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

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of Phokwane 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 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 Phokwane 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 Practice (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

Receivables from exchange transactions.

3. The municipality did not record receivables from exchange transactions in accordance with GRAP 104, *Financial instruments* in the current and prior year. The municipality incorrectly recorded debtors in the name of the municipality when there was no expectation that the municipality will pay their own accounts for services charges. Additionally, the municipality did not have adequate systems of internal control to correctly account for service charges. Consequently, I was unable to determine the full extent of the overstatement of receivables from exchange transactions, service charges, vat output accrual and interest received trading for the current and prior year, as it was impracticable to do so. There was a resultant impact on the deficit for the period and on the accumulated surplus.

4. During 2024, the municipality did not record receivables from exchange transactions in accordance with GRAP 104, *Financial instruments*, due to the municipality not calculating the present value of future cash flows in estimating the allowance for impairment. I was unable to determine the impact on impairment allowance and the net carrying amounts of receivables from exchange transactions, as it was impracticable to do so. Additionally, there was an impact on the accumulated surplus. My audit opinion on the financial statements for the period ended 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of receivables from exchange transactions for the current period.

5. During 2024, I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as sundry included in receivables from exchange transactions due to the status of the accounting records. I could not confirm sundry included in receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to sundry included in receivables from exchange transactions stated at R28 032 674 in note 8 to the financial statements. My audit opinion on the financial statements for the period ended 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of sundry included in receivables from exchange transactions for the current period.

Statutory receivables from non-exchange transactions

6. I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as property rates included in statutory receivables from non-exchange transactions due to the status of the accounting records. I could not confirm property rates included in statutory receivables from non-exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to property rates included in statutory receivables from non-exchange transactions stated at R12 134 619 in note 5 to the financial statements.

7. During 2024, the municipality did not recognise property rates included in statutory receivables from non-exchange transactions in accordance with GRAP 108, *Statutory receivables*. The municipality incorrectly recorded debtors in the name of the municipality for property rates charged. Consequently, property rates included under statutory receivables from non-exchange transactions and property rates included under revenue from non-exchange were overstated by R66 727 847. 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 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 property rates included under statutory receivables from non-exchange transactions for the current period.

8. During 2024, the municipality did not record statutory receivables from non-exchange transactions in accordance with GRAP 104, *Financial instruments*, due to the municipality not calculating the present value of future cash flows in estimating the allowance for impairment. I was unable to determine the impact on allowance for impairment and the net carrying amount of statutory receivables from non-exchange transactions as it was impracticable to do so. Additionally, there was an impact on the accumulated surplus. My audit opinion on the financial statements for the period ended 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of statutory receivables from non-exchange transactions for the current period.

Inventories

9. During 2024, I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as water - at cost included in inventories due to the status of the accounting records. I could not confirm water - at cost included in inventories by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to water - at

cost included in inventories stated at R2 540 273 in note 3 to the financial statements. My audit opinion on the financial statements for the period ended 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of water - at cost included in inventories for the current period.

Other receivables from exchange transactions

10. I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as other receivables from exchange transactions due to the status of the accounting records. I could not confirm other receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to other receivables from exchange transactions stated at R29 971 096 (2024: R29 317 775) in note 4 to the financial statements.

Statutory receivables from exchange transactions

11. The municipality did not account for VAT in accordance with GRAP 108, Statutory Receivables, as VAT was not correctly classified 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 have been overstated, VAT output accrual and VAT input accrual was understated. I was unable to determine the full extent of the understatement of VAT output accrual and VAT input accrual included in statutory receivables from exchange transactions, as it was impracticable to do so.

Payables from exchange transactions

12. During 2024, I was unable to obtain sufficient appropriate audit evidence to confirm the opening balance of trade payables included in payables from exchange transactions misstatement of payables from exchange transactions due to the municipality's financial statements not reconciling with the underlying records and the filing system not functioning effectively. I was unable to confirm the balances by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to trade payables included in payables from exchange transactions stated at R495 585 085 in note 14 to the financial statements. My audit opinion on the financial statements for the period ended 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of trade payables included in payables from exchange transactions for the current period.

13. During 2024, I was unable to obtain sufficient appropriate audit evidence to confirm the balance of payments received in advance included in payables from exchange transactions due to the municipality's financial statements not reconciling with the underlying records and the filing system not functioning effectively. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to payments received in advance included in payables from exchange transactions stated at R40 079 996 in note 14 to the financial statements. My audit opinion on the financial statements for the period ended 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the

comparability of payments received in advance included in payables from exchange transactions for the current period.

14. During 2024, the municipality did not record unallocated deposits included in payables from exchange transactions in accordance with GRAP 1, *Presentation of financial statements* as the municipality incorrectly recorded receipts from debtors as unallocated deposits. I was unable to determine the full extent of the overstatement of unallocated deposits, receivables from exchange and receivables from non-exchange transactions, 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 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 unallocated deposits included in payables from exchange transactions for the current period.

Service charges

15. The municipality did not recognise all revenue from exchange transactions - service charges in accordance with GRAP 9, *Revenue from exchange transactions*. The municipality did not bill for all services rendered to consumers in the current and prior year. I was unable to determine the full extent of the understatement in service charges, as it was impracticable to do so. Consequently, I was unable to determine the full extent of the understatement of receivables from exchange transactions and vat output accrual.

16. During 2024, the municipality did not recognise revenue in accordance with GRAP 9, *Revenue from exchange transactions* in the as the municipality did not have adequate systems of internal control to correctly account for service charges. I was unable to determine the full extent of the misstatements of service charges, receivables from exchange transactions and statutory receivables from exchange transactions, 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 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 service charges transactions for the current period.

Revenue from non-exchange transactions

17. I was unable to obtain sufficient appropriate audit evidence for the property rates due to the poor status of the accounting records. I was unable to confirm property rates by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to property rates stated at R40 853 587 in note 29 to the financial statements as it was impracticable to do so

18. I was unable to obtain sufficient appropriate audit evidence for the government grants and subsidies due to the poor status of the accounting records. I was unable to confirm government grants and subsidies by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to government grants and subsidies stated at R197 520 097 in note 31 to the financial statements.

19. During 2024, the municipality did not recognise revenue in accordance with GRAP 23, *Revenue from non-exchange transactions* as the municipality did not have adequate systems of internal control to correctly account for conditional grants. Consequently, revenue from conditional grants was overstated by R11 489 729 and unspent conditional grant was understated by R11 489 729. 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 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 conditional grants for the current period.

20. During 2024, I was unable to obtain sufficient appropriate audit evidence for the availability charges – water and electricity due to the poor status of the accounting records. I was unable to confirm availability charges – water and electricity by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to availability charges – water and electricity stated at R32 843 332 in note 30 to the financial statements. My audit opinion on the financial statements for the period ended 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of availability charges – water and electricity for the current period.

General expenses

21. I was unable to obtain sufficient appropriate audit evidence for general expenses due to the poor status of the accounting records to confirm that goods and services were received. I was unable to confirm general expenses by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to general expenses (excluding inventory consumed) stated at R115 597 440 in note 41 to the financial statements.

22. I was unable to obtain sufficient appropriate audit evidence for inventory consumed included in general expenses due to the poor status of the accounting records to confirm that goods and services were received. I was unable to confirm inventory consumed included in general expenses by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to inventory consumed included in general expenses stated at R65 847 883 (2024: R70 107 095) in note 41 to the financial statements.

23. The municipality did not recognise items relating to inventory consumed included in general expenditure in accordance with GRAP 1, *Presentation of financial statements*. Items relating to contracted service and infrastructure assets were incorrectly recognised as inventory consumed. Consequently, contracted services was understated by R12 655 536(2024: R11 462 190) hire by R12 522 169 and infrastructure by (2024: R38 432 822) and inventory consumed overstated by R33 277 562 (2024: R52 356 252). Additionally, there was an impact on the deficit for the period and on the accumulated surplus.

24. During 2024, I was unable to obtain sufficient appropriate audit evidence for inventory consumed - water bulk purchases and inventory consumed included in general expenses due to the poor status of the accounting records to confirm that goods and services were received. I was unable to confirm inventory consumed included in general expenses by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to inventory consumed - water bulk purchases and inventory consumed stated at R132 735 096

in note 41 to the financial statements. My audit opinion on the financial statements for the period ended 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of inventory consumed - water bulk purchases and inventory consumed included in general expenses for the current period.

Unauthorised expenditure

25. I was unable to obtain sufficient appropriate audit evidence for the opening balance that impacted the closing balance of unauthorised expenditure, due to the status of the accounting records. I could not confirm these balances by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to unauthorised expenditure stated as R1 120 469 847 (2024: R868 311 941) in note 54 to the financial statements.

Irregular expenditure

26. The municipality did not disclose all the irregular expenditure in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. The municipality incurred expenditure in contravention of the supply chain management (SCM) requirements, resulting in irregular expenditure being understated in the current and prior year that resulted in the current year closing balance, disclosed in note 56, being understated. I was unable to determine the full extent of the understatement, as it was impracticable to do so. In addition, I was unable to obtain sufficient appropriate audit evidence due to the status of the accounting records. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any adjustment to irregular expenditure stated at R395 510 707 (2024: R395 510 707) in note 56 to the financial statements was necessary.

Fruitless and wasteful expenditure

27. I was unable to obtain sufficient appropriate audit evidence for the opening balance that impacted the closing balance of fruitless and wasteful expenditure ure, due to the status of the accounting records. I could not confirm these balances by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to fruitless and wasteful expenditure stated as R105 425 946 (2024: R35 753 200) in note 54 to the financial statements.

Contingencies

28. The municipality did not have adequate systems in place to recognise contingencies in accordance with GRAP 19, *Provisions, contingent liabilities and contingent assets*, as the municipality did not disclose all contingencies included in the register. Consequently, I was unable to determine the full extent of the understatement of contingencies for the current year, as it was impracticable to do so.

29. I was unable to obtain sufficient appropriate audit evidence for contingencies, as the municipality did not maintain accurate and complete records on contingencies. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustments relating to contingencies of R17 253 079 (2024: R17 823 985) as disclosed in note 49 to the financial statements were necessary.

Commitments

30. The municipality did not have adequate systems in place to recognise commitments in accordance with GRAP 17, *Property, plant and equipment*, as the municipality incorrectly included items that did not meet the definition of commitments. Consequently, commitments was overstated by R21 332 437.

31. During 2024, the municipality did not have adequate systems in place to recognise commitments in accordance with GRAP 17, *Property, plant and equipment*, as the municipality omitted capital expenditure relating to infrastructure asset commitments. I was unable to determine the full extent of the understatement of commitments as disclosed in note 48, as it was impractical to do so. My audit opinion on the financial statements for the period ended 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of commitments for the current period.

Material losses

32. I was unable to obtain sufficient appropriate audit evidence for water distribution losses due to inadequate systems of internal control that could not substantiate the losses disclosed. I was unable to confirm the material losses by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the material losses stated at R23 195 443 (2024: R17 917 525) in note 57 to the financial statements.

Statement of comparison of budget and actual amounts

33. 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*. The explanations for material variances were not disclosed. In addition, the comparison between the budgeted and the actual cash flow amounts were not disclosed. I was not able to determine the full extent of the omissions and errors in the statement of comparison of budget and actual amounts as it was impracticable to do so.

Net cash flows from operating activities

34. The municipality did not correctly prepare and disclose the net cash flows from operating activities as required by GRAP 2, *Cash flow statements*. This was due to multiple errors in determining cash flows from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities in the current and prior year as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments were necessary to cash flows from operating activities as stated at R46 654 964 (2024: R148 162 652) in the financial statements.

Context for opinion

35. 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.

36. 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.

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

Emphasis of matters

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

39. I draw attention to note 52 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.

40. As disclosed in the note 17, the municipality materially underspent on the conditional grants by R42 502 187 and because of this underspending, the conditional grants amounting to R16 059 000 (2024: R3 300 000) were withheld by the National Treasury.

41. As disclosed in note 57 to the financial statements, material electricity losses to the amount of R42 712 502 (2024: R32 403 500) were incurred, which represents 60% (2024: 60%) of total electricity purchased.

Other matter

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

43. 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

44. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.

45. 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

46. 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.

47. 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

48. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

49. I selected the following material performance indicators related to basic services presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

    - KPI-18 Electrification of 350 sites in Ganspan by 30 June 2025.
    - KPI-19 Decrease electricity losses from 57% to 16% by 30 June 2025
    - KPI-20 Quarterly Reports on Maintenance of 60 High mast lights as and when reported in all wards by 30 June 2025
    - KPI-21 Pampierstad Asbestos Water Reticulation Phase 5 by 30 June 2025.
    - KPI-22 Complete designs for upgrading of Hartswater Water Treatment Works by 30 June 2025.
    - KPI-23 Maintain all water reticulation networks by attending to pipe burst within 8 hours after logged call by 30 June 2025
    - KPI-24 Maintenance of 2 WWTW, repairs of equipment and cleaning of facilities on a monthly basis by 30 June 2025
    - KPI-25 Decrease water losses from 76% to 15% by 30 June 2025
    - KPI-26 Emergency upgrades of the sewer pump station in Jan kempdorp and bulk main line phase 1 by 30 June 2025

- KPI-27 New pump station and related bulk sewer outfall line in Masakeng. by June 2025
- KPI-28 Refurbishment of Waste Water Treatment Works in Jan Kempdorp by 30 June 2025
- KPI-29 Quarterly Reports on maintenance all Sewer Reticulation System by unblocking drains and mainlines within 8 hours of logged call by 30 June 2025
- KPI-30 Quarterly Reports on Maintenance of 2 WWTW, repairs to equipment and cleaning of facilities on monthly basis by 30 June 2025
- KPI-31 To ensure through effective monitoring that a 90% Blue Drop Status on quality compliance is achieved by 30 June 2025.
- KPI-32 Monthly Water samples submitted for analysis by 30 June 2025
- KPI-33 To ensure through effective monitoring that a 90% Green Drop Status on effluent quality compliance is achieved by 30 June 2025
- KPI-34 Monthly Sewage effluent samples submitted for analysis by 30th June 2025
- KPI-35 To upgrade 1.2 km of Kolong street with paving by 30 June 2025
- KPI-36 To upgrade 1 km of Cwaile street with paving by 30 June 2025
- KPI-37 Patching and resealing of 40 000 square meters of roads in Phokwane municipal area by 30 June 2025
- KPI-38 To re-gravel at least 6km of roads in Phokwane Municipal area by 30 June 2025
- KPI-39 Maintain and clean at least 20 km of storm channels by 30 June 2025
- KPI-43 Collection of Refuse Removal per schedule from households by 30 June 2025
- KPI-44 Refuse Removal per Schedule from Skips at business points by June 2025
- KPI-45 Compacting of landfill sites on a monthly basis by 30 June 2025
- KPI-46 1km Fencing around the landfill site in Hartswater by 30 June 2025

50. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

51. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives

- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

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

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

KPI-25 Decrease water losses from 76% to 15% by 30 June 2025

54. An achievement of 17% was reported against a target of 15%. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Various indicators

55. Based on the audit evidence, the actual achievement for 5 indicators did not agree to the achievements reported. Consequently, the targets were not achieved, the under achievements on the targets were more than reported and the achievements against the target were lower than reported.

Indicator	Target	Reported achievement	Actual achievement
KPI-19 Decrease electricity losses from 57% to 16% by 30 June 2025	16%	46.21%	60.09%
KPI-22 Complete designs for upgrading of Hartswater Water Treatment Works by 30 June 2025.	100%	100%	80%

KPI-26 Emergency upgrades of the sewer pump station in Jan kempdorp and bulk main line phase 1 by 30 June 2025	100%	100%	0%
KPI-32 Monthly Water samples submitted for analysis by 30 June 2025.	3	3	11
KPI-34 Monthly Sewage effluent samples submitted for analysis by 30th June 2025.	3	3	5

Various indicators

56. The 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 target
KPI-32 Monthly Water samples submitted for analysis by 30 June 2025.	12	3
KPI-34 Monthly Sewage effluent samples submitted for analysis by 30th June 2025.	12	3
KPI-36 To upgrade 1 km of Cwaile street with paving by 30 June 2025.	1km	0.8km
KPI-37 Patching and resealing of 40 000 square meters of roads in Phokwane municipal area by 30 June 2025.	40 000	10 000
KPI-44 Refuse Removal per Schedule from Skips at business points by June 2025	80	20

Various indicators

57. I could not determine the accuracy of various reported achievements, as the indicators were not well defined and adequate supporting evidence to clarify the methods and processes for measuring achievement were not provided. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.

Indicator	Target	Reported achievement
KPI-20 Quarterly Reports on Maintenance of 60 High mast lights as and when reported in all wards by 30 June 2025	4	4
KPI-21 Pampierstad Asbestos Water Reticulation Phase 5 by 30 June 2025.	100%	90%
KPI-23 Maintain all water reticulation networks by attending to pipe burst within 8 hours after logged call by 30 June 2025	4	4
KPI-24 Maintenance of 2 WWTW, repairs of equipment and cleaning of facilities on a monthly basis by 30 June 2025	12	12
KPI-28 Refurbishment of Waste Water Treatment Works in Jan Kempdorp by 30 June 2025	100%	100%
KPI-29 Quarterly Reports on maintenance all Sewer Reticulation System by unblocking drains and mainlines within 8 hours of logged call by 30 June 2025.	4	4

KPI-30 Quarterly Reports on Maintenance of 2 WWTW, repairs to equipment and cleaning of facilities on monthly basis by 30 June 2025	4	4
KPI-37 Patching and resealing of 40 000 square meters of roads in Phokwane municipal area by 30 June 2025.	10 000	15 000
KPI-43 Collection of Refuse Removal per schedule from households by 30 June 2025	19 599	14 699.25
KPI-44 Refuse Removal per Schedule from Skips at business points by June 2025	20	20
KPI-45 Compacting of landfill sites on a monthly basis by 30 June 2025	4	4

Various indicators

58. 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
KPI-19 Decrease electricity losses from 57% to 16% by 30 June 2025	16%	46.21%	The electrical department is still busy with the by-passed and tempered electricity meters
KPI-21 Pampierstad Asbestos Water Reticulation Phase 5 by 30 June 2025.	100%	90%	We are in constant engagement with Eskom to expedite the process for the connection supply point.
KPI-25 Decrease water losses from 76% to 15% by 30 June 2025.	15%	17%	Installation of bulk meters and accurate monthly readings of water meters is required to ensure that the information is accurate
KPI-27 New pump station and related bulk sewer outfall line in Masakeng. by June 2025	100%	84%	We are in constant engagement with Eskom with regard to the availability of electricity supply.
KPI-43 Collection of Refuse Removal per schedule from households by 30 June 2025	19 599	14 699.25	Ensure timeously repair of the refuse truck

Missing indicators

59. The Constitution of South Africa sections 152, 155 and 156 defines the legislative mandate of the municipality. However, various indicators to measure performance on the mandate were omitted from the approved planning documents. Consequently, achievement against the mandate was not planned or accounted for, which is likely to result in it not being delivered and undermines transparency and accountability for delivery on the mandated responsibilities.

Mandated responsibility	Reason provided by accounting officer for non-inclusion
Number of households with access / billed for water	Unintentional omission
Number of households with access / billed for electricity	Unintentional omission
Number of indigent households supported / received free basic services	Unintentional omission

Other matters

60. I draw attention to the matters below.

Achievement of planned targets

61. 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.

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

Basic Services

Targets achieved: 58%		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
KPI-18 Electrification of 350 sites in Ganspan by 30 June 2025.	350	0

KPI-21 Pampierstad Asbestos Water Reticulation Phase 5 by 30 June 2025.	100%	90%
KPI-27 New pump station and related bulk sewer outfall line in Masakeng. by June 2025	100%	84%
KPI-31 To ensure through effective monitoring that a 90% Blue Drop Status on quality compliance is achieved by 30 June 2025.	1	0
KPI-33 To ensure through effective monitoring that a 90% Green Drop Status on effluent quality compliance is achieved by 30 June 2025	1	0
KPI-35 To upgrade 1.2 km of Kolong street with paving by 30 June 2025.	1.2KM	0
KPI-36 To upgrade 1 km of Cwaile street with paving by 30 June 2025.	0.8KM	0.KM
KPI-38 To re-gravel at least 6km of roads in Phokwane Municipal area by 30 June 2025	6KM	0KM
KPI-39 Maintain and clean at least 20 km of storm channels by 30June 2025.	20KM	1KM
KPI-43 Collection of Refuse Removal per schedule from households by 30 June 2025	19599	14699.25
KPI-46 1km Fencing around the landfill site in Hartswater by 30 June 2025	1KM	0KM

Material misstatements

63. 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. Management did not correct the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

64. 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.

65. 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.

66. 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.

67. 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

68. 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.

69. The annual financial statements were not submitted to the Auditor-General within two months after the end of the financial year and a written explanation setting out the reasons for the failure was not tabled in the council, as required by section 133(1)(a) of the MFMA.

Consequence management

70. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.

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

Expenditure management

72. Reasonable steps were 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.

73. 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, and withdrawal of payment of funds, as required by section 65(2)(a) of the MFMA.

74. 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 the supply chain management (SCM) prescripts.

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

disclosed fruitless and wasteful expenditure was caused by interest and penalties charged on late payments to suppliers.

76. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the unauthorised expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the disclosed unauthorised expenditure was caused by non-cash items not budgeted for.

Procurement and contract management

77. Sufficient appropriate audit evidence could not be obtained that all contracts and quotations were awarded in accordance with the legislative requirements due to lack of proper record keeping.

78. Some 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.

79. Some of the 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.

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

81. 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 following projects: Actom (Pty) Ltd - PLM/TCAB/2611-2024 (Supply and delivery of electrical cables), Sealoa Construction - PLM/TWAT/2611-2024 (Supply and delivery of water material), Ofentse trading and Projects - PLM/TMEC/2611-2024 (Supply and delivery of mechanical material), Masbras - PLM/TELE/2611-2024 (Supply and delivery of electrical material), Shoba projects - PLM/TELE/0902/-2025 (Electrification of 700 stands in Ganspan ext.and Donkerhoek).

82. Some of the contracts and quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of section 2(1)(a) of the Preferential Procurement Policy Framework Act and its regulations. Similar non-compliance was also reported in the prior year. This non-compliance was identified in the procurement processes for WAIT4NO1.

83. Some of the construction contracts were awarded to contractors that were not registered with the CIDB and did not qualify for the contract in accordance with section 18(1) of the CIDB Act and CIDB Regulations 17 and 25(7A). Similar non-compliance was also reported in the prior year.

84. 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.

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

Revenue management

86. An effective system of internal control for debtors and revenue 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. A performance management system was not adopted, as required by municipal planning and performance management regulation 8.

Utilisation of conditional grants

89. Performance in respect of programmes funded by the Municipal Infrastructure Grant and Water Systems Infrastructure Grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of Dora.

90. Performance in respect of programmes funded by the Integrated National Electrification Programme Grant was not evaluated within two months after the end of the financial year, as required by section 11(6)(b) of the Division of Revenue Act (Act 24 of 2024).

Oversight and governance

91. The Internal Audit unit did not prepare a risk-based audit plan and the internal audit program for the financial year, as required by section 165(2) of the MFMA.

92. The Internal Audit unit did not advise the accounting officer and/or did not report to the audit committee on the implementation of the internal audit plan on matters relating to internal controls, as required by section 165(2)(b)(ii) of the MFMA.

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

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

95. The Internal Audit unit did not advise the accounting officer and/or did not report to the audit committee on the implementation of the internal audit plan on matters relating to compliance

with MFMA, DoRA, and any other applicable legislation, as required by section 165(2)(b)(vii) of the MFMA.

96. The internal audit plan did not include the assessment of the auditee's reliability of performance measurement in measuring performance against key performance indicators, as required by regulation 14(1)(b)(iii) on Municipal Planning and Performance Management.

97. The Internal Audit unit did not audit the results of performance measurements, as required by MSA 45(a).

98. The internal audit unit did not submit quarterly reports on the audits of performance measurements of the auditee to the municipal manager and the performance audit committee, as required by regulation 14(1)(c)(ii) on Municipal Planning and Performance Management.

99. The audit committee did not review the quarterly reports submitted by the internal auditors on the audits of performance measurement as required by regulation 14(4)(a)(i) on Municipal Planning and Performance Management. This was due to the non-submission of the quarterly reports by internal audit.

100. 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. This was due to the audit committee not being invited to council meetings.

Other information in the annual report

101. 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 material indicators in the scoped-in development priority presented in the annual performance report that have been specifically reported on in this auditor's report.

102. 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.

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

104. 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

105. 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.

106. 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.

107. Management did not exercise oversight responsibility regarding the financial reporting, compliance and related internal controls, as they did not ensure that adequate reviews were performed on the financial statements and the annual performance report prior to submission for audit.

108. The internal audit function and audit committee were not effective during the year under review.

109. The accounting officer did not develop an action plan to avoid and address external audit findings raised in the prior year from re-occurring.

110. The municipality did not review and monitor compliance with applicable laws and regulations

Material irregularities

111. 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.

Status of previously reported material irregularities

Lack of records within the performance management system

112. Regulation 7(1) of the Municipal Planning and Performance Regulations of 2001 states: "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".

113. The above-mentioned legislation requires that the municipality should have a performance management system that entails processes of performance planning, monitoring, measurement, review and reporting to ensure reliable reporting of performance information, however for three years the municipality failed to reliably report on performance information due to lack of records.

- 2020-21: No annual performance report prepared and submitted for audit

- 2021-22: Insufficient appropriate audit evidence was found to clearly define the predetermined source information, evidence, and collection methods. Additionally, the related systems and processes were not established to ensure consistent measurement and reliable reporting of actual achievements for the indicators.

- 2022-23: Could not determine whether the achievement of indicators reported against their respective targets were correct, as there were no processes to consistently measure and report on achievements against planned indicators. Adequate supporting evidence was also not provided for auditing. A comparison of the performance of the year under review and that of the previous year was also not included in the annual performance report.

114. The fact that the municipality has not reliably reported on performance information for these three years, indicates that the municipality does not have proper systems in place to ensure accurate 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) stated above.

115. The non-compliance is likely to cause substantial harm to Phokwane Local Municipality and is likely to result in further harm. 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.

116. The accounting officer was notified of the material irregularity on 30 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 failed to make the written submission within the stipulated period.

117. I notified the accounting officer on 3 March 2025 of the following recommendations, which should have been implemented by 3 July 2025:

i. 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 enhance control weaknesses.

ii. 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 key areas as a minimum:

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

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

c) Maintaining adequate and complete portfolio of evidence for reported performance.

118. The accounting officer was required to provide a progress report on 3 May 2025. On 5 May 2025 the accounting officer submitted the progress report and substantiating documentation on the implementation of recommendations. I duly assessed the report and provided feedback on 1 July 2025 to the accounting officer on the shortcomings that had to be addressed in the final response that was due on 3 July 2025.

119. On 9 July 2025 the accounting officer submitted a final response on the implementation of recommendations. I duly considered the representations made and substantiating documentation provided by the accounting officer and have concluded that appropriate actions were not taken to implement the recommendations and to address the material irregularity.

120. I am in the process of deciding on further actions to be taken.

Other reports

121. In addition to the investigations relating to material irregularities, 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.

122. Investigations are currently underway by the Directorate for Priority Crime Investigation (HAWKS) into payments made by and to the municipality. No reports were available at the time of this report.

Auditor General

Kimberley

30 November 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-General's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

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

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

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

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

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