

Report of the auditor-general to Parliament on the Independent Development Trust

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Independent Development Trust set out on pages x to x2, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with 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 Independent Development Trust as at 31 March 2023, and financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Programme assets and liabilities (disclosure)

3. The entity did not disclose the value of write offs that reduce the amount that the principal is entitled to, and the cash paid on behalf of the principal as required by SA standards of GRAP 109, *Accounting by principals and agents*. I have not included the omitted information in this auditor's report as it was impracticable to do so.

Programme liabilities

4. Programme liabilities for goods and services received but not yet paid was not recorded which resulted in programme liabilities and programme assets disclosed in note 5 being understated by R57 776 990.

Furthermore, I was unable to obtain sufficient appropriate audit evidence, as adequate systems were not in place to maintain records of goods and services received but not yet paid for in the current and previous year. I could not confirm this by alternative means, consequently I am unable to determine whether any further adjustments were necessary to the programme liabilities stated at R2 123 733 000 (2022: R1 557 752 000)

Programme trade and other receivables

5. Goods and services received but not yet paid was not recorded which resulted in programme trade and other receivables disclosed in note 5 being understated by R57 776 990.

Furthermore, I was unable to obtain sufficient appropriate audit evidence, as adequate systems were not in place to maintain records of goods and services received but not yet paid for and I could not confirm this by alternative means, consequently I am unable to determine whether any further adjustments were necessary to the programme trade and other receivables stated at R844 708 000

Programme assets

6. During 31 March 2022, I was unable to obtain sufficient appropriate audit evidence for programme assets due to the status of accounting records. I was unable to confirm the assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of programme assets, stated at R1 557 752 000. My audit opinion on the financial statements for the period ended 31 March 2022 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the programme assets for the current period.

Programme expenditure

7. Programme expenditure transactions relating to years prior to the current year has been recorded in the current year. Consequently, this has resulted in note 5 being overstated by R100 622 469. This also has an impact on the surplus for the period and on the programme payments net movement.

Programme expenditure – non-state sector and goods and services

8. Programme expenditure non-state sector expenditure was incorrectly classified as programme expenditure – goods and services, this has resulted in a programme expenditure – goods and services in note 5 being overstated by R33 134 698 and programme expenditure – non state sector understated by R33 134 698.

Irregular expenditure

9. The irregular expenditure transactions relating to years prior to the current year has been recorded in the current year. Consequently, this has resulted in note 23 being overstated by R125 128 286.

In addition, the irregular expenditure incurred during the current financial year under audit and related information on irregular expenditure was not included in the notes to the financial statements, as required by section 55(2)(b)(i) of the PFMA. Expenditure was incurred in contravention of the supply chain management requirements, resulting in irregular expenditure. I was unable to determine the full extent of the irregular expenditure that occurred during the financial year as it was impracticable to do so.

Related parties

10. The entity has extensive related party transactions with other department and entities within the national sphere of government. Contrary to the requirements of GRAP 20, *Related party disclosures*, related party relationships with other entities, or the transactions and balances with these parties were not disclosed in the accompanying financial statements. I have not included the omitted information in this auditor's report as it was impracticable to do so.

Context for opinion

11. 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.
12. I am independent of the entity 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.
13. 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.

14. I draw attention to the matter below. My opinion is not modified in respect of this matter.
15. I draw attention to note 21 to the financial statements, which indicates that the cash flow forecast for the year ending 31 March 2024 indicated a net cash outflow resulting in a significant decline in available resources. As stated in note 21, these events or conditions, along with the other matters, indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern.

Emphasis of matters

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

Restatement of corresponding figures

17. As disclosed in note 19 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the Independent development trust at, and for the year ended, 31 March 2023.

Future outcomes of litigation

18. With reference to note 17 to the financial statements, the entity is the defendant in a number of legal cases in which the entity is opposing the claims. The ultimate outcome of the matter could

not be determined and no provision for any liability that may result was made in the financial statements.

Material impairments

19. As disclosed in note 2 to the financial statements had a material allowance for impairment of receivables from exchange transactions of R28 391 000 (2022: 72 538 000)

Underspending of the budget

20. As disclosed in the statement of comparison of budget and actual amounts, the entity materially underspent the budget by R112 829 000.

Other matters

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

National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

22. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure (UIFW expenditure). Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in either the annual report or the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 23 to the financial statements. Furthermore, the movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Independent development trust. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now included as part of other information in the annual report of the independent development trust. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

23. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the standards of GRAP and the requirements of PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
24. In preparing the financial statements, the accounting authority is responsible for assessing the entity'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 entity 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

25. 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.
26. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

27. 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 selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
28. I selected the following programme presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected a programme that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Integrated service delivery	XX-XX	The purpose of this programme is to ensure provision of efficient, effective and integrated public social infrastructure delivery management services to satisfy client requirements and impact positively on government development agenda. It ensures that the entity delivers on its core mandate and contributes to the reduction of infrastructure backlogs through construction of public infrastructure, creating work opportunities through public employment schemes and transforming the built environment.

29. I evaluated the reported performance information for the selected programme 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 entity's planning and delivery on its mandate and objectives.

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30. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives.
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and 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 what was committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

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

32. The material findings on the performance information of the selected programme objective are follows:

Integrated service delivery

Percentage of projects completed within budget.

33. An achievement of 75% was reported against a target of 75%. However, some supporting evidence was not provided for auditing and, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Number of construction work opportunities created (IDT portfolio)

34. An achievement of 3187 was reported against a target of 5100. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Percentage of weighted B-BBEE Spend (Based on total programme spend)

35. An achievement of 45% was reported against a target of 75%. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

Number of work opportunities created through EPWP (EPWP-NSS excluding IDT programme portfolio)

36. An achievement of 109 871 was reported against a target of 64000. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

Other Matters

37. I draw attention to the matter below.

Achievement of planned targets

38. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement's. This information should be considered in the context of the material findings on the reported performance information.

39. The entity plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned target	Reported achievement
Integrated service delivery		
<i>Targets achieved: 55%</i>		
<i>Budget spent 74%</i>		
Percentage of projects completed on time	75%	22%
Number of new or replacement facilities that comply with infrastructure norms completed	21	18
Percentage of weighted B-BBEE Spend (Based on total programme spend)	75%	45%
Percentage of Persons with disabilities participating in the IDT Contractor Development Programme	2%	0%
Number of construction work opportunities created (IDT portfolio)	5 100	3 187

40. Reasons for the underachievement of targets are included in the annual performance report on pages XX and XX.

Material misstatements

41. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of integrated service delivery. Management did not correct all of the misstatements and I reported material findings in this regard.

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Report on compliance with legislation

42. 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 authority is responsible for the entity's compliance with legislation.
43. 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.
44. 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 entity, 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.
45. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements, performance and annual report

46. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA.
47. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected and supporting documentation were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Procurement and contract management

48. Some of the goods, works or services were not procured through a procurement process which is fair, equitable, transparent and competitive, as required by section 51(1)(a)(iii) of the PFMA. Similar non-compliance was also reported in the prior year.
49. Some of the deviations was not in line with the circumstances provided in the SCM policy under which the procurement may occur as required by section 51(1)(a)(iii) of the PFMA and PFMA Instruction Note 3 of 2021/22 paragraphs 4.3 and 4.4.
50. Some of the deviation process followed in respect of identifying prospective suppliers are not in line with the process prescribed in the institution's SCM policy as required by section 51(1)(a)(iii) of the PFMA and PFMA instruction note no.3 of 2021/22 paragraph 4.4.(d).
51. Some of the contracts were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the PPPFA and Preferential Procurement Regulation 2017.

52. Some of the contracts and quotations were awarded to bidders based on pre-qualification criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of the 2017 Preferential Procurement Regulation 4(1) and 4(2).
53. Some of the contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of PPPFA and Preferential Procurement Regulation 2017.

Expenditure management

54. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA. As reported in the basis for the qualified opinion the full extent of the irregular expenditure could not be quantified. The majority of the irregular expenditure disclosed in the financial statements was caused by non-compliance with supply chain management prescripts.
55. Effective steps were not taken to prevent fruitless and wasteful expenditure as disclosed in note 22 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the fruitless and wasteful expenditure was caused by the incurral of interest and penalties.
56. Resources of the Independent Development Trust were not utilised economically, as required by section 57(b) of the PFMA.

Revenue management

57. Effective and appropriate steps were not taken to collect all revenue due, as required by section 51(1)(b)(i) of the PFMA.

Consequence management

58. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.
59. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.
60. Allegations of fraud which exceeded R100 000 were not reported to the SAPS, as required by section 34(1) of the PRECCA.
61. Disciplinary hearings were not held for confirmed cases of financial misconduct committed by members of the accounting authority, as required by treasury regulation 33.1.3.
62. Disciplinary hearings were not held for confirmed cases of financial misconduct committed by officials, as required by treasury regulation 33.1.1.

Other information in the annual report

63. The accounting authority 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 the selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.
64. 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.
65. 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
66. The other information I obtained prior to the date of this auditor's report are the irregular and fruitless and wasteful expenditure and the general, governance and human resource information are expected to be made available to us after 15 September 2023.
67. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
68. Particulars of irregular expenditure included in the annual report is materially inconsistent with audit evidence obtained during the audit as not all irregular expenditure was included. In addition, I was unable to determine the full extent of the irregular expenditure as it was impracticable to do so.
69. Furthermore, The irregular expenditure recorded in the annual report is materially misstated due to the material misstatement that has been identified in the basis for qualified opinion paragraph relating to irregular expenditure.
70. When I do receive and read the general, governance and human resource 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

71. 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.

72. 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.
73. Leadership did not sufficiently execute its oversight responsibility in the preparation of the financial statements, the annual performance report and the compliance with legislation to prevent the recurrence of material misstatements and material non-compliance. An action plan was implemented in the prior period, but was not adequate to ensure that the matters do not recur.
74. Leadership did not provide sufficient oversight over the implementation and monitoring of controls to prevent non-compliance, which resulted in a breakdown of controls.
75. Management had not implemented adequate controls to ensure that monthly reconciliations of transactions and validation of information were performed to support valid, accurate and complete financial reporting, which has resulted in misstatements in the annual financial statements and the annual performance report.
76. Management did not prepare regular financial statements to enable an adequate and regular review of the financial statements throughout the year, thereby identifying emerging risks presented by the reporting framework for the preparation of the annual financial statements. Furthermore management did not adequately review the financial statements and annual performance report to ensure that the information reported is supported by accurate and reliable information.

Material irregularities

77. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Status of previously reported material irregularities

Late payment of VAT resulting in VAT penalties and interest until 31 January 2022

78. The entity contravened section 28(1)(b) of the VAT act due to late payment of VAT for the period the audit team identified that IDT incurred interest and penalties of R1 821 725.79 due to late payment of VAT to SARS, for the period 1 April 2019 to January 2022. The non-compliance resulted in interest and penalties imposed by the South African Revenue Service (SARS) resulting in a material financial loss of R1 821 726, as disclosed in the annual report. Further losses are likely if the account is not paid on time.
79. The accounting authority was notified of the material irregularity (MI) on 1 July 2022 and invited to make a written submission on the actions that will be taken to address the MI. The response was received on 26 July 2022.
80. Management's disagreement is based on the presumption of unavailability of funds and that the delay could not have been avoided without jeopardizing the going concern of the

organisation. The audit financial assessments performed at each time when the payment of the respective VAT liabilities were due indicated that the entity had sufficient funds to settle the obligations at the respective due times.

81. No actions have been taken within the stipulated period. I recommend that the accounting officer should take the following actions to address the material irregularity, which should be implemented by 7 December 2023

- Take appropriate steps to assess the reasons and circumstances that led to the non-compliance with Section 28(1)(b) of the VAT Act, for the purposes of taking appropriate corrective actions and to address the internal control weaknesses.
- Appropriate action should be taken to determine whether any official is liable by law for the losses suffered by the entity for the purpose of recovery. The recovery process should not be unduly delayed.
- Effective and appropriate disciplinary steps should commence, without undue delay, against any official that was found to be responsible, as required by Section 51(1)(e) of the PFMA.
- Based on the reasons and circumstances, appropriate action should be taken to develop and commence with the implementation of a budget and cash flow management plan, to address the timely payments to SARS. The plan should include realistic timeframes and milestones to be achieved.

82. I will follow up on the implementation of the recommendations after the due date.

Other reports

83. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation, which has resulted in misstatements in the annual financial statements and annual performance report as well as significant instances of non-compliance.
84. The former President of the Country has, in terms of the Special Investigation Unit and Special Tribunal Act, 1996, authorised the Special Investigation Unit to investigate certain matters in respect of the procurement of, or contracting for goods, works or services by the Independent Development Trust on behalf the Department of Basic Education and payments made in respect thereof. The investigation was concluded and tabled however it is currently within a dispute resolution process.
85. The former President of the Country has, in terms of the Special Investigation Unit and Special Tribunal Act, 1996, authorised the Special Investigation Unit to investigate certain matters in respect of the procurement of, or contracting for goods, works or services by the Independent Development Trust on behalf the Department of Correctional Services and payments made in respect thereof. The investigation has been completed and tabled. The entity is to implement the remedial action and recommendations as indicated in the report.

86. The President of the Country has in terms of the Special Investigation Unit and Special Tribunal Act, 1996, authorised the Special Investigation Unit to investigate possible unlawful, improper or irregular conduct by the Independent Development Trust in relation to the Construction of New Courts Programme implemented on behalf of the Department of Justice. The investigation was still in progress at the date of this audit report.
87. The board has resolved to commission two investigations to be conducted by National Treasury on allegations of corruption, financial mismanagement and maladministration. The investigation is yet to commence at the date of this report.

Auditor-General

Pretoria

15 September 2023



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 programme and on the entity'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 entity'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 entity 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 entity 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 authority 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 authority with a statement that I have complied with relevant ethical requirements regarding independence and to 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
Public Finance Management Act No.1 of 1999 (PFMA)	Sections 50(3); 50(3)(a); 50(3)(b); 51(1)(a)(ii); 51(1)(a)(iii); 51(1)(a)(iv); 51(1)(b); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 52(b); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 57(d); 66(3)(a)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulations 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; 29.2.2; 29.3.1; 31.2.5; 31.2.7(a); 33.1.1; 33.1.3
Companies Act No.71 of 2008	Sections 30(3)(b)(i); 33(1)(a); 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 72(4)(a); 75(6); 86(1); 86(4); 88(2)(d); 112(2)(a); 129(7)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Companies Regulations	Regulations 30(2); 43(2)(a)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Sections 18(1); 22(3)
Construction Industry Development Board Regulations	CIDB regulations 17; 18(1A)1; 25(1); 25(5) & 25(7A)
Preferential Procurement Policy Framework Act 5 of 2005 (PPPFA)	Sections 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations 2017 (PPR)	Paragraphs 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2; 12.1 and 12.2
Preferential Procurement Regulations 2022 (PPR)	Paragraphs 3.1; 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
NT SCM Instruction Note 03 2021/22	Paragraphs 4.1; 4.2; 4.2 (b); 4.3; 4.4; 4.4 (c); 4.4(d); 4.6; 5.4
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Paragraphs 5.5.1(iv); 5.5.1(x)
NT SCM Instruction Note 11 2020/21	Paragraphs 3.1; 3.4 (a); 3.4(b); 3.9; 6.1; 6.2; 6.7
PFMA SCM instruction 08 of 2022/23	Paragraphs 3.2; 4.3.2; 4.3.3
Competition Act No. 89 of 1998	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment of NTI 05 of 2020/21	Paragraphs 4.8; 4.9; 5.1; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
NT instruction note 5 of 2020/21	Paragraphs 5.1 and 5.3

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