

Report of the auditor-general to Limpopo Provincial Legislature and the council on Thulamela Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Thulamela 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 statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Thulamela 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

Revenue from non-exchange transactions - Property rates

3. The municipality did not recognise revenue from property rates as required by GRAP 23, *Revenue from non-exchange transactions (Taxes and transfers)*. I identified differences between the market values as per billing report and the general valuation roll. Consequently, revenue from property rates as stated in note 25 to the financial statements was understated by R15 540 620 and receivables from non-exchange transactions was understated by the same amount.
4. I was unable to obtain sufficient appropriate audit evidence whether revenue from property rates was recorded as required by GRAP 23, *Revenue from non-exchange transactions (Taxes and transfers)*. I identified properties in the valuation roll that were not billed. I could not confirm whether all revenue from property rates has been recorded by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to revenue from property rates, stated at R106 618 910 (2024: R96 845 575) in note 25 to the financial statements.

Contingencies

5. The municipality did not disclose contingent liabilities in accordance with GRAP 19, *Provisions, Contingent Liabilities, and Contingent Assets*. Contingent liabilities disclosed in note 44 to the financial statements were not valued at the best estimate of the liability as at year end. Consequently, I was unable to determine whether any further adjustments were necessary to

contingencies stated at R40 386 132 (2024: R38 295 752) in note 44 of the financial statements.

6. The municipality did not disclose all contingent liabilities in accordance with GRAP 19, resulting in an understatement of contingencies disclosed in note 44 to the financial statements. I identified litigations against the municipality that were not recorded in the register of contingent liabilities. I was unable to determine the full extent of the understatement as it was impracticable to do so. I was unable to confirm contingent liabilities by alternative means. Consequently, I was unable to determine whether any adjustment to contingent liabilities stated at R40 386 132 (2024: R38 295 752) in note 44 to the financial statements, was necessary.

Context for opinion

7. 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.
8. 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.
9. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.
11. With reference to note 45 to the financial statements, the municipality is the defendant in lawsuits. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.
12. As disclosed in note 47 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2025.
13. As disclosed in notes 5 and 6 to the financial statements, the gross statutory receivables and consumer debtor balances amounted to R714 214 391 (2024: R642 819 793) and as a result of irrecoverable debt, a material allowance for impairment of R658 385 875 (2024: R593 552 388) was made.

Other matters

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

Unaudited disclosure notes

15. 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.

Unaudited supplementary schedules

16. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion thereon

Responsibilities of the accounting officer for the financial statements

17. 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 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.
18. 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 statements¹

19. 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.
20. 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 audit of the annual performance report

21. 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 development priorities presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

22. I selected the following development priorities presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected key performance areas that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Development priorities	Page numbers	Purpose
Basic service delivery	XX	To provide sustainable infrastructure development.
Local economic development	XX	To provide climate that will attract investment and reduce unemployment through the promotion of economic development

23. I evaluated the reported performance information for the selected development priorities 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.

24. 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

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

26. The material findings on the reported performance information for the selected development priorities are as follows:

KPA 2: Basic service delivery

Various indicators

27. 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. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.

Reported indicators per annual performance report (APR)	Planned targets per the annual performance report (APR)	Reported actual achievement per annual performance report (APR)
Percentage of indigent households earning less than R3500 per month that are receiving free basic electricity Services by June 2025	100% indigent household s earning less than R3500 per month that receive free basic electricity services by June 2025	100% indigent households earning less than R3500 per month that received basic electricity services by June 2025
Percentage of indigent households earning less R3 500 per month that receives free basic waste services by June 2025	100% of indigent household s earning less R3 500 per month that receive free basic waste services by June 2025	100% of indigent households earning less R3 500 per month that receive free basic waste services done by June 2025
Percentage of households in urban areas having access to basic services level of solid waste removal per week by June 2025	100% household s in urban areas having access to basic services level of solid waste removal per week by June 2025	100% households in urban areas having access to basic services level of solid waste removal per week done by June 2025
Percentage of businesses that receive refuse removal at least once per week by June 2025	100 % businesses that receive refuse a removal at o w least once d per week by June 2025	100% of businesses receive removal at least once per week done by June 2025
Percentage of loading bays sidewalk, streetlights, asphalt surfacing and landscaping at UIF to Shell Garage constructed by June 2025	100% loading bays, sidewalk, streetlight asphalt surfacing and landscaping at UIF to Shell Garage constructed by June 2025 (Multi- Year)	90% loading bays, sidewalk, streetlights asphalt surfacing and landscaping at UIF to Shell Garage construct ed by June 2025 (Multi- Year]

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

Reported indicators	Planned targets	Reported actual achievement	Actual achievement
To construct boundary wall at Makonde Stadium by June 2025	Boundary wall constructed at Makonde Stadium by June 2025	Boundary wall constructed at Makonde Stadium by June 2025	The project was completed on 26 June 2024, which falls outside the current reporting period ending 30 June 2025.
To construct a streetlight from Tshikevha to Sibasa by June 2025	3.6 km 3 streetlight from Tshikevha to Sibasa a constructed by June 2025	3.6 km N Streetlights from Tshikevha to Sibasa constructed by June 2025	The actual completion occurred on 28 June 2024, which falls outside the current reporting period ending 30 June 2025
To rehabilitate Streetlight from JJ motors to Sibasa Caltex by June 2025	4.8 km streetlight from JJ motors to Sibasa Caltex rehabilitated by June 2025	4.8 km Streetlights from JJ motors to Sibasa Caltex rehabilitated by June 2025	The actual completion occurred on 28 June 2024, which falls outside the reporting period ending 30 June 2025.
To upgrade Tshilamba phase 3 from gravel to asphalt by June 2025 (Multi - Year)	3,76 km at Tshilamba phase 3 upgraded a from gravel to asphalt by June 2025 (Multi- Year)	3,76 km at Tshilamba phase 3 upgraded from gravel to asphalt by June 2025 (Multi - year)	The certificate does not specify the number of kilometers completed, and the completion certificate was signed after year end.

KPA 3: Local economic development

29. 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.

Indicator	Target	Detail
To monitor the exhibition of flea market by the municipality by June 2025	New indicator	There was an omission of prior year data resulting in a presentation and disclosure misstatement, as it does not fully comply with the Performance Management and Reporting Framework (PMRF).

Various indicators

30. Based on the audit evidence, the actual achievement for five indicators did not agree to the achievements reported. Consequently, the targets were not achieved, the underachievement

on the targets were more than reported and the achievements against the target were lower than reported.

Planned indicators per annual planning document	Planned targets per annual planning document	Reported achievement	Actual achievement
To monitor the exhibition of flea market by the municipality by June 2025	3 Exhibitions /Flea Markets monitored by the municipality by June 2025	4 Exhibitions /Flea Markets monitored by the municipality by June 2025	01 Exhibitions/Flea Markets monitored by the municipality by June 2025
To facilitate the implementation of Community Development Support by June 2025	2 Community Development Support facilitated by June 2025	1 Community Development Support facilitated by June 2025	01 Community Development Support facilitated by June 2025
To Facilitate SMMEs Awareness by June 2025	4 SMMEs Awareness facilitated by June 2025	13 SMMEs Awareness facilitated by June 2025	0 SMMEs Awareness facilitated by June 2025
To Facilitate SMMEs Training by June 2025	4 SMMEs Training facilitated by June 2025	3 SMMEs Training facilitated by June 2025	0 SMMEs Training facilitated by June 2025
To hold Twinning engagements meetings by June 2025	3 Twinning engagements meetings held by June 2025	2 Twinning engagements meetings held by June 2025	0 Twinning engagements meetings held by June 2025

Other matters

31. I draw attention to the matters below.

Achievement of planned targets

32. 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

33. The table that follows provide 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

<p>Targets achieved: 60%</p> <p>Budget spent: 100%</p>		
Key service delivery indicator not achieved	Planned target	Reported achievement
To construct indigenous games platforms (Mufuvha, Ndode, Juskei and Chess) at Mukula, Tswinga, Tshitanini, Ha-Matoti and Thohoyandou Block G (17) by 30 June 2025	Indigenous games platforms (Mufuvha, Ndode, Juskei and Chess) at Mukula(13), Tswinga(36), Tshitanini(16), Ha-Matoti(19) and Thohoyandou Block G (21) by 30 June 2025	Indigenous games platforms (Mufuvha, Ndode, Juskei and Chess) at Mukula(13), Tswinga(36), Tshitanini(16), Ha-Matoti(19) and Thohoyandou Block G (21) by 30 June 2025
To construct base at Ha-Makhuvha Ring Road by June 2025	6km base constructed at Ha-Makhuvha Ring Road by June 2025	3,9km base constructed at Ha-Makhuvha Ring Road by June 2025
Appointment of contractor and site establishment for upgrading of 2,1km Thohoyandou Block M Internal streets Phase 1 from gravel to paving within R293 Towns by June 2025	Appointment of contractor and site establishment for upgrading of 2,1km Thohoyandou Block M Internal streets Phase 1 from gravel to paving within R293 Towns by June 2025	Appointment of contractor and site establishment for upgrading of 2,1km Thohoyandou Block M Internal streets Phase 1 from gravel to paving within R293 Towns not done by June 2025
To develop Gundani land fill site by June 2025 (Multi year)	Gundani land fill site developed by June 2025	Gundani land fill site not developed by June 2025
Advertisement for a contractor for Tshaulu testing station construction by June 2025	Advertisement for a contractor for Tshaulu testing station construction by June 2025	Advertisement for a contractor for Tshaulu testing station construction not done by June 2025
To construct base within R293 Towns of Thohoyandou link road from block K to L by June 2025	1,7km base constructed within R293 Towns of Thohoyandou link road from block K to L by June 2025	1,3km base constructed within R293 Towns of Thohoyandou link road from block K to L by June 2025
Appointment of contractor for upgrading of Internal Streets within R293 Towns (Thohoyandou Q) from gravel to paving by June 2025 (Multi year)	Appointment of contractor for upgrading of Internal Streets within R293 Towns (Thohoyandou Q) from gravel to paving by June 2025	Appointment of contractor for upgrading of Internal Streets within R293 Towns (Thohoyandou Q) from gravel to paving not done by June 2025
To rehabilitate surfaced roads and storm water within R293 Towns from JJ Motors to Hayani by June 2025	4800m2 surfaced roads and storm water within R293 Towns from JJ Motors to Hayani by June 2025	4800m2 surfaced roads and storm water within R293 Towns from JJ Motors to Hayani not rehabilitated by June 2025
Percentage of loading bays, sidewalk, streetlights, asphalt surfacing and	100% loading bays, sidewalk, streetlights,	90% loading bays, sidewalk, streetlights,

<p><i>Targets achieved: 60%</i></p> <p><i>Budget spent: 100%</i></p>		
Key service delivery indicator not achieved	Planned target	Reported achievement
landscaping at UIF to Shell Garage constructed by June 2025	asphalt surfacing and landscaping at UIF to Shell Garage constructed by June 2025	asphalt surfacing and landscaping at UIF to Shell Garage constructed by June 2025
Appointment of contractor for construction of Shayandima Ext 3 internal street from gravel to paving by June 2025	Appointment of contractor for construction of Shayandima Ext 3 internal street from gravel to paving by June 2025	Appointment of contractor for construction of Shayandima Ext 3 internal street from gravel to paving not done by June 2025
Appointment of contractor for construction of internal streets from gravel to paving and lighting at Shayandima Industrial Area by June 2025	Appointment of contractor for construction of internal streets from gravel to paving and lighting at Shayandima Industrial Area by June 2025	Appointment of contractor for construction of internal streets from gravel to paving and lighting at Shayandima Industrial Area not done by June 2025
To facilitate the implementation of Community Development Support by June 2025	2 Community Development Support facilitated by June 2025	1 Community Development Support facilitated by June 2025
To facilitate SMMEs Training by June 2025	4 SMMEs Training facilitated by June 2025	3 SMMEs Training facilitated by June 2025

Material misstatements

34. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery and local economic development of development priorities. Management did not correct the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

35. 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.

36. 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.

37. 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.
38. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

39. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.
40. Material misstatements of non-current assets, current assets, 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.

Strategic planning and performance management

41. The performance management system and related controls were not maintained and adequate as the performance monitoring, review and reporting processes was not conducted and managed, as required by municipal planning and performance management regulation 7(1).

Revenue management

42. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.
43. An adequate management, accounting and information system which accounts for revenue / debtors was not in place, as required by section 64(2)(e) of the MFMA.

Expenditure management

44. Reasonable steps were not taken to prevent irregular expenditure amounting to R28 452 624 as disclosed in note 53 to the annual financial statements, as required by section 62(1)(d) of the MFMA. Irregular expenditure amounting to R12 000 000 was incurred on construction of Tshilamba Arts Centre.

Procurement and contract management

45. Awards were made to providers who were in the service of other state institutions or whose directors / principal shareholders were in the service of other state institutions, in contravention of MFMA 112(1)(j) and supply chain management (SCM) regulation 44. Similar awards were

identified in the previous year, and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).

46. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).

Other information in the annual report

47. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected key performance area presented in the annual performance report that have been specifically reported on in this auditor's report.

48. 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.

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

50. 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

51. 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.

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

53. Management did not review and monitor compliance with applicable legislation.

54. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

55. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.
56. The management did not adequately implement controls over daily and monthly processing and reconciling of transactions.
57. Management has not sufficiently addressed internal control deficiencies identified in prior years, resulting in recurring findings. No effective action plan has been implemented to resolve these issues.

Auditor General

Polokwane

30 November 2025



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 development priorities 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.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

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>Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure,</p> <p>Section 1 - Definition: service delivery and budget implementation plan,</p> <p>Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1),</p> <p>Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b),</p> <p>Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i),</p> <p>Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b),</p> <p>Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e),</p> <p>Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1),</p> <p>Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii),</p> <p>Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170,</p> <p>Sections 171(4)(a), 171(4)(b)</p>
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
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), 13(c)(i), 16(a), 17(1)(a),</p> <p>Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a),</p> <p>Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b),</p> <p>Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c),</p> <p>Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43,</p> <p>Regulations 44, 46(2)(e), 46(2)(f)</p>
Municipal Systems Act 32 of 2000	<p>Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b),</p> <p>Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a),</p> <p>Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J (1), 96(b)</p>

Legislation	Sections or regulations
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 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: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(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), Regulations 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)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Explanatory information and examples

General

Responsibilities of the auditor-general for the audit of the financial statements

If a disclaimer of opinion is expressed, only include the paragraphs below and exclude the paragraphs from the template:

My responsibility is to conduct an audit of the financial statements in accordance with the International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for qualification of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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 the 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.