

# Report of the auditor-general to the North West Provincial Legislature and the council on the Madibeng Local Municipality

## Report on the audit of the financial statements

### Qualified opinion

1. I have audited the financial statements of the Madibeng Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget 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 Madibeng Local Municipality as at 30 June 2024, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (DoRA).

### Basis for qualified opinion

#### Payables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence that retentions included in payables from exchange transactions had been properly accounted for, due to the status of the accounting records. I was unable to confirm these retentions by alternative means. In addition, trade payables were understated by R34 281 062 as the municipality did not have adequate systems to maintain records of trade payables. There was a resultant impact on expenditure. Consequently, I was unable to determine whether any further adjustments to payables from exchange transactions as disclosed in note 14 to the financial statements was necessary.
4. During 2023, I was unable to obtain sufficient appropriate audit evidence that trade payables and payments received in advanced included in payables from exchange transactions had been properly accounted for, due to the status of the accounting records. I was unable to determine whether any adjustment to payables from exchange transactions of R1 404 030 336 was necessary. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. I was still unable to confirm these payables from exchange transactions by alternate means. Consequently, my opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

## Service charges

5. The municipality did not measure revenue from service charges in accordance with GRAP 9, *Revenue from exchange transactions*. Service charges included R42 313 988 (2023: R44 136 174) for estimated billing. This billing was not based on actual consumption for a substantial period exceeding 12 months. The municipality did not have adequate internal controls in place to ensure that the revenue billed was based on recent actual meter readings, in compliance with the municipal by-laws. I was unable to determine the value of the misstatement on service charges of R888 026 138 (2023: R867 323 512) as disclosed in note 19 to the financial statements or the related consumer debtors, as well as on distribution losses, as it was impracticable to do so. This also had an impact on the deficit for the period and on the accumulated surplus.

## Commitments

6. I was unable to obtain sufficient appropriate audit evidence for commitments due to the status of the commitment register. I was unable to confirm these commitments by alternative means. Consequently, I was unable to determine whether any adjustment relating to capital commitments of R205 876 181 disclosed in note 40 to the financial statements was necessary.

## Prior year adjustments

7. I was unable to obtain sufficient appropriate audit evidence for the prior year adjustments made to payables from exchange transactions, other receivables and accumulated surplus, as the municipality did not have adequate controls in place to ensure that the supporting information for these adjustments were available. I was unable to confirm these adjustments by alternative means. There was a resultant impact on the statement of changes in net assets. Consequently, I was unable to determine whether any adjustment was necessary to the prior year errors as disclosed in note 52 to the financial statements.

## Irregular expenditure

8. Section 125(2)(d)(i) of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments of R163 277 359 in contravention of the supply chain management requirements, which were not included in irregular expenditure disclosed. As the municipality did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure as per note 48 to the financial statements. In addition, I was unable to obtain sufficient appropriate audit evidence for the opening balance, prior year correction and amount incorrectly classified included in irregular expenditure due to the status of the accounting records. I was unable to confirm this irregular expenditure by alternative means. Consequently, I was unable to determine whether any further adjustment was necessary to irregular expenditure of R2 706 129 901 (2023: R2 504 721 038) disclosed in note 48 to the financial statements.

## **Context for opinion**

9. 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.
10. 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.
11. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Material uncertainty relating to going concern**

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.
13. As disclosed in note 45 of the financial statements, the municipality reported a deficit of R308 034 064 (2023: R126 423 698) for the year, current liabilities exceed current assets by R809 656 668 (2023: R604 968 937) and the municipality is faced with numerous financial problems. These conditions along with other matters included in the note, indicate the existence of material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

## **Emphasis of matters**

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

## **Unauthorised and fruitless and wasteful expenditure**

15. As disclosed in note 46 to the financial statements, unauthorised expenditure of R321 642 125 was incurred in the current year and the unauthorised expenditure of R4 387 132 175 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.
16. As disclosed in note 47 to the financial statements, fruitless and wasteful expenditure of R77 068 599 was incurred in the current year and fruitless and wasteful expenditure of R199 265 232 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.

## **Debt impairment**

17. As disclosed in note 34 to the financial statements, material losses of R291 488 312 (2023: R226 421 580) was incurred as a result of debt impairment.

## **Other matter**

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

## **Unaudited disclosure notes**

19. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

## **Responsibilities of the accounting officer for the financial statements**

20. 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.

21. 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**

22. 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 the financial statements.

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

## **Report on the audit of the annual performance report**

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

25. I selected the following key performance areas presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected the areas that measure the municipality's

performance on its primary mandated functions and that are of significant national, community or public interest.

Key Performance Area	Page numbers	Purpose
Basic Services Delivery and Infrastructure Development	xx	Measure of service delivery within the municipal areas
Local Economic Development	xx	Measures the economic development of citizen and businesses surrounding as well as the actions taken by the municipality to improve the economic activity of the areas it serves

26. I evaluated the reported performance information for the selected areas 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.
27. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
  - all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
  - there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance
28. I performed the procedures for reporting material findings only; and not to express an assurance opinion or conclusion.
29. The material findings on the reported performance information for the selected key performance areas are as follows:

## Basic Services and Infrastructure Development

### Various Indicators

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

Approved Indicator	Approved Target	Reported Indicator	Reported target
KPI 13 Percentage reduction of technical electricity losses by 30 June 2024	30%	KPI 13 Percentage reduction of technical electricity losses by 30 June 2024	<30
KPI 15: Number of New Households with access to electricity by 30 June 2024	160 724	KPI 15: Number of New Households with access to electricity by 30 June 2024	200
KPI 17: Number of Electricity callouts responded to within 24 hours	100%	KPI 17: Number of Electricity callouts responded to within 24 hours	24 hours
KPI 18: Number of additional informal settlements with access to refuse removal by 30 June 2024	8	KPI 18: Number of additional informal settlements with access to refuse removal by 30 June 2024	10
KPI 19: Number of increased households with access to refuse removal service by 30 June 2024	40 000 HH	KPI 19: Number of increased households with access to refuse removal service by 30 June 2024	More than 40 000 HH
KPI 26: Percentage of disaster incidents managed and responded to as a proportion of requested received by 30 June 2024	100%	KPI 26: Percentage of disaster incidents managed and responded to as a proportion of requested received by 30 June 2024	As and when
KPI 31: kilometres of unsurfaced road graded by 30 June 2024	50%	KPI 31: kilometres of unsurfaced road graded by 30 June 2024	50km
KPI 32: kilometres of surfaced municipal road lanes which has been resurfaced and resealed by 30 June 2024	40%	KPI 32: kilometres of surfaced municipal road lanes which has been resurfaced and resealed by 30 June 2024	11.2km

KPI 34: Number of roads conditional assessment conducted for maintenance e of Asset Registry by 30 June 2024	100%	KPI 34: Number of roads conditional assessment conducted for maintenance e of Asset Registry by 30 June 2024	1
KPI 35: m2 of pothole patched	100%	KPI 35: m2 of pothole patched	600m2

### Various indicators

31. The reported achievements in the annual performance report were inconsistent with the commitments made in the approved planning documents. These discrepancies highlight misalignment between approved plans and operations, while the incorrect reporting undermines transparency and accountability.

Indicator	Target	Reported achievement
KPI 17: Number of Electricity callouts responded to within 24 hours	100%	Not achieved
KPI 31: kilometres of unsurfaced road graded by 30 June 2024	50%	80km
KPI 33: KMs of new municipal road network done by 30 June 2024	27km	Not achieved
KPI 35: m2 of pothole patched	100%	6805m2
KPI 36: Number of callouts responded to within 24 hours (sanitation/wastewater) by 30 June 2024	100%	Not achieved
KPI 37: Number of callouts responded to within 24 hours (water) by 30 June 2024	100%	Not achieved
KPI 42: Percentage reduction of water loss by 30 June 2024	<22	Not achieved
KPI 46: Number of waste water treatment works complying 90% against applicable water qualifying standards by 30 June 2024	4	Not achieved

**Various indicators**

32. I could not determine the accuracy of various reported achievements, as the indicators were not well defined, and I could not verify the methods and processes used to measure the achievements 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 13 Percentage reduction of technical electricity losses by 30 June 2024	<30	30%
KPI 17: Number of Electricity callouts responded to within 24 hours	0	0
KPI 36: Number of callouts responded to within 24 hours (sanitation /wastewater) by 30 June 2024	100%	0
KPI 37: Number of callouts responded to within 24 hours (water) by 30 June 2024	100%	0
KPI 38: Percentage of total water applications connections metered by 30 June 2024	100%	100%

**Various indicators**

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

Indicator	Target	Detail
KPI 10: Number of dwellings provided with connections to the mains electricity supply by the municipality by 30 June 2024	2 x Project Progress Reports	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes.
KPI 14: Number of Households with access to basic level of electricity by 30 June 2024	186478	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have

		standard operating procedures in place to verify the processes
KPI 15: Number of New Households with access to electricity by 30 June 2024	160724	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 33: KMs of new municipal road network done by 30 June 2024	27 km	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 34: Number of roads conditional assessment conducted for maintenance e of Asset Registry by 30 June 2024	100%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes

### Various indicators

34. Adequate processes had not been established to consistently measure and reliably report on various indicators. Consequently, the municipality would have found it difficult to determine the correct achievements to be reported against the planned targets.

Indicator	Target	Detail
KPI 12: Percentage adherence to planned electricity maintenance performed by 30 June 2024	100%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 13: Percentage reduction of technical electricity losses by 30 June 2024	<30	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 17: Number of Electricity callouts responded to within 24 hours	0	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does

		not have standard operating procedures in place to verify the processes
KPI 31: kilometres of unsurfaced road graded by 30 June 2024	50%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 35: m2 of pothole patched	100%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 36: Number of callouts responded to within 24 hours (sanitation /wastewater) by 30 June 2024	100%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 37: Number of callouts responded to within 24 hours (water) by 30 June 2024	100%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 38: Percentage of total water applications connections metered by 30 June 2024	100%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 40: Number of new applications for sewer-connections (new applications) meeting minimum standards (Rend Book) by 30 June 2024	150	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 41: Percentage of drinking water complying with SANs 41 by 30 June 2024	95%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes

KPI 42: Percentage reduction of water loss by 30 June 2024	<22	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 43: Percentage maintenance of water infrastructure by 30 June 2024	100%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 44: Number of new sewer connections meeting minimum standards by 30 June 2024	384	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 46: Number of waste water treatment works complying 90% against applicable water qualifying standards by 30 June 2024	4	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes
KPI 47: Percentage maintenance of the waste water treatment works	50%	The technical indicator descriptions are not descriptive and detailed to adequately describe the core elements of the indicators and related targets. Additionally, the municipality also does not have standard operating procedures in place to verify the processes

### Various indicators

35. The targets below do not relate directly to their indicators. This makes it difficult to plan for the achievement of the indicator. Consequently, the reported achievements do not provide useful information on the achievement of the indicators and the irrelevant targets hinder appropriate planning for the achievement of the indicators.

Indicator	Target
KPI 10: Number of dwellings provided with connections to the mains electricity supply by the municipality by 30 June 2024	2 progress reports
KPI 17: Number of Electricity callouts responded to within 24 hours	24 hours

KPI 31: kilometres of unsurfaced road graded by 30 June 2024	50%
KPI 32: kilometres of surfaced municipal road lanes which has been resurfaced and resealed by 30 June 2024	40%
KPI 35: m2 of pothole patched	100%
KPI 36: Number of callouts responded to within 24 hours (sanitation /wastewater) by 30 June 2024	100%
KPI 37: Number of callouts responded to within 24 hours (water) by 30 June 2024	100%

### Various indicators

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

Indicator	Target	Reported achievement
KPI 11: Percentage of electricity unplanned outages that are restored to supply within industry standard timeframes by 30 June 2024	10%	10%
KPI 12: Percentage adherence to planned electricity maintenance performed by 30 June 2024	100%	100%
KPI 14: Number of Households with access to basic level of electricity by 30 June 2024	186478	186478
KPI 40: Number of new applications for sewer-connections (new applications) meeting minimum standards (R end Book) by 30 June 2024	150	1540
KPI 41: Percentage of drinking water complying with SANs 41 by 30 June 2024	95%	95%
KPI 42: Percentage reduction of water loss by 30 June 2024	<22	0

KPI 43: Percentage maintenance of water infrastructure by 30 June 2024	100%	100%
KPI 44: Number of new sewer connections meeting minimum standards by 30 June 2024	384	1540
KPI 46: Number of waste water treatment works complying 90% against applicable water qualifying standards by 30 June 2024	4	0
KPI 47: Percentage maintenance of the waste water treatment works	50%	50%

### Various Indicators

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

Indicator	Target	Reported achievement	Actual Achievement
KPI 18: Number of additional informal settlements with access to refuse removal by 30 June 2024	8	10	12
KPI 25: Percentage of compliance with the required attendance time for structural firefighting incidents by 30 June 2024	40%	40%	49,50%
KPI 31: kilometres of unsurfaced road graded by 30 June 2024	50km	80km	458km
KPI 33: KMs of new municipal road network done by 30 June 2024	27km	0	5303km
KPI 35: m2 of pothole patched	600m2	6805m2	16545m2

**Various Indicators**

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

Indicator	Target	Reported achievement	Actual Achievement
KPI 32: kilometres of surfaced municipal road lanes which has been resurfaced and resealed by 30 June 2024	11.2km	0	7.1km
KPI 39: Number of households with access to basic level of water by 30 June 2024	160 724	160 724	2050
KPI 45: Number of Households with access to sanitation by 30 June 2024	160 724	160 724	2050

**Various Indicators**

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

Indicator	Target
KPI 11: Percentage of electricity unplanned outages that are restored to supply within industry standard timeframes by 30 June 2024	10%
KPI 36: Number of callouts responded to within 24 hours (sanitation/wastewater) by 30 June 2024	100%
KPI 37: Number of callouts responded to within 24 hours (water) by 30 June 2024	100%
KPI 39: Number of households with access to basic level of water by 30 June 2024	160724
KPI 41: Percentage of drinking water complying to SANS 241 by 30 June 2024	95%

KPI 42: Percentage reduction of water loss by 30 June 2024	<22
KPI 44: Number of new sewer connections meeting minimum standards by 30 June 2024	384

### Various Indicators

40. 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	Measures taken based on audit evidence
KPI 13 - Percentage reduction of technical electricity losses by 30 June 2024	30%	Not Achieved 30% reduction of technical electricity losses by 30 June 2024	The MLM electricity reduction strategy not yet implemented due to financial constraints.	No corroborative evidence to support reported measure
KPI 32: Kilometres of surfaced municipal road which has been resurfaced and resealed by 30 June 2024	60%	Not Achieved 40% done	To finalize the review process of the two appointment contractors.	No corroborative evidence to support reported measure
KPI 33: KMs of new municipal road network by 30 June 2024	27 km	Not Achieved	To finalize the review process of the two appointment contractors	No corroborative evidence to support reported measure
KPI 34: Number of Roads conditional assessment reports for asset registry	100%	Not Achieved 100% done	Alignment of proposed assessments with the Bojanala district service provider is been appointed. To be achieved 1st quarter.	No corroborative evidence to support reported measure
KPI 46: Number of waste water treatment works complying 90% against applicable water qualifying	4 WWTW Schoemansville lle, Brits, Letlhabile and Mothotlung	Not Achieved Schoemansville lle Brits, Letlhabile ,Mothotlung	Contraction completion anticipated to be end of second quarter of 2024/25.	No corroborative evidence to support reported measure

standards by 30 June 2024				
KPI 47: Percentage maintenance of the Waste Water Treatment works	50%	Not Achieved 50% maintenance done	N/A Revise the calculation method by midterm review	No corroborative evidence to support reported measure

**KPI 33: KMs of new municipal road network by 30 June 2024**

41. A comparison of the actual performance for the year against the prior year performance was not included in the annual performance report. Consequently, the reported information is not useful for evaluating progress over time and for identifying areas of improvement.

**Overall presentation not comparable and understandable**

42. Overall, the performance information for this key performance area was not reported in such a way that it could be compared and would be easy to understand due to duplicate achievements that were reported for different indicators, and actual performance that was compared to prior year on indicators that were not reported in the prior year. Consequently, the reported performance information is not useful for measuring progress against the planned objectives, which undermines transparency and accountability.

**Local Economic Development**

**Various Indicators**

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

Indicator	Target	Reported achievement
KPI 49: Number of work opportunities created by the municipality through Public Employment Programmes (incl. EPWP, CWP and other related employment programmes) by 30 June 2024	1480	1480
KPI 54: Number of Business licence issued within 90 days	20-business licence issued within 90 days	20-business licence issued within 90 days

**Number of SMMEs supported through training by 30 June 2024**

44. An achievement of 120 SMME’s established and supported through training was reported against a target of 120 but the audit evidence showed the actual achievement to be 182

SMMEs supported through training. The achievement against the target was better than reported.

45. A comparison of the actual performance for the year against the prior year performance was not included in the annual performance report. Consequently, the reported information is not useful for evaluating progress over time and for identifying areas of improvement.

**Other matter**

46. I draw attention to the matters below.

**Achievement of planned targets**

47. 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.
48. 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 Service Delivery and Infrastructure Development**

<i>Targets achieved: 67%</i>		
<i>Budget spent: 100%</i>		
<b>Key service delivery indicator not achieved</b>	<b>Planned target</b>	<b>Reported achievement</b>
KPI 13: Percentage reduction of technical electricity losses by 30 June 2024	<30	30%
KPI 17: Number of Electricity callouts responded to within 24 hours	24 hours	Not achieved
KPI 32: Kilometres of surfaced municipal road lanes which has been resurfaced and resealed by 30 June 2024	11.2KM	Not achieved
KPI 33: KMs of new municipal road network done by 30 June 2024	27KM	Not achieved
KPI 34: Number of roads conditional assessment conducted for maintenance of Asset Registry by 30 June 2024	1	Not achieved
KPI 36: Number of callouts responded to within 24 hours (sanitation/wastewater) by 30 June 2024	100%	Not achieved
KPI 37: Number of callouts responded to within 24 hours (water) by 30 June 2024	100%	Not achieved

KPI 41: Percentage of drinking water complying to SANS 241 by 30 June 2024	95%	Not achieved
KPI 42: Percentage reduction of water loss by 30 June 2024	<22	Not achieved
KPI 46: Number of waste water treatment works complying 90% against applicable water qualifying standards by 30 June 2024	4	Not achieved

### Material misstatements

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

### Report on compliance with legislation

50. 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.
51. 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.
52. 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.
53. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### Annual financial statements and annual report

54. 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.

55. The local community was not invited to submit representations in connection with the 2022/23 annual report, as required by section 127(5)(a)(ii) of the MFMA.
56. The oversight report adopted by the council on the 2022/23 annual report was not made public, as required by section 129(3) of the MFMA.

### **Consequence management**

57. Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) and (b) of the MFMA.

### **Expenditure management**

58. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e).
59. There was no adequate management, accounting, and information system in place to account for creditors, as required by section 65(2)(b) of the MFMA.
60. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The 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 regulations.
61. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R77 068 599, as disclosed in note 47 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 payable on bulk purchases.
62. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R321 642 125, as disclosed in note 46 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the budget on the infrastructure and technical services as well as public safety, fleet and facilities management votes.

### **Human resource management**

63. Senior managers did not sign performance agreements within the prescribed period, as required by section 57(2)(a) of the MSA.
64. I was unable to obtain sufficient appropriate audit evidence that candidates appointed as senior managers submitted proof of previous employment prior to signing employment contracts, as required by municipal performance regulations for municipal managers and managers directly accountable to municipal managers 4(4)(b).
65. I was unable to obtain sufficient appropriate audit evidence that job descriptions were established for all posts in which appointments were made, as required by section 66(1)(b) of MSA and regulation 7(1) of Municipal Staff Regulations.

## Revenue management

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

## Strategic planning and performance management

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

## Procurement and contract management

68. Sufficient appropriate audit evidence could not be obtained that goods and services within the prescribed transaction value for competitive bids were procured by inviting competitive bids and/or that deviations approved by the accounting officer were only if it was impractical to invite competitive bids, as required by SCM Regulations 19(a) and 36(1).
69. Sufficient appropriate audit evidence could not be obtained that bid specifications were unbiased and allowed all potential suppliers to offer their goods or services, as required by SCM Regulation 27(2)(a).
70. Sufficient appropriate audit evidence could not be obtained that invitations for competitive bidding were advertised for a required minimum period of days, as required by SCM Regulation 22(1) and 22(2).
71. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to bidders based on points given for legislative requirement that were stipulated in the original invitation for bidding and quotations, as required by SCM regulations 21(b) and 28(1)(a)(i) and Preferential Procurement Regulations.
72. Sufficient appropriate audit evidence could not be obtained that contracts were awarded through a competitive bidding process that were adjudicated by the bid adjudication committee as required by SCM Regulations 29(1) (a) and (b) and Preferential Procurement Regulations.
73. Sufficient appropriate audit evidence could not be obtained that the accounting officer ratified the decision of bid adjudication committee of awarding contracts to bidders other than those recommended by the bid evaluation committee as required by SCM Regulation 29(5)(b).
74. Sufficient appropriate audit evidence could not be obtained that contracts were awarded only to bidders who submitted a declaration on whether they were 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.
75. Sufficient appropriate audit evidence could not be obtained that contract were only awarded to providers whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM Regulation 43.

76. 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.
77. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of section 2(1)(a) Preferential Procurement Policy Framework Act and its regulations. Similar non-compliance was also reported in the prior year.
78. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to bidders that scored 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). Similar non-compliance was also reported in the prior year.
79. Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM Regulation 5. Similar limitation was also reported in the prior year.
80. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or service 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.
81. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. Similar limitation was also reported in the prior year.
82. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e), the code of conduct for councillors issued in terms of the Municipal Systems Act and the code of conduct for staff members issued in terms of the Municipal Systems Act.

#### Other information in the annual report

83. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported on in this auditor's report.
84. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
85. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the key performance areas presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

86. 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

87. 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.
88. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
89. The accounting officer did not adequately exercise oversight responsibility regarding financial and performance reporting and compliance with legislation. The municipality did not have sufficient monitoring and reviewing controls to ensure that financial and performance reports submitted for audit were accurate and complete, and that action plans developed were adequately and timeously implemented.
90. Management did not implement sound monitoring controls over proper record keeping that support reported performance on predetermined objectives and compliance with laws and regulations.

### Material irregularities

91. 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 identified during the audit

92. The material irregularities identified are as follows:

#### Unauthorised debit orders from the municipal bank accounts

93. The municipality incurred unauthorised debit orders of R19 724 323 and the amount was reported as part of other receivables disclosed in note 5 to the annual financial statements of 2022/23. The payments relate to fraudulent debit orders that have continuously been debited against the municipality's bank account from 2015. It is further alleged that the municipality has got no business on contracts with the said debit orders that are taking place and as a result the municipality suffered a loss.

94. The suspected fraud is likely to result in a material financial loss for the municipality if the unauthorised debit orders are not recovered from responsible parties.
95. The accounting officer was notified of the suspected fraud material irregularity (MI) on 14 December 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded to the notification of suspected fraud MI on the 09 February 2024.
96. Based on the assessment of substantiating documents submitted by the accounting officer on 09 February 2024, I determined that the accounting officer is not taking appropriate action to resolve the suspected fraud MI. I am in the process of making a decision on further actions to be taken.

### **Status of previously reported material irregularities**

#### **Full and proper records not kept (2019-20) – significant distribution losses, revenue and accounts receivables, cash and cash equivalents, expenditure and accounts payable**

97. Reasonable steps were not taken in the 2019-20 financial year to ensure that full and proper records were kept of significant distribution losses, revenue and accounts receivable, cash and cash equivalents and expenditure and accounts payable, as required by section 62(1)(b) of the MFMA. The non-compliance contributed to a disclaimed audit opinion, as I could not obtain sufficient appropriate audit evidence to support the amounts and disclosures in the financial statements.
98. The lack of full and proper records is likely to result in substantial harm to the municipality, as the municipality may not be able to continue its operations, i.e. it may not be able to demonstrate that it can ensure access to basic services in a financially sustainable manner. This is likely to have a negative impact on the municipality's ability to discharge its service delivery mandate.
99. The accounting officer was notified of the material irregularity (MI) on 8 June 2021. The accounting officer has not taken the appropriate action committed to in his written submission in response to the notification. I had recommended that the accounting officer should take the following actions to address the MI by 4 May 2022.
100. 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 taking appropriate corrective actions and to address control weaknesses.
101. Based on the reasons and circumstances, 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 section 62(1)(b) of the MFMA. A plan should include anticipated timeframes and address the following key areas as a minimum:
  - a. Complete records of distribution losses relating to water and electricity
  - b. Billing information and reconciliations to support revenue from service charges
  - c. Reconciliations of the bank accounts

- d. Clearing of suspense accounts
- e. Complete records of all procurement processes
- f. 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.

102. I had further recommended that the accounting officer should take appropriate action to develop and commence with the implementation of an action plan to address the financial problems of the municipality, as required by section 135(1) and 135(3)(a) of the MFMA, by 4 August 2022. The accounting officer was supposed to describe the anticipated timeframe and milestones to be achieved and include, as a minimum, strategies to:

- a. increase the collection of revenue
- b. efficiently manage the available resources of the municipality
- c. enter into payment agreements with major suppliers.

103. The above timeframes for the implementation of the recommendations were running concurrently.

104. The accounting officer submitted a written response to and supporting evidence for the implementation of the recommendations on 12 August 2021 and 3 August 2022. Based on my assessment of the written response and supporting evidence submitted, I concluded that the recommendations had not been adequately implemented.

105. On 10 August 2023, I notified the accounting officer of the following remedial actions to address the MI, which should be implemented by within six months from the date of the notification, with a progress report after three months:

- 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 circumstances, 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 auditee are kept in accordance with any prescribed norms and standards, as required by section 62(1)(b) of the MFMA. The plan must include anticipated timeframes and address the following key areas as a minimum:
  - a. complete records of distribution losses relating to water and electricity
  - b. billing information and reconciliations to support revenue from service charges
  - c. reconciliations of the bank accounts
  - d. clearing of suspense accounts
  - e. complete records of all procurement processes
  - f. 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.

- I further recommend 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 auditee, as required by section 135(1) and 135(3)(a) of the MFMA. The plan must describe the anticipated timeframe and milestones to be achieved and include as a minimum, strategies to:
    - a. increase the collection of revenue
    - b. efficiently manage the available resources of the municipality
    - c. enter into payment arrangements with major suppliers.
106. A progress report on the implementation of the remedial actions was received on 7 November 2023. Whilst the audit outcome moved from a disclaimer opinion to an adverse opinion in the 2022/23 financial year, satisfactory progress was not made with the implementation of the remedial actions.
107. In terms of regulation 11(2) of the MI regulations, on 12 June 2024, I requested intervention from the relevant 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. I will follow up on the outcome of the intervention during my next audit.

#### **Pollution of water resources not prevented – Mothotlung wastewater treatment plant**

108. The municipality did not take reasonable measures at the Mothotlung Wastewater Treatment Works to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring, as required by section 28(1) of the National Environmental Management Act and section 19(1) of the National Water Act. The wastewater treatment works was demolished, vandalised and some of the infrastructure stolen, rendering it not operational for years, while infrastructure lines to and from the plant were also depleted, vandalised and stolen, causing regular sewerage overflows. This resulted in untreated effluent being discharged into the adjacent environment, including the groundwater, the Kgowa spring and its extended watercourse. The community is also directly impacted with raw sewerage overflows accumulating directly in gardens, houses and streets of the adjacent Mothotlung and Thetele settlements. The contaminated water sources are used by a number of settlements and communities in the Mothotlung area and along the extended watercourse. The non-compliance is likely to cause substantial harm to the communities exposed to and dependent on the contaminated water resources.
109. The accounting officer was notified of the MI on 25 May 2022 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer, however, did not respond to provide any planned actions to address the MI. Based on a follow-up visit in July 2022, it was confirmed that no action has been taken at the wastewater treatment works, with it still being flooded, and no treatment of wastewater taking place before it is discharged into the environment and water sources adjacent to the plant.
110. The accounting officer has not taken sufficient action to minimise and rectify the pollution or degradation of the environment. Therefore, I concluded that the accounting officer was not taking appropriate action to address the MI.

111. I referred the MI to the Department of Water and Sanitation on 30 June 2023 for investigation, as provided for in section 5(1A) of the PAA. The referral was accepted by the DWS on 5 July 2023 and based on the latest available progress report from DWS on 25 September 2024, the investigation is still in progress.

#### **Pollution of water resources not prevented – Letlhabile wastewater treatment plant**

112. The municipality did not take reasonable measures at the Letlhabile Wastewater Treatment Works to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring, as required by section 28(1) of the National Environmental Management Act and section 19(1) of the National Water Act. The wastewater treatment works has not been operational with full ponds overflowing for a number of years already. This resulted in untreated effluent being discharged into the adjacent environment, including the groundwater and the Rakwasi Ramokgatla spring, which is used by the communities in the areas like the Letlhabile and Maboloka settlements. This contaminates a network of streams and rivers in the surrounding area that ultimately flows into the Tolwane River, which is used for consumption, farming and agricultural purposes by the communities of the towns and the farmers along the extended water network. The non-compliance is likely to cause substantial harm to the communities exposed to and dependent on the contaminated water resources.

113. The accounting officer was notified of the MI on 25 May 2022 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer however did not respond to provide any planned actions to address the MI. Based on a follow-up visit in July 2022, it was confirmed that no action has been taken at the wastewater treatment works, with it being flooded and no treatment of wastewater taking place before it is discharged into the environment and water sources adjacent to the plant.

114. The accounting officer has not taken sufficient action to minimise and rectify the pollution or degradation of the environment. Therefore, I concluded that the accounting officer was not taking appropriate action to address the MI.

115. I referred the MI to the Department of Water and Sanitation on 30 June 2023 for investigation, as provided for in section 5(1A) of the PAA. The referral was accepted by the DWS on 5 July 2023 and based on the latest available progress report from DWS on 25 September 2024, the investigation is still in progress.

*Auditor General*

Rustenburg

30 November 2024



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

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

#### Financial statements

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

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

## Communication with those charged with governance

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

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

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

Legislation	Sections or regulations
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1),31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), Regulations: 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)