)	90%	0%
Registered indigent formal households with access to free basic sanitation (Percentage) (NKPI)	90%	0%
Formal households with access to sanitation (Number) (NKPI)	90%	0%
Surfaced road resurfaced (Number of Square meters)	Number	0%
Spend of approved municipal capital budget (Percentage) (NKPI)	90%	0%
Spend of approved municipal capital budget (Percentage) (NKPI)	90%	0%
Maintain a register on Land acquisitions (Number)	12 monthly reports	4

Material misstatements

53. I identified preventable 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 the misstatements and I reported material findings in this regard.

Report on compliance with legislation

54. 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.

55. 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.

56. 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.

57. 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

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

Asset management

59. 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).

60. Investments were not made in accordance with the requirements of the investment policy (STANLIB did not meet the policies scope of investment type(s) that the municipality can undertake), as required by municipal investment regulation 3(3).

61. Funds were invested in a STANLIB UNIT Trust, in contravention of municipal investment regulation 6.

Consequence management

62. 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.

63. Unauthorised expenditure was certified by council as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(a)(ii) of the MFMA.

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

65. Some of the fruitless and wasteful expenditure were certified by council certified 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

66. Reasonable steps were not taken to ensure that money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA

67. Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal, and payment of funds, as required by section 65(2)(a) of the MFMA.

68. 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.

69. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R212 045 328, 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.

70. 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 tax clearances not obtained

71. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R37 981 239, as disclosed in note 57 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.

Human resource management

72. The municipal manager and senior managers did not sign performance agreements within the prescribed period, as required by section 57(2)(a) of the MSA.

Procurement and contract management

73. 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.

74. 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.

75. Sufficient appropriate audit evidence could not be obtained that quotations were only accepted from bidders whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.

76. 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.

77. 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 management of short-term insurance portfolio.

78. Some of the contracts were awarded to bidders based on points given for legislative requirement that were not stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a)(i)and the Preferential Procurement Regulations. This non-compliance was identified in the procurement processes for the Cillie: Water purification plant and Electrification of 80 households in Langverwag, Kakamas

79. The preference point system was not applied to some of the procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act. Similar non-compliance was also reported in the prior year.

80. Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and 2017 Preferential Procurement Regulations 11 and/or 2022 Preferential Procurement Regulation 4(4) and 5(4). This non-compliance was identified in the procurement processes for the (Lutzburg Upgrading of Water Purification Plant and Management of Short-term Insurance portfolio.

81. Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and 2017 Preferential Procurement Regulations 11 and/or 2022 Preferential Procurement Regulation 4(4) and 5(4).

82. 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.

83. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

84. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA.

85. Awards were made to providers who were in the service of the municipality and whose directors are in the service of the municipality, in contravention of section 112(j) of the MFMA and SCM Regulation 44. Furthermore, the provider failed to declare that he/she was in the service of the municipality, as required by SCM Regulation 13(c).

Revenue management

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

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

Strategic planning and performance management

88. Amendments to the IDP were made without making the proposed amendments available for public comment, as required by section 34(b) of the MSA and municipal planning and performance management regulation 3(4)(b) and 15(1)(a)(ii).

89. Amendments to the IDP were made without consultation with the district municipality, as required by municipal planning and performance management regulation 3(6)(a).

90. The SDBIP was revised during the year without approval of the council following approval of an adjustments budget, as required by section 54(1)(c) of the MFMA.

91. The performance management system and related controls were not maintained or 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).

Utilisation of conditional grants

92. I was unable to obtain sufficient appropriate audit evidence that the Municipal Infrastructure Grant was spent for its intended purposes in accordance with the grant Schedule concerned and the applicable grant framework, as required by section 16(1) of the Dora.

93. The Integrated National Electrification Programme 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 Dora.

94. 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 Dora.

95. Performance in respect of programmes funded by the Integrated National Electrification Programme was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Dora.

Governance and oversight

96. The audit committee did not submit an audit report on the review of the performance management system to the council, at least twice during a financial year, as required by regulation 14(4)(a)(iii) on Municipal Planning and Performance Management.

Other information in the annual report

97. 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.

98. 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.

99. 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.

100. 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

101. 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.

102. 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.

103. The leadership of the municipality did not develop an adequate audit action plan, and its implementation was not effective leading to the recurrence of numerous issues.

104. 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.

105. 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

106. The municipality's leadership did not respond to the need to design, implement, and monitor controls to strengthen the control environment. The audit revealed a deterioration in material findings, including non-compliance with laws and regulations, failure to address material irregularities, and challenges in recording transactions that adequately support the reporting framework.

107. 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.

108. 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

109. 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

110. 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

Full and proper records not kept

111. 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.

112. 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 its 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.

113. The accounting officer was notified of the material irregularity on 11 June 2021 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer could not provide sufficient and appropriate supporting evidence for the action taken or planned action to be taken in response to being notified of the material irregularity.

114. 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.

115. I further recommend that the accounting officer should have taken 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.

116. On 9 September 2022, 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 2022. 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.

117. 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.

118. 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:

- 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.:

119. 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, and Traditional Affairs;
- Mayor;
- Speaker of Council; and
- Member of the Mayoral Committee: Finance.

120. 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

121. This action was taken to address the ongoing issues and ensure corrective measures were implemented to resolve the material irregularity. The role players were requested to submit a progress report on the interventions implemented to the Office of the Premier by 30 September 2024 and the Office of the Premier had to submit a report to me on all the interventions implemented by relevant role players by 31 October 2024.

122. Delays were noted in the progress report being provided and I followed up with the Office of the Premier in February 2025 on the outstanding progress report.

123. To date, the Office of the Premier has not submitted the required progress report. However, we have noted through engagements between the Office of the Premier and the AGSA that there are various interventions in progress by the relevant role players.

124. I will follow up on the effectiveness of these interventions, which will inform my determination on the further action to take.

Lack of records within the performance management system

125. Regulation 7(1) of the Municipal Planning and Performance Management Regulations 2001, states that, "A municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players."

126. The municipality had failed to submit information relating to the achievements reported in the annual performance report for three consecutive years. In 2020/21 and 2021/22 financial years, the annual performance report was presented without the approved service delivery budget implementation plan for the year under review, while in 2022/23 financial year, no supporting evidence was provided for auditing to substantiate the reported performance information for the selected development priority. Furthermore, there appeared to be no planned corrective actions to ensure that supporting information accompanies the annual performance report.

127. The fact that the municipality had not reliably reported on performance information as indicated above, indicated that the municipality did not have proper systems in place to ensure reliable reporting of performance information. This also indicates that there are significant deficiencies in the municipality's performance reporting processes in contravention of regulation 7(1) Municipal Planning and Performance Management Regulations 2001.

128. The non-compliance is likely to result in substantial harm to the municipality. This is caused by the municipality's inability to perform its governance, performance planning, monitoring and oversight functions at management and council level. The lack of credible performance information on basic services and other primary functions, severely impacts the ability of the municipality and the extended accountability ecosystem to execute their management, accountability, oversight and governance functions due to incorrect and unreliable data that is used to inform various decisions in these processes.

129. The accounting officer was notified of the material irregularity on 25 October 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 22 November 2024. The following steps had been taken to address the material irregularity:

- The service delivery and budget implementation plan for the 2024/25 financial year was reviewed. A functional analysis was also conducted to ensure that it is aligned.

- Thee integrated development plan was analysed and a few discrepancies were identified. The integrated development plan was in a review process to ensure that it met the SMART criteria and was aligned to the budget.
- The municipality had put in place an audit action plan in order to prevent a re-occurrence of findings. Monitoring and evaluation were being prioritized. Developing clear and concise development plans for management had been prioritized along with developing portfolios of evidence which contain valid and reliable information.

130. Following submission of the 2024/25 annual performance report for auditing on 31 August 2025 the following was noted:

- No methods, verification and process in place to measure achievements were included in the performance documents including the service delivery and budget implementation plan and annual performance report and management was unable to provide such information for some of the indicators.
- A portfolio of evidence for all indicators reported was not provided for audit.
- Quarterly performance reports were not prepared and submitted for audit.
- Supporting listings or registers were not submitted for audit purposes.

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

a) The non-compliance with Regulation 7(1) of the Municipal Planning and Performance Management Regulations, 2001 should be investigated to determine the reasons and circumstances that led to the non-compliance for the purpose of taking appropriate corrective actions and enhancing control weaknesses.

b) Based on the reasons and circumstances, appropriate action should be taken to develop and commence with the implementation of an action plan to address the weaknesses in the performance management system and the poor record keeping, so that full and proper records of the municipality's performance are kept in accordance with any prescribed norms and standards.

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

i. Development and implementation of technical indicator descriptions for key performance indicators.

ii. Development and implementation of standard operating procedures that describe how the municipality's processes of performance measurement, review and reporting will be conducted, organised, and managed, including the roles of different role-players.

iii. Maintaining an adequate and complete portfolio of evidence for reported performance.

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

Other reports

133. 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.

134. 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

Kimberley

10 December 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material indicators included in the 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: 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, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
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)

Legislation	Sections or regulations
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, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
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)